

CHINA
LIBERIA
THAILAND
MALAYSIA
AUSTRALIA
INDONESIA
SINGAPORE
HONG KONG
SOUTH AFRICA
NEW CALEDONIA
THE NETHERLANDS
PAPUA NEW GUINEA
UNITED STATES OF AMERICA
CHRISTMAS ISLAND (INDIAN OCEAN)
UNITED KINGDOM
SOLOMON ISLANDS
NEW ZEALAND
SOUTH KOREA
MALDIVES
GERMANY
VIETNAM
CANADA
MACAU
BRUNEI
JAPAN
INDIA

Global reach Local solutions

Annual Report 2013



Developing
Sustainable Futures

SIME DARBY BERHAD
(Company No. 752404-U)

COVER RATIONALE

Global Reach Local Solutions

Sime Darby's five core businesses are spread across five continents, supported by a workforce of over 100,000 employees. The wealth of its talent across the world produces local solutions that ensure sustainability and success for the Company and its stakeholders. Sime Darby is committed to developing sustainable futures across all its operations and believes that it is local expertise, shaped by a common vision, which makes it a global company.

ABOUT SIME DARBY >

Sime Darby is a Malaysia-based diversified multinational involved in key growth sectors, namely, plantation, industrial equipment, motors, property, energy & utilities and healthcare. Founded in 1910, its business divisions seek to create positive benefits in the economy, environment and society where it has a presence.

Sime Darby is committed to building a sustainable future for all its stakeholders. It is one of the largest companies on Bursa Malaysia with a market capitalisation of RM57.6 billion (USD 17.4 billion) as at 30 June 2013.

www.simedarby.com





MISSION

Sime Darby is committed to developing a winning portfolio of sustainable businesses

We subscribe to good corporate governance and high ethical values

We continuously strive to deliver superior financial returns through operational excellence and high performance standards

We provide the environment for our people to realise their full potential

VALUES

INTEGRITY

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

RESPECT AND RESPONSIBILITY

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

EXCELLENCE

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

ENTERPRISE

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

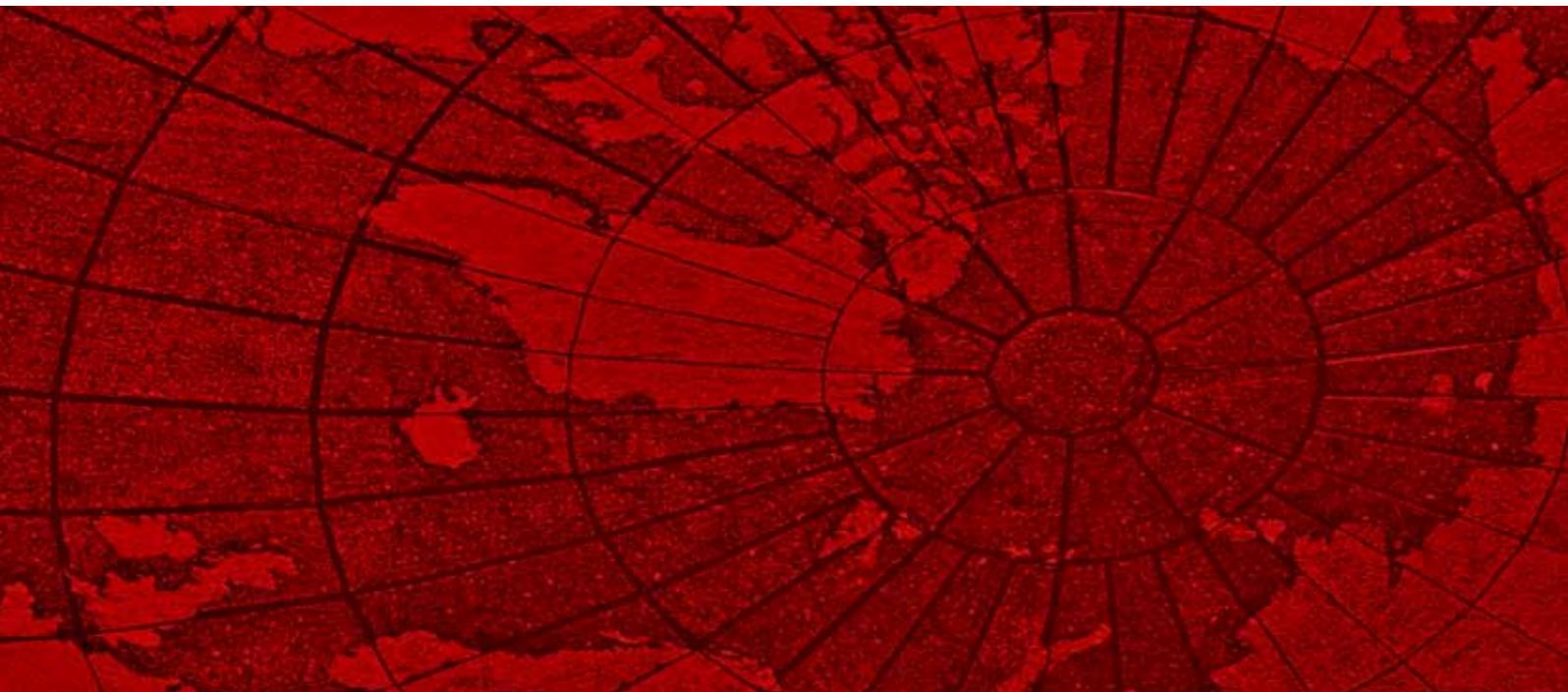
VISION

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



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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Seventh Annual General Meeting of Sime Darby Berhad will be held at the Grand Ballroom, First Floor, Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, 60000 Kuala Lumpur, Malaysia, on Thursday, 21 November 2013 at 10.00 a.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 30 June 2013 together with the Reports of the Directors and the Auditors thereon.
Please refer to Explanatory Note 1
2. To declare a final single tier dividend of 27 sen per ordinary share for the financial year ended 30 June 2013.
Please refer to Explanatory Note 2 (Resolution 1)
3. To approve the annual remuneration for the Non-Executive Directors as disclosed in the Audited Financial Statements for the financial year ended 30 June 2013.
Please refer to Explanatory Note 3 (Resolution 2)
4. To re-appoint Tan Sri Dato' Dr Wan Mohd Zahid Mohd Noordin as a Director of the Company and to hold office until the conclusion of the next Annual General Meeting pursuant to Section 129(6) of the Companies Act, 1965.
Please refer to Explanatory Note 4 (Resolution 3)
5. To re-elect the following Directors who retire pursuant to Article 104 of the Articles of Association of the Company and who have offered themselves for election:
 - i. Dato' Abdul Ghani Othman (Resolution 4)
 - ii. Tan Sri Dato' Sri Dr Wan Abdul Aziz Wan Abdullah (Resolution 5)
 - iii. Ir Dr Muhamad Fuad Abdullah (Resolution 6)*Please refer to Explanatory Note 5*
6. To re-elect the following Directors who retire pursuant to Article 99 of the Articles of Association of the Company and who have offered themselves for re-election:
 - i. Tan Sri Dato' Sri Hamad Kama Piah Che Othman (Resolution 7)
 - ii. Tan Sri Datuk Dr Yusof Basiran (Resolution 8)
 - iii. Datuk Zaiton Mohd Hassan (Resolution 9)*Please refer to Explanatory Note 6*
7. To re-appoint PricewaterhouseCoopers as Auditors of the Company for the financial year ending 30 June 2014, and to authorise the Directors to fix their remuneration.
Please refer to Explanatory Note 7 (Resolution 10)

AS SPECIAL BUSINESS

8. To consider and, if thought fit, pass the following Ordinary Resolutions:
 - i. **Authority to Allot and Issue Shares pursuant to Section 132D of the Companies Act, 1965**
 "THAT, subject always to the Companies Act, 1965 (Act), the Articles of Association of the Company, other applicable laws, guidelines, rules and regulations, and the approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby authorised, pursuant to Section 132D of the Act, to allot and issue shares in the Company to any person other than a Director or major shareholder of the Company or person connected with any Director or major shareholder of the Company, at any time until the conclusion of the next Annual General Meeting (AGM) and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares to be issued does not exceed ten percent (10%) of the issued and paid-up share capital of the Company for the time being AND THAT the Directors be and are also empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares so issued AND FURTHER THAT such authority shall commence immediately upon the passing of this Resolution and continue to be in force until the conclusion of the next AGM of the Company." (Resolution 11)

ii. Proposed Renewal of Shareholders' Mandate for Existing Recurrent Related Party Transactions and Proposed New Shareholders' Mandate for Additional Recurrent Related Party Transactions of a Revenue or Trading Nature

"THAT, subject always to the Companies Act, 1965, the Articles of Association of the Company, other applicable laws, guidelines, rules and regulations, and the approvals of the relevant governmental/regulatory authorities, approval be and is hereby given to the Company and/or its subsidiary companies to enter into all arrangements and/or transactions involving the interests of the Related Parties as specified in Section 2.4 of the Circular to Shareholders dated 30 October 2013, provided that such arrangements and/or transactions are:

- i. recurrent transactions of a revenue or trading nature;
- ii. necessary for the day-to-day operations;
- iii. carried out in the ordinary course of business on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public; and
- iv. not detrimental to the minority shareholders of the Company

(the Mandate);

AND THAT the Mandate, shall continue in force until:

- i. the conclusion of the next Annual General Meeting (AGM) of the Company following this AGM, at which time the Mandate will lapse, unless by an ordinary resolution passed at that meeting, the Mandate is renewed; or
- ii. the expiration of the period within which the next AGM is required to be held pursuant to Section 143(1) of the Act, (but shall not extend to such extensions as may be allowed pursuant to Section 143(2) of the Act); or
- iii. the Mandate is revoked or varied by ordinary resolution passed by the shareholders of the Company in general meeting,

whichever is the earliest;

AND THAT the Directors of the Company be authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Mandate."

(Resolution 12)

iii. Proposed Grant to Muhammad Ali Nuruddin pursuant to the Performance-Based Employee Share Scheme for the Eligible Employee (including Executive Directors) of Sime Darby Berhad and Its Subsidiaries (excluding subsidiaries which are dormant) (Scheme)

"THAT pursuant to the Scheme as approved by the shareholders at the Extraordinary General Meeting held on 8 November 2012, authority be and is hereby given to the Board of Directors of the Company to, at any time and from time to time, cause/procure the offering and allocation to Muhammad Ali Nuruddin, an eligible employee of the Company under the Scheme, of up to 400,000 ordinary shares in the Company (Sime Darby Shares) which will be vested in him at a future date and to procure the transfer of such number of Sime Darby Shares to him, all in accordance with the By-Laws of the Scheme."

(Resolution 13)

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

By Order of the Board



Norzilah Megawati Abdul Rahman
(LS 0009247)
Group Secretary

Notes:

1. A Member entitled to attend and vote at the Meeting is entitled to appoint not more than two (2) proxies to attend and vote on his/her behalf. Where a Member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportion of his/her shareholdings to be represented by each proxy. A proxy may, but need not, be a Member. A Member may appoint any person to be his/her proxy without any restriction as to the qualification of such person and the provisions of Sections 149(1)(a) and 149(1)(b) of the Companies Act, 1965 (Act) shall not apply to the Company.
2. Where a Member of the Company is an Authorised Nominee as defined under the Securities Industry (Central Depositories) Act 1991, he/she may appoint not more than two (2) proxies in respect of each Securities Account he/she holds with ordinary shares of the Company standing to the credit of the said Securities Account.
3. Where a Member of the Company is an Exempt Authorised Nominee as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one (1) Securities Account (Omnibus Account), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds PROVIDED THAT each beneficial owner of ordinary shares, or where the ordinary shares are held on behalf of joint beneficial owners, such joint beneficial owners, shall only be entitled to instruct the Exempt Authorised Nominee to appoint not more than two (2) proxies to attend and vote at a general meeting of the Company instead of the beneficial owner or joint beneficial owners.
4. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.
5. The instrument appointing a proxy shall be in writing signed by the appointor or his/her attorney duly authorised in writing or, if the appointor is a corporation, either under its common seal or signed by an officer or attorney so authorised.
6. The Form of Proxy and the Power of Attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, must be deposited at the office of the Share Registrar of the Company, Tricor Investor Services Sdn Bhd at Level 17, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, Malaysia, not less than forty-eight (48) hours before the time fixed for the Meeting or any adjournment thereof.
7. Only members registered in the Record of Depositors as at 12 November 2013 shall be eligible to attend, speak and vote at the Annual General Meeting (AGM) or appoint proxy(ies) to attend, speak and/or vote on their behalf.

*Explanatory Note 1***Audited Financial Statements for the financial year ended 30 June 2013**

This Agenda item is meant for discussion only as the provision of Section 169(1) of the Act does not require the audited financial statements to be formally approved by the shareholders. As such, this item is not put forward for voting.

*Explanatory Note 2***Declaration of a Final Single Tier Dividend**

In accordance with Article 126 of the Company's Articles of Association, the Board is recommending that the shareholders approve the payment of the final single tier dividend. Pursuant to paragraph 8.26 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (MMLR), the final single tier dividend, if approved, will be paid no later than three (3) months from the date of shareholders' approval. The Book Closure date will be announced by the Company after the Seventh AGM.

*Explanatory Note 3***Payment of Annual Remuneration for the Non-Executive Directors for the financial year ended 30 June 2013**

In accordance with Article 79(1) of the Company's Articles of Association, the Board is recommending that the shareholders approve the payment of the annual remuneration to the Non-Executive Directors as disclosed in the Audited Financial Statements for the financial year ended 30 June 2013.

The annual remuneration will be paid to the Non-Executive Directors who held office during the financial year ended 30 June 2013 upon the approval of the shareholders at the Seventh AGM of the Company.

*Explanatory Note 4***Re-appointment of Director pursuant to Section 129(6) of the Companies Act, 1965**

The re-appointment of Tan Sri Dato' Dr Wan Mohd Zahid Mohd Noordin who has attained the age of 73 years as a Director of the Company to hold office until the conclusion of the next AGM, shall take effect if the proposed Resolution 3 is passed by a majority of not less than three-fourths (3/4) of such members as being entitled to vote in person or by proxy at the Seventh AGM of the Company.

*Explanatory Note 5***Re-election of Directors**

Article 104 stipulates that new Directors appointed by the Board shall hold office until the conclusion of the next AGM of the Company and shall be eligible for re-election.

The Board has conducted an independence assessment on its Independent Directors guided by the definition of "Independent Director" as prescribed by the MMLR. An assessment of the independence of Ir Dr Muhamad Fuad Abdullah, an Independent Director of the Company, who was appointed during the financial year, was accordingly undertaken.

Explanatory Note 6

Articles 99 and 100 expressly state that at every AGM, at least one-third of the Directors for the time being shall retire from office. In addition, all Directors shall retire from office at least once every three (3) years. A retiring Director shall be eligible for re-election.

*Explanatory Note 7***Re-appointment of Auditors**

Pursuant to Sections 172(2) and 172(16) of the Companies Act, 1965, the shareholders are required to approve the re-appointment of Auditors who shall hold office until the conclusion of the next AGM and to authorise the Directors to determine their remuneration thereof. The present Auditors, Messrs PricewaterhouseCoopers (PwC), have indicated their willingness to continue their services for another year. The Governance & Audit Committee and the Board have considered the re-appointment of PwC as Auditors of the Company and have collectively agreed that PwC has met the relevant criteria prescribed by Paragraph 15.21 of the MMLR.

EXPLANATORY NOTES ON SPECIAL BUSINESS**1. Authority to Allot and Issue Shares pursuant to Section 132D of the Companies Act, 1965**

The proposed Resolution 11 is to seek a renewal of the general mandate obtained from the shareholders of the Company at the Sixth AGM of the Company held on 8 November 2012 and which will lapse at the conclusion of the forthcoming AGM to be held on 21 November 2013.

The general mandate, if passed, will provide flexibility for the Company and empower the Directors to allot and issue new shares in the Company for any fund raising activities, including but not limited to placing of shares, working capital and/or funding of strategic development of the Group. The renewal of the general mandate is sought to provide flexibility and avoid any delay arising from and cost in convening a general meeting to obtain approval of the shareholders for such issuance of shares, up to an amount not exceeding in total 10% of the issued and paid-up share capital of the Company, as the Directors consider appropriate in the best interest of the Company. The authority, unless revoked or varied by the Company at a general meeting, will expire at the next AGM of the Company.

The Company has not issued any new share pursuant to Section 132D of the Act under the general mandate which was approved at the Sixth AGM of the Company.

2. Proposed Renewal of Shareholders' Mandate for Existing Recurrent Related Party Transactions and Proposed New Shareholders' Mandate for Additional Recurrent Related Party Transactions of a Revenue or Trading Nature

The proposed Resolution 12, if passed, will enable the Company and/or its subsidiary companies to enter into recurrent transactions involving the interests of the Related Parties, which are of a revenue or trading nature and necessary for the Group's day-to-day operations, subject to the transactions being carried out in the ordinary course of business on terms not more favourable than those generally available to the public and are not detrimental to the minority shareholders of the Company.

Detailed information on the Proposed Renewal of Shareholders' Mandate and Proposed New Shareholders' Mandate is set out in Section 2.4 of the Circular to Shareholders relating to the matter dispatched together with the Company's 2013 Annual Report.

3. Proposed Grant of up to 400,000 Ordinary Shares in the Company pursuant to the Performance-Based Employee Share Scheme for the Eligible Employees (including Executive Directors) of Sime Darby Berhad and Its Subsidiaries (excluding subsidiaries which are dormant) (Scheme) to Muhammad Ali Nuruddin

The establishment of the Scheme was approved by shareholders at the Extraordinary General Meeting of the Company held on 8 November 2012.

The proposed Resolution 13, if passed, will enable the Company to grant to Muhammad Ali Nuruddin, an eligible employee of the Company under the Scheme, up to 400,000 Sime Darby Shares under the Scheme. Muhammad Ali Nuruddin is the brother-in-law of Dato' Azmi Mohd Ali, the Company's Non-Independent Non-Executive Director. The number of Sime Darby Shares proposed to be granted to Muhammad Ali Nuruddin will be determined by the Long Term Incentive Plan Committee established to administer the Scheme in accordance with the By-Laws as approved by the shareholders of the Company.

Dato' Azmi Mohd Ali has abstained and will continue to abstain from voting and/or deliberating on the entitlement of Muhammad Ali Nuruddin under the Scheme at the relevant Board Meetings of the Company and will also abstain from voting and/or deliberating in respect of his direct and/or indirect shareholdings in the Company (if any) on the resolution pertaining to Muhammad Ali Nuruddin's entitlement under the Scheme at the Company's AGM to be convened. Dato' Azmi Mohd Ali has also undertaken to ensure that all persons connected to him will abstain from voting and/or deliberating in respect of their direct and/or indirect shareholdings in the Company (if any) on the resolution pertaining to Muhammad Ali Nuruddin's entitlement under the Scheme at the Company's AGM to be convened.

STATEMENT ACCOMPANYING THE NOTICE OF ANNUAL GENERAL MEETING

Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad:

1. Tan Sri Dato' Dr Wan Mohd Zahid Mohd Noordin is standing for re-appointment under Section 129(6) of the Companies Act, 1965.
2. The Directors who are retiring pursuant to Article 104 of the Articles of Association of the Company and seeking re-election are:
 - i. Dato' Abdul Ghani Othman
 - ii. Tan Sri Dato' Sri Dr Wan Abdul Aziz Wan Abdullah
 - iii. Ir Dr Muhamad Fuad Abdullah
3. The Directors who are retiring pursuant to Article 99 of the Articles of Association of the Company and seeking re-election are:
 - i. Tan Sri Dato' Sri Hamad Kama Piah Che Othman
 - ii. Tan Sri Datuk Dr Yusof Basiran
 - iii. Datuk Zaiton Mohd Hassan

The profiles of the above Directors are set out in the section entitled "Profile of Directors" on pages 33 to 41 of the Company's 2013 Annual Report. Their shareholdings in the Company are set out in the section entitled "Analysis of Shareholdings" on page 356.

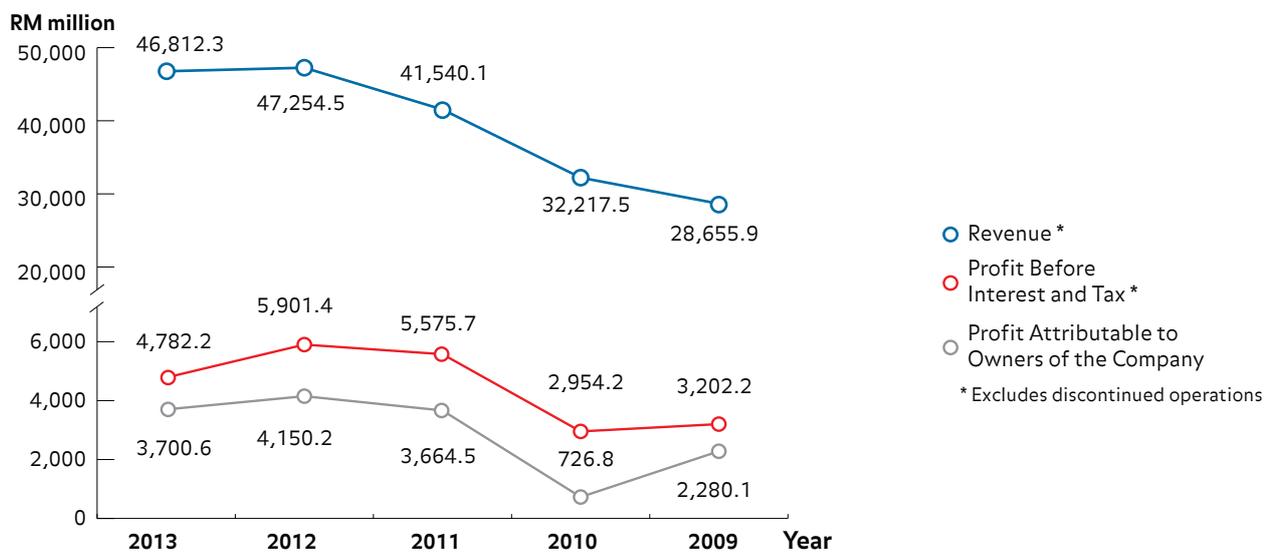
FIVE-YEAR FINANCIAL SUMMARY

Financial Year Ended 30 June (RM million)	2013	2012	2011	2010	2009
Results					
Revenue	46,812.3	47,254.5	41,540.1	32,217.5	28,655.9
Profit before tax	4,462.2	5,694.5	5,422.8	2,796.6	3,114.9
Tax expense	(983.0)	(1,301.7)	(1,592.5)	(900.7)	(664.7)
Profit from continuing operations	3,479.2	4,392.8	3,830.3	1,895.9	2,450.2
Profit/(loss) from discontinued operations	352.4	(46.4)	17.6	(1,041.1)	(109.4)
Profit for the year	3,831.6	4,346.4	3,847.9	854.8	2,340.8
Non-controlling interests	(131.0)	(196.2)	(183.4)	(128.0)	(60.7)
Profit attributable to owners of the Company	3,700.6	4,150.2	3,664.5	726.8	2,280.1
Equity and liabilities					
Share capital	3,004.7	3,004.7	3,004.7	3,004.7	3,004.7
Reserves	24,091.6	23,011.4	21,025.6	17,445.4	18,380.1
Shareholders' equity	27,096.3	26,016.1	24,030.3	20,450.1	21,384.8
Non-controlling interests	884.8	873.8	787.2	680.8	621.0
Total equity	27,981.1	26,889.9	24,817.5	21,130.9	22,005.8
Non-current liabilities	9,332.8	4,912.6	4,857.7	5,106.4	2,826.8
Current liabilities	11,053.9	16,348.7	13,168.7	11,340.3	10,607.3
Liabilities associated with assets held for sale	90.3	-	22.3	-	-
Total equity and liabilities	48,458.1	48,151.2	42,866.2	37,577.6	35,439.9
Assets					
Property, plant and equipment	14,096.4	14,003.7	12,656.1	12,245.7	10,730.7
Biological assets	2,498.5	2,417.1	2,429.7	2,417.5	2,323.3
Prepaid lease rentals	1,141.1	1,115.9	1,044.1	1,152.6	1,111.5
Investment properties	633.4	374.8	407.2	435.6	361.1
Land held for property development	864.2	835.2	893.7	674.1	605.2
Jointly controlled entities	1,295.8	284.1	295.5	215.9	530.9
Associates	1,585.8	1,492.4	685.8	625.5	607.1
Investments	118.7	111.8	125.5	155.1	220.0
Other non-current assets	3,023.4	2,461.3	1,093.6	1,037.3	932.5
Current assets	23,070.4	25,012.7	22,449.0	18,607.8	17,959.1
Non-current assets held for sale	130.4	42.2	786.0	10.5	58.5
Total assets	48,458.1	48,151.2	42,866.2	37,577.6	35,439.9
Financial statistics					
Earnings per share (sen)					
- basic	61.58	69.06	60.98	12.09	37.94
- diluted	61.57	69.06	60.98	12.09	37.94
Net dividend per share (sen)	34.00	35.00	30.00	10.00	19.00
Net assets per share attributable to owners of the Company (RM)	4.51	4.33	4.00	3.40	3.56
Return on average shareholders' equity (%)	13.93	16.59	16.48	3.47	10.59
Dividend cover (times)	1.81	1.97	2.03	1.21	2.00
Debt to equity ratio (times)	0.36	0.37	0.29	0.36	0.26
Debt to capital ratio (times)	0.27	0.27	0.22	0.27	0.20
Debt/Earnings before interest, tax, depreciation and amortisation (EBITDA) ¹ (times)	1.71	1.41	1.09	1.88	1.41

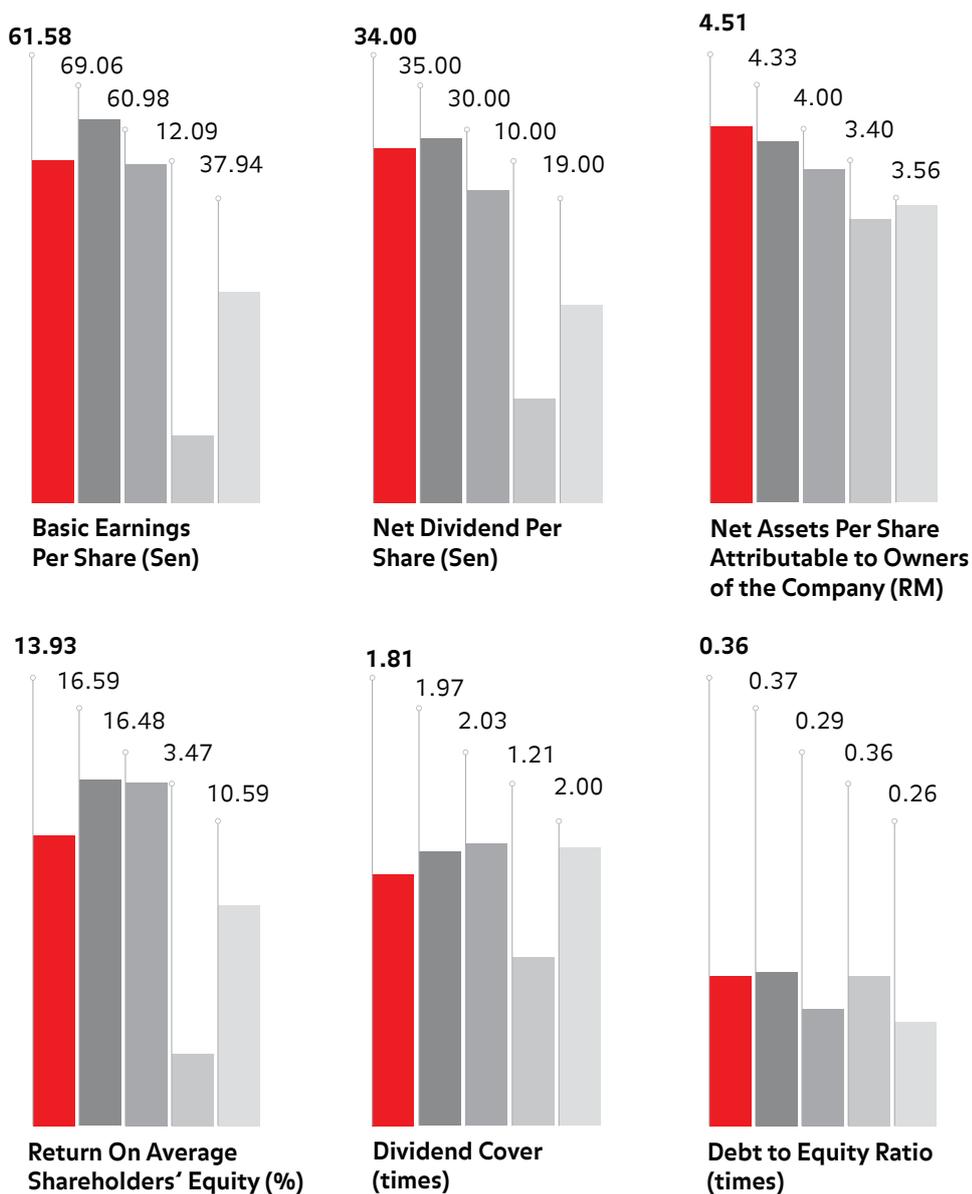
The comparatives have been restated following the re-presentation of the Healthcare business under discontinued operations.

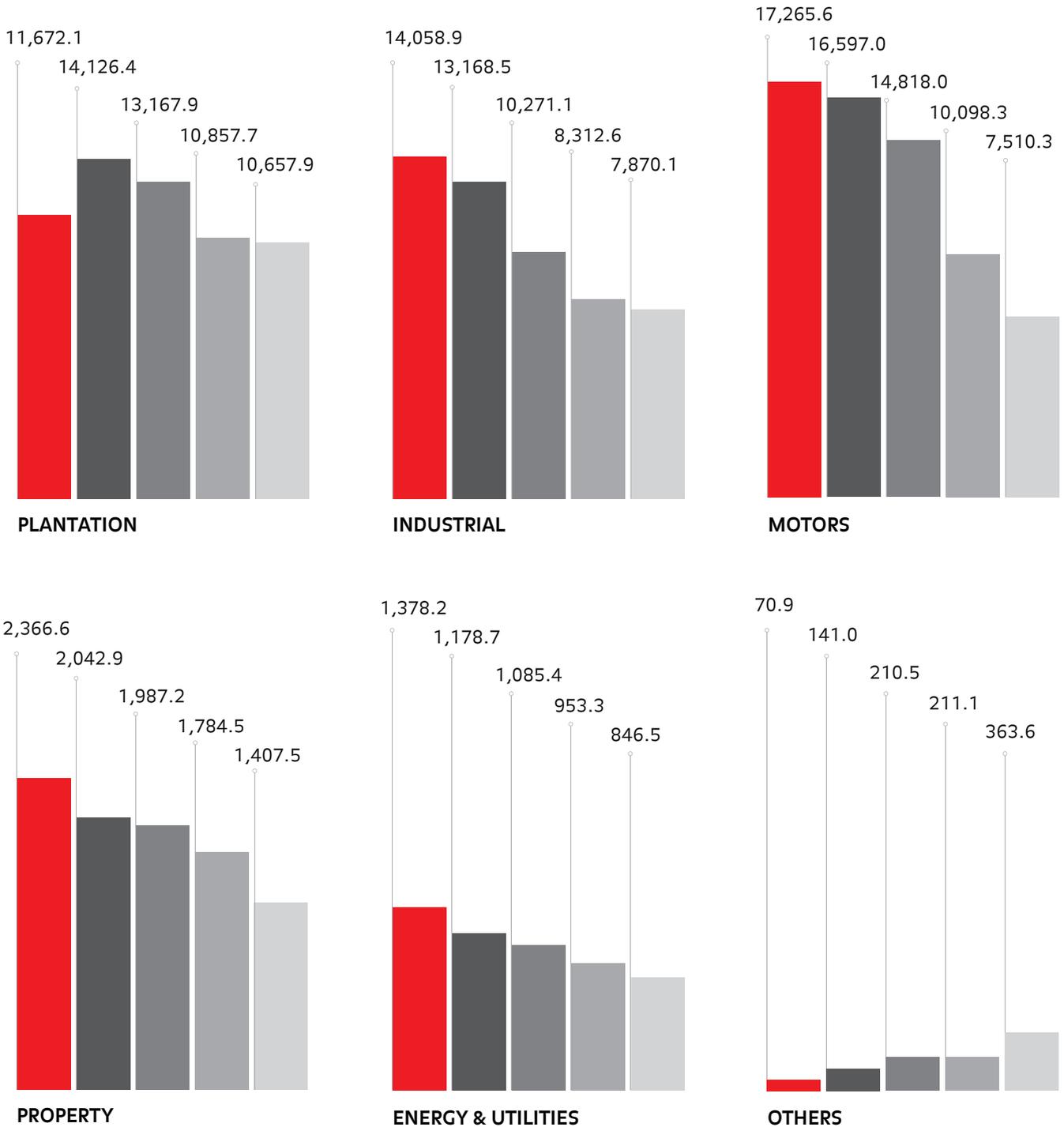
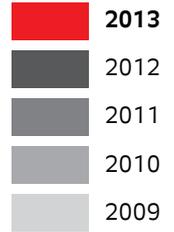
¹ EBITDA excludes share of results of jointly controlled entities and associates

GROUP PERFORMANCE

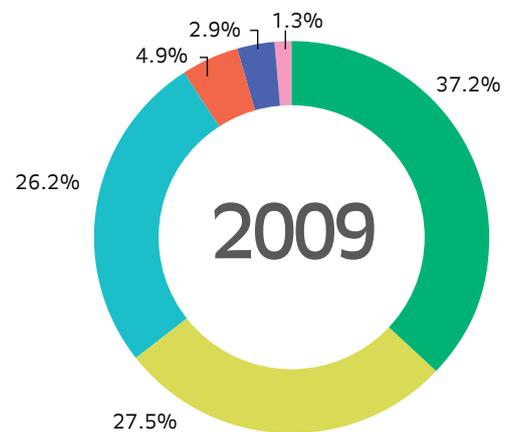
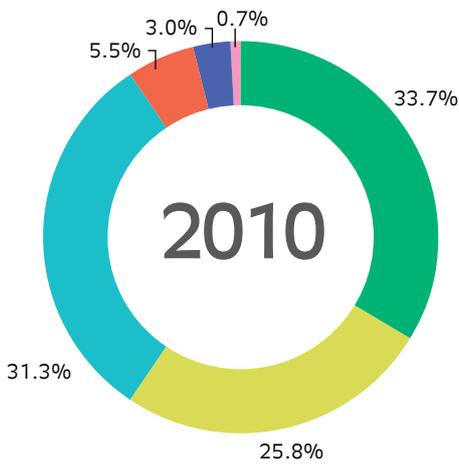
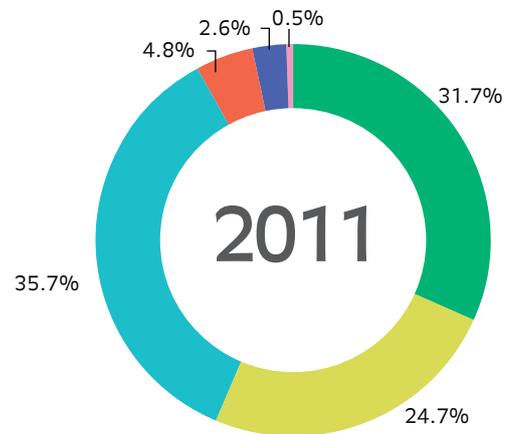
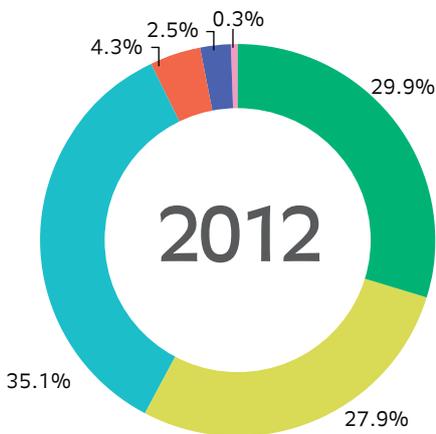
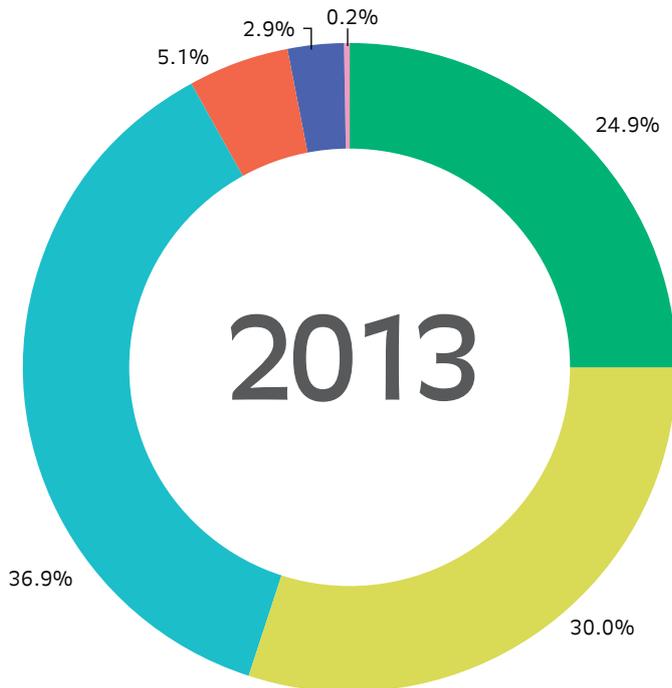


KEY FINANCIAL STATISTICS



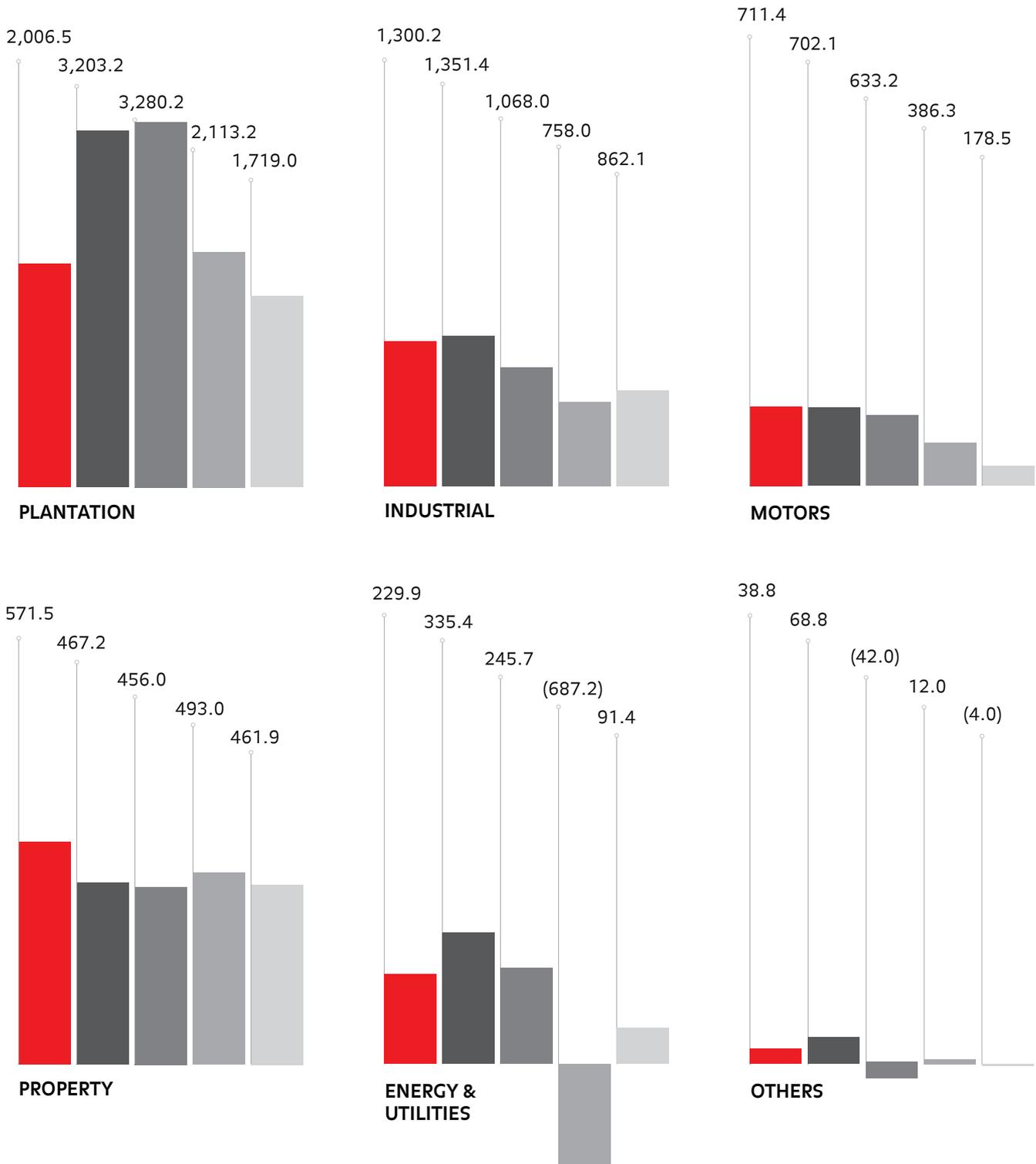
SEGMENT REVENUE
 (RM million)


CONTRIBUTION TO REVENUE BY SEGMENT

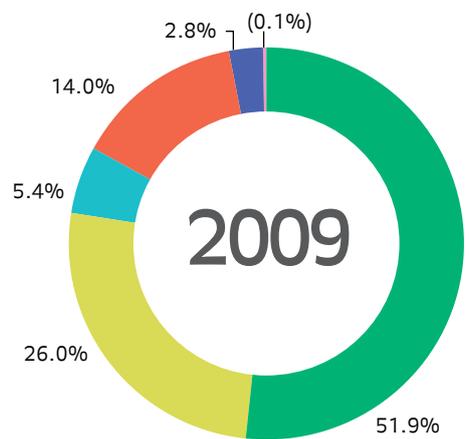
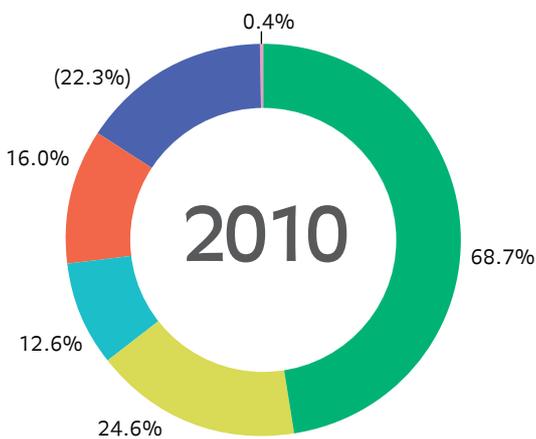
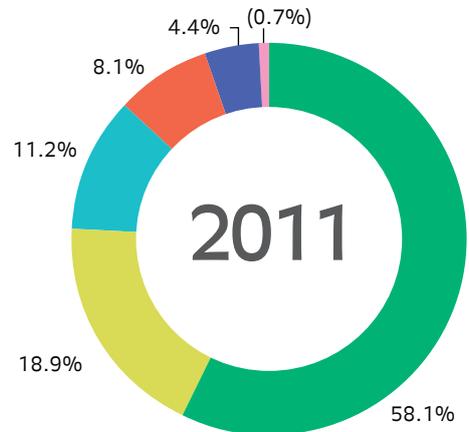
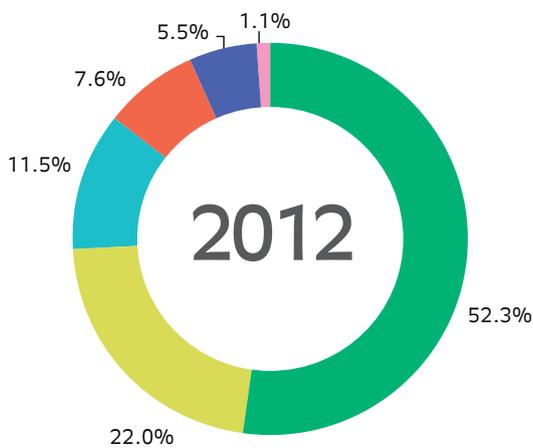
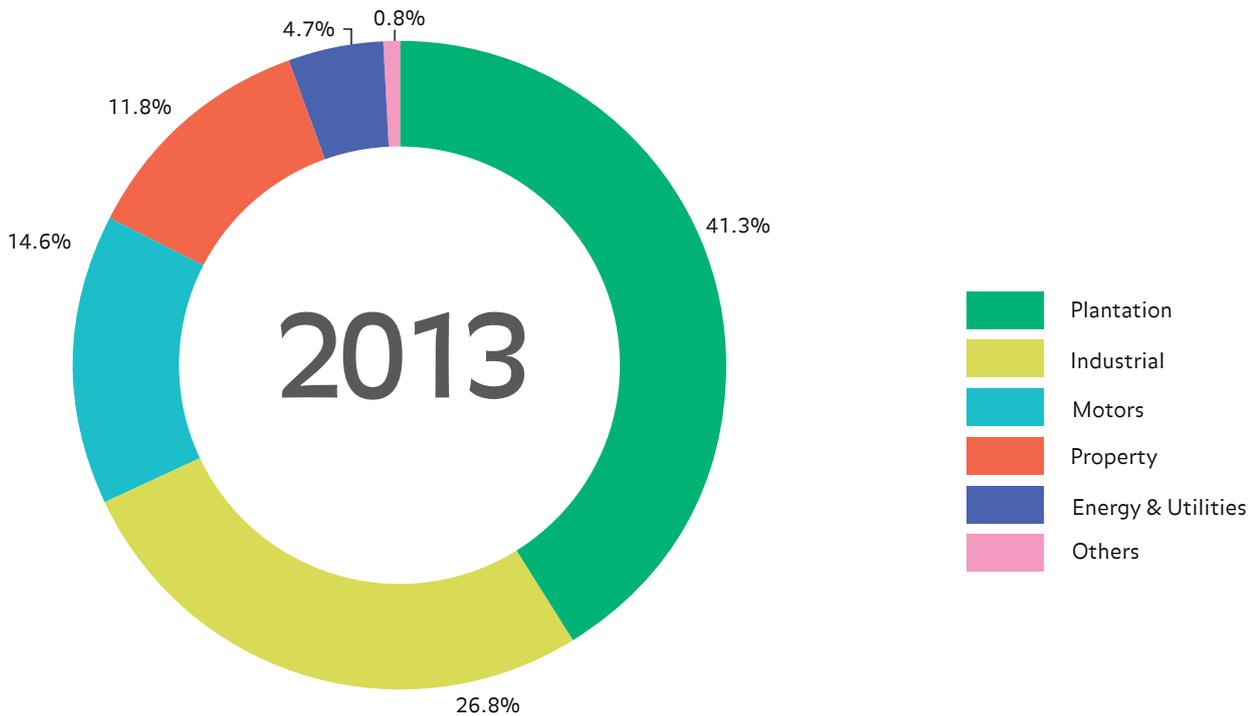


SEGMENT RESULTS

(RM million)



CONTRIBUTION TO RESULTS BY SEGMENT



GROUP FINANCIAL REVIEW

For the financial year ended 30 June 2013

Amounts in RM million

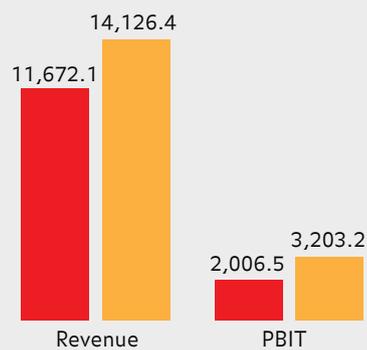
The Group registered lower revenue of 0.9% largely due to lower revenue from Plantation by 17.4%. The main contributors to the Group revenue are Plantation, Industrial and Motors at 24.9%, 30.0% and 36.9% respectively. The three divisions together contributed 91.8% (2012: 92.9%) to the Group revenue.

Profit before interest and tax (PBIT) declined by 19.0% largely attributable to lower earnings from Plantation by 37.4% which was partially off-set by lower corporate expenses. The main contributors to the Group's PBIT before corporate expenses and elimination are Plantation, Industrial and Motors at 41.3%, 26.8% and 14.6% respectively. The three divisions combined contributed 82.7% (2012: 85.8%) to the Group's PBIT.

The Group registered a gain of RM340.6 million from the joint-venture arrangement where the Group disposed its interest in Sime Darby Healthcare Sdn Bhd to Ramsay Sime Darby Health Care Sdn Bhd (formerly known as Sime Darby Global Healthcare Sdn Bhd) (RSDHC) in exchange for a 50% equity in RSDHC. Net earnings of the Group for the financial year at RM3.7 billion, is 10.8% lower than that recorded in the previous year of RM4.2 billion.

PLANTATION

Financial



Operational	2013	2012
Average crude palm oil price (RM per MT)	2,317	2,925
Cost of production (RM per MT)	1,048	1,118
Fresh fruit bunch (FFB) production (MT'000)	10,133	9,763
Refining capacity (MT'000)	2,794	2,794
Refining throughput (MT'000)	1,995	1,704

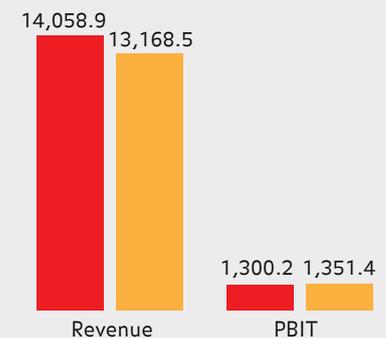
Plantation division's contribution declined by 37.4% compared to the previous year primarily due to lower average crude palm oil price realised of RM2,317 per tonne against RM2,925 per tonne previously. Overall FFB production was higher by 3.8% with Indonesia registering 12.8% higher while Malaysia registered a drop of 1.2%.

Midstream and downstream operations recorded a profit of RM108.8 million for the current year compared to a loss of RM62.3 million previously. The turnaround was largely attributable to better profit margin as a result of the lower feedstock cost and higher plant utilisation.



INDUSTRIAL

Financial



Operational	2013	2012
Machine PINS* (%)	8-30	10-31

* Percentage of industrial sales

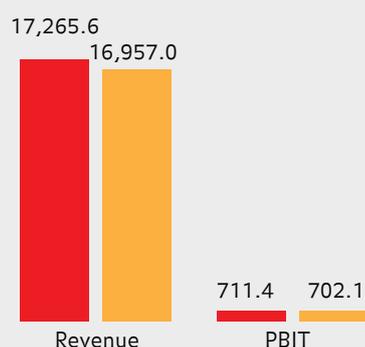
Contribution from the Industrial division declined marginally by 3.8% to RM1.3 billion. The lower results was largely due to the consolidation of the mining sector in Australasia following the drop in coal prices and the lower deliveries in Malaysia and Singapore to the marine and oil and gas sectors resulting from continuing weak market conditions. The slowdown in the construction sector and the deferment of infrastructure projects in China also contributed to the lower performance.

KEY FINANCIAL INDICATORS

	2013	2012	Change % + / (-)
Revenue	46,812.3	47,254.5	(0.9)
Earnings before interest, depreciation and amortisation (EBITDA)	5,930.7	6,968.4	(14.9)
Profit before interest and taxation (PBIT)	4,782.2	5,901.4	(19.0)
Profit before taxation	4,462.2	5,694.5	(21.6)
Profit after taxation and non-controlling interests (Net earnings)	3,700.6	4,150.2	(10.8)
Return on average shareholders' equity (ROE) (%)	13.9	16.6	(16.3)
Basic earnings per share (sen)	61.6	69.1	(10.8)
Net dividend per RM0.50 share (sen)	34.0	35.0	(2.9)
Gross gearing (%)	36.2	36.6	(1.1)

MOTORS

Financial

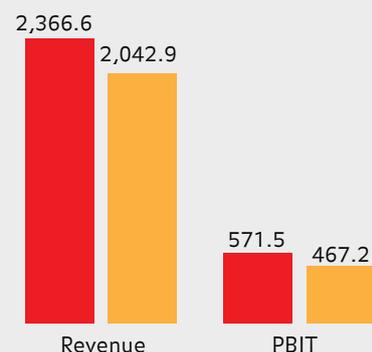


Operational	2013	2012
Number of vehicles sold (units)	89,126	81,050
Number of vehicles assembled (units)	17,229	14,423

Motors results improved modestly by 1.3% over that of the previous financial year. All regions recorded higher performances except for Singapore which was affected by weaker market sentiments and changes in government legislation.

PROPERTY

Financial

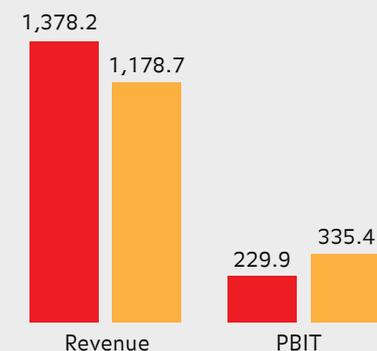


Operational	2013	2012
Number of units sold	2,103	1,390
Sales value contracted (RM million)	2,149.1	1,723.9

Contribution from Property rose to RM571.5 million, an increase of 22.3% compared to the last financial year mainly due to the higher profit recognition from Denai Alam, Bandar Bukit Raja, Taman Pasir Putih and the new launches in new township of Elmina East.

ENERGY & UTILITIES

Financial



Operational	2013	2012
Power Capacity (MW)	600	600
Utilities Throughput ('000 tonnes)	28,645	26,129

Profit from Energy & Utilities declined by 31.5% to RM229.9 million compared to the previous financial year due to the recognition of the deferred revenue of RM99.4 million from its power plant in Malaysia in the previous financial year.

The port operations in China registered a slight decline of 2.8% as a result of a 3.1% drop in throughput at Weifang Port due to the harsh weather conditions and the slowdown in China's economy which resulted in lower demand for coal and other commodities.

NET FINANCE COST

Finance Income

Finance income reduced by 28.7% to RM127.3 million due to lower income from deposits as a result of lower funds placement and lower average interest rate realised of 3.1% per annum as compared to 3.9% the previous financial year.

Finance Costs

Finance costs increased by 16.0% to RM447.3 million in line with the increased borrowings. The effective rate of borrowings for the Group for the financial year is 3.35% as compared to 3.69% the previous year. Interest cover was 10 times as compared to 15 times for the previous financial year, calculated as the sum of the profit for the year divided by the total interest cost.

TAXATION

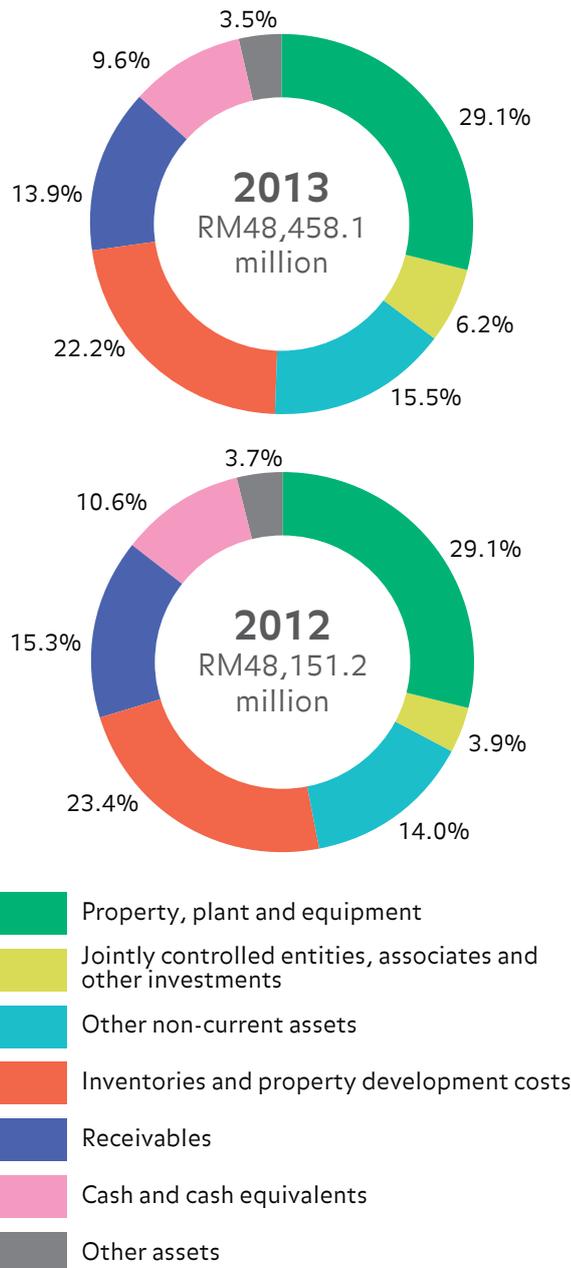
The Group recorded a tax expense of RM983.0 million as compared to the previous financial year of RM1.3 billion. The lower tax charge is attributable to lower chargeable income coupled with overprovision of tax in prior years of RM112.4 million as compared to RM77.7 million the previous financial year. The effective tax rate for the financial year at 22.7% is marginally lower than that for financial year ended 30 June 2012 of 23.3%.

DIVIDENDS

An interim single-tier dividend of 7 sen per share was paid for the current financial year, on 10 May 2013. The proposed final single-tier dividend is 27 sen per share, subject to shareholders' approval at the forthcoming Annual General Meeting of the Company. The Company proposes to undertake a dividend reinvestment plan which, subject to the relevant regulatory approvals and the shareholders' approval being obtained at an Extraordinary General Meeting, will apply to the proposed final dividend.

The total dividend for the year of 34 sen per share represents a payout of 55.2%, which is in line with the Company's dividend payout policy of not less than 50% of the Group's net earnings attributable to owners of the Company for the financial year. The full-year dividend at 34 sen per share is down by 2.9% compared to the previous year of 35 sen per share despite earnings down by 10.8%.

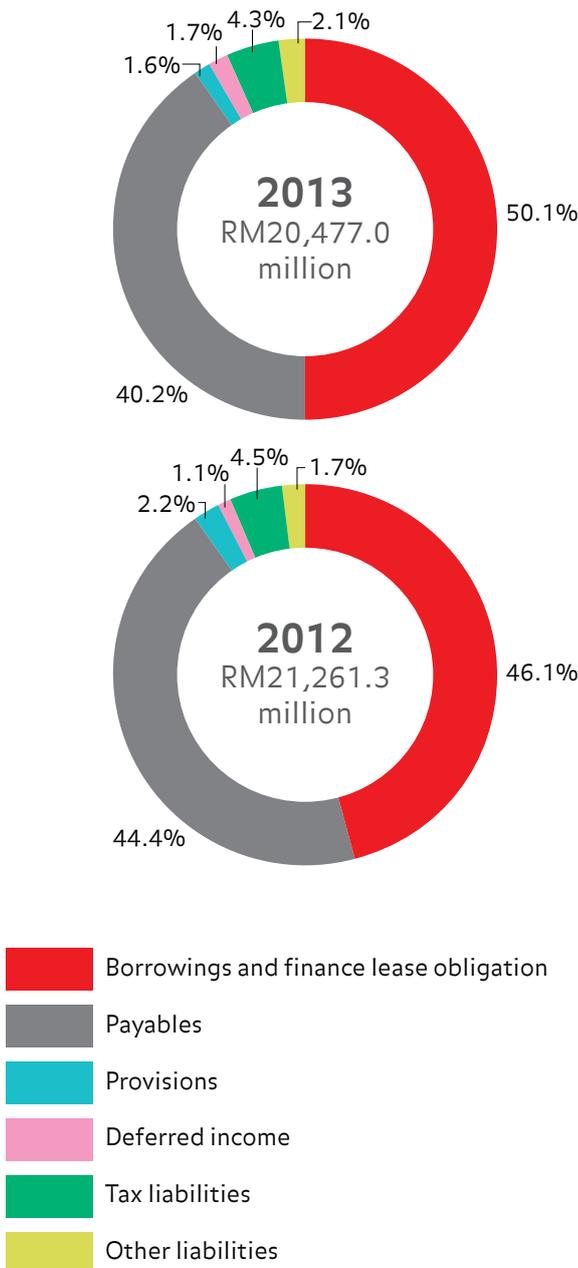
TOTAL ASSETS



Total assets of the Group increased by 0.6% to RM48.5 billion. The increase is largely due to the increase in interest in jointly controlled entities comprising 40% equity in the Battersea Project Holding Company Limited of RM403.7 million and the 50% equity interest in Ramsay Sime Darby Health Care Sdn Bhd of RM594.6 million, net of the reduction in inventories and trade receivables of RM777.4 million and RM660.5 million respectively.

Property, plant and equipment recorded a net increase of RM92.7 million. Additions during the financial year amounted to RM3.0 billion, net of disposals of RM1.2 billion and depreciation charge for the financial year of RM1.2 billion.

TOTAL LIABILITIES



The Group's total liabilities reduced by 3.7% to RM20.5 billion at the end of the financial year. The reduction is primarily due to lower payables by RM1.2 billion and lower tax payable of RM202.4 million which more than offset the increase in deferred tax liabilities, deferred income, borrowings and the finance lease obligation.

Funding

The Group's closing cash and cash equivalent amounted to RM4.6 billion, a decrease of 9.3% from 2012. Borrowings increased by 2.9% to RM10.1 billion due to new borrowings drawn down. The borrowings consist of short-term borrowings of RM2.1 billion and long-term borrowings of RM8.0 billion which represents 20.7% and 79.3% respectively of the Group's total borrowings.

The Group carries both Islamic and conventional borrowings in the proportion of 48.9% and 51.1% respectively. As at 30 June 2013, approximately 40.6% of the Group's borrowings were at floating rates and the remaining 59.4% were fixed rate borrowings or covered by interest rate hedges with major creditworthy financial institutions. Of the 40.6% borrowings carried at floating rates, approximately 48.5% are short-term borrowings.

In January 2013, the Group established a Multi-Currency Sukuk Programme with a programme limit of up to USD1.5 billion (or its equivalent in other currencies) and issued two tranches of USD400.0 million each for 5-year tenure and 10-year tenure, at a coupon rate of 2.053% and 3.29% per annum respectively. The Sukuk Programme has been accorded ratings of A by Standard & Poor's Ratings Services and Fitch Ratings and A3 by Moody's Investors Service.

During the financial year, the Group also issued two tranches of Islamic Medium Term Notes (IMTN) Programme amounting to RM700.0 million and redeemed RM300.0 million IMTN due in November 2012. The IMTN notes were part of the IMTN Programme of RM4.5 billion and an Islamic Commercial Paper (ICP) Programme of RM500.0 million, with a combined limit of RM4.5 billion of which RM2.4 billion is outstanding as at 30 June 2013. The IMTN programme was rated MARC-1_{ID}/AAA_{ID} by Malaysian Rating Corporation Berhad.

Gross debt to equity for the year was at 36.2% as compared to previous year of 36.6%. Net debt to equity ratio was 19.6% (2012: 17.6%).

The Group continues to enjoy strong operating cash flows, ample committed facilities and the Sukuk Programme and the IMTN Programme provide it with quick access to the capital markets.

SHAREHOLDERS' EQUITY

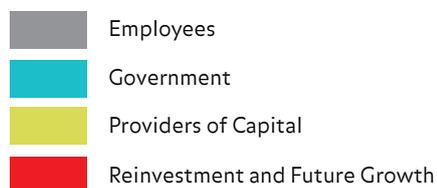
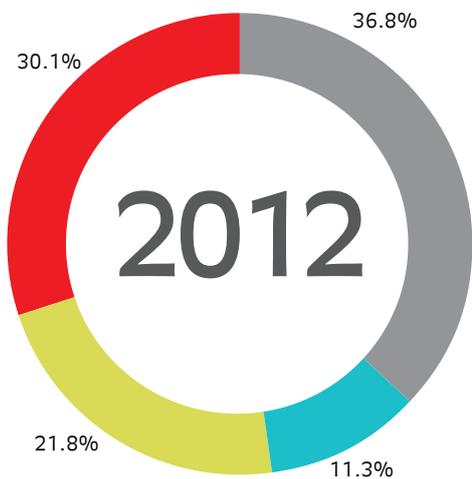
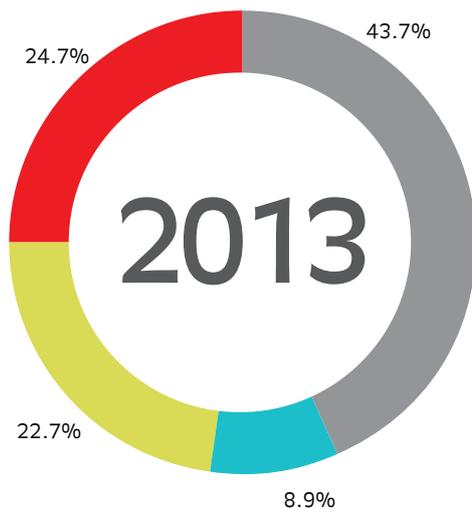
Total equity of the Group increased by 4.1% to RM28.0 billion whilst equity attributable to owners of the Company increased by 4.2% to RM27.1 billion. The increase is due to higher retained earnings at RM16.8 billion.

The total equity of the Group translates to net asset per share of RM4.51.

STATEMENT OF VALUE ADDED

For the financial year ended 30 June 2013
Amounts in RM million

VALUE DISTRIBUTED



	2013	2012
VALUE ADDED		
Revenue	46,812.3	47,254.5
Operating expenses	(37,597.6)	(37,387.0)
Other operating income	1,518.2	1,323.1
Share of results of jointly controlled entities and associates	141.1	114.6
Finance income	127.3	178.6
Total Value Added	11,001.3	11,483.8

Reconciliation

Profit for the year	3,348.2	4,196.6
Add :		
Depreciation and amortisation	1,289.6	1,181.6
Finance costs	447.3	385.5
Staff costs	4,802.2	4,222.2
Corporate tax	983.0	1,301.7
Non-controlling interests	131.0	196.2
Total Value Added	11,001.3	11,483.8

VALUE DISTRIBUTED

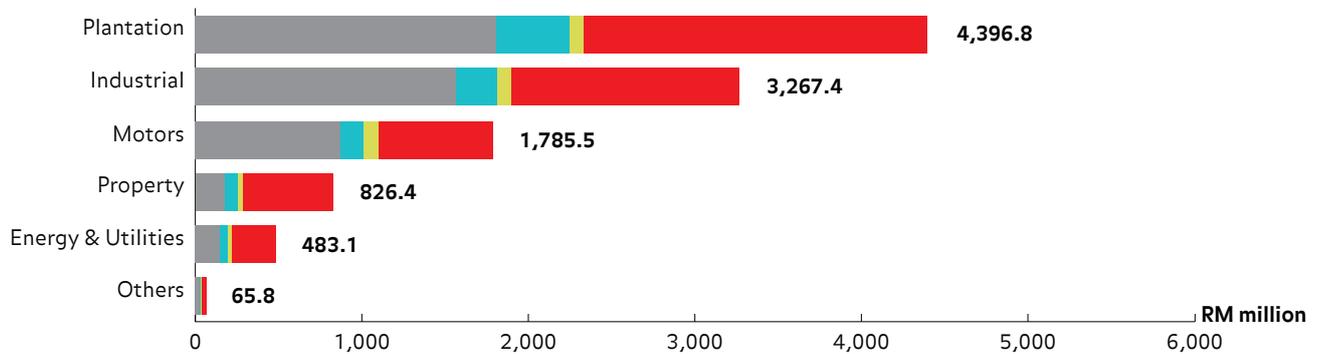
Employees		
Staff costs	4,802.2	4,222.2
Government		
Corporate tax	983.0	1,301.7
Providers of Capital		
Dividends	1,923.1	1,923.1
Finance costs	447.3	385.5
Non-controlling interests	131.0	196.2
Reinvestment and Future Growth		
Depreciation and amortisation	1,289.6	1,181.6
Retained earnings	1,425.1	2,273.5
Total Value Distributed	11,001.3	11,483.8

STATEMENT OF VALUE ADDED

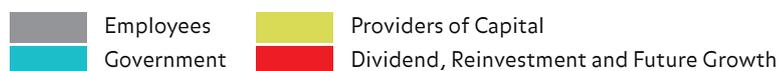
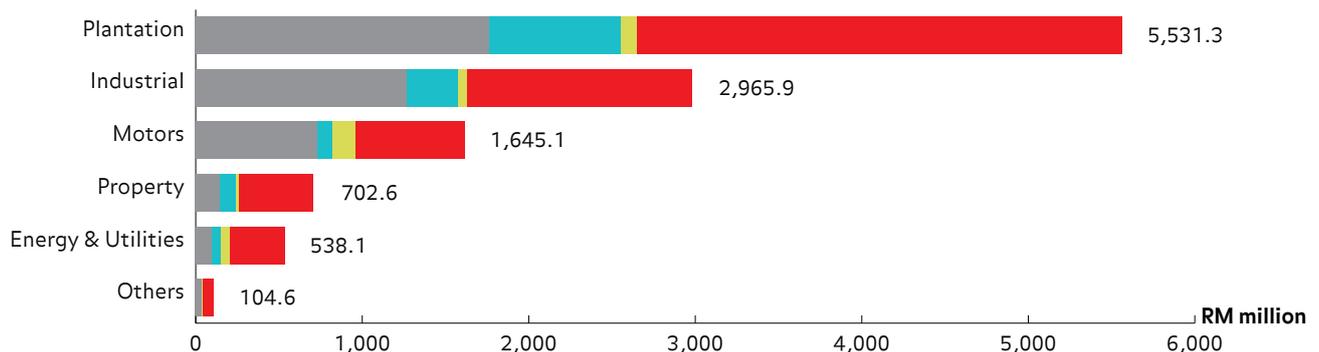
Value Added by Segment	2013		2012	
	RM million	%	RM million	%
Plantation	4,396.8	40.0	5,531.3	48.2
Industrial	3,267.4	29.7	2,965.9	25.8
Motors	1,785.5	16.2	1,645.1	14.3
Property	826.4	7.5	702.6	6.1
Energy & Utilities	483.1	4.4	538.1	4.7
Others	65.8	0.6	104.6	0.9
Corporate expenses and elimination	176.3	1.6	(3.8)	-
Total Value Added	11,001.3	100.0	11,483.8	100.0

VALUE DISTRIBUTED BY SEGMENT

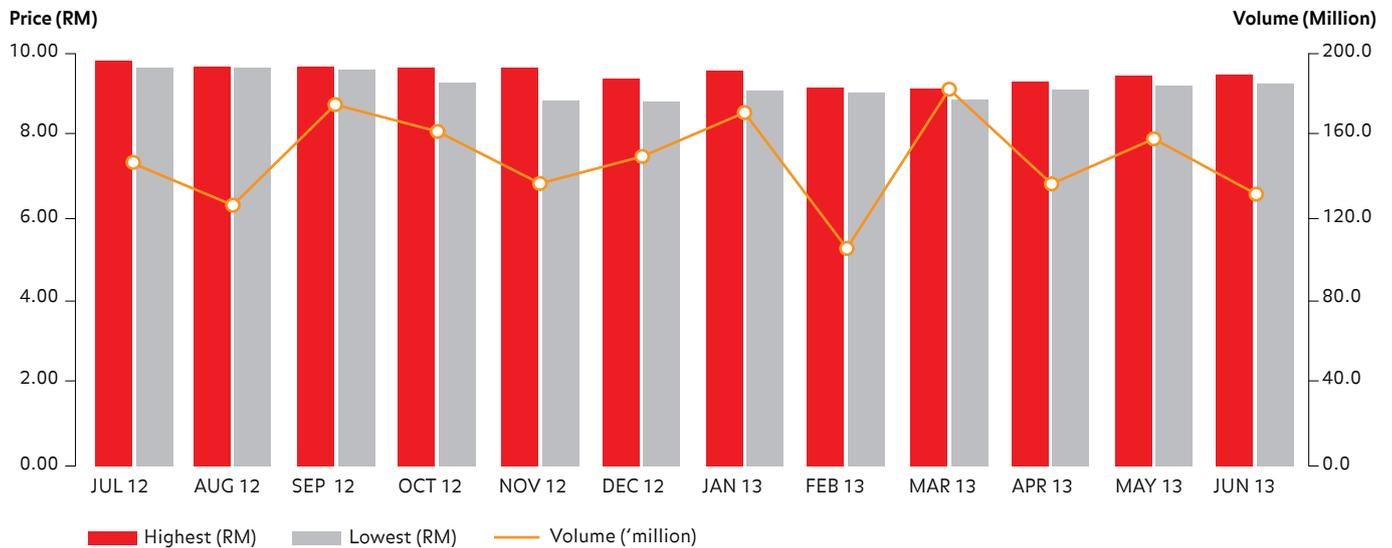
2013



2012



SHARE PRICE MOVEMENT & FINANCIAL CALENDAR



	Jul 2012	Aug 2012	Sep 2012	Oct 2012	Nov 2012	Dec 2012	Jan 2013	Feb 2013	Mar 2013	Apr 2013	May 2013	Jun 2013
Highest (RM)	9.96	9.81	9.81	9.80	9.79	9.52	9.71	9.30	9.27	9.45	9.60	9.61
Lowest (RM)	9.80	9.79	9.75	9.41	8.97	8.95	9.22	9.17	9.00	9.24	9.36	9.40
Volume (Million)	148.4	127.5	176.6	163.5	138.1	151.3	172.7	106.4	184.1	137.9	159.9	132.9

Stock Exchange Listing : Bursa Malaysia Securities Berhad

Trading Name : SIME

Stock Code : 4197

Dividends

	Notice Date	Entitlement Date	Payment Date
Interim	27 February 2013	25 April 2013	10 May 2013
Final	30 August 2013	TBA*	TBA*

Financial Calendar

Announcement of Unaudited Consolidated Results

First quarter : 27 November 2012
 Second quarter : 27 February 2013
 Third quarter : 31 May 2013
 Fourth quarter : 30 August 2013

Annual General Meeting

Notice Date : 30 October 2013
 Meeting Date : 21 November 2013

* TBA - To Be Advised.

CORPORATE INFORMATION

As at 24 September 2013

BOARD OF DIRECTORS

Dato' Abdul Ghani Othman

(Independent Non-Executive Chairman)
(Appointed with effect from 1 July 2013)

Tan Sri Dato' Sri Hamad Kama Piah Che Othman

(Non-Independent Non-Executive Deputy Chairman)

Tan Sri Samsudin Osman

(Non-Independent Non-Executive Director)

Tan Sri Dato' Sri Dr Wan Abdul Aziz Wan Abdullah

(Non-Independent Non-Executive Director)
(Appointed with effect from 10 December 2012)

Tan Sri Dato' Dr Wan Mohd Zahid Mohd Noordin

(Non-Independent Non-Executive Director)

Tan Sri Datuk Amar (Dr) Tommy Bugo @ Hamid Bugo

(Independent Non-Executive Director)

Tan Sri Datuk Dr Yusof Basiran

(Non-Independent Non-Executive Director)

Dato' Henry Sackville Barlow

(Senior Independent Non-Executive Director)

Datuk Zaiton Mohd Hassan

(Non-Independent Non-Executive Director)

Dato Sri Lim Haw Kuang

(Independent Non-Executive Director)

Dato' Azmi Mohd Ali

(Non-Independent Non-Executive Director)

Ir Dr Muhamad Fuad Abdullah

(Independent Non-Executive Director)
(Appointed with effect from 4 February 2013)

Tan Sri Dato' Mohd Bakke Salleh

(Executive Director)

PRESIDENT & GROUP CHIEF EXECUTIVE

Tan Sri Dato' Mohd Bakke Salleh

SECRETARY

Puan Norzilah Megawati Abdul Rahman

(LS 0009247)

REGISTERED OFFICE

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

Telephone : +(603) 2691 4122

Facsimile : +(603) 2719 0044

Email : enquiries@simedarby.com

Website : www.simedarby.com

SHARE REGISTRAR

Tricor Investor Services Sdn Bhd
(Company No. 118401-V)
Level 17, The Gardens North Tower
Mid Valley City, Lingkaran Syed Putra
59200 Kuala Lumpur, Malaysia

Telephone : +(603) 2264 3883

Facsimile : +(603) 2282 1886

ePortal Address : <http://my-etricor.com/>

AUDITORS

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

Telephone : +(603) 2173 1188

Facsimile : +(603) 2173 1288

FORM OF LEGAL ENTITY

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

STOCK EXCHANGE LISTING

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

Stock Code : 4197

Stock Name : SIME

PLACE OF INCORPORATION AND DOMICILE

Malaysia



GROUP STRUCTURE



Plantation

100%
Sime Darby
Plantation Sdn Bhd

- Upstream and Downstream Plantation Activities
- Agribusiness and Foods
- Research and Development



Industrial

100%
Sime Darby
Industrial Holdings Sdn Bhd

- Caterpillar Dealership
- Allied Brands Group



Motors

100%
Sime Darby
Motors Sdn Bhd

- Import
- Assembly
- Distribution
- Retail



Property

100%
Sime Darby
Property Berhad

- Property Development
- Property Investment



Energy & Utilities

100%
Sime Darby
Energy Sdn Bhd

100%
Sime Darby
Utilities Sdn Bhd

- Power
- Engineering Services
- Ports & Logistics
- Water Management



Healthcare

100%
Sime Darby
Healthcare Sdn Bhd*

- Secondary and Tertiary Care Hospitals
- Nursing & Health Sciences College

* Effective 30 June 2013, Sime Darby Healthcare Sdn Bhd became a subsidiary of Ramsay Sime Darby Health Care Sdn Bhd, a joint venture company between Sime Darby Holdings Berhad and AH Holdings Health Care Pty Ltd.

BOARD OF DIRECTORS

Standing (from left):

Ir Dr Muhamad Fuad Abdullah

Tan Sri Datuk Amar (Dr) Tommy Bugo @ Hamid Bugo

Tan Sri Dato' Mohd Bakke Salleh

Dato Sri Lim Haw Kuang

Tan Sri Datuk Dr Yusof Basiran



Tan Sri Dato' Sri Hamad Kama Piah Che Othman
Dato' Azmi Mohd Ali
Tan Sri Dato' Dr Wan Mohd Zahid Mohd Noordin
Dato' Henry Sackville Barlow
Norzilah Megawati Abdul Rahman (Group Secretary)

Seated (from left):

Datuk Zaiton Mohd Hassan
Tan Sri Samsudin Osman
Dato' Abdul Ghani Othman (Chairman)
Tan Sri Dato' Sri Dr Wan Abdul Aziz Wan Abdullah



PROFILE OF DIRECTORS



DATO' ABDUL GHANI OTHMAN

(Chairman, Independent Non-Executive Director)

- Chairman of Nomination & Remuneration Committee

Dato' Abdul Ghani Othman, 66, a Malaysian, is an Independent Non-Executive Director and the Chairman of the Board of Sime Darby Berhad. He was appointed to the Board on 1 July 2013.

Dato' Abdul Ghani holds a Bachelor's degree in Economics (Honours) from the La Trobe University, in Melbourne, Australia and a Master's degree in Political Economics from the University of Queensland, Australia.

Dato' Abdul Ghani began his career in 1974 as a lecturer at the Faculty of Economics, University of Malaya and later served as the Dean for the Faculty of Economics and Administration, University of Malaya from 1980 to 1984.

Dato' Abdul Ghani was appointed as a Member of the Senate in December 1984 and subsequently was elected as a Member of Parliament for Ledang in August 1986. Later, he was appointed the Deputy Minister of Energy, Telecommunications and Post in May 1987 and thereafter became the Deputy Minister of Finance in 1990. In December 1993, he was appointed the Minister of Youth and Sports and served in that capacity until March 1995.

Dato' Abdul Ghani later served as the Chief Minister of Johor from March 1995 to May 2013. He was also the Chairman of the Board of Directors of Johor Corporation from May 1995 to May 2013.



**TAN SRI DATO' SRI
HAMAD KAMA PIAH CHE
OTHMAN**

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

- Member of Nomination & Remuneration Committee

Tan Sri Dato' Sri Hamad Kama Piah Che Othman, 62, a Malaysian, is a Non-Independent Non-Executive Director and the Deputy Chairman of Sime Darby Berhad. He was appointed to the Board on 16 November 2010.

Tan Sri Dato' Sri Hamad Kama Piah holds a Diploma in Statistics from Universiti Teknologi MARA, a Master of Philosophy from Swansea University, United Kingdom and a Capital Markets Services Representative's Licence. He holds an Honorary Doctorate in Business Administration from Universiti Tenaga Nasional, Malaysia. He is a Senior Fellow of the Financial Services Institute of Australasia, a Certified Financial Planner with the Financial Planning Association of Malaysia and a Registered Financial Planner with the Malaysian Financial Planning Council.

Tan Sri Dato' Sri Hamad Kama Piah is currently the President & Group Chief Executive of Permodalan Nasional Berhad (PNB) and the Chairman of Chemical Company of Malaysia Berhad. Tan Sri Dato' Sri Hamad Kama Piah is a Director of Amanah Saham Nasional Berhad, Pelaburan Hartanah Nasional Berhad, Amanah Mutual Berhad, Sime Darby Property Berhad and several other private limited companies. He is also a Director of Yayasan Karyawan, Professional Golf of Malaysia and Securities Industry Dispute Resolution Centre (SIDREC) as well as a member of the Board of Trustees of the Merdeka Heritage Trust.

His career spans over 30 years in the fields of investment and unit trust management. He undertook various responsibilities in various facets of investment management and corporate finance in PNB including as portfolio manager and head of corporate restructuring.



**TAN SRI SAMSUDIN
OSMAN**

(Non-Independent Non-Executive Director)

- Chairman of Tender Committee
(The Tender Committee was disbanded on 30 May 2013)

Tan Sri Samsudin Osman, 66, a Malaysian, is a Non-Independent Non-Executive Director. He was appointed to the Board on 19 December 2008. He was appointed as the Acting Chairman of Sime Darby Berhad following the retirement of Tun Musa Hitam as the Chairman and Director of Sime Darby Berhad at the Annual General Meeting of Sime Darby Berhad held on 8 November 2012. Following the appointment of Dato' Abdul Ghani Othman as Chairman of the Board on 1 July 2013, Tan Sri Samsudin was redesignated as a Non-Independent Non-Executive Director of Sime Darby Berhad.

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

Tan Sri Samsudin is currently the Chairman of the Employees Provident Fund (EPF) Board, EPF Investment Panel, Universiti Utara Malaysia and BIMB Holdings Berhad. Tan Sri Samsudin was appointed the Pro Chancellor of Universiti Malaysia Terengganu on 1 February 2010.

Tan Sri Samsudin was the President of Perbadanan Putrajaya from 2004 to July 2012 and Chief Secretary to the Malaysian Government from 2001 to 2006. He was also the Secretary General for two (2) ministries, the Ministry of Domestic Trade and Consumer Affairs (1994) and the Ministry of Home Affairs (1996). He held the position of the Chairman of the Board of Directors of Sime Darby Plantation Sdn Bhd from 1 February 2013 until 1 July 2013.

(Non-Independent Non-Executive Director)

- Member of Risk Management Committee

Tan Sri Dato' Sri Dr Wan Abdul Aziz Wan Abdullah, 61, a Malaysian, is a Non-Independent Non-Executive Director. He was appointed to the Board on 10 December 2012.

Tan Sri Wan Abdul Aziz holds a Bachelor of Economics (Honours) degree in Applied Economics from the University of Malaya and a Master's degree in Philosophy in Development Studies from the Institute of Development Studies, University of Sussex, Brighton, United Kingdom. Tan Sri Wan Abdul Aziz obtained his PhD in Business Economics from the School of Business and Economic Studies, University of Leeds, Leeds, United Kingdom. He attended the Advanced Management Program at the Harvard Business School, Harvard University, Boston, Massachusetts, United States of America (USA).

Tan Sri Wan Abdul Aziz began his career in 1975, as Assistant Director of the Economic Planning Unit in the Prime Minister's Department. He was later promoted to the position of Senior Assistant Director, Macro-economics in 1984, and subsequently to the position of Senior Assistant Director, Human Resource Section and Director of Energy Section.

He was later appointed as an Alternate Executive Director of World Bank Group in Washington D.C. USA (on secondment by the Government of Malaysia) representing the South East Asia Group.

From 2001 to 2006, he held various important positions such as Deputy Secretary in the Economics and International Division of the Ministry of Finance (MOF), Deputy Director General (Macro) of the Economic Planning Unit in the Prime Minister's Department and Deputy Secretary General of Treasury (Policy), Federal Treasury in the MOF. In 2007, he was appointed Secretary General of Treasury in the MOF, a position he held until his retirement in August 2012.

Tan Sri Wan Abdul Aziz is the Chairman of Malaysia Airports Holdings Berhad and Group, Bintulu Port Holdings Berhad and Group, Bank Pembangunan Malaysia Berhad, Syarikat Jaminan Kredit Perumahan Berhad and several other private limited companies. He also holds directorships in Felda Global Ventures Holdings Berhad and Group, Permodalan Nasional Berhad, RAM Holdings Berhad and Sabah Economic Development and Investment Authority (SEDIA).



**TAN SRI DATO' SRI DR
WAN ABDUL AZIZ WAN
ABDULLAH**

(Non-Independent Non-Executive Director)

- Member of Tender Committee
(The Tender Committee was disbanded on 30 May 2013)

Tan Sri Dato' Dr Wan Mohd Zahid Mohd Noordin, 73, a Malaysian, is a Non-Independent Non-Executive Director. He was appointed to the Board on 14 September 2007.

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

Tan Sri Wan Mohd Zahid is currently the Chairman of Universiti Teknologi MARA, Management and Science University and FEC Cables (M) Sdn Bhd. He is also a Director of Amanah Saham Nasional Berhad, Perbadanan Usahawan Nasional Berhad, S P Setia Berhad, Yayasan Sime Darby and Amanah Mutual Berhad. He was formerly the Chairman of Berger International Ltd based in Singapore and Deputy Chairman of International Bank Malaysia Berhad.



**TAN SRI DATO' DR WAN
MOHD ZAHID MOHD
NOORDIN**



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

(Independent Non-Executive Director)

- Chairman of Risk Management Committee
- Member of Governance & Audit Committee
- Member of Nomination & Remuneration Committee
- Member of Litigation Committee
- Member of Sustainability Committee
- Member of Long Term Incentive Plan Committee

Tan Sri Datuk Amar (Dr) Tommy Bugo @ Hamid Bugo, 68, a Malaysian, is an Independent Non-Executive Director. He was appointed to the Board on 26 August 2010.

Tan Sri Hamid graduated from the University of Canterbury, New Zealand with a Bachelor's and a Master of Arts degree in Economics. He also holds a Postgraduate Diploma in Teaching from the Christchurch Teachers' College New Zealand and a Postgraduate Certificate in Business Studies from the Harvard Institute of Development Studies, United States of America. He was honoured with a PhD in Commerce by the Lincoln University, New Zealand. He is also a recipient of the Excellence Award from the American Association of Conservation Biology.

Tan Sri Hamid has served in both the private and public sectors. He was an Administration Manager of Malaysia LNG Sdn Bhd for over three years while on secondment from the State Planning Unit, Sarawak. He was appointed the first General Manager of Land Custody and Development Authority, Sarawak and later became the Permanent Secretary of the Ministry of Resource Planning and was the State Secretary of Sarawak until his retirement from civil service in August 2000.

Between 1992 and 2000, Tan Sri Hamid represented the State Government of Sarawak on various Boards including Malaysian Airline System Berhad, Employees Provident Fund, Malaysia LNG Sdn Bhd, Amanah Saham Sarawak Berhad and Universiti Putra Malaysia.

Tan Sri Hamid is currently the Chairman of Sarawak Consolidated Industries Berhad and Zecon Berhad and also sits on the Boards of several other companies including Sapura Resources Bhd, SapuraKencana Petroleum Berhad and Sime Darby Property Berhad. He is also a Board member of the Institute Integrity Malaysia and a member of the Advisory Committee of the Malaysian Anti-Corruption Commission and The National Water Services Commission.

Tan Sri Hamid is actively involved in charitable activities as the Chairman of Yayasan Kemajuan Insan Sarawak and Sarawak State Library Management Board.

(Non-Independent Non-Executive Director)

- Member of Litigation Committee
- Member of Sustainability Committee

Tan Sri Datuk Dr Yusof Basiran, 65, a Malaysian, is a Non-Independent Non-Executive Director. He was appointed to the Board on 16 November 2010.

Tan Sri Yusof holds a Bachelor in Chemical Engineering degree from the University of Canterbury, New Zealand, a Post-Graduate degree in Rubber Technology (ANCRT) from the North London Polytechnic in the United Kingdom and a Masters degree in Engineering specialising in Industrial Management (ME) and also Business Administration (MBA) from the Catholic University of Leuven, Belgium. Tan Sri Yusof completed his Doctorate with a PhD in Applied Economics & Management Science from the University of Stirling, Scotland in 1986.

Prior to joining the Palm Oil Research Institute of Malaysia (PORIM) in 1979, Tan Sri Yusof held the position of Rubber Technologist/Techno-Economist with the Rubber Research Institute (RRI)/Malaysian Rubber Research Development Board (MRRDB). He was later appointed as the Director-General of PORIM in 1992 and held the position for eight years until April 2000 before assuming the role of Director-General of the Malaysian Palm Oil Board (MPOB), a merged organisation between PORIM and the Palm Oil Registration and Licensing Authority (PORLA), from 1 May 2000 to 18 January 2006.

Tan Sri Yusof is currently the Chief Executive Officer of the Malaysian Palm Oil Council (MPOC) and the Chairman of TH Plantations Berhad and CB Industrial Product Holding Berhad.

Apart from holding distinguished corporate positions, Tan Sri Yusof is also involved in other organisations, among others, a Senior Fellow member and past President of the Academy Sciences Malaysia (ASM) and Fellow member of the Malaysian Oil Scientists' and Technologists' Association (MOSTA) and the Incorporated Society of Planters.



**TAN SRI DATUK DR
YUSOF BASIRAN**

(Non-Independent Non-Executive Director)

- Member of Governance & Audit Committee
- Member of Litigation Committee
- Member of Long Term Incentive Plan Committee

Datuk Zaiton Mohd Hassan, 57, a Malaysian, is a Non-Independent Non-Executive Director. She was appointed to the Board on 16 November 2010.

Datuk Zaiton is a Fellow of the Association of Chartered Certified Accountants (ACCA), United Kingdom, the Vice President of the Malaysian Institute of Accountants and a member of the Malaysian Institute of Certified Public Accountants.

Datuk Zaiton is the Chairman of the Private Pension Administrator Malaysia and the President of the ACCA Malaysia Advisory Committee. She is also a Director of BIMB Holdings Berhad, Credit Guarantee Corporation Malaysia Berhad and Bank Islam Malaysia Berhad, and a director of several other private limited companies.

Datuk Zaiton started her career in PricewaterhouseCoopers as an audit trainee in 1976 and later joined Bank Pembangunan (M) Bhd as a Project Officer. Subsequently, she was seconded to Bapema Corporation Sdn Bhd as a Fund Manager. Datuk Zaiton is the former President/Executive Director of Malaysian Rating Corporation Berhad (MARC) until September 2004 when she left to set up her own financial advisory firm, Capital Intelligence Advisors Sdn Bhd. Prior to her appointment in MARC, she had served 12 years with Maybank in various senior positions including that of General Manager, Group Strategic Planning which she held until 1996.



**DATUK ZAITON MOHD
HASSAN**



**DATO' HENRY
SACKVILLE BARLOW**

(Senior Independent Non-Executive Director)



- Chairman of Governance & Audit Committee
- Chairman of Sustainability Committee
- Chairman of Long Term Incentive Plan Committee
- Member of Nomination & Remuneration Committee
- Member of Tender Committee
(The Tender Committee was disbanded on 30 May 2013)

Dato' Henry Sackville Barlow, 69, a British national, is the Senior Independent Non-Executive Director. He was appointed to the Board on 29 September 2007.

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

Dato' Barlow is currently a Director of HSBC Bank Malaysia Berhad and The International and Commonwealth University of Malaysia Berhad. He is also a member of the Board of Trustees and Honorary Secretary of Badan Warisan Malaysia and director of several other private limited companies. Dato' Barlow was appointed as a Senior Independent Non-Executive Director of Sime Darby Berhad on 16 November 2010.

Dato' Barlow has over 35 years of experience in the Plantation Industry and was formerly the Finance Director of Barlow Boustead Estates Agency Sdn Berhad and Joint Managing Director of Highlands & Lowlands Berhad. He is also a former Council Member of the Incorporated Society of Planters. Dato' Barlow is currently the Honorary Treasurer of the Malaysian Branch of the Royal Asiatic Society. He was appointed as a Trustee of the Merdeka Award Trust in 2012.

(Independent Non-Executive Director)

- Member of Risk Management Committee

Dato Sri Lim Haw Kuang, 59, a Malaysian, is an Independent Non-Executive Director. He was appointed to the Board on 26 August 2010.

Dato Sri Lim holds a Bachelor of Science (Computing Science) degree from Imperial College, University of London. He also holds a Master of Business Administration degree in International Management from IMD Switzerland (formerly International Management Institute, Geneva).

Dato Sri Lim is currently a Director of BG Group, an international oil and gas company based in the United Kingdom, and ENN Energy Holdings Limited, a Chinese city gas company listed in Hong Kong. Dato Sri Lim was formerly the Executive Chairman of Shell Companies in China from 1 September 2005 to 1 March 2013. Dato Sri Lim joined Shell in Malaysia in 1978 and has served in various capacities in IT, Finance, Natural Gas, Exploration and Production, Oil Products and Corporate Head Offices in different Shell operations globally. His previous assignments include Vice President Corporate Strategy and Planning for Shell International in London, President Oil Products for Asia Pacific and Middle East in Singapore, Chairman of Shell Malaysia and Managing Director of Shell Malaysia Exploration and Production in Kuala Lumpur, Senior Corporate Adviser, Asia Pacific for Shell International in London, and Business Development Manager for Former Soviet Union and Sakhalin for Shell International Gas in London.

In 2011, the Beijing Municipal Government honoured Dato Sri Lim with the "Great Wall Friendship Award" for his outstanding contributions to the City. Dato Sri Lim is an international council member of the China Council for International Cooperation on Environment and Development. He has been actively involved in Sustainable Development work and has served as a Board Director of the China Business Council for Sustainable Development, Special Adviser to the President and Executive Committee of the World Business Council for Sustainable Development and President of the Business Council for Sustainable Development Malaysia. Dato Sri Lim has been awarded state honours by the Malaysian Government. Dato Sri Lim has also been made an honorary citizen of the City of Houston, United States of America.

**DATO SRI LIM HAW KUANG****(Non-Independent Non-Executive Director)**

- Chairman of Litigation Committee
- Member of Risk Management Committee

Dato' Azmi Mohd Ali, 53, a Malaysian, is a Non-Independent Non-Executive Director. He was appointed to the Board on 16 November 2010.

Dato' Azmi holds a law degree from the University of Malaya and a Master of Laws (LLM) in the United States of America & Global Business Law from the University of Suffolk, Boston, United States of America.

Dato' Azmi, a corporate and commercial lawyer with 29 years of experience, is the Senior Partner of Azmi & Associates, a leading corporate and commercial law firm, since 2000. The firm now has close to 60 lawyers. Prior to this, he was a Partner in Hisham, Sobri and Kadir from 1995 to 2000. Dato' Azmi started his career in Petroliam Nasional Berhad (PETRONAS) in 1984 and left PETRONAS' employment as Head of Gas/New Ventures, Upstream Legal Department in 1990 to work in the law firm of T. Tharu & Associates from 1990 to 1995.

Dato' Azmi is currently the Chairman of Cliq Energy Berhad and also sits on the Boards of Chemical Company of Malaysia Berhad, Perbadanan Nasional Berhad (PNS) and Pernec Corporation Berhad. He has also served as an Adjunct Professor of Law at the International Islamic University of Malaysia's Law Faculty for two years.

**DATO' AZMI MOHD ALI**



**IR DR MUHAMAD FUAD
ABDULLAH**

(Independent Non-Executive Director)

- Member of Governance & Audit Committee
- Member of Sustainability Committee
- Member of Long Term Incentive Plan Committee

Ir Dr Muhamad Fuad Abdullah, 60, a Malaysian, is an Independent Non-Executive Director. He was appointed to the Board on 4 February 2013.

Ir Dr Muhamad Fuad obtained his Bachelor and Masters of Philosophy degrees in Electrical Engineering from the University of Southampton, United Kingdom. He also obtained his Bachelor of Arts (Jayyid) in Syariah from the Jordan University, Amman, Jordan and PhD in Muslim Civilisation from the University of Aberdeen, United Kingdom. He is a Fellow of the Institution of Engineers Malaysia (IEM) and a registered ASEAN Chartered Professional Engineer (ACPE), APEC Engineer (APEC Eng) and International Professional Engineer (IntPE(MY)).

Ir Dr Muhamad Fuad began his career in 1977 as an Electrical Engineer with the Malaysian Public Works Department (PWD). After spending six years in the technical area, he took the position of Logistics Manager in Uniphone Sdn Bhd. He then served as a Tutor in Universiti Kebangsaan Malaysia (UKM) in 1991 and thereafter became the Vice President of Kolej UNITI in 1996. He was thereafter the Chief Executive Officer of Kausar Corporation Sdn Bhd in 2002 and Managing Director of Five-H Associates Sdn Bhd from 2004 to 2006.

Ir Dr Muhamad Fuad is currently the Chairman of Hospital Pusrawi Sdn Bhd and chairs the Shariah Committee for the Malaysian Industrial Development Finance Berhad Group of Companies and the Shariah Advisory Committee for MNRB Retakaful Bhd. He was appointed as a member of the Shariah Advisory Committee of BIMB Securities Sdn Bhd in 2011. He is a Board member of Institut Kefahaman Islam Malaysia (IKIM), Malaysian Industrial Development Finance Berhad (MIDF), MIDF Property Berhad, Mesiniaga Berhad and ARZ Consulting Engineers Sdn Bhd. The Yang Di Pertuan Agong has consented to his appointment as a member of the Religious Council of Wilayah Persekutuan (MAIWP) from 2012 to 2015. He is the Sole Proprietor of Muhamad Fuad Consulting since 2006.

Ir Dr Muhamad Fuad holds 1,060 ordinary shares of RM0.50 each directly in Sime Darby Berhad.



**TAN SRI DATO' MOHD
BAKKE SALLEH**

(President & Group Chief Executive)

Tan Sri Dato' Mohd Bakke Salleh, 59, a Malaysian, is the President & Group Chief Executive of Sime Darby Berhad. He was appointed to the Board as an Executive Director on 16 November 2010.

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

Tan Sri Mohd Bakke was the Acting President & Group Chief Executive (PGCE) of Sime Darby Berhad and later assumed the position of PGCE on 27 November 2010. He also sits on the Boards of Eastern & Oriental Berhad, Sime Darby Property Berhad, Yayasan Sime Darby, Northern Corridor Economic Region and Malaysian Industry-Government Group for High Technology. Tan Sri Mohd Bakke was the Group President & Chief Executive Officer of Felda Global Ventures Holdings Berhad and had also served as the Group Managing Director of Felda Holdings Berhad, Group Managing Director and Chief Executive Officer of Lembaga Tabung Haji and a Director, Property Division of Pengurusan Danaharta Nasional Berhad.

Tan Sri Mohd Bakke had also previously worked with several subsidiaries within the Permodalan Nasional Berhad Group. He was the Managing Director of Federal Power Sdn Bhd, Managing Director of Syarikat Perumahan Pegawai Kerajaan Sdn Bhd and Group General Manager of Island & Peninsular Group.

ADDITIONAL INFORMATION

1. Save as disclosed below, none of the Directors has any family relationship with and is not related to any director and/or major shareholder of Sime Darby Berhad, nor has any personal interest in any business arrangement involving the Company:
 - i. Tan Sri Samsudin Osman is a nominee Director of the Employees Provident Fund Board.
 - ii. The nominee Directors of Permodalan Nasional Berhad are as follows:
 - Tan Sri Dato' Sri Hamad Kama Piah Che Othman;
 - Tan Sri Dato' Sri Dr Wan Abdul Aziz Wan Abdullah;
 - Tan Sri Dato' Dr Wan Mohd Zahid Mohd Noordin;
 - Tan Sri Datuk Dr Yusof Basiran;
 - Datuk Zaiton Mohd Hassan; and
 - Dato' Azmi Mohd Ali.
2. None of the Directors has any conflict of interest with Sime Darby Berhad or been convicted for offences within the past 10 years other than traffic offences, if any.
3. The details of Directors' attendance at Board Meetings held in the financial year ended 30 June 2013 are set out in the Statement on Corporate Governance on page 59 of this Annual Report.

MANAGEMENT TEAM PROFILE



DATO' ABD WAHAB MASKAN

62, Malaysian, Group Chief Operating Officer of Sime Darby Berhad and Managing Director, Sime Darby Property Berhad

Dato' Abd Wahab was appointed the Group Chief Operating Officer on 24 June 2008. He was formerly the Group Chief Executive of Kumpulan Guthrie Berhad and Golden Hope Plantations Berhad respectively. He has held various management and Board positions in companies in Malaysia, Europe and Asia, covering plantation, property, construction, manufacturing and services. Dato' Abd Wahab was also appointed as Managing Director, Sime Darby Property Berhad on 1 June 2011.

Dato' Abd Wahab holds a Bachelor of Science degree in Estate Management from the University of Reading, United Kingdom and is a Fellow of both the Royal Institution of Chartered Surveyors (England and United Kingdom), a Fellow of the Royal Institution of Surveyors (Malaysia), a Fellow of the Incorporated Society of Planters and a Fellow of the Malaysian Institute of Management.



TONG POH KEOW

58, Malaysian, Group Chief Financial Officer

Madam Tong was the Chief Financial Officer of the Plantation Division of Sime Darby Berhad prior to her present appointment in June 2008. She was formerly Head of Group Finance and Administration, and Chief Finance Officer of Kumpulan Guthrie Berhad (KGB). She joined the KGB Group in 1983 as an Accountant-cum-Assistant Company Secretary for Highlands & Lowlands Berhad before becoming General Manager, Accounting and Financial Reporting and then Group General Manager, Finance (Group Accounting and Financial Reporting).

Madam Tong is a member of the Malaysian Institute of Accountants, a member of the Institute of Chartered Secretaries and Administrators United Kingdom and a Fellow of the Association of Chartered Certified Accountants, United Kingdom.



ALAN HAMZAH SENDUT

53, Malaysian, Executive Vice President – Group Strategy & Business Development

Encik Alan Hamzah was appointed the Executive Vice President – Group Strategy & Business Development on 16 September 2010. He oversees the Corporate Finance, Value Management & Investor Relations, Corporate Strategy, Merger & Acquisition and Special Projects departments.

Encik Alan Hamzah began his career with Price Waterhouse, London and had worked with several multinational companies in Malaysia before joining Kumpulan Sime Darby Berhad (KSDB) in 1996. He has held various senior financial positions within the KSDB Group, amongst them, Finance Director of Tractors Malaysia Holdings Berhad and Finance Director of Consolidated Plantations Berhad. He was the Global Operations Manager, Payment Services for BHP Billiton Malaysia prior to his present appointment.

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



ZULKIFLI ZAINAL ABIDIN

52, Malaysian, Executive Vice President – Group Human Resources

Encik Zulkifli has more than 20 years of experience in the human resources field. Prior to his appointment in Sime Darby Berhad in 2007, he was attached to Negara Properties (M) Berhad as Senior Manager, Human Resource & Administration and Golden Hope Plantations Berhad (Property Division) where his last held position was General Manager, Human Resources.

Encik Zulkifli was appointed as Executive Vice President – Group Human Resources on 1 July 2011. Before assuming this position, he was Head of Human Resource, Plantation & Agri-business Division and Group Head, Group Human Resources in Sime Darby Berhad.

Encik Zulkifli holds a Master's degree in International Affairs as well as a Bachelor in Business Administration degree from Ohio University, United States of America. He has also attended the Harvard Business School's Senior Management Development Programme.



PHILIP KUNJAPPY

56, Malaysian, Executive Vice President –
Group Corporate Services

Mr Kunjappy was appointed Executive Vice President of Group Corporate Services on 1 October 2010. He is currently responsible for managing Global Trading & Marketing, Group Procurement and the non-core business operations of the Group.

Mr Kunjappy began his career with Attlee, Edge & Lambert in Birmingham, United Kingdom and subsequently joined Price Waterhouse, Kuala Lumpur in 1983. He also served as Finance Manager in Kuala Lumpur Kepong Bhd, Finance Director in Island & Peninsular Bhd and Senior Executive Director, Oil & Fats Subsidiaries in Felda Holdings Bhd prior to joining the Sime Darby Berhad Group on 1 October 2010.

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



DATUK FRANKI ANTHONY DASS

57, Malaysian, Executive Vice President –
Plantation Division

Datuk Franki Anthony Dass started his career in Kumpulan Guthrie Berhad in 1980 as an Assistant Manager and has over 20 years of plantation experience. After various postings across Malaysia, Datuk Dass assumed the post of General Manager of PT Minamas Gemilang in Indonesia in 2002. He subsequently became the Chief Operating Officer of PT Minamas Gemilang in 2004, before becoming its Chief Executive Officer in 2007. He was appointed as Acting Executive Vice President – Plantation Division in May 2010 prior to his present appointment as Executive Vice President – Plantation Division on 1 December 2010.

Datuk Dass holds a Bachelor of Science degree majoring in Agriculture from Universiti Pertanian Malaysia and has attended management programmes with the Malaysian Institute of Management and the Master of Business Administration programme with the Asian Institute of Management.



SCOTT WILLIAM CAMERON

55, Australian, Executive Vice President – Industrial Division

Mr Cameron began his career with Price Waterhouse in Brisbane, Sydney and New York before joining Hastings Deering (Australia) Limited as the Finance Director in June 1992. He was formerly the Managing Director of the Hastings Deering Group of Caterpillar Dealerships which covers Queensland, Northern Territory, Papua New Guinea and Solomon Islands prior to his present appointment.

Mr Cameron holds a degree in Commerce from the University of Queensland, Australia and is a Fellow of the Institute of Chartered Accountants in Australia and a Fellow of the Australian Institute of Company Directors. He has also attended the Harvard Business School's Advanced Management Programme in Boston.



DATO' LAWRENCE LEE CHEOW HOCK

59, Singaporean, Executive Vice President – Motors Division

Dato' Lawrence Lee was the Divisional Director of Kumpulan Sime Darby Berhad's (KSDB) Motors Division before he assumed his present position. He was also the Managing Director of the subsidiaries within the Hyundai Group of KSDB's Motors Division and had previously managed KSDB's Motors Division in Singapore, Australia, New Zealand and the People's Republic of China, including Hong Kong and Macau.

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



DATO' IR JAUHARI HAMIDI

54, Malaysian, Executive Vice President – Energy & Utilities Division (Non-China)

Dato' Ir Jauhari Hamidi was the Director of the Special Projects portfolio prior to his present appointment on 1 August 2010. He was also formerly the Executive Vice President for the Utilities Division and Managing Director of Sime UEP Properties Berhad. Dato' Ir Jauhari has served in various capacities since joining the Group 30 years ago.

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



TIMOTHY LEE CHI TIM

48, Chinese (HKSAR) and Canadian, Executive Vice President – Energy & Utilities Division (China)

Mr Lee was appointed Executive Vice President – Energy & Utilities Division (China) on 15 December 2011. He manages the Ports & Logistics and Water Management business units located in Weifang and Jining within the Shandong province in the People's Republic of China.

Mr Lee has over 20 years of operational experience in the ports and container terminal management industry in Hong Kong, one of the world's busiest ports. Prior to joining Sime Darby, he held the position of Operations Manager – Hong Kong Business Unit for Modern Terminals Limited, the second largest port operator in Hong Kong. Mr Lee was formerly the Chairman of the Sea Cargo Customer Liaison Group in 2010, a committee organised by the Hong Kong Customs & Excise Department to gather industry expertise to improve port competitiveness.

Mr Lee holds a Bachelor of Science degree from the Simon Fraser University in British Columbia, Canada.



NORZILAH MEGAWATI ABDUL RAHMAN

53, Malaysian, Group Secretary

Puan Norzilah Megawati was the Head, Group Legal & Compliance of Kumpulan Guthrie Berhad (KGB) prior to her present appointment on 29 September 2007. She joined KGB in 1994 as Manager, Group Chief Executive's Office and was subsequently promoted to Controller, Corporate Business Development and Monitoring, and thereafter appointed as Director of Corporate Business Development and Human Resource. She has also served as an Executive in many areas, amongst them investment analysis, money market trading, corporate secretarial and legal as well as a Manager in the Group Chief Executive's Office in Permodalan Nasional Berhad.

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



GLENN CHARLES DALY

50, Australian, Group Head – Risk Management

Mr Daly was appointed Group Head of Risk Management on 1 March 2011. He has over 25 years of work experience in the Asia Pacific region whereby he spent several years working in the professional services industry specialising in risk management and internal audit. He was a Director at Deloitte, Brisbane in Australia, a Partner with Ernst & Young in Singapore and a Principal with Ernst & Young in Sydney, Australia prior to his present appointment.

Mr Daly provided services to a range of clients in the mining, manufacturing, engineering, oil & gas, logistics, property, telecommunications, agribusiness and the public sectors.

Mr Daly has financial management experience having worked previously for the Departments of Defence and Finance, as Financial Controller of an engineering facility at Australian Defence Industries (ADI) and as a Manager of Internal Audit in ADI's corporate headquarters.

Mr Daly holds a Bachelor of Business Studies degree from Monash University in Melbourne and is a member of the Certified Practising Accountants (CPA) Australia.



JOHN EDWARD ARKOSI, OBE

57, Australian, Group Head - Group Compliance and Group Corporate Assurance

Mr Arkosi was appointed Group Head of Group Compliance and Group Corporate Assurance (GCA) on 1 February 2011 and 1 July 2012 respectively. He had previously assumed the roles of heading the GCA function in the Group Head Office and various other Divisions within the Sime Darby Group, after having joined in 2004 as the Regional Audit Manager for Australia, New Zealand and the Pacific operations.

Prior to Sime Darby, Mr Arkosi had spent over 12 years in Papua New Guinea (PNG) – initially with Coopers & Lybrand (now a merged entity – PricewaterhouseCoopers), before he moved into commerce and industry assuming various senior and general management positions and consultancy roles. Whilst in PNG, Mr Arkosi was awarded the Order of the British Empire (OBE) by Her Majesty the Queen for services to business and the community in the 1997 Queen's Birthday Honours.

Mr Arkosi holds an accounting degree from Curtin University, Perth, Australia and is a member of Certified Practising Accountants (CPA) Australia and the Institute of Internal Auditors, Australia and Malaysia.



CHOO SUIT MAE

52, Malaysian, Group General Counsel

Ms Choo joined the Sime Darby Group in August 2006 as Group Head, Legal - Mergers & Acquisitions. In August 2010, with the centralisation of the legal functions within the Group, she was designated Group General Counsel.

Ms Choo has over 25 years of experience as a corporate/commercial lawyer. She began her career in private practice in Malaysia before moving to Hong Kong where she worked for eight years as a lawyer with Reed Smith Richards Butler, Denton Wilde Sapte and Victor Chu & Co. Upon her return to Malaysia, she resumed legal practice at Zul Rafique & Partners (where she was one of the founding partners), and then as a partner in Skrine, one of the largest law firms in Malaysia. Her practice focus included mergers & acquisitions, capital markets, structured finance/asset securitisations, cross-border joint ventures, corporate finance and corporate/debt restructuring. She has represented a number of multinationals, corporations and financial institutions in both domestic and international transactions.

Ms Choo holds an LLM (Masters in Law) degree in Corporate and Commercial Law from King's College, University of London and an LLB degree from the University of East Anglia. She is admitted to the Malaysian Bar, is a member of the Law Society of Hong Kong and is on the Solicitors Roll of England and Wales.



LEELA BARROCK

46, Malaysian, Group Head, Communications & Corporate Affairs

Ms Barrock joined the Sime Darby Group in April 2008 as the Head of Group Corporate Social Responsibility (GCSR). In January 2009, she was appointed Group Head - Group Communications & Corporate Affairs (GCCA). As Group Head of GCCA, she continues to oversee Group CSR.

Prior to joining Sime Darby, Ms Barrock was a journalist for 14 years commencing her career with daily financial newspaper, Business Times. In 2000, she joined Malaysia's leading financial and investment weekly newspaper, The Edge, covering capital markets and corporate news. Her main areas of coverage were the plantation and commodities sector, the auto sector, media and regulatory developments in the capital markets. Ms Barrock was Associate Editor of The Edge when she left in 2008.

Ms Barrock obtained her LLB (Hons) degree in 1990 and was admitted to the Bar of England and Wales in 1992. She read in chambers at Skrine & Company but left the legal profession to pursue her career in journalism in 1994.

REPORT ON THE GOVERNANCE & AUDIT COMMITTEE

The Board of Directors of Sime Darby Berhad (SDB or the Company) is pleased to present the report on the Governance & Audit Committee (GAC or the Committee) of the Board for the financial year ended 30 June 2013.

In line with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Listing Requirements), the Audit Committee was established on 29 September 2007. With effect from 25 November 2010, the Committee was renamed the Governance & Audit Committee to reflect more accurately the powers delegated to the Committee with regard to oversight over governance matters.

COMPOSITION AND ATTENDANCE

The GAC during the financial year comprised three (3) Independent and one (1) Non-Independent Directors. The Chairman of the GAC, Dato' Henry Sackville Barlow, is a Fellow of the Institute of Chartered Accountants in England and Wales while Datuk Zaiton Mohd Hassan is a Fellow of the Association of Chartered Certified Accountants and holds memberships in the Malaysian Institute of Accountants and the Malaysian Institute of Certified Public Accountants. The GAC, therefore, meets the requirements of paragraph 15.09(1)(c) of the Listing Requirements which stipulates that at least one (1) member of the GAC must be a qualified accountant.

The GAC Chairman reports to the Board on principal matters deliberated at GAC meetings. Minutes of each meeting are circulated to the Board at the next most practicable Board meeting.

The GAC had five (5) meetings during the financial year ended 30 June 2013.

The members of the GAC and the record of their attendance are as follows:

Member	No. of Meetings Attended
Dato' Henry Sackville Barlow (Chairman/Senior Independent Non-Executive Director)	5 out of 5
Tan Sri Datuk Amar (Dr) Tommy Bugo @ Hamid Bugo (Member/Independent Non-Executive Director)	5 out of 5
Datuk Zaiton Mohd Hassan (Member/Non-Independent Non-Executive Director)	5 out of 5
Ir Dr Muhamad Fuad Abdullah (Member/Independent Non-Executive Director) (Appointed as Member on 4 February 2013)	2 out of 2*

* Reflects the number of meetings held during the time the Director held office

Note: During the financial year ended 30 June 2013, Dato' Sreesanthan Eliathamby being a member of the GAC, had taken leave of absence from the Board and Board Committees on 25 July 2012 and had subsequently retired from the Board at the Annual General Meeting of SDB on 8 November 2012.

During the financial year ended 30 June 2013, the President & Group Chief Executive (PGCE), Group Chief Operating Officer, Group Chief Financial Officer (GCFO), Group Head of Group Compliance & Group Corporate Assurance and Group Head of Risk Management attended the GAC meetings for the purpose of briefing the Committee on their areas of responsibility. The external auditors also briefed the Committee on matters relating to the external audit at five (5) GAC meetings during the financial year and provided a high level review of the financial position of the Group at the quarterly meetings of the GAC. Time was also set aside for the external auditors to have private discussions with the Committee in the absence of Management, except for the Group Secretary. During the financial year, five (5) private sessions were held between the GAC and the external auditors. The Group Head of Group Compliance & Group Corporate Assurance also met with the Committee on a private basis at each quarterly meeting of the GAC.

TERMS OF REFERENCE

1. PURPOSE

- 1.1 The GAC is established as a committee of the SDB Board of Directors (the Board) with the following primary objectives:
 - 1.1.1 To assist the Board in fulfilling its statutory and fiduciary responsibilities of monitoring the SDB Group of Companies' (Group) management of financial risk processes, and accounting and financial reporting practices.
 - 1.1.2 To review the Group's business process, the quality of the Group accounting function, financial reporting and the system of internal controls.
 - 1.1.3 To enhance the independence of both the external and internal audit functions by providing direction to and oversight of these functions on behalf of the Board.
 - 1.1.4 To assist the Board in ensuring that an effective ethics programme is implemented across the Group, and monitor compliance with established policies and procedures.

2. COMPOSITION AND APPOINTMENT

- 2.1 The GAC shall be appointed by the Board from amongst their number and shall consist of not less than four (4) members. All members of the GAC shall be non-executive Directors, a majority of whom shall be independent Directors.
- 2.2 All members of the GAC shall be financially literate and have the ability:
 - 2.2.1 To read and understand financial statements, including a company's Statements of Financial Position, Profit or Loss, Comprehensive Income and Cash Flows;
 - 2.2.2 To analyse financial statements and ask pertinent questions about the company's operations against internal controls and risk factors; and
 - 2.2.3 To understand and interpret the application of approved accounting standards.

- 2.3 At least one member of the GAC shall be a member of the Malaysian Institute of Accountants or shall fulfil such other requirements as prescribed in the Listing Requirements.
- 2.4 No alternate Director shall be appointed as a member of the GAC.
- 2.5 The Chairman of the GAC shall be an independent non-executive Director appointed by the Board.
- 2.6 Members of the GAC may relinquish their membership in the GAC with prior written notice to the Group Secretary. If a member of the GAC resigns or for any reason ceases to be a member of the GAC resulting in non-compliance with the Listing Requirements, then the Board shall, within three (3) months of that event, appoint such number of new members as may be required.
- 2.7 Reappointment of GAC members shall be subject to a review of the term of office and performance of the GAC and each of its members by the Board to determine whether the GAC and its members have carried out their duties in accordance with their terms of reference.

3. AUTHORITY

- 3.1 The GAC is authorised by the Board to:
 - 3.1.1 Investigate any activity within its terms of reference and shall have direct communication channels with Group Corporate Assurance Department (GCAD) and Group Compliance Office (GCO), GCFO, Divisional Chief Financial Officers, and external auditors.
 - 3.1.2 Have the resources in order to perform its duties as set out in its terms of reference.
 - 3.1.3 Have full and unrestricted access to information pertaining to the Company and the Group, their records, properties and personnel.
 - 3.1.4 Obtain external legal or other independent professional advice as necessary.

- 3.1.5 Convene meetings with the external auditor, GCAD and GCO or both without the attendance of any executive, and if appropriate, the Group Secretary, whenever deemed necessary.
- 3.1.6 Have immediate access to reports on fraud or irregularities from GCAD and GCO.
- 3.1.7 Authorise an investigation where there is possible fraud, illegal acts or suspected violation of the code of conduct involving senior management or members of the Board.

The GAC shall report to the Board on matters considered and its recommendations thereon, pertaining to the Group.

4. FUNCTIONS AND DUTIES

The main functions and duties of the GAC shall include the review of the following areas and report of the same to the Board:

- 4.1 Financial Reporting and Performance Oversight
 - 4.1.1 The GAC shall review the quarterly and annual financial statements of SDB and the Group with Management and external auditors focusing on the matters set out below, prior to approval by the Board:
 - Any change in accounting policies and practices, and its implementation;
 - Significant adjustments arising from the audit;
 - The going concern assumption; and
 - Compliance with accounting standards and regulatory requirements.
 - 4.1.2 The GAC shall review with the external auditors the audited financial statements for the purpose of approval prior to presentation to the Board for adoption, for the following:
 - Whether the auditor's report contained any qualification which must be properly discussed and acted upon;
 - Whether there is any significant change and adjustment in the presentation of financial statements;
 - Whether it is in compliance with laws and accounting standards;
 - Whether there is any material fluctuation in balances;
 - Whether there is any significant variation in audit scope and approach; and
 - Whether there is any significant commitment or contingent liability.
 - 4.1.3 The GAC shall discuss problems and issues arising from the interim and final external audits, and any matter the external auditors may wish to discuss in the absence of Management, where necessary.
 - 4.1.4 The GAC shall provide the Board with assurance on the quality and reliability of financial information used by the Board and of the financial information issued publicly by SDB and the Group.
 - 4.1.5 The GAC shall regularly review individual Division's financial results and performance, and shall discuss such results with Management, as necessary.
- 4.2 Oversight of GCAD and GCO, and Controls Environment
 - 4.2.1 The GAC shall perform the following in relation to internal controls:
 - Oversee the internal controls framework to ensure operational effectiveness and adequate protection of SDB's and the Group's assets from misappropriation.
 - Review, challenge and approve the GCAD and GCO audit plan, risk assessment and audit methodology and ensure robustness in the audit planning process.
 - Review the adequacy of the internal audit scope, audit programmes, functions and resources of GCAD and GCO, and ensure it is able to undertake its activities independently and objectively, and that it has the necessary authority to carry out its work.
 - Review the internal audit reports prepared by GCAD and GCO, discuss major findings and Management's response, and ensure appropriate action is taken on the recommendations of GCAD and GCO.
 - 4.2.2 The GAC shall approve the appointment or termination of Heads of GCAD and GCO, and senior members of GCAD and GCO. The GAC shall be informed of any resignation of the Heads of GCAD and GCO and members of GCAD and GCO and provide them an opportunity to submit his/her reason for resignation.
 - 4.2.3 The GAC shall assess the performance of the Heads of GCAD and GCO, and review the assessment of the performance of other members of GCAD and GCO.

- 4.2.4 The GAC shall review the results of validation performed by GCAD and GCO on Controls Self Assessment (CSA) sign-offs by Management.
- 4.3 Governance Oversight
- 4.3.1 The GAC shall be assisted by GCO to drive the ethics programme across the Group, including ensuring that the Code of Business Conduct (COBC) and 'whistleblower programme' is implemented across the Group, and complied with.
- 4.3.2 The GAC shall review and endorse the ethics programme for the Board's approval and monitor the progress of implementation.
- 4.3.3 The GAC shall assess the effectiveness of the ethics programme and the ethical climate of the entire organisation, and recommend to the Board necessary changes to the COBC.
- 4.3.4 The GAC shall review reports on violations of the COBC and whistleblowing issues, as well as breaches involving pivotal positions.
- 4.4 Dealings with External Auditors
- 4.4.1 The GAC shall recommend to the Board, the appointment of the external auditors and the audit fee, and any resignation or dismissal of the external auditors.
- 4.4.2 The GAC shall discuss the following with the external auditors:
- The nature and scope of audit;
 - The audit plan;
 - Coordination of audit where more than one audit firm is involved;
 - Evaluation of the system of internal controls;
 - Effectiveness of management information system including any suggestions for improvement and Management's response;
 - The audit reports; and
 - Any assistance given by SDB's and the Group's employees to the auditors.
- 4.5 Related Party Transactions
- 4.5.1 The GAC shall review related party transactions entered into by SDB and the Group to ensure that:
- Transactions are in the best interest of the Group;
 - Transactions are fair, reasonable and undertaken on the Group's normal commercial terms;
- Internal control procedures with regard to such transactions are sufficient and review any conflict of interest situation; and
 - Transaction is not detrimental to the interest of minority shareholders.
- 4.6 Audit Committee Report
- 4.6.1 Prepare an audit committee report at the end of the financial year pursuant to the Listing Requirements.
- 4.7 Share Issuance Scheme
- 4.7.1 The GAC shall verify the criteria for the allocation of shares to the eligible employees and/or vested in a grantee under the Scheme and ensure the same is disclosed to the eligible employees and/or grantee at the end of each financial year as required by the Listing Requirements.
- The GAC shall also ensure that a Statement by the GAC verifying the allocation of shares to the eligible employees and/or grantee under the Scheme is included in the Company's Annual Report.
- 4.8 Other Matters
- 4.8.1 The GAC shall ensure that proper processes and procedures are in place to comply with all laws, regulations and rules established by all relevant regulatory bodies and which could have a significant impact on the Group's financial statements.
- 4.8.2 The GAC shall undertake any such other function as may be determined by the Board from time to time.
- 5 MEETINGS**
- 5.1 Frequency
- 5.1.1 The GAC shall meet at least quarterly in a financial year. Additional meetings shall be scheduled as considered necessary by the Chairman of the GAC.
- 5.1.2 The Heads of GCAD and GCO shall attend meetings of the GAC as a permanent invitee unless otherwise decided by the Chairman. The PGCE, GCFO, and a representative of the external auditors shall normally be invited to attend the meetings.
- 5.1.3 Other members of the Board may attend the meetings upon the invitation of the GAC. Division Executive Vice Presidents (EVP) may be invited to the meetings where necessary.

5.1.4 At least twice a year, the GAC shall meet with the external auditors without the presence of any executive member.

5.2 Notice and Agenda

5.2.1 The notice of GAC meetings shall be circulated at least 5 days before each meeting.

5.2.2 The agenda for each meeting including relevant documents and information requested by the GAC shall be circulated before each meeting to the GAC members, the external auditors and all those who are required to attend the meeting.

5.2.3 The GAC meeting agendas shall be the responsibility of the Chairman with input from the members.

5.2.4 The Chairman may also invite other members of Management and other persons to participate in this process, if necessary.

5.3 Quorum

The quorum for a meeting of the GAC shall be three (3) members, with the majority of members present being independent directors. In the absence of the Chairman, the members present shall elect a Chairman from amongst them to chair the meeting.

5.4 Voting

All resolutions of the GAC shall be adopted by a simple majority vote, each member having one vote. In case of equality of votes, the Chairman of the GAC shall have a second or casting vote.

5.5 Meeting Minutes

5.5.1 The minutes of the meeting shall be action-oriented, and record the deliberations and decisions of the GAC. Minutes shall include compiled Board instructions as Matters Arising for discussion at each GAC meeting to ensure proper follow through.

5.5.2 Copies of the draft minutes shall be distributed to GAC members within three weeks from the meeting. The minutes shall be approved by the Chairman of the meeting at which the proceedings are held or by the Chairman of the next succeeding meeting.

5.5.3 Copies of minutes of each meeting shall be distributed to all members of the Board, GAC, PGCE, GCFO and Heads of GCAD and GCO to ensure proper key actions are acted upon.

5.5.4 The GAC, through its Chairman, shall update the Board on the activities undertaken by the GAC at each Board meeting.

5.5.5 The Heads of GCAD and GCO and relevant members of Management shall be provided with the minutes and Matters Arising for follow up on key actions required.

5.6 Meeting Mode

A meeting shall normally be conducted face-to-face to enable effective discussion, however, meetings may also be conducted via telephone conferencing, video conferencing or other appropriate means as determined by the GAC.

5.7 Secretary

The Secretary to the GAC shall be the Group Secretary or a person recommended by the Group Secretary and approved by the Board.

SUMMARY OF ACTIVITIES OF THE GAC DURING THE FINANCIAL YEAR

The activities undertaken by the GAC during the financial year ended 30 June 2013 were as follows:

i. Financial Reporting

- Review of the quarterly unaudited financial results and the related press statements for recommendation to the Board for approval.
- Review of the audited financial statements of the Company and the Group for recommendation to the Board for approval.
- Review of the Report on the GAC, Statement on Risk Management and Internal Control and Statement on Corporate Governance prior to their inclusion in the Company's Annual Report.
- Review of the Group's financial and foreign currency exposures.
- Review of the Group's major capital expenditure.

ii. Internal and External Audit

- Review of the external auditors' and GCAD's scope of work and audit plans.
- Receive the reports prepared by the external auditors and GCAD.
- Consider the major findings and key significant external/internal audit matters raised by the external auditors and GCAD and Management's response and follow-up actions thereto.
- Consider the global audit fees of the external auditors for recommendation to the Board for approval.
- Review the cases investigated by GCAD arising from whistleblowing.
- Meet quarterly with the external auditors/ Group Head of Group Compliance & Group Corporate Assurance without the presence of Management except for the Group Secretary.

- Review of progress updates on major projects and acquisitions.
- Review of the minutes of meetings of the Audit Committees of the subsidiaries of the Group.
- Review and recommend enhancements to the Group's governance and audit processes.

iii. Related Party Transactions

- Review of significant related party transactions entered into/to be entered into by the Company and the Group and the disclosure of such transactions in the Annual Report.
- Review of the Circular to Shareholders with regard to the proposed renewal of shareholders' mandate for existing recurrent related party transactions and proposed new shareholders' mandate for additional recurrent related party transactions of a revenue or trading nature for the Board's approval.
- Review of related party transactions which are announceable pursuant to the Listing Requirements prior to disclosure to Bursa Malaysia Securities Berhad.
- Review of the updated internal guidelines on related party transactions and annual review of processes and procedures on recurrent related party transactions.
- Review of the impact to the Group of the Financial Reporting Standard 124 Related Party Disclosures.

iv. Other activities

- Review of the Circular to Shareholders in respect of amendments to the Memorandum and Articles of Association of the Company for recommendation to the Board for approval.
- Consider the proposed dividend for recommendation to the Board for approval.
- Commissioning of special reviews on specific areas of operations.
- Review of the report on the activities of GCO.
- Review and recommend the revised Group Policies and Authorities (GPA), Terms of Reference of GAC, Competition Law Compliance Manual, Group Data Protection and Privacy Records Management and Groupwide eProcurement enhancements for recommendation to the Board for approval.
- Review of the governance structure of the Group.
- Review of the Group Information Technology (IT) Roadmap, Strategy Blueprint and Initiatives, and the Group's IT General Controls Environment Report.
- Review of outstanding consultancy and other contracts of the Divisions.
- Review of the Group's Global Trading & Marketing position.
- Review of GCAD's validation report on the eligibility criteria and accuracy on the Long Term Incentive Plan allocation.

- Annual assessment of the performance rating of GCO, GCAD and the Group Head of Group Compliance & Group Corporate Assurance.
- Annual assessment of the audit rating score and targets for the PGCE's scorecard.

PERFORMANCE-BASED EMPLOYEE SHARE SCHEME

The GAC is required to make a statement in the Company's Annual Report verifying the allocation of shares to the eligible employees and/or grantee under the Company's Share Issuance Scheme.

During the financial year ended 30 June 2013, the Company did not grant any share under the Performance-Based Employee Share Scheme.

GROUP COMPLIANCE OFFICE

The GCO was established in February 2011 as an independent and objective function to assist the Board, GAC and Management in coordinating compliance risk management activities, and to provide reasonable assurance to the Board and Management that the Group's operations and activities are conducted in line with all applicable legal and regulatory requirements, internal policies and procedures, COBC and standards of good practice applicable to the Group's operations.

The functions of GCO are as follows:

- Coordinating with Management to identify, assess and formulate mitigating measures for the compliance risks associated with the Group's current and proposed future business activities, including new products, new business relationships and any extension of operations or network on an international level.
- Developing, initiating, maintaining and revising policies and procedures for the general operation of the compliance programme and its related activities.
- Monitoring, and, as necessary, coordinating compliance activities of other departments to remain abreast of the status of all compliance activities and to identify trends.
- Identifying potential areas of compliance vulnerability and risk; developing/implementing corrective action plans for resolution of problematic issues; and providing general guidance on how to avoid or deal with similar situations in the future.
- Establishing standards and procedures to minimise and detect criminal conduct.
- Instituting and maintaining an effective compliance communication programme for the Group by taking reasonable steps to communicate periodically and in a practical manner, the standards and procedures, and other aspects of the compliance and ethics programme.
- Establishing and/or supervising appropriate compliance checks and controls through such initiatives as Control Self-Assessment.

- viii. Collaborating with other departments (e.g. Group Risk Management, GCAD, Group Human Resources) to direct compliance issues to appropriate existing channels for investigation and resolution; and consulting with Group Legal as needed to resolve difficult legal compliance issues.
- ix. Establishing and providing direction and management of the whistleblowing function.
- x. Responding to alleged violations of rules, regulations, policies, procedures, and the COBC by evaluating and/or recommending the initiation of investigative procedures as appropriate, ensuring uniform handling and resolution of such violations.
- xi. Developing and periodically reviewing and updating the GPA and the COBC to ensure continuing relevance in providing guidance to Directors, Management and Employees.

GCO reports functionally to the GAC and administratively to the PGCE. The GCO shall have full and unrestricted access to the PGCE, Chairman of the Board, GAC members and if necessary, the Board members.

The GAC shall, on an annual basis, assess whether the purpose, authority and responsibility of GCO continues to be adequate to enable GCO to accomplish its objective and the results of assessment shall be communicated to the Board.

The activities undertaken by GCO during the financial year ended 30 June 2013 include:

- The annual revision of the GPA.
- The rollout of the COBC training.
- Regulatory Compliance identification and assessment programme at Plantation and Property Divisions.

INTERNAL AUDIT FUNCTIONS AND ACTIVITIES

The Group has an in-house internal audit function which is carried out by GCAD. GCAD reports direct to the GAC and its principal responsibility is to undertake regular and systematic reviews of the systems of internal controls so as to provide reasonable assurance that such systems continue to operate satisfactorily and effectively in the Company and the Group.

GCAD has been organised as a centralised department with divisional Corporate Assurance Departments and has direct control and supervision for the audit across the Group. GCAD is also responsible for the conduct of regular and systematic reviews of environmental, safety and health issues in the Company and the Group.

The attainment of the above objectives involves the following activities being carried out by GCAD:

- i. Reviewing and appraising the soundness, adequacy and application of accounting, financial and other controls and promoting effective control in the Company and the Group at reasonable cost.
- ii. Ascertaining the extent of compliance with established policies, procedures and statutory requirements.
- iii. Ascertaining the extent to which the Company's and the Group's assets are accounted for and safeguarded from losses of all kinds.
- iv. Appraising the reliability and usefulness of information developed within the Company and the Group for Management.
- v. Recommending improvements to the existing systems of controls.
- vi. Carrying out audit work in liaison with the external auditors to achieve effective usage of resources and coverage of key risk areas.
- vii. Carrying out investigations and special reviews requested by Management and/or the GAC.
- viii. Carrying out environmental, safety and health audits on the Company and the Group.
- ix. Identifying opportunities to improve the operations of and processes in the Company and the Group.
- x. Carrying out analyses to determine the efficiency of businesses carried out by the Group.

All internal audit functions during the financial year were conducted by GCAD. There were no areas of the internal audit functions which were outsourced. During the financial year ended 30 June 2013, the total cost incurred for the internal audit function was RM39.7 million (2012: RM39 million).

This report is made in accordance with a resolution of the Board of Directors dated 24 September 2013.

STATEMENT ON CORPORATE GOVERNANCE

SIME DARBY BERHAD GROUP'S CORPORATE GOVERNANCE FRAMEWORK

Overview

The Corporate Governance Framework of the Sime Darby Berhad (SDB or the Company) Group has been designed with the following key aims:

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

In addition to enhancing good governance practices, our Corporate Governance Framework has also taken into consideration pertinent stock exchange and regulatory requirements, such as:

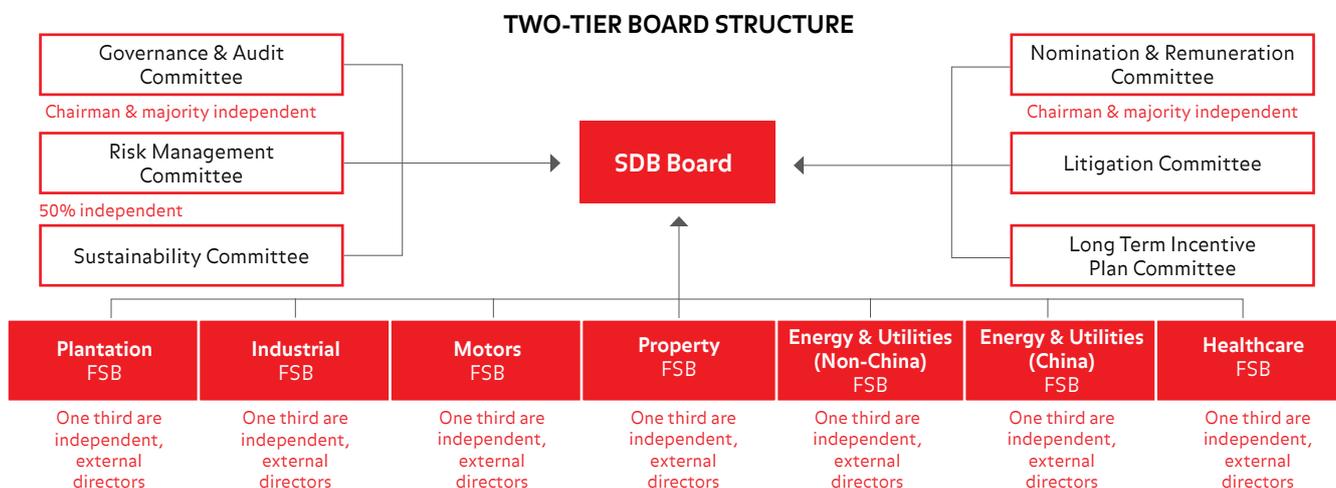
- Bursa Malaysia Securities Berhad's (Bursa Securities) Main Market Listing Requirements (Listing Requirements).
- The Green Book: Enhancing Board Effectiveness by the Putrajaya Committee on Government-Linked Companies (GLC) High Performance (Green Book).
- Corporate Governance Guide: Towards Boardroom Excellence (CG Guide) issued by Bursa Malaysia Berhad.
- Corporate Governance Blueprint issued by the Securities Commission of Malaysia.
- The Malaysian Code on Corporate Governance 2012 (MCCG 2012).

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

The hallmark of SDB's Governance Framework is the two-tier board structure, headed by the Board of SDB and supported by Divisional FSBs. Each Divisional FSB is charged with operational oversight of its Division but remains subject to the direction and counsel of the Board, particularly on matters of strategy and policy. In addition, Board Committees have been established to assist the Board in discharging its responsibilities.

The structure is modular and Divisional FSBs can be added or removed as businesses are acquired or disposed of. Clear terms of reference ensure the Divisional FSBs remain focused on all aspects of Divisional operations. This allows the Board to take a broader perspective, looking at enterprise issues such as strategy, risk management and governance.

Each Divisional FSB is structured to ensure a balanced composition, with members drawn from the Board and Senior Management, as well as including independent industry experts. All nominations to the Board and Divisional FSBs are reviewed by the Nomination & Remuneration Committee (NRC), of which Independent Directors are the majority. The roles of the Chairman of the Board, and the President & Group Chief Executive (PGCE) are distinct and separate.

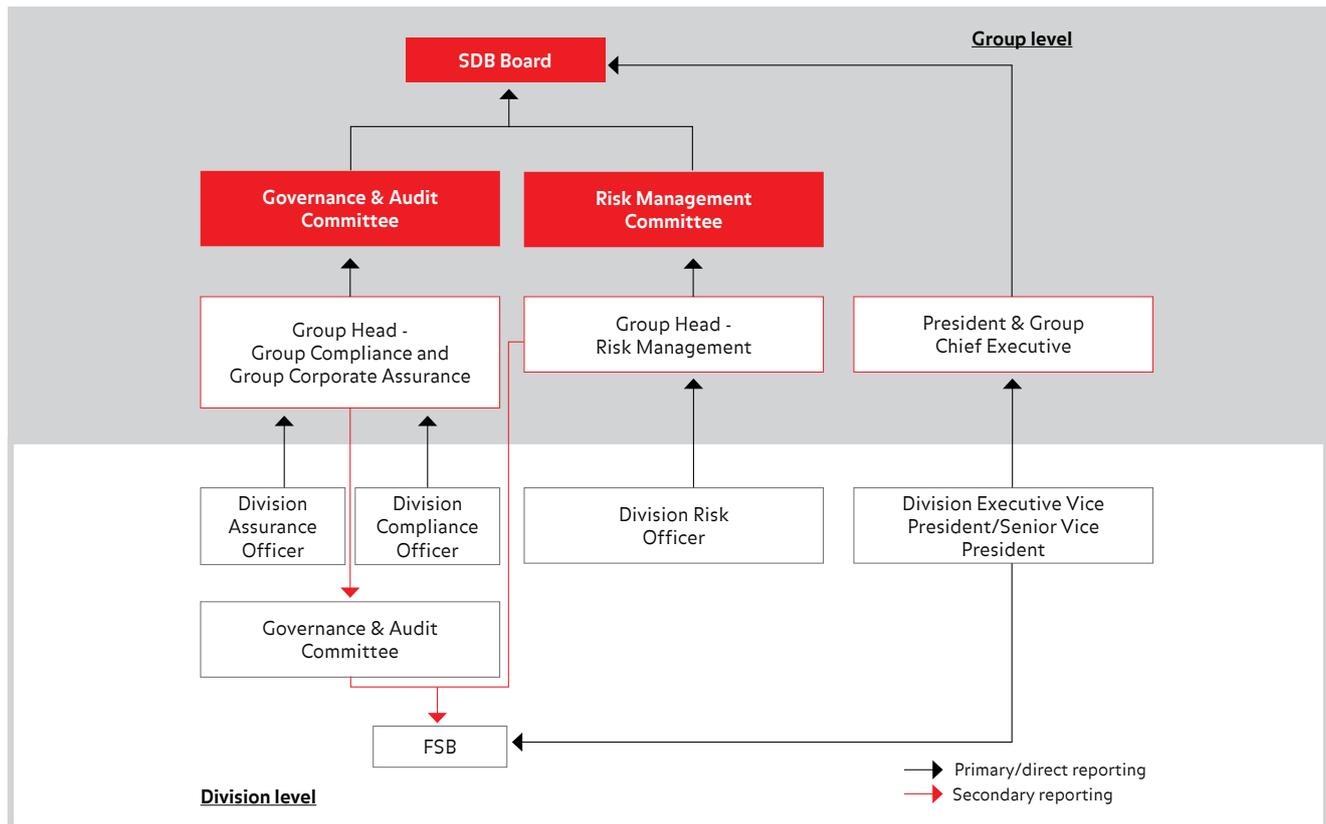


Note: Healthcare has been injected into a jointly controlled entity known as Ramsay Sime Darby Health Care Sdn Bhd (formerly known as Sime Darby Global Healthcare Sdn Bhd) (RSDHC) following the completion of the joint venture arrangement on 30 June 2013.

The Board and Senior Management have established the organisational structure and reporting lines necessary to plan, execute, control and periodically assess the activities of the Group. The operating structure includes defined delegation of responsibilities to the Committees of the Board, management of Group Head Office (GHO), Divisional FSB and operating units.

Within the SDB Group, the three (3) key gatekeepers of good corporate governance are the Assurance,

Compliance and Risk Management functions. The direct reporting lines to the Governance & Audit Committee (GAC) and the Risk Management Committee (RMC) enable these functions to operate with a high degree of impartiality and independence from the rest of the organisation, emphasising the Group's commitment towards a high standard of governance. The Group Secretary serves as a key advisor to the Board on matters of good corporate governance.



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

The Company has also developed a Directors' Handbook which clearly states the aims of good corporate governance and outlines the roles and responsibilities of the Board, FSB and Board Committees as well as their authority limits. Within the Directors' Handbook is the SDB Board Charter which serves as a comprehensive constitution for the Board, and in summary addresses the following pertinent matters:

- An emphasis on the purpose of the Board.
- The structure and composition of the Board.
- The roles and responsibilities of the Board and those delegated to Management, including the Board's oversight role, its relationship with and responsibility to the FSBs and assurance providers.
- Authority, duties and functions of the Board, including the right to obtain advice, to have access to personnel of the Group and to convene meetings as required.
- The conduct of Board meetings.

APPLICATION OF THE MALAYSIAN CODE ON CORPORATE GOVERNANCE 2012

The following sections explain how the Board has applied the Principles of MCCG 2012 with due regard to the accompanying Recommendations.

Principle 1: Establish clear roles and responsibilities

The Board recognises its duty and privilege as the apex governing body of the Group. The Board is cognisant of the need to protect and enhance the long-term interests of the many stakeholders of the Group. Each member of the Board undertakes this governance role by:

- Monitoring the effectiveness of the management team to satisfy himself/herself that the Group's affairs are being properly managed.
- Devoting time required on the Group's businesses, including preparing for, and attending Board and Board Committee meetings.

STATEMENT ON CORPORATE GOVERNANCE

- iii. Interacting on a reasonable level with the executive management team, including visiting operational sites to gain a better understanding of the Group's businesses.
- iv. Equipping himself/herself with a basic level of financial literacy and an understanding of his/her legal duties.

Recommendation 1.1

The Board should establish clear functions reserved for the Board and those delegated to Management

The Board reserves full decision-making powers on the following matters:

- i. Group and Division strategy, plans and budget.

- ii. Acquisitions, disposals and transactions exceeding the authority limits delegated by the Board to the FSB.
- iii. Changes to senior GHO and Division Management.
- iv. Changes to key policies, procedures and delegated authority limits.

During the financial year ended 30 June 2013, eleven (11) Board meetings were held to consider and deliberate various issues including the matters mentioned above. All Directors attended more than 50% of the Board Meetings held during the financial year and have complied with the Listing Requirements of Bursa Securities in terms of attendance, with the exception of Dato' Sreesanthan Eliathamby who took leave of absence in July 2012, details of which are as follows:

Director	Date of Appointment	No. of Meetings Attended	%
Tun Musa Hitam ¹	29.09.2007	6 out of 6 [^]	100
Tan Sri Dato' Sri Hamad Kama Piah Che Othman (Deputy Chairman)	16.11.2010	11 out of 11	100
Tan Sri Samsudin Osman ²	19.12.2008	10 out of 11	91
Tan Sri Dato' Dr Wan Mohd Zahid Mohd Noordin	14.09.2007	11 out of 11	100
Tan Sri Datuk Amar (Dr) Tommy Bugo @ Hamid Bugo	26.08.2010	11 out of 11	100
Tan Sri Datuk Dr Yusof Basiran	16.11.2010	11 out of 11	100
Datuk Zaiton Mohd Hassan	16.11.2010	11 out of 11	100
Dato Sri Lim Haw Kuang	26.08.2010	10 out of 11	91
Dato' Henry Sackville Barlow	29.09.2007	11 out of 11	100
Dato' Azmi Mohd Ali	16.11.2010	11 out of 11	100
Tan Sri Dato' Sri Dr Wan Abdul Aziz Wan Abdullah	10.12.2012	4 out of 4 [^]	100
Ir Dr Muhamad Fuad Abdullah	04.02.2013	4 out of 4 [^]	100
Dato' Sreesanthan Eliathamby ³	26.08.2010	-	-
Tan Sri Dato' Mohd Bakke Salleh	16.11.2010	11 out of 11	100

Note:

¹ Retired as Chairman of the Board of SDB with effect from (w.e.f.) 8 November 2012.

² Appointed as Acting Chairman of the Board of SDB w.e.f. 8 November 2012 and redesignated as Director w.e.f. 1 July 2013. Dato' Abdul Ghani Othman was appointed as the Chairman of the Board of SDB w.e.f. 1 July 2013.

³ Took leave of absence from the Board of SDB, FSBs and all committees of the SDB Group on 25 July 2012. Subsequently, retired as Director of the Board of SDB w.e.f. 8 November 2012.

[^] Reflects the number of meetings scheduled during the time the Director held office.

In view of the size of the SDB Group, FSBs were established to exercise oversight over each core Division within the Group. Each FSB has up to three (3) representatives from the Board, facilitating a clear and unambiguous line of oversight from the Board to the Divisions.

The role of the FSB is to oversee the operations of the respective Divisions, subject always to the direction and counsel of the Board and compliance with any policy and delegated authority limits set by the Board.

Broadly, the FSB's key roles are to:

- Oversee the operations of the respective Divisions, which include but are not limited to overseeing their business strategy and performance, human capital management, corporate governance and risk management practices.
- Fulfil its statutory and fiduciary responsibilities of monitoring management and financial risk processes; and accounting and financial reporting practices of the Division.
- Review the Division's business efficiency and the quality of the Division's accounting function, financial reporting processes and system of internal controls.

STATEMENT ON CORPORATE GOVERNANCE

- Enhance the independence of both the external and internal audit functions by providing direction to, and exercising oversight of, these functions.
- Ensure the implementation of an effective ethics programme across the Division and monitor compliance with established policies and procedures.

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

The role of the Board together with the FSBs, as outlined above, is in line with the following roles and responsibilities of the Board as espoused by MCCG 2012:

- Review and adopt a strategic plan for the Company.
- Oversee the conduct of the Company's business to evaluate whether the business is being properly managed.
- Identify the principal risks and ensure the implementation of appropriate systems to manage these risks.
- Manage the succession planning process, including appointing, training, fixing the compensation of and, where appropriate, replacing Senior Management.
- Develop and implement an investor relations programme or shareholders' communication policy for the Company.
- Review the adequacy and the integrity of the Company's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.

The salient Terms of Reference (TOR) of the FSB are as follows:

1. Composition, Appointment and Meetings

- The NRC of the Board shall recommend members to each FSB who shall be endorsed by the Board prior to the appointment being tabled for approval by the relevant FSB.
- The FSB shall consist of up to ten (10) members, comprising a mix of Directors and Senior Management (including the PGCE).
- All FSB members shall possess the relevant knowledge, skills, functional or management experience necessary to contribute in an effective manner.
- The FSB shall meet at least four (4) times in the financial year, with appropriate notice given and all relevant records and minutes made available for the purpose of the meetings.

2. Authority

- The FSB is authorised to access, without restriction, information, records and documents pertinent to its activities. This shall include personnel of the Group such as the Group Heads of Group Compliance and Group Corporate Assurance, Group Risk Management (GRM), Divisional Chief Financial Officers and the external auditors.
- The FSB shall report to the Main Board on matters considered and its recommendations, which may include instances of irregularities or breaches of the Code of Conduct.

3. Functions and Duties

The FSB shall:

- Contribute to the development of the Division's business strategy and approve such strategy in addition to overseeing its implementation.
- Review and approve the quarterly and annual financial statements of the Division, after considering the reports and recommendations of the external auditors.
- Oversee the management of the Division, including tracking of cash flows, development of suitable operating policies and human capital management.
- Ensure the implementation and effective functioning of risk management processes and internal controls, which includes ascertaining adherence to the Group's policies, procedures, directives and limits of authority.

4. Reserved Matters

The following matters are reserved for the deliberation of the FSB, which shall also require the approval of the SDB Board:

- Divisional strategy, corporate plans and annual budgets.
- Acquisitions and disposals of undertakings and properties, and transactions in the amounts set out in the Limits of Authority. This applies to:
 - a. both capital and revenue items.
 - b. related party transactions.
 - c. both usual and project related transactions.
- Major investments, divestments, mergers, joint ventures, and financial decisions.
- Changes to Management including the removal of those in key pivotal positions and control structure within the Division.
- Changes in the key policies and procedures and delegated authority limits.

STATEMENT ON CORPORATE GOVERNANCE

The members of each FSB during the financial year ended 30 June 2013 and their attendance at the FSB meetings are as follows:

PLANTATION Sime Darby Plantation Sdn Bhd	Date of Appointment	No. of Meetings Attended	%
Tun Musa Hitam ¹	31.12.2010	1 out of 1 [^]	100
Tan Sri Samsudin Osman ²	01.02.2013	3 out of 3 [^]	100
Tan Sri Datuk Dr Yusof Basiran	31.12.2010	4 out of 4	100
Dato' Henry Sackville Barlow	31.12.2010	4 out of 4	100
Tan Sri Dato' Mohd Bakke Salleh	30.12.2010	4 out of 4	100
Dato' Abd Wahab Maskan	30.12.2010	3 out of 4	75
Datuk Franki Anthony Dass	30.12.2010	4 out of 4	100
Encik Rosely Kusip	31.12.2010	4 out of 4	100
Dato' Che Abdullah @ Rashidi Che Omar	31.12.2010	3 out of 4	75

Note:

- ¹ Ceased as the Chairman and Director of Sime Darby Plantation Sdn Bhd w.e.f. 8 November 2012.
- ² Appointed as the Interim Chairman of Sime Darby Plantation Sdn Bhd w.e.f. 1 February 2013 and resigned as Director of Sime Darby Plantation Sdn Bhd w.e.f. 1 July 2013. Dato' Abdul Ghani Othman was appointed as the Chairman of Sime Darby Plantation Sdn Bhd w.e.f. 1 July 2013.
- [^] Reflects the number of meetings scheduled during the time the Director held office.

INDUSTRIAL Sime Darby Industrial Holdings Sdn Bhd	Date of Appointment	No. of Meetings Attended	%
Tan Sri Samsudin Osman (Chairman)	18.01.2011	4 out of 4	100
Dato' Azmi Mohd Ali	30.12.2010	4 out of 4	100
Tan Sri Dato' Mohd Bakke Salleh	30.12.2010	4 out of 4	100
Madam Tong Poh Keow	30.12.2010	4 out of 4	100
Mr Scott William Cameron	24.01.2011	4 out of 4	100
Mr James Chapman Sheed	30.12.2010	3 out of 4	75
Dato' Ahmad Pardas Senin	30.12.2010	3 out of 4	75
Dato' Sri Abdul Hamidy Abdul Hafiz	30.12.2010	3 out of 4	75

MOTORS Sime Darby Motors Sdn Bhd	Date of Appointment	No. of Meetings Attended	%
Tan Sri Dato' Dr Wan Mohd Zahid Mohd Noordin (Chairman)	31.12.2010	6 out of 6	100
Tan Sri Datuk Dr Yusof Basiran ¹	31.12.2010	4 out of 4 [^]	100
Tan Sri Dato' Sri Dr Wan Abdul Aziz Wan Abdullah ²	05.02.2013	2 out of 2 [^]	100
Datuk Zaiton Mohd Hassan	31.12.2010	5 out of 6	83
Tan Sri Dato' Mohd Bakke Salleh	30.12.2010	6 out of 6	100
Madam Tong Poh Keow	30.12.2010	6 out of 6	100
Dato' Lawrence Lee Cheow Hock	04.08.2006	6 out of 6	100
Datuk Karownakaran @ Karunakaran Ramasamy	31.12.2010	6 out of 6	100
Dato' Sri Abdul Hamidy Abdul Hafiz	31.12.2010	6 out of 6	100
Datuk Syed Abu Bakar Syed Mohsin Almohdzar	11.02.2011	6 out of 6	100

Note:

- ¹ Resigned as Director of Sime Darby Motors Sdn Bhd w.e.f. 5 February 2013.
- ² Appointed as Director of Sime Darby Motors Sdn Bhd w.e.f. 5 February 2013.
- [^] Reflects the number of meetings held during the time the Director held office.

STATEMENT ON CORPORATE GOVERNANCE

PROPERTY Sime Darby Property Berhad	Date of Appointment	No. of Meetings Attended	%
Tan Sri Dato' Sri Hamad Kama Piah Che Othman (Chairman)	31.12.2010	6 out of 6	100
Tan Sri Datuk Amar (Dr) Tommy Bugo @ Hamid Bugo	31.12.2010	6 out of 6	100
Dato' Sreesanthan Eliathamby ¹	31.12.2010	-	-
Ir Dr Muhamad Fuad Abdullah ²	04.02.2013	3 out of 3 [^]	100
Tan Sri Dato' Mohd Bakke Salleh	30.12.2010	6 out of 6	100
Dato' Abd Wahab Maskan	30.12.2010	6 out of 6	100
Tengku Datuk Seri Ahmad Shah Al-Haj ibni Almarhum Sultan Salahuddin Abdul Aziz Shah Al-Haj	31.12.2010	6 out of 6	100
Dato' Johan Ariffin	31.12.2010	5 out of 6	83
Mr Vasantha Kumar Tharmalingam ³	31.12.2010	2 out of 3 [^]	67

Note:

- ¹ Took leave of absence from the Board of SDB, FSBs and all committees of the SDB Group on 25 July 2012. Subsequently, resigned as Director of Sime Darby Property Berhad w.e.f. 8 November 2012.
- ² Appointed as Director of Sime Darby Property Berhad w.e.f. 4 February 2013.
- ³ Resigned as Director of Sime Darby Property Berhad w.e.f. 3 January 2013.
- [^] Reflects the number of meetings held during the time the Director held office.

ENERGY & UTILITIES (NON-CHINA) Sime Darby Energy Sdn Bhd	Date of Appointment	No. of Meetings Attended	%
Dato Sri Lim Haw Kuang (Chairman)	31.12.2010	5 out of 5	100
Dato' Sreesanthan Eliathamby ¹	31.12.2010	-	-
Tan Sri Dato' Mohd Bakke Salleh	31.12.2010	5 out of 5	100
Madam Tong Poh Keow	31.12.2010	5 out of 5	100
Dato' Ir Jauhari Hamidi	20.08.2010	5 out of 5	100
Tan Sri Rastam Mohd Isa	31.12.2010	4 out of 5	80
Dato' Ahmad Pardas Senin	31.12.2010	4 out of 5	80

Note:

- ¹ Took leave of absence from the Board of SDB, FSBs and all committees of the SDB Group on 25 July 2012. Subsequently, resigned as Director of Sime Darby Energy Sdn Bhd w.e.f. 8 November 2012.

ENERGY & UTILITIES (CHINA) Sime Darby Utilities Sdn Bhd	Date of Appointment	No. of Meetings Attended	%
Dato Sri Lim Haw Kuang (Chairman)	31.12.2010	5 out of 5	100
Dato' Azmi Mohd Ali	31.12.2010	5 out of 5	100
Datuk Zaiton Mohd Hassan	31.12.2010	4 out of 5	80
Tan Sri Dato' Mohd Bakke Salleh	26.10.2010	5 out of 5	100
Madam Tong Poh Keow	31.12.2010	5 out of 5	100
Mr Timothy Lee Chi Tim	07.05.2012	5 out of 5	100
Mr William Wang ¹	25.01.2011	3 out of 4 [^]	75
Encik Mohamad Abdul Halim Ahmad	16.02.2011	5 out of 5	100
Datuk Elias Md Kadir Baba	21.04.2011	4 out of 5	80

Note:

- ¹ Resigned as Director of Sime Darby Utilities Sdn Bhd w.e.f. 6 March 2013.
- [^] Reflects the number of meetings held during the time the Director held office.

STATEMENT ON CORPORATE GOVERNANCE

HEALTHCARE Sime Darby Healthcare Sdn Bhd	Date of Appointment	No. of Meetings Attended	%
Tan Sri Dato' Dr Wan Mohd Zahid Mohd Noordin (Chairman)	31.12.2010	5 out of 5	100
Tan Sri Datuk Amar (Dr) Tommy Bugo @ Hamid Bugo	31.12.2010	4 out of 5	80
Dato' Henry Sackville Barlow	31.12.2010	5 out of 5	100
Tan Sri Dato' Mohd Bakke Salleh	31.12.2010	5 out of 5	100
Dato' Abd Wahab Maskan	31.12.2010	4 out of 5	80
Raja Azlan Shah Raja Azwa	07.09.2010	5 out of 5	100
Tengku Datuk Seri Ahmad Shah Al-Haj ibni Almarhum Sultan Salahuddin Abdul Aziz Shah Al-Haj	31.12.2010	3 out of 5	60
Datuk Mohd Radzif Mohd Yunus	01.03.2011	3 out of 5	60
Dato' Dr Jacob Thomas	15.10.2008	4 out of 5	80

Note: Effective 30 June 2013, Sime Darby Healthcare Sdn Bhd and its subsidiaries (Healthcare Group) became a subsidiary of RSDHC, a joint venture company between Sime Darby Holdings Berhad and AH Holdings Health Care Pty Ltd.

In terms of day-to-day management, the Company has established a number of high-level committees. These committees are tasked with managing different aspects of the Group's business. The management committees are:

- a. Group Management Committee
- b. Management Sustainability Committee
- c. Group Transformation Committee
- d. Group Investment Committee
- e. Group Operations Meeting
- f. Group Tender Committee.

The membership and functioning of each management committee are briefly outlined below:

a. Group Management Committee

The Group Management Committee (GMC) is chaired by the PGCE and its members include the Group Chief Operating Officer (GCOO), the Group Chief Financial Officer (GCFO) and Executive Vice Presidents (EVP) of the Divisions and GHO.

The GMC has overall responsibility for management policies, enterprise initiatives, day-to-day operations of the Group, the deployment and implementation of Board resolutions and the achievement of objectives and results.

The Group Head of Group Compliance and Group Corporate Assurance, Group Head of Risk Management, Group General Counsel and Group Head of Group Communications and Corporate Affairs attend the meetings of the GMC as regular invitees.

The GMC meets on a bi-monthly basis and when deemed necessary. During the financial year ended 30 June 2013, the GMC met six (6) times.

b. Management Sustainability Committee

The Management Sustainability Committee (MSC), which oversees sustainability operations within the Group, is chaired by the GCOO and comprises the Heads of Sustainability & Quality Management from the core business Divisions, and representatives

from GHO departments. Group Sustainability and Quality Management (GSQM) holds the post of Secretariat and submits progress reports to the SDB Board, Sustainability Committee of the Board and GMC. The MSC defines Group sustainability policies and standards and procedures, reviews and monitors business sustainability practices and targets, tracks global sustainability trends and incorporates new developments into the Group sustainability management framework, and addresses sustainability risks, communications and stakeholder management.

The MSC meets on a quarterly basis and when deemed necessary. During the financial year ended 30 June 2013, the MSC met four (4) times.

c. Group Transformation Committee

The Group Transformation Committee (GTC) is tasked with developing and recommending the strategic and operational transformation plan for the Group; and reviewing the performance of the Group's transformation initiatives against set key performance indicators (KPI) and timelines. These transformation initiatives are focused solely on driving continuous improvement and efficiencies in operations in the quest to realise the full potential of the Group.

The members of the GTC are EVPs of the Divisions, GCFO and EVPs from GHO. The GTC is chaired by the GCOO as a delegate of the PGCE.

The GTC meets as and when deemed necessary.

d. Group Investment Committee

The Group Investment Committee (GIC), which is chaired by the GCOO, includes the GCFO, EVP of Group Strategy & Business Development, Group Head of Risk Management and the Group General Counsel as members. The GIC reviews and recommends for approval major investment decisions to the PGCE and the relevant FSBs and/or the SDB Board.

STATEMENT ON CORPORATE GOVERNANCE

The GIC meets at least eight (8) times in a year and when deemed necessary. During the financial year ended 30 June 2013, the GIC met fifteen (15) times.

e. *Group Operations Meeting*

The Group Operations Meeting (GOM) under the chairmanship of the GCOO is a platform to oversee the operations of the Group, which includes reviewing and overseeing the operational KPIs and addressing operational risk issues of the Divisions in the Group. The GOM is held as and when deemed necessary.

f. *Group Tender Committee*

The Group Tender Committee (GTC) was established with a mandate to review tenders valued at RM100 million and above before deliberation by the relevant FSB or the SDB Board (as the case may be). The Committee has no mandate to approve the tenders that it reviews.

The members of the GTC are the PGCE/GCOO (as Chairman), GCFO, EVP of Group Strategy & Business Development, EVP of Group Corporate Services, Group Head - Group Procurement and Divisional EVP (or Senior Vice President where a Division is headed by one).

The GTC meets as and when deemed necessary and had met two (2) times during the financial year ended 30 June 2013.

Recommendation 1.2

The Board should establish clear roles and responsibilities in discharging its fiduciary and leadership functions

The responsibility for governing, guiding and monitoring the performance of the Group rests entirely on the Board. To facilitate the discharge of this responsibility and oversight role, the Board is assisted by a number of Board Committees which greatly enhance the effectiveness of the Board, with the following benefits:

- Allowing Directors to use their time more efficiently.
- Summarising complex issues and recommending courses of action.
- Sending a positive signal to investors that major issues are being addressed.
- Allowing Independent Directors to gain a deeper understanding of the Group's business.

Each Board Committee operates within its respective TOR that clearly defines its roles and responsibilities. There are seven (7) Board Committees, as follows:

- Governance & Audit Committee
- Nomination & Remuneration Committee
- Risk Management Committee
- Sustainability Committee
- Long Term Incentive Plan Committee
- Litigation Committee
- Tender Committee.

a. Governance & Audit Committee

The GAC is a critical governance lever within the Group and often has an extensive agenda. The GAC's primary objective is to assist the SDB Board in the oversight of the Group's internal control systems, which comprise, among others, the following:

- Reviewing the quality of the Group's accounting function and financial reporting practices.
- Ensuring that the Group's financial statements comply with applicable financial reporting standards and the Companies Act, 1965.
- Enhancing the independence of both the external and internal audit functions.
- Assisting the Board in ensuring that an effective ethics programme is implemented across the Group.
- Monitoring compliance with policies and procedures.

The GAC comprises only Non-Executive Directors, with a minimum membership of four (4) members, a majority of whom are Independent Directors. The Chairman of the GAC is the Senior Independent Director of the Company.

The GAC has full access to the auditors, both internal and external, who in turn, have access at all times to the Chairman of the GAC.

During the financial year ended 30 June 2013, five (5) sessions were held by the GAC with the external auditors without the presence of Management except for the Group Secretary. In addition, the Group Head of Group Compliance and Group Corporate Assurance met with the GAC on a private basis at each quarterly meeting.

The GAC plays a key role in ascertaining that the Group establishes and continues to maintain appropriate controls to ensure compliance with the Listing Requirements of Bursa Securities that address related party transactions. All significant related party transactions are reviewed by the GAC on a quarterly basis. A shareholders' mandate in respect of existing and new recurrent related party transactions is obtained at the Annual General Meeting (AGM) of the Company on a yearly basis. Details of the recurrent related party transactions entered into by the Group during the financial year ended 30 June 2013 are set out in the Additional Compliance Information on pages 359 to 361 of the Annual Report.

Further information on the scope and activities of the GAC, including attendance of Committee members and the TOR of the GAC, can be found in the Report on the GAC from pages 51 to 54 of the Annual Report.

b. Nomination & Remuneration Committee

The NRC was established by the Board to manage the recruitment, performance assessment and remuneration processes for Board members and key management positions within the Group.

STATEMENT ON CORPORATE GOVERNANCE

One of the NRC's key roles is to drive the recruitment process for new Directors. The NRC considers and recommends candidates for the Board's approval based on the criteria set out in the TOR of the NRC.

Another key aspect of the NRC's work is to assess the Board in the annual assessment of the effectiveness of the Board, the Board Committees and individual Directors. In this regard, the Board, through the NRC, has adopted a structured framework to assess the Board's performance and to provide avenues for improvement.

The remuneration of the Executive Director (PGCE) and Non-Executive Directors is under the purview of the NRC. The NRC recommends to the Board the remuneration package of the PGCE. Remuneration of the Non-Executive Directors is a matter for the Board as a whole and is put to a vote by the shareholders of the Company at the AGM.

The salient TOR of the NRC are as follows:

1. Composition and Appointment
 - The NRC shall comprise purely Non-Executive Directors appointed by the Board, with a minimum of four (4) members.
 - The majority, and the Chairman, shall be Independent Non-Executive Directors.
2. Authority
 - The NRC has full access to the Group Human Resources function, including, without limitation, its information, records, properties and personnel.
 - The NRC shall provide its recommendations to the Board for its consideration and approval.
3. Functions and Duties

The NRC shall:

 - Review the Board's size and mix of skills, experience, competencies and other qualities.
 - Manage the recruitment process for new Directors, including on-boarding and training programmes.
 - Drive the performance assessment for the Board, the Board Committees and individual Directors (including the PGCE) on an annual basis.
 - Ensure that an appropriate succession planning framework has been put in place for the PGCE and key management positions.
 - Review and recommend to the Board the remuneration for the Directors (including the PGCE), the policy and remuneration framework for Non-Executive Directors and extension of service for key pivotal positions.

Members of the NRC and their attendance at meetings during the financial year ended 30 June 2013 are as follows:

Member	No. of Meetings Attended	%
Tun Musa Hitam ¹	2 out of 2 [^]	100
Tan Sri Dato' Sri Hamad Kama Piah Che Othman	6 out of 6	100
Tan Sri Datuk Amar (Dr) Tommy Bugo @ Hamid Bugo	6 out of 6	100
Dato' Henry Sackville Barlow	6 out of 6	100

Note:

¹ Retired as the Chairman and member of the NRC w.e.f. 8 November 2012. Dato' Abdul Ghani Othman was appointed as the Chairman of the NRC w.e.f. 1 July 2013.

[^] Reflects the number of meetings held during the time the Director held office.

Summary of Main Activities in 2012/2013

During the financial year ended 30 June 2013, the NRC undertook a number of key activities as listed below:

- a) *Nomination Function*

Considered and made recommendations to the Board on the following matters:

 - Annual Evaluation of the PGCE
 - Extension of the Fixed Term Contract for the PGCE
 - Extension of the Fixed Term Contracts of Key Pivotal Positions Reporting to the PGCE
 - Assessment of the Effectiveness of the Board, Board Committees and Individual Directors
 - Revision to the TOR of the NRC to align with the Amendments to the Listing Requirements and the MCG 2012
 - Appointment of New Director
 - Proposed New Composition of the Board Committees of SDB
 - Revised Composition of the FSB
 - Re-appointment / Re-election of Directors retiring at the 2013 AGM
 - Annual Assessment of the Independent Directors of the SDB Board
 - Compliance with the TOR of the NRC
 - Talent and Succession Management in the SDB Group
 - Proposed Appointment of the New Chairman of SDB and Proposed Appointment of the New Chairman of Sime Darby Plantation Sdn Bhd.

b) *Remuneration Function*

Considered and made recommendations to the Board on the following matters:

- Proposed Long Term Incentive Plan (LTIP)
- Total Compensation Review & Implementation for the Malaysian Operations
- Bonus Payout for Financial Year 2011/2012
- Salary Increment and Bonus for Direct Reports to the PGCE
- Salary Increment and Bonus for the PGCE
- Proposed Remuneration for the Sustainability Committee of SDB
- Proposed Remuneration for the Long Term Incentive Plan Committee of SDB
- Remuneration of the Non-Executive Directors of the SDB Group of Companies for the financial year ended 30 June 2013
- Salary Increment Proposals for the SDB Group for the financial year 2013/2014.

c) *Risk Management Committee*

The RMC enables the Board and Management to identify, prioritise, communicate and manage risks that may affect the attainment of the Group's targets.

The RMC strives to impose a level of discipline on the Board and Management to be continuously aware of, and consider, risk from the perspectives of likelihood of the risk crystallising and impact to the Group. Its main role is to regularly review and recommend the Group's risk management policies and strategies for the Board's approval. In addition, the RMC oversees the risk management activities of the Group, through the work of the GRM function and Risk Officers.

The salient TOR of the RMC are as follows:

1. Composition and Appointment

- The RMC shall comprise at least four (4) Directors appointed by the Board, with the Chairman being an Independent Non-Executive Director.
- Members of the RMC shall possess a mixture of expertise and experience, including sufficient knowledge of the industries in which the Group operates.

2. Authority

- The RMC is authorised to have full access to the GRM function, including, without limitation, its information, records, properties and personnel.
- The RMC shall provide its recommendations to the Board for its consideration and approval.

3. Functions and Duties

The RMC shall:

- Provide oversight, guidance and direction to the Group's risk management function and processes.
- Recommend the Group's risk management policies, strategies and risk tolerance levels, and any proposed changes thereto for the Board's consideration and approval.
- Evaluate the effectiveness of the GRM structure, risk management processes and support system to identify, assess, monitor and manage the Group's key risks.
- Review all major investment proposals and project business cases in accordance to established thresholds as outlined in the Group Policies & Authorities (GPA).

Members of the RMC and their attendance at meetings during the financial year ended 30 June 2013 are as follows:

Member	No. of Meetings Attended	%
Tan Sri Datuk Amar (Dr) Tommy Bugo @ Hamid Bugo (Chairman)	7 out of 7	100
Tan Sri Datuk Dr Yusof Basiran ¹	4 out of 4 [^]	100
Dato Sri Lim Haw Kuang	5 out of 7	71
Dato' Azmi Mohd Ali	7 out of 7	100
Tan Sri Dato' Sri Dr Wan Abdul Aziz Wan Abdullah ²	2 out of 3 [^]	67

Note:

¹ Resigned as member of the RMC w.e.f. 28 January 2013.

² Appointed as member of the RMC w.e.f. 28 January 2013.

[^] Reflects the number of meetings held during the time the Director held office.

Summary of Main Activities in 2012/2013

During the financial year ended 30 June 2013, the RMC fulfilled a number of key activities as listed below:

- Risk management reporting
- Risk evaluation of project proposals
- Monitoring of the Risk Management Framework
- Review of Capital Expenditure Review Reports and Debt/Equity Ratios
- Review of compliance with the TOR of the RMC.

d. Sustainability Committee

SDB's core values and principles call upon the Group to respect the environment and address the challenges of operating in a sustainable manner.

The Sustainability Committee (SC) was established on 28 August 2012 to ascertain that the SDB Group's objectives, policies and practices incorporate sustainability considerations. The SC's philosophy is that business must include not only Profit, but should consider the People and the Planet aspects as well.

The salient TOR of the SC are as follows:

1. Composition and Appointment
 - The SC shall comprise at least three (3) Non-Executive Directors appointed by the Board.
2. Authority
 - The SC is authorised by the Board to have full access to the GSQM Department, including, without limitation, its information, records, properties and personnel.
 - The SC shall also have full access to the Strategic Sustainability Advisor and any other consultant(s) as deemed necessary.
3. Functions and Duties

The SC shall:

 - Review the Group's strategies, policies, procedures and processes relating to sustainability, including whether these strategies, policies and procedures promote the Group's sustainability agenda. In doing so, the SC shall have supervision over the MSC.
 - Advise on the Group Sustainability Report prior to reporting to the Board.
 - Consider issues, risks and compliance matters relating to sustainability that are highlighted by auditors and consultants.

Members of the SC and their attendance at meetings during the financial year ended 30 June 2013 are as follows:

Member	No. of Meetings Attended	%
Dato' Henry Sackville Barlow (Chairman)	5 out of 5	100
Tan Sri Datuk Amar (Dr) Tommy Bugo @ Hamid Bugo	5 out of 5	100
Tan Sri Datuk Dr Yusof Basiran	5 out of 5	100
Ir Dr Muhamad Fuad Abdullah ¹	3 out of 3 [^]	100

Note:

- ¹ Appointed as member of the SC w.e.f. 4 February 2013.
[^] Reflects the number of meetings held during the time the Director held office.

The SC communicates and works extensively with GSQM and the Sustainability Advisor in crafting the Group's sustainability strategy. If necessary, the SC engages consultants to provide further advice and guidance.

The SC devotes its attention to the remediation of issues arising from independent audits and assurance reports, and any matter that the consultants may highlight. The SC also focuses on relevant emerging Corporate Social Responsibility (CSR) issues, and seeks to align the Group's CSR activities with the overall Group's strategy on sustainability.

The MSC has been set up to support the SC. The MSC is chaired by the GCOO and comprises Heads of Sustainability & Quality Management from the core business Divisions, and representatives from GHQ departments.

e. Long Term Incentive Plan Committee

The Long Term Incentive Plan Committee (LTIPC) was established by the Board on 28 August 2012. The ambit of the LTIPC covers the administration of the SDB Performance-Based Employee Share Scheme (PBESS or Share Scheme) and other related incentive plans that may be implemented by the Company.

The PBESS was established to serve as an LTIP to drive sustainable long term performance and align the interests of employees with the interests of the shareholders, and is governed by the By-Laws approved by the shareholders at an Extraordinary General Meeting held on 8 November 2012.

The broad responsibilities of the LTIPC as outlined in its TOR include:

- Setting the rules and regulations in connection with the administration of the SDB Share Scheme.
- Determining the terms of eligibility of employees, grant level, terms of acceptance of offers and terms of vesting of the shares.
- Determining the relevant performance measures and targets.

The salient TOR of the LTIPC are as follows:

1. Composition and Appointment

- The LTIPC shall comprise at least three (3) members, appointed by the Board, with a majority comprising Non-Executive Directors. The Chairman shall be an Independent Non-Executive Director.
- Executives of the Company may be members of the LTIPC.

2. Authority

- The LTIPC is authorised to have full and unrestricted access to information, records and documents pertinent to its activities in the discharge of its duty.
- The LTIPC shall have direct communication channels with the EVP - Group Human Resources, and any other persons if deemed necessary.
- The Committee is authorised by the Board to obtain, in connection with its duties, and at the Company's expense, external legal or other independent professional advice it considers to be necessary.

3. Functions and Duties

The LTIPC shall oversee the administration of the SDB Share Scheme, including determination of the Group's relevant performance measures and targets, and other incentive plans that may be implemented by the Company.

Members of the LTIPC and their attendance at meetings during the financial year ended 30 June 2013 are as follows:

Member	No. of Meetings Attended	%
Dato' Henry Sackville Barlow (Chairman)	4 out of 4	100
Tan Sri Datuk Amar (Dr) Tommy Bugo @ Hamid Bugo	4 out of 4	100
Datuk Zaiton Mohd Hassan	4 out of 4	100
Ir Dr Muhamad Fuad Abdullah ¹	3 out of 3 [^]	100

Note:

¹ Appointed as member of the LTIPC w.e.f. 4 February 2013.

[^] Reflects the number of meetings held during the time the Director held office.

Among the matters discussed at the LTIPC meetings were:

- the eligibility of employees to receive shares in accordance with the By-Laws of the Share Scheme;
- the performance measures and targets associated with the first Grant; and
- refinements on implementation of the Share Scheme.

No shares were granted by the Company under the Share Scheme to its eligible employees in the financial year ended 30 June 2013.

f. *Litigation Committee*

The Litigation Committee (LC) is a Board Committee set up primarily to monitor the progress of the following legal action (Civil Suits) being pursued by the Company and its subsidiaries against the Group's former Senior Management:

- Maersk Oil Qatar Project
- Bulhanine and Maydan Mahzam Project with Qatar Petroleum
- Bakun Hydroelectric Dam Project
- Marine Project.

The LC is tasked with making recommendations to give effect to the intentions and instructions of the Board in relation to the Civil Suits.

Some of the key TOR of the LC are as follows:

1. Composition and Appointment

- The LC shall comprise not less than three (3) Directors appointed by the Board.

2. Authority

- The LC is authorised by the Board to have full access to the Group's information, records, properties and personnel and other individuals or groups.
- The LC is empowered to obtain independent professional advice and expertise necessary for it to discharge its duty effectively.

3. Functions and Duties

The LC shall:

- Consider and review the progress and instruct the lawyers representing SDB in respect of the Civil Suits.
- Deal with, and make all necessary decisions, in relation to or in connection with any request, investigation, inquiry, examination and/or review by any regulatory authority.
- Monitor and review the projects undertaken/transactions entered into by the Group which are the subject of a high level review conducted by PricewaterhouseCoopers.
- Undertake such other duties as may be agreed by the LC and the Board from time to time.

Members of the LC and their attendance at meetings during the financial year ended 30 June 2013 are as follows:

Member	No. of Meetings Attended	%
Dato' Azmi Mohd Ali (Chairman) ¹	4 out of 4	100
Tan Sri Datuk Amar (Dr) Tommy Bugo @ Hamid Bugo	3 out of 4	75
Tan Sri Datuk Dr Yusof Basiran	3 out of 4	75
Datuk Zaiton Mohd Hassan	4 out of 4	100
Dato' Sreesanthan Eliathamby ²	-	-

Note:

- ¹ Appointed as the Chairman of the LC w.e.f. 28 August 2012.
- ² Took leave of absence from the Board of SDB, FSBs and all committees of the SDB Group on 25 July 2012. Subsequently, retired as Director of the Board w.e.f. 8 November 2012.

g. Tender Committee

The Tender Committee (TC) was established with the responsibility of overseeing the process of awarding significant contracts by the SDB Group. Meetings of the Tender Committee are held as and when required.

The salient TOR of the TC are as follows:

1. Composition and Appointment
 - The TC shall comprise at least three (3) Directors appointed by the Board, all of whom are Non-Executive Directors. These members shall possess the expertise, experience and knowledge required to contribute effectively.
2. Authority
 - The TC has the authority to review procurement proposals and interact with Management for further information, verification and clarification before deliberating and authorising the flotation of tenders.
 - The TC is authorised to award tenders that are within the threshold set out in the GPA and Group Procurement Policies & Authorities (GPPA). It shall recommend tenders which are valued over the thresholds set out in the GPA and GPPA to the Board for approval.

3. Functions and Duties

The TC shall:

- Ensure that the tender process is transparent and efficient in the deliberation and award of tenders.
- Ascertain that the procurement policies and procedures in relation to tenders, as set out in the GPA and GPPA, are adhered to before making approvals or when providing its recommendations.

No meeting was held during the financial year ended 30 June 2013 as there has been no award of tender within the authority limits of the Tender Committee as set out in the GPA.

The TC was disbanded by the Board on 30 May 2013, pursuant to revisions in authority limits set out in the GPA. The Board has assumed the TC's role of evaluating all tenders above the limit accorded to the FSBs.

Recommendation 1.3

The Board should formalise ethical standards through a code of conduct and ensure its compliance

On 1 December 2011, the Group launched the global rollout of the Code of Business Conduct (COBC) which is available in nine (9) different languages. The COBC has also been transcribed into Braille for the use of our visually impaired staff.

The COBC has been made available for download on both the external website (www.simedarby.com) and the Group's Employee Portal.

The COBC provides guidance on the standards of behaviour expected of all Directors, employees and, where applicable, counterparts and business partners. Our position on corruption is expressly set-out in the COBC, including consequences for violations of the COBC, which may include termination of employment and dismissal. Violation of the COBC that is related to criminal acts may result in prosecution after referral to the appropriate authorities.

The Senior Management (Divisional Management and GMC) and FSBs were also trained on the COBC. Training on the COBC has been made available via the rollout of the COBC E-learning, Class Room Training and Briefing to all employees of the Group. Upon successfully completing the COBC training, employees are given a certificate of completion. The training began in March 2012 and is on-going at regular inductions of new employees.

A secure whistleblowing channel is also available to all employees for the escalation of complaints to Management. Oversight of the whistleblowing function is under the purview of the Senior Independent Director of the Board of SDB who ensures that all reported violations are properly investigated. The Senior Independent Director is also responsible for reviewing the effectiveness of the actions taken in response to all concerns raised. The identity of the employees reporting via the whistleblowing channel is kept confidential and their consent is sought if there is a need to disclose their identity for investigation purposes.

Recommendation 1.4

The Board should ensure that the Company's strategies promote sustainability

Sustainability is a cornerstone of SDB's operating philosophy, as evidenced by the Group's tagline, 'Developing Sustainable Futures'.

The SC, which was established on 28 August 2012, has been tasked to fulfil the Board's oversight responsibilities in ascertaining that the SDB Group's objectives, policies and practices incorporate sustainability considerations.

The MSC sits under the SC and comprises Senior Management personnel of the Group. The work of both committees involve the:

- Definition of the Group's sustainability policies, standards and procedures.
- Review and monitoring of business sustainability practices and targets.
- Tracking of global sustainability trends.
- Identification and mitigation of sustainability risks.
- Communications and stakeholder management.

SDB publishes an annual Group Sustainability Report, the first of which was issued for the calendar year 2011. The report is available on the Company's website under the 'Investor Relations' section.

Further information on the scope and activities of the SC can be found in the Statement on Corporate Governance on page 67.

Recommendation 1.5

The Board should have procedures to allow its members access to information and advice

The Company practises the provision of information (agenda, Board papers, minutes, etc.) in advance of meetings so that Directors are able to digest the information and obtain further information, clarification or explanation, where necessary. Nevertheless, papers deemed urgent may still be submitted to the Group Secretary to be tabled at the Board meeting, subject to the approval of the Chairman and the PGCE.

The Board papers prepared for the quarterly scheduled meetings include, among others, the following:

- Minutes of previous Board meeting(s).
- Minutes of meetings of all Committees of the Board.

- Minutes of meetings of the FSB and Group Management Committee.
- Report on matters arising.
- Quarterly financial report and a report on the Group's cash and borrowings.
- Report on operations.
- Shareholding structure of the Company.

In relation to the minutes of previous Board meetings, a Board member may seek clarification of the minutes or request for correction, required and before the minutes are confirmed as correct.

Heads of operations and/or Senior Management personnel are required to make presentations on proposal papers and brief/update the Board on operational issues to further facilitate the Board's decision making process.

All the Directors have direct access to the advice and services of the Group Secretary whether as the full Board or in their individual capacity, in the furtherance of their duties.

From time to time and where necessary, the Board may seek independent professional advice at the Company's/relevant subsidiary's expense. The services of independent professional advisors or experts are typically sought to confirm or dispel concerns raised by the Directors. The Board nevertheless affirms that reliance on an independent advisor or expert does not abrogate the Board's individual or collective responsibility for the final decision.

Recommendation 1.6

The Board should ensure it is supported by a suitably qualified and competent company secretary

Directors have unrestricted access to the advice and services of the Group Secretary to facilitate the discharge of their duties. The Group Secretary is responsible and accountable to the Board, through the PGCE, for ensuring that the secretarial function provides adequate support to the SDB Board, FSBs and Board Committees for all Board-related administrative functions. The Group Secretary's position is subject to a fixed tenure and the renewal of contract of the Group Secretary is tabled to the NRC and the Board of SDB for recommendation and approval respectively.

Recommendation 1.7

The Board should formalise, periodically review and make public its Board charter

The SDB Board Charter is contained within the SDB Directors' Handbook. The Charter defines the roles, powers and the responsibilities that the Board specifically reserves for itself, and those which it delegates to Management and in so doing, also sets the tone for the various Board Committees and FSBs.

The salient features of the SDB Board Charter can be found on Page 58 of the Statement on Corporate Governance.

Principle 2: Strengthen composition**Recommendation 2.1**

The Board should establish a Nominating Committee which should comprise exclusively of non-executive Directors, a majority of whom must be independent

The NRC was established by the Board with the aim of managing the nomination and remuneration process for Board members and pivotal Management positions within the Group.

The NRC's membership is purely Non-Executive with a majority of Independent Directors.

Further information on the scope and activities of the NRC can be found in the Statement on Corporate Governance from pages 64 to 66.

Recommendation 2.2

The Nominating Committee should develop, maintain and review the criteria to be used in the recruitment process and annual assessment of Directors

The Board, with the assistance of the NRC, periodically examines the effectiveness of its size and composition. The Board also considers whether the current number of Board members is conducive for efficient deliberation at Board meetings and facilitates effective decision-making. The Board is of the view that its size and composition is appropriate and commensurate with the complexity and scale of the Group's operations.

The Board endeavours to balance the requirement for professional knowledge, business expertise and varied industry knowledge to maintain the effectiveness of the Board. The NRC shall consider and recommend to the Board the selection criteria for new appointment as Director of SDB and the Group which, among others, include diversity in age, gender and experience/background of a candidate. The Board affirms that gender diversity is an aspect that the NRC considers when evaluating candidates for the Board.

With regard to gender diversity, the Board recognises the benefits that diversity in gender can bring to the decision making process. Nevertheless, the Board believes that specific targets for gender diversity are currently not necessary since diversity is inherently considered during the recruitment process for Directors.

The criteria for identification of Directors to serve on the Board includes gender and other equally pertinent criteria such as skills, knowledge, competencies, experience and directorships in other companies, and the perceived ability to work collegially with other members of the Board.

Recruitment process for Directors

In considering candidates as Directors, the NRC takes into account the following criteria:

- Skills, knowledge, expertise and experience.
- Perceived ability to work cohesively with other members of the Board.
- Specialist knowledge or technical skills in line with the Group's strategy.
- Diversity in age, gender and experience/background.
- Number of directorships in companies outside the Group.

The Group Secretary ensures that all appointments are properly made, that all necessary information is obtained from the Directors, both for the Company's own records and for the purposes of meeting statutory obligations, as well as obligations arising from the Listing Requirements of Bursa Securities or other regulatory requirements.

The recruitment process concludes with an orientation and related training programmes to train and equip the Director with the required knowledge and understanding of the Group's businesses and operations. Management, under the direction of the PGCE, is responsible for conducting on-boarding exercises or familiarisation programmes for new Directors of the Board (and FSB if applicable), and this includes visits to the Group's operating sites and meetings with Senior Management.

Re-appointment or Re-election of Directors

In accordance with the Company's Articles of Association, all Directors who are appointed by the Board are subject to election by shareholders at the next AGM after their appointment. Directors over seventy (70) years of age are required to submit themselves for re-appointment by shareholders annually in accordance with Section 129(6) of the Companies Act, 1965. In accordance with the Company's Articles of Association, at least one-third (1/3) of the remaining Directors are required to retire by rotation at each AGM and all Directors shall retire from office at least once in every three (3) years. A retiring Director is eligible for re-election.

The proposed re-appointment and/or re-election of Directors seeking re-appointment and/or re-election at the AGM are recommended by the NRC.

Board Performance Evaluation

A formal performance evaluation of the Board provides the opportunity to assess the Board's performance, highlighting areas for enhancement and allowing the development of an actionable improvement programme, where relevant. A formal evaluation of the Board and Board Committees' effectiveness was conducted by the NRC during the financial year ended 30 June 2012 with the assistance of external facilitators.

As a continuation of the improvement process, during the financial year ended 30 June 2013, an assessment of the effectiveness of the Board, Board Committees and individual Directors was undertaken by the NRC.

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The assessment criteria used in the performance evaluations are as follows:

- i. Board of Directors**
Board structure, operations, roles and responsibilities and the Chairman's roles and responsibilities.
- ii. Board Committees**
Board Committees structure and the extent of compliance with their TOR.
- iii. Individual Directors**
Individual Directors' contribution to interaction, quality of input, understanding of role and the Board Chairman's role.

Recommendation 2.3

The Board should establish formal and transparent remuneration policies and procedure to attract and retain Directors

The objective of the Company's policy on Directors' remuneration is to attract and retain Directors of the calibre needed to direct the Group successfully.

In formulating the Directors' remuneration policy, the Company has taken into account the compensation philosophy advocated by the Green Book which suggests that Boards of Government-Linked Companies should regularly review the compensation of their Chairman and Directors and align them to at least around the 50th percentile of an appropriate peer group.

The following are salient elements of the Directors' remuneration policy:

Non-Executive Directors

All Non-Executive Directors are paid fixed annual director fees as members of the Board and Board Committees.

The level of remuneration reflects the experience and level of responsibilities undertaken by the Non-Executive Director concerned. The Company also reimburses reasonable expenses incurred by these Directors in the course of their duties.

The remuneration package for Non-Executive Directors comprises fees, benefits-in-kind and other emoluments.

Executive Director

The NRC considers and recommends to the Board for approval the framework for the Executive Director's remuneration and the final remuneration package for the Executive Director.

Components of the Executive Director's remuneration are structured to link rewards to corporate and individual performance. Performance is measured against profits and other targets set in accordance with the Company's annual budget and plans (including risk and compliance aspects) and from the returns earned for shareholders.

The Executive Director's remuneration package comprises the following:

- **Basic salary**
The basic salary is recommended by the NRC, taking into account the performance of the individual, the consumer price index and information from independent sources on the rates of salary for similar positions in other comparable companies.
- **Bonus scheme**
The Group operates a bonus scheme for employees, including the Executive Director. The criteria for the scheme are dependent on various performance outcomes of the Group, together with an assessment of individual performance during the period. Bonus payable to the Executive Director is based on the recommendation of the NRC.
- **Benefits-in-kind**
Other customary benefits (such as private medical care, company car, etc.) are made available as appropriate.
- **Retirement provisions**
The Group contributes sixteen (16) percent of the Executive Director's monthly salary to the Employees Provident Fund.

Remuneration for the Non-Executive Directors of the Board in the form of fees and as members of the Board Committees is as follows:

Board/ Committee	Chairman (RM/year)	Deputy Chairman (RM/year)	Member (RM/year)
Board	400,000	250,000	180,000 ¹ 360,000 ²
Governance & Audit Committee	40,000	N/A ⁴	30,000
Nomination & Remuneration Committee	40,000		30,000
Risk Management Committee	40,000		30,000
Litigation Committee	40,000		30,000
Tender Committee ³	40,000		30,000
Sustainability Committee	40,000		30,000
Long Term Incentive Plan Committee	40,000		30,000

Note:

- ¹ Fee for Resident Director.
- ² Fee for Non-Resident Director.
- ³ The Tender Committee was disbanded w.e.f. 30 May 2013.
- ⁴ N/A - Not Applicable.

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Details of Directors' remuneration (including benefits-in-kind) for the financial year ended 30 June 2013 are as follows:

	Salary & Other Remuneration* (RM'000)	Directors' Fees & Other Remuneration (RM'000)		Benefits-in-kind^ (RM'000)	Total (RM'000)
		By SDB	By the Group		
Executive Director					
Tan Sri Dato' Mohd Bakke Salleh	7,117	-	-	32	7,149
Non-Executive Directors					
Tan Sri Dato' Sri Hamad Kama Piah Che Othman	N/A ³	280	430	25	455
Tan Sri Samsudin Osman		358	569	25	594
Tan Sri Dato' Sri Dr Wan Abdul Aziz Wan Abdullah		113	153	13	166
Tan Sri Dato' Dr Wan Mohd Zahid Mohd Noordin		241	491	25	516
Tan Sri Datuk Amar (Dr) Tommy Bugo @ Hamid Bugo		360	526	25	551
Tan Sri Datuk Dr Yusof Basiran		253	500	25	525
Datuk Zaiton Mohd Hassan		265	465	25	490
Dato Sri Lim Haw Kuang		390	690	60	750
Dato' Henry Sackville Barlow		345	616	25	641
Dato' Azmi Mohd Ali		248	448	25	473
Ir Dr Muhamad Fuad Abdullah		109	149	8	157
Tun Musa Hitam ¹		179	286	11	297
Dato' Sreesanthan Eliathamby ²		88	159	9	168

Note:

¹ Retired w.e.f. 8 November 2012.

² Retired w.e.f. 8 November 2012.

³ N/A – Not Applicable.

* Paid by the SDB Group.

^ Comprises Company Car and Driver, where relevant.

The aggregate remuneration of Directors of the Company for the financial year ended 30 June 2013, in respective bands of RM50,000 are as follows:

Range of Remuneration	Number of Directors
Executive Director	
RM7,100,001 to RM7,150,000	1
Non-Executive Directors	
Below RM150,000	-
RM150,001 to RM200,000	3
RM200,001 to RM250,000	-
RM250,001 to RM300,000	1
RM300,001 to RM450,000	-
RM450,001 to RM500,000	3
RM500,001 to RM550,000	2
RM550,001 to RM600,000	2
RM600,001 to RM650,000	1
RM650,001 to RM700,000	-
RM700,001 to RM750,000	1

Principle 3: Reinforce Independence**Recommendation 3.1**

The Board should undertake an assessment of its Independent Directors annually

Recommendation 3.2

The tenure of an Independent Director should not exceed a cumulative term of nine (9) years. Upon completion of the nine (9) years, the Independent Director may continue to serve on the Board subject to the Director's re-designation as a non-independent director

Recommendation 3.3

The Board must justify and seek shareholders' approval in the event it retains as an Independent Director, a person who has served in that capacity for more than nine (9) years

Modern thinking on corporate governance places great emphasis on the role of Independent Directors in facilitating a separation of power between Management and the Board. The Independent Directors contribute a dispassionate objectivity that a Director in an entrenched relationship with the Group may not provide.

The Board consists of thirteen (13) members, comprising twelve (12) Non-Executive Directors including the Chairman, and the Executive Director who is also the PGCE.

Five (5) of the Directors are independent, exceeding the minimum one-third (1/3) requirement as set out in the Listing Requirements of Bursa Securities.

The Independent Directors are:

- i. Dato' Abdul Ghani Othman (Chairman)
- ii. Tan Sri Datuk Amar (Dr) Tommy Bugo @ Hamid Bugo
- iii. Dato Sri Lim Haw Kuang
- iv. Dato' Henry Sackville Barlow
- v. Ir Dr Muhamad Fuad Abdullah.

Currently, none of the Independent Directors has served on the Board for more than nine (9) years. The Board is also aware that tenure is not the absolute indicator of a Director's independence, with much also dependent on the conduct and actions of the Director. In this regard, the Board, through the NRC, actively seeks to maintain a strong independent element on the Board, by undertaking the following during the financial year ended 30 June 2013:

- Conducted independence assessments on all Independent Directors. The independence assessment criteria are guided by the definition of "independent director" as prescribed by the Listing Requirements of Bursa Securities.
- Required Independent Directors to submit an annual declaration of independence.
- Adopted the policy of requiring Independent Directors exceeding a cumulative tenure of nine (9) years to be approved by shareholders in the event the Director wishes to continue to serve as an Independent Director. Alternatively, the Director may continue to serve on the Board subject to re-designation as Non-Independent Director.

In addition, Dato' Henry Sackville Barlow has been identified as the Senior Independent Director of the Board, to whom concerns relating to the Group may be conveyed by Directors, shareholders and other stakeholders. The Senior Independent Director may be contacted at:

Telephone number : +(603) 2691 0948
 Telephone (toll free): 1 800 88 8880 (Local)/
 800 8008 8000 (International)
 Facsimile number : +(603) 2698 6629
 Email address : henry.s.barlow@simedarby.com

In respect of the Non-Independent Non-Executive Directors, Tan Sri Dato' Sri Hamad Kama Piah Che Othman, Tan Sri Dato' Sri Dr Wan Abdul Aziz Wan Abdullah, Tan Sri Dato' Dr Wan Mohd Zahid Mohd Noordin, Tan Sri Datuk Dr Yusof Basiran, Datuk Zaiton Mohd Hassan and Dato' Azmi Mohd Ali are the nominee Directors of Permodalan Nasional Berhad (PNB), a major shareholder of SDB.

Tan Sri Samsudin Osman, a Non-Independent Non-Executive Director, is a nominee Director of the Employees Provident Fund Board, a major shareholder of SDB.

Profiles of the Directors, who are accomplished professionals and distinguished individuals in their respective fields, are presented on pages 33 to 41 of the Annual Report.

Recommendation 3.4

The positions of Chairman and CEO should be held by different individuals, and the Chairman must be a non-executive member of the Board

Recommendation 3.5

The Board must comprise a majority of Independent Directors where the Chairman of the Board is not an Independent Director

The Chairman of the Board and Company is an Independent Non-Executive Director. A strong and able non-executive element is a key feature of the Board, and all Board members, with the exception of the PGCE, are Non-Executive Directors.

The Board subscribes to the principle that separate persons for the Chairman and Chief Executive Officer (CEO) positions is beneficial to the effective functioning of the Board and can facilitate a powerful check and balance mechanism. The Chairman is entrusted to build a high performance Board by:

- Promoting principles of good corporate governance.
- Insisting on regular evaluation of the Board's performance (including its committees and individual Directors) and being open to improvement opportunities.
- Ensuring that succession planning is considered on an on-going basis, including facilitating the selection and appointment of a successor to the PGCE.

The CEO (PGCE) is tasked with:

- Ensuring the effective implementation of the policies and procedures approved by the Board.
- Achieving goals and performance targets set in line with the Group's strategy.
- Exercising a high level of business judgement.
- Managing relationships with stakeholders.

Principle 4: Foster commitment

Recommendation 4.1

The Board should set out expectations on time commitment for its members and protocols for accepting new directorships

The Board's annual meeting calendar is prepared and circulated to all the Directors during the first quarter of each financial year. The calendar includes meetings of Board Committees and those involving shareholders (e.g. AGM). The calendar also provides information on the proposed agenda items for meetings. This practice provides notice well in advance to each Director allowing him/her to prepare adequately for the meetings.

The Board meets on a scheduled basis at least four (4) times a year. When the need arises, additional meetings are also held. Among the items considered during the scheduled meetings are:

- Matters specifically reserved for the Board's decision.
- The financial statements and results of the Company and its subsidiaries.
- Operational activities, and strategic and corporate initiatives.
- Reports by Board Committees and FSBs.

Given the size and complexity of the Group, it is not uncommon for Directors to devote a substantial amount of time prior to and during Board meetings, as

evidenced from the commendable attendance of the Non-Executive Directors at the respective meetings of the Board and Board Committees during the financial year under review.

The Directors declare their directorships in other public and private companies upon acceptance of their appointments on the SDB Board and on an annual basis. The Directors must also advise the Board of any subsequent changes in their directorships in public and private companies.

None of the Directors of the Company hold more than five (5) directorships in public listed companies, in compliance with the Listing Requirements of Bursa Securities. This is aligned with the best practices recommendation of the Green Book which limits directorships in listed companies to five (5).

Recommendation 4.2

The Board should ensure its members have access to appropriate continuing education programmes

The Board is aware of the added value that Directors can bring to the table if they are kept aware of industry development and trends.

All the Directors have attended and successfully completed the Mandatory Accreditation Programme (MAP) prescribed by Bursa Securities. Induction programmes were also arranged for newly appointed Directors to facilitate their understanding of the Group's business and operations.

Training programmes, conferences and seminars deemed beneficial to the Directors are identified on an on-going basis and the Company allocates a dedicated training budget to support the continuous development of the Directors.

The development and training programmes attended by the Directors, including their participation as distinguished speakers at local and international conventions, during the financial year ended 30 June 2013 are set out below:

Training Programmes Attended By The Current Directors For The Financial Year Ended 30 June 2013

Director	Title of Seminar/Workshop/Course	Presenter/Organiser	Date
Tan Sri Dato' Sri Hamad Kama Piah Che Othman	Lean Six Sigma	Chemical Company of Malaysia Berhad	20 July 2012
	Business Continuity Management (BCM) - Crisis Management Plan & Simulation Exercise	EMC Computer System (M) Sdn Bhd	28 September 2012
	PNB Nominee Directors' Convention & Executive Luncheon Talk 2012	Permodalan Nasional Berhad	9 October 2012
	Tun Ismail Mohamed Ali Memorial Lecture Series 2012/2013: Integrated Policies for Environmental Resilience and Sustainability (Risk and Impact on Business and Investment)	Professor Lord Julian Hunt of the University College London/ Permodalan Nasional Berhad	8 November 2012
	Global Islamic Wealth & Asset Management - Capitalising Challenges & Opportunities	PNB Investment Institute Sdn Berhad	7 December 2012

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Director	Title of Seminar/Workshop/Course	Presenter/Organiser	Date
	Tun Ismail Mohamed Ali Memorial Lecture Series 2012/2013: The Fall of the West and the Rise of Asia - What are the Mechanisms at Work, and Where is Malaysia's Place?	Professor Dr Erik S. Reinert/Permodalan Nasional Berhad	30 January 2013
	Tun Ismail Mohamed Ali Memorial Lecture Series 2012/2013: Promise of Islamic Finance - What Needs to be Done to Make it Reality	Dr Zamir Iqbal/Permodalan Nasional Berhad	5 February 2013
	Tun Ismail Mohamed Ali Memorial Lecture Series 2012/2013: Corporate Governance and Short -Termism	Professor Razeen Sappideen/Permodalan Nasional Berhad	27 March 2013
	PNB Risk Management Forum "Risk Management Forum - Embracing Risks for Long-Term Corporate Success - Boosting Your Risk Governance"	Professor Didier Cossin/Permodalan Nasional Berhad	4 June 2013
Tan Sri Samsudin Osman	Operational Briefing for Acting Chairman	SDB Group	13 December 2012
	Tun Ismail Mohamed Ali Memorial Lecture Series 2012/2013: The Fall of the West and the Rise of Asia - What are the Mechanisms at Work, and Where is Malaysia's Place?	Professor Dr Erik S. Reinert/Permodalan Nasional Berhad	30 January 2013
	Tun Ismail Mohamed Ali Memorial Lecture Series 2012/2013: Promise of Islamic Finance - What Needs to be Done to Make it Reality	Dr Zamir Iqbal/Permodalan Nasional Berhad	5 February 2013
	Leading Board Challenges: Innovative Ideas For Breakthrough Performance	Professor Dr. Randel S. Carlock/The Malaysian Directors Academy	27 February 2013
	EPF Global Private Equity Summit 2013	Employees Provident Fund	25 - 26 March 2013
	Corporate Directors Advanced Programs "Financial For Non-Finance Directors"	The Malaysian Directors Academy	21 - 22 May 2013
	FIDE Core Program - Module A	ICLIF Leadership & Governance Centre	4 - 7 June 2013
	FIDE Core Program - Module B	ICLIF Leadership & Governance Centre	11 - 13 June 2013
Tan Sri Dato' Sri Dr Wan Abdul Aziz Wan Abdullah	Bengkel Kabinet Program Transformasi Kerajaan 2.0 (GTP 2.0 Cabinet Workshop)	Jabatan Perdana Menteri	4 July 2012
	Taklimat Mengenai Laporan Ketua Audit Negara Tahun 2011	Jabatan Perdana Menteri	6 July 2012
	On-Boarding/Operational Briefing for New Directors	SDB Group	13 December 2012
	FIDE Core Program - Module A	ICLIF Leadership & Governance Centre	4 - 7 June 2013
	FIDE Core Program - Module B	ICLIF Leadership & Governance Centre	11 - 13 June 2013
Tan Sri Dato' Dr Wan Mohd Zahid Mohd Noordin	PNB Nominee Directors' Convention: Malaysian Code on Corporate Governance	Permodalan Nasional Berhad	9 October 2012
	Tun Ismail Mohamed Ali Memorial Lecture Series 2012/2013: Promise of Islamic Finance - What Needs to be Done to Make it Reality	Dr Zamir Iqbal/Permodalan Nasional Berhad	5 February 2013

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Director	Title of Seminar/Workshop/Course	Presenter/Organiser	Date
	Tun Ismail Mohamed Ali Memorial Lecture Series 2012/2013: Corporate Governance and Short -Termism	Professor Razeen Sappideen/Permodalan Nasional Berhad	27 March 2013
	PNB Risk Management Forum "Risk Management Forum - Embracing Risks for Long-Term Corporate Success - Boosting Your Risk Governance"	Professor Didier Cossin/Permodalan Nasional Berhad	4 June 2013
Tan Sri Datuk Amar (Dr) Tommy Bugo @ Hamid Bugo	Regulatory Updates, Governance and Current Issues for Directors of PLCs and Corporate Body 2012	Federation of Public Listed Companies Bhd/ Malaysian Institute of Corporate Governance	27 November 2012
	Nominating Committee Programme	ICLIF Leadership & Governance Centre/ Bursa Malaysia Berhad	14 - 15 May 2013
	The Virtue of Integrity	Bursa Malaysia Berhad	27 June 2013
Tan Sri Datuk Dr Yusof Basiran	Branding of Malaysian Palm Oil Workshop	Ministry of Plantation Industries and Commodities	21 - 22 November 2012
	BURSA 24 th Annual Palm & Lauric Oils Conference & Exhibition	Bursa Malaysia Berhad	5 March 2013
Datuk Zaiton Mohd Hassan	2 nd ACCA Train-The-Trainers Conference	Association of Chartered Certified Accountants	31 July 2012
	Human Capital Management in the Boardroom	Financial Institutions' Directors Education	14 August 2012
	Corporate Governance Programme 2012	Bursa Malaysia Berhad	3 October 2012
	Nominee Directors' Convention & Executive Luncheon Talk 2012	Permodalan Nasional Berhad	9 October 2012
	New Ideas and Open Issues in Corporate Finance	The Institute for the Advancement in Business Training	10 October 2012
	Roundtable Discussion: Board of Directors - Value Creation vs. Compliance	Financial Institutions' Directors Education	10 October 2012
	Building Blocks of a Successful Career	KDU University College	17 October 2012
	Quality Initiatives Talk - Balanced Leadership for the 21 st Century	Permodalan Nasional Berhad	23 October 2012
	The 17 th Malaysian Capital Market Summit: Malaysia The Rising Star - Geared For Growth	Asian Strategy & Leadership Institute	29 October 2012
	FIDE Elective Program: Internal Capital Adequacy Assessment Process Program	Financial Institutions' Directors Education	1 - 2 November 2012
	Dialogue Session on Women and Leadership	Madame Christine Lagarde, Managing Director of International Monetary Fund/ ICLIF Leadership & Governance Centre	14 November 2012
	Global Public Lecture on Asia and the Global Economy: The Promise of Integration	Madame Christine Lagarde, Managing Director of International Monetary Fund/ Malaysian Economic Association	14 November 2012

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Director	Title of Seminar/Workshop/Course	Presenter/Organiser	Date
	Moody's Forum, Five Key Credit Issues in Asian Ratings	Moody's	15 March 2013
	FIDE Elective Program: The Nomination and Remuneration Committee	Financial Institutions' Directors Education	1 - 2 April 2013
	SC International Corporate Governance Seminar 2013	Securities Commission	6 June 2013
Dato Sri Lim Haw Kuang	China Council International Cooperation on Environment and Development	China Council International Cooperation on Environment and Development	17 - 19 November 2012
Dato' Henry Sackville Barlow	Global Trend and Market Strategy: Eurozone Distress - Changes Global Dynamics & Forecast	HSBC Bank Malaysia Berhad	2 October 2012
	10 th Annual Roundtable Meeting on Sustainable Palm Oil (RT10)	Roundtable on Sustainable Palm Oil	30 October 2012 - 1 November 2012
	Director Duties, Regulatory Updates and Governance Seminar for Directors of PLCs 2013	Malaysian Institute of Corporate Governance	29 January 2013
	Tun Ismail Mohamed Ali Memorial Lecture Series 2012/2013: The Fall of the West and the Rise of Asia - What are the Mechanisms at Work, and Where is Malaysia's Place?	Professor Dr Erik S. Reinert/Permodalan Nasional Berhad	30 January 2013
	Financial Services Act 2012	Mr Gopal Sundaram, former Assistant Governor of Bank Negara Malaysia/Bank Negara Malaysia	12 April 2013
	Effective Implementation of Anti-Money Laundering & Counter Financing of Terrorism (AML/CFT)	Bank Negara Malaysia	25 April 2013
	HSBC Audit & Risk Committee Chairmen's Forum and HSBC Group Non-Executive Directors Forum	HSBC Bank Malaysia Berhad	12 - 14 June 2013
Dato' Azmi Mohd Ali	The Malaysian Corporate Governance Code 2012 - The Implication and Challenges to Public Listed Companies	Malaysian Institute of Corporate Governance	3 July 2012
	Lean Six Sigma	Chemical Company of Malaysia Berhad	20 July 2012
	Half Day Governance Programme "Governance, Risk Management and Compliance: What Directors Should Know"	Bursa Malaysia Berhad	8 August 2012
	Luncheon Talk with Mr Jeffrey R. Immelt, Topic: Innovation for Growth	The Malaysian Directors Academy	23 August 2012
	PNB Nominee Directors' Convention & Executive Luncheon Talk 2012	Permodalan Nasional Berhad	9 October 2012
	Tun Ismail Mohamed Ali Memorial Lecture Series 2012/2013: Integrated Policies for Environmental Resilience and Sustainability (Risk and Impact on Business and Investment)	Professor Lord Julian Hunt of the University College London/ Permodalan Nasional Berhad	8 November 2012
	The Razak Roundtable - Creating Brand Power for Countries and Companies	Razak School of Government	9 January 2013

STATEMENT ON CORPORATE GOVERNANCE

Director	Title of Seminar/Workshop/Course	Presenter/Organiser	Date
	Tun Ismail Mohamed Ali Memorial Lecture Series 2012/2013: Board Leadership and Integrity	Professor Dr Erik L.H.M. Van De Loo/Permodalan Nasional Berhad	21 February 2013
	AIPN Core Course on International Oil and Gas Law	Association of International Petroleum Negotiators	13 March 2013
	Tun Ismail Mohamed Ali Memorial Lecture Series 2012/2013: Corporate Governance and Short -Termism	Professor Razeen Sappideen/Permodalan Nasional Berhad	27 March 2013
	PNB Risk Management Forum "Risk Management Forum - Embracing Risks for Long-Term Corporate Success - Boosting Your Risk Governance"	Professor Didier Cossin/Permodalan Nasional Berhad	4 June 2013
	Asean Corporate Governance Scorecard 2013	Minority Shareholder Watchdog Group	13 June 2013
Ir Dr Muhamad Fuad Abdullah	Global Islamic Finance Forum	Bank Negara Malaysia	18 - 20 September 2012
	MIDF Investment Forum 2012 on Resuscitating the Economy	Malaysian Industrial Development Finance Berhad	3 November 2012
	Tun Ismail Mohamed Ali Memorial Lecture Series 2012/2013: Integrated Policies for Environmental Resilience and Sustainability (Risk and Impact on Business and Investment)	Professor Lord Julian Hunt of the University College London/Permodalan Nasional Berhad	8 November 2012
	Tun Ismail Mohamed Ali Memorial Lecture Series 2012/2013: The Fall of the West and the Rise of Asia - What are the Mechanisms at Work, and Where is Malaysia's Place?	Professor Dr Erik S. Reinert/Permodalan Nasional Berhad	30 January 2013
	Ethics in Islamic Finance	Islamic Banking & Finance Institute Malaysia	5 March 2013
	Corporate Directors Advanced Programme 2013 "Strategy and Risks: Managing Uncertainty"	The Malaysian Directors Academy	12 - 13 March 2013
	Luncheon Talk: What You Don't Know About REITS (But will pay to learn)	Malaysian Industrial Development Finance Berhad	17 June 2013
	On-Boarding/Operational Briefing for New Directors	SDB Group	18 June 2013
Tan Sri Dato' Mohd Bakke Salleh	CEO Luncheon with Dato' Sri Idris Jala	National ICT Association	11 July 2012
	Rabobank's Markets Outlook 2013 Lunch Seminar - Global & Asian Economic Outlook	Rabobank	21 November 2012
	24 th Annual Palm & Lauric Oils Conference & Exhibition - Price Outlook 2013/2014	Bursa Malaysia Berhad	5 March 2013
	Sustainability Training for Directors and Practitioners	Bursa Malaysia Berhad	7 March 2013

Principle 5: Uphold integrity in financial reporting**Recommendation 5.1**

The Audit Committee should ensure financial statements comply with applicable financial reporting standards

The GAC is tasked with assisting the Board in maintaining a sound system of internal control across the Group. Accurate and reliable financial statements are a key outcome of a sound system of internal control, and towards this end, the GAC considers the following on a regular basis:

- Changes in accounting policies and practices, and implementation thereof.
- Significant adjustments arising from the external audit process.
- Qualifications to the external auditor's report (if any).
- Going concern assumption.
- Adequacy and appropriateness of disclosure.

The GAC also meets with the external auditors without the presence of Management, and this is a forum at which the external auditors may raise, among other matters, any concern they may have on the compliance aspect of the financial statements.

The Directors consider that in preparing the financial statements, the Group has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgement and estimates. All accounting standards which the Board considers to be applicable have been adopted, subject to any explanation for material departures disclosed in the notes to the financial statements.

The GCFO updates the GAC regularly on the Group's financial performance and highlights key issues in connection with the preparation of the results, including the adoption of new accounting standards/policies. The GCFO is responsible in ensuring that the Group is aware of impending changes to the accounting standards and also the relevant regulatory requirements, recognises the implication of those changes and complies with the requirements. To achieve this, the Group places great emphasis in two key areas which is the development of a pool of skilled and knowledgeable accounting and finance staff and the development of a robust and efficient financial reporting system.

The Group has a wide range of internal training programmes covering both technical and non-technical areas specially designed to fit the needs of the Group with the objective of enhancing the level of competencies of its accounting and finance staffs. Accounting and finance staffs were also required to attend external training to enrich their knowledge, keep abreast of the development in the accounting standards and drive for high quality financial reporting. The GCFO and key finance personnel are also actively engaged with the Malaysian Accounting Standards Board (MASB) on accounting matters through participation in MASB's working groups formed to debate on emerging issues of significance to the accounting profession.

Recommendation 5.2

The Audit Committee should have policies and procedures to assess the suitability and independence of external auditors

The Board is aware of the potential conflict of interest situation that may arise if the Company's external auditors are engaged to provide other non-audit services to the Group. To mitigate this risk, a paper on "Appointments of Financial Advisors for Non-Audit Assignments" is tabled to the GAC on a quarterly basis for review and approval.

Further, the GAC procures a written confirmation from the external auditors that the auditors are, and have been, independent throughout the conduct of the audit engagement in accordance with relevant professional and regulatory requirements and in accordance with the external auditors' internal policy. The external auditors also provide a written confirmation that they have reviewed the non-audit services provided to the SDB Group during the year, and that to the best of the external auditor's knowledge, the non-audit services did not impair the independence of the external auditors.

The Company's Annual Report also disclose fees received by the external auditors for non-audit work.

Principle 6: Recognise and manage risks**Recommendation 6.1**

The Board should establish a sound framework to manage risks

Cognisant of the adverse effect that an unmitigated risk can bring upon the Group, the Board emphasises effective risk management as a key control lever to manage the Group's exposure to risk. To this end, the RMC was established as a governance process that enables the Board and Management to identify, prioritise, communicate and manage risk.

The RMC is tasked by the Board to:

- Review and recommend the SDB Group's risk management policies and strategies for the Board's approval.
- Oversee the risk management activities of the SDB Group.
- Monitor the implementation of post-spend transactions in accordance with established thresholds in the approved Group Limits of Authority, which include capital expenditure, acquisitions and project-based operational costs.

The Group's risk management framework essentially involves the continuous identification and assessment of risks, development and implementation of risk mitigation plans and the monitoring of the effectiveness of these mitigation plans.

The GRM Department is the primary platform through which the RMC undertakes its work. The GRM Department has a direct reporting line to the RMC with Risk Officers located at each Division to execute the risk management framework.

Further information on the activities of the RMC can be found in the Statement on Corporate Governance on page 66.

Recommendation 6.2

The Board should establish an internal audit function which reports directly to the Audit Committee

The Board acknowledges its responsibility for the Group's internal control system covering financial, operational and compliance aspects as well as the risk management process, and in reviewing its adequacy and integrity to safeguard shareholders' investment and the Group's assets.

The Group Corporate Assurance Department (GCAD) is tasked with assisting the Board and the GAC in this regard. It is a vital element in the Group's drive to maintain a sound risk management framework and internal control system.

The GCAD function is an in-house internal audit function that reports directly to the GAC. The GCAD's principal responsibility is to provide independent and objective assurance and consulting services designed to add value and improve the operations in the Group. It assists the Group to achieve its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of governance, risk management and control processes. However, it should be noted that the Group's internal control system is designed to provide reasonable but not absolute assurance against the risk of material errors, fraud or losses occurring.

The GCAD comprises Divisional Corporate Assurance Departments that conduct audits of key business processes and business units across their respective Divisions. GCAD is also responsible for regular and systematic reviews of environmental, safety and health issues in the Company and across the Group.

The Statement of Risk Management and Internal Control which provides an overview of the state of the risk management and internal control system is set out on pages 83 to 88 of the Annual Report. The internal audit function of the Group which rests with GCAD is described in the Report on the GAC on page 56 of the Annual Report.

Principle 7: Ensure timely and high quality disclosure**Recommendation 7.1**

The Board should ensure the Company has appropriate corporate disclosure policies and procedures

The Board has developed and adopted, in its GPA, a policy on Investor Relations and Corporate Communications, stipulating the authorised channels and personnel through which/whom certain information of the Group shall be approved and disclosed to internal and external stakeholders.

The Investor Relations and Corporate Communications policy regulates the review and release of information to the stock exchange as well as through the Company's website, facilitating timely and accurate disclosure of the Company's affairs.

Recommendation 7.2

The Board should encourage the company to leverage on information technology for effective dissemination of information

The Company's website has become a key communication channel for the Company to reach its shareholders, the Investment Community and the general public. Within the website, a number of sections provide up-to-date information on the Group activities, financial results and major strategic developments.

There is also a section focusing on corporate governance and outlined in that section are the Company's business principles, Code of Business Conduct and various corporate governance initiatives.

Financial results, annual reports, Bursa Securities announcements, corporate presentations and other information on the Company can be found on the Company's website.

Principle 8: Strengthen relationship between company and shareholders**Recommendation 8.1**

The Board should take reasonable steps to encourage shareholder participation at general meetings

The Company's AGM, scheduled in November of each year, is the primary platform for communication with the widest range of shareholders.

Some of the measures to encourage greater shareholder attendance and participation include the following:

- Shareholders who are unable to attend are allowed to appoint a proxy/ies to attend and vote on their behalf. The proxy need not be a shareholder.
- The venue of the AGM is at a central and easily accessible location providing ample parking space for shareholders.
- The Sime Darby website (www.simedarby.com) contains a number of references to and notices about the AGM, e.g. within the 'Calendar' section of the 'Investor Relations' page.
- Members of the Board, Senior Management as well as the external auditors of the Company are present at the AGM to address any question or concern that shareholders may have.
- The PGCE presents the Strategy Positioning for the Long Term Growth of the SDB Group at AGMs and shareholders queries are answered and their views obtained.

Recommendation 8.2

The Board should encourage poll voting

The Chairman, at the commencement of a general meeting, informs shareholders of their right to a vote by poll. This is in line with the Company's Articles of Association. Poll voting on Related Party Transactions has now been made mandatory by the Listing Requirements of Bursa Securities.

Regardless of the regulatory requirement, the Company prepares polling slips in the event shareholders request for poll voting on any resolution tabled at the general meeting.

Recommendation 8.3

The Board should promote effective communication and proactive engagements with shareholders

The Board recognises the importance of an effective communication channel between the Company, its shareholders and the general public. Pertinent matters that may affect stakeholders include strategic developments, financial results and material business matters affecting the Company and Group.

The Company has an Investor Relations Unit that facilitates communication between the Company and the Investment Community. Senior Management of the Company actively engages with the Investment Community and the Board is periodically briefed on these interactions and feedback from the Investment Community.

The Investor Relations Unit has an extensive programme that involves the holding of regular meetings, conference calls and site visits, all intended to keep the Investment Community abreast of the Company's strategic developments and financial performance. In addition, investment road shows and conferences are held to engage with shareholders and potential investors across the globe.

The section on Investor Relations can be found on pages 89 to 91 of the Annual Report.

The timely release of financial results on a quarterly basis provides the Investment Community with an up-to-date view of the Group's performance and operations. A press conference and an analysts' briefing are held concurrently with the release of the quarterly financial results to Bursa Securities. To widen the reach to stakeholders, summaries of the financial results are advertised in daily newspapers while copies of the full announcement can be supplied to shareholders and members of the public upon request.

Shareholders are welcome to raise queries by contacting the Company at any time throughout the year and need not wait for the AGM for such an opportunity.

Any query regarding the SDB Group may be conveyed to the following persons:

Norzilah Megawati Abdul Rahman

Group Secretary

Telephone number : +(603) 2691 4122 extension 2370

Facsimile number : +(603) 2382 1075

Email address : norzilah.megawati@simedarby.com

Alan Hamzah Sendut

Executive Vice President

Group Strategy & Business Development

Telephone number : +(603) 2691 4122 extension 2246

Facsimile number : +(603) 2713 5935

Email address : alan.hamzah@simedarby.com

STATEMENT OF COMPLIANCE

Pursuant to Paragraph 15.25 of the Listing Requirements of Bursa Securities, the Board is satisfied that the Company has applied the Principles of the MCG 2012 during the financial year under review, with due regard to the Recommendations supporting the Principles. The sole exception to the Company's compliance is with regard to a gender diversity policy for the Board, as the Board currently believes that specific targets for gender diversity is not a necessary requisite. The Board is of the view that diversity not only in gender but also with respect to skills, experience and knowledge are already inherent considerations during the recruitment process for Directors.

This statement is made in accordance with a resolution of the Board of Directors dated 24 September 2013.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

In accordance with Paragraph 15.26 (b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Bursa Securities), the Board of Directors of listed companies is required to include in their annual report, a “statement about the state of internal control of the listed issuer as a group”. In addition, the revised Malaysian Code on Corporate Governance 2012 issued by Securities Commission Malaysia requires the board to establish a sound risk management framework and internal control system. The Board of Directors is pleased to provide the following statement that is prepared in accordance with the “Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers” endorsed by Bursa Securities which outlines the nature and scope of the risk management and internal control of the Group during the financial year under review.

RESPONSIBILITY

The Board of Directors (Board) in discharging its responsibilities is fully committed to maintaining a sound risk management framework and internal control system, and reviewing its adequacy and integrity to safeguard shareholders’ investment and the Group’s assets.

The Board has established an ongoing process for identifying, evaluating and managing significant risks faced by the Group. This is embedded in the Group’s Risk Management Framework (RMF) and internal control system. These are reviewed on a periodic basis to ensure its continued effectiveness, adequacy and integrity. Enhancements are made in line with the Board’s commitment to improve the Group’s governance, risk management and control framework, and enhance a strong control culture and environment for the proper control of the Group’s business operations.

The internal control system by its nature is designed to manage key risks that may impede the achievement of the Group’s business objectives within an acceptable risk profile. Accordingly, it can only provide reasonable and not absolute assurance against material misstatement, fraud or loss.

There are two committees at the Board level that have primary risk management and internal control oversight responsibilities:

- Risk Management Committee (RMC)
- Governance and Audit Committee (GAC)

Management is responsible for implementing the Board’s framework, policies and procedures on risk and internal control. The Board has received assurance from the President & Group Chief Executive Officer (PGCE) and Group Chief Financial Officer (GCFO) that the Group’s RMF and internal control system are operating adequately and effectively, in all material aspects. The Board is thus assured that the risk management and internal control system were in place during the financial year under review and up to the date of approval of this statement for inclusion in the annual report.

RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

The Board acknowledges that the risk management and internal control system are designed to manage, rather than eliminate risks that hinder the Group from achieving its goals and objectives. The risk management and internal control system are intertwined with the Group's operating activities and exist for fundamental business reasons. The key elements of the risk management and internal control system adopted by the Group are overseen by the two Board committees.

Risk Management Committee

The RMC maintains risk oversight within the Group. Amongst its primary risk responsibilities is to assess, improve and monitor a Group-wide RMF, evaluate risk exposures associated with proposed major investments, provide guidance in the development of appropriate and effective risk response strategies and contingency plans, monitor the overall risk profile and risk tolerance of the Group, and provide oversight of the Group's Business Continuity Plan (BCP).

Governance and Audit Committee

The GAC reviews internal control issues identified by Management; the Group Corporate Assurance Department (GCAD); and the external auditors; and evaluates the adequacy and effectiveness of the RMF and internal control system. They also review the GCAD functions with particular emphasis on the scope of audits and quality of internal audits. The minutes of the GAC meetings are tabled to the Board on a periodic basis. Details of GCAD's activities carried out during the financial year are set out in the Report to the GAC.

The two Board committees are assisted by three supporting functional units:

Group Risk Management Department

The Group has established the Group Risk Management (GRM) Department to assist the Board and RMC in discharging their risk management responsibilities. GRM is structured to ensure that sufficient support is provided at both the Group Head Office (GHO) and divisional level.

GRM is mainly responsible for the following:

- Assess, improve and monitor the Group RMF including risk policy and standards;
- Maintain an inventory or register of risks for the Group;
- Provide guidance to the Divisions in the development of appropriate and effective response strategies and contingency plans to manage or mitigate material risks that are in line with the nature of the identifiable risks;
- Evaluate and monitor the overall risk profile and risk tolerance of the Group;
- Issuance of risk reports to the relevant governing authorities;

- Review key corporate activities that are considered significant from a Group risk perspective; and
- Oversee the Group's BCP.

Each operating and functional business support unit in the divisions and at GHO have appointed Risk Champions to spearhead the coordination of risk management activities. These Risk Champions are responsible for ensuring the timely updating of risks, controls, issues and action plans within their own units. Their updates are then independently validated by GRM.

Group Corporate Assurance Department

The GCAD is an integral part of the Group's internal control system, with the function reporting directly to the GAC. GCAD's primary mission is to provide independent, objective assurance and consulting services designed to add value and improve the operations in the Group. It assists the Group to achieve its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

GCAD develops risk-based audit plans for the year, consistent with the Group's objectives and strategies articulated in the annual budget plan and conducts internal audit engagements accordingly. In the course of performing its duties, GCAD has unrestricted access to all functions, records, documents, personnel, or any other resource or information, at all levels throughout the Group. Audits are performed on all units or areas in the audit population, the frequency of which is determined by the level of risk assessed, to provide an independent and objective report on operational and management activities in the Group.

The audit plans as developed are reviewed and approved by the GAC, and the results of the audits are communicated and reported periodically to Management, external auditors, the appropriate Divisional Flagship Subsidiary Boards (FSB) and the GAC.

Group Compliance Office

A dedicated Group Compliance Office (GCO) was established in February 2011 to assist with the implementation of a Compliance Management Framework (CMF). The CMF establishes mechanisms and tools to ensure consistency and efficiency in managing compliance risk within the Group.

The GCO reports directly to the GAC for the purpose of independence and objectivity. The GCO function was created to:

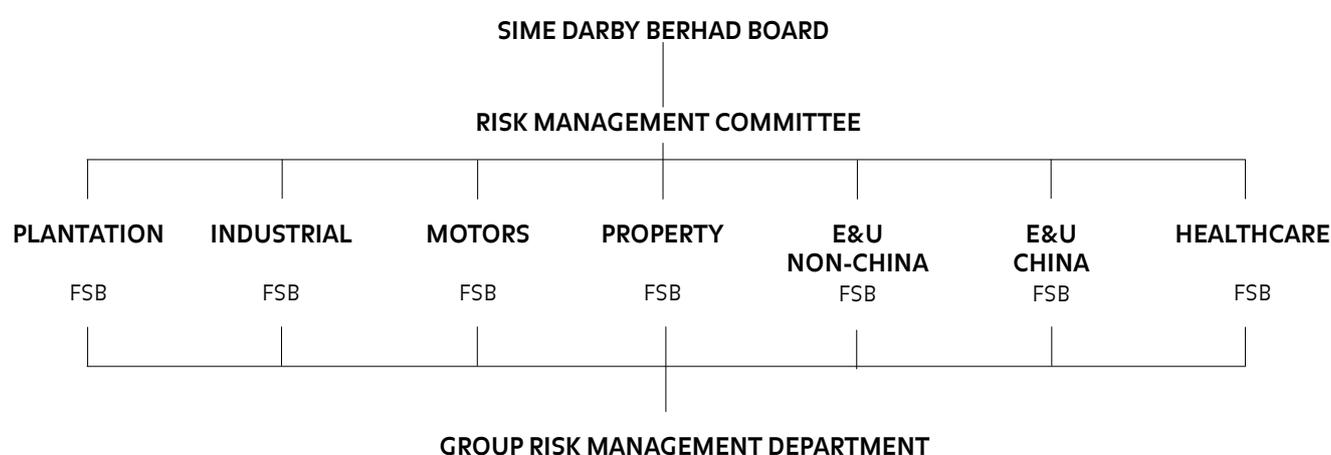
- Assist the Management, GAC and the Board in coordinating compliance risk management activities (i.e. programmes or activities to identify, mitigate and educate employees about the risks of non-compliance); and
- Provide reasonable assurance to the Board and the Management that the Group's operations and activities are conducted in line with all regulatory requirements, internal policies and procedures and standards of good business practice.

ACTIVITIES THAT SUPPORT THE RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

Group Risk Management Framework

The principal aim of the Group RMF is to identify, evaluate and manage risks with a view to enhance the value of shareholders' investments and safeguarding assets. The Board is responsible for ensuring that this process is in place and is effective and adequate. In addition, divisional risk oversight is under the purview of the Flagship Subsidiary Boards (FSBs) which support the Board in providing direction, oversight and control of their divisional affairs in a responsible and effective manner.

The Group RMF encapsulates the governance arrangements described above as well as assigns responsibility to relevant levels of management and operations. The implementation of the framework is the responsibility of the PGCE and members of the Sime Darby Group Management Committee (GMC). An overview of the Group RMF is provided in the diagram below.



RISK OWNERS			FUNCTIONAL BUSINESS SUPPORT			MONITORING	
Accountability and responsibility for effective risk identification and management			Provide risk support, functional expertise and risk specific standards			Provide risk insight and monitoring to key business decisions	
Plantation	Industrial	Motors	Finance	Human Resource	Legal	Communication	Procurement
Property	Energy & Utilities	Healthcare	Information Technology	Health, Safety & Environment	Strategy & Business Development	Risk Management	Compliance

Note: Following the completion of the joint venture arrangement on 30 June 2013, the Healthcare Division has been injected into a jointly controlled entity known as Ramsay Sime Darby Health Care Sdn Bhd (formerly known as Sime Darby Global Healthcare Sdn Bhd)

Risk Policy

The Group recognises that risk is an integral and unavoidable component of its business and is characterised by threats and opportunities. The Group fosters a risk-aware corporate culture in all decision making. Through application of integrated risk analysis and management, the Group manages risk in order to enhance opportunities, reduce threats and so sustain competitive advantage.

The Group is committed to managing risks in a proactive and effective manner. This requires comprehensive risk analysis to support management decisions at all levels within the Group.

Risk Management Approach

The Group has adopted a formal and structured approach to risk management.

RISK ASSESSMENT UPDATING		
CONTEXT	TIMING	MANAGEMENT INVOLVEMENT
Strategies/ Objectives	Annual Review	Top-Down (as part of the Annual Strategic Updating process)
Business Unit/ Operating Unit/Project	Quarterly Update	Bottom-Up (as part of the periodic monthly management review process)
Major Projects (CAPEX/ Improvements/ Customer)	Monthly Review/Ad hoc Update	Project Team (as part of the routine project management review process)
Major Proposals (Investment/ Improvements/ Bids)	As Required	Proposal Team (as part of the project evaluation process)

To ensure a top-down review of risks is conducted on an annual basis as part of the annual strategic planning update which ensures the risk implications of any changes in strategy are identified, assessed and documented.

To ensure updating of risks occurs on a quarterly basis by appropriate risk management personnel who are in a position to know about changes in risks and are able to identify, assess, document and escalate key risks.

To ensure appropriate risk management activities occur on an as required basis for major projects/proposals by appropriate project staff cognisant of the projects' lifecycle stage.

In undertaking the above practices, a detailed approach and process has been developed and deployed which is consistent with the ISO 31000 Risk Management Standard. In addition, several policies and guidelines were developed to aid relevant personnel in undertaking their risk management responsibilities. These policies, procedures and guidelines are supplemented by detailed training packs and Quick Reference Guides covering risk management methodology and the use of the risk management software.

Risk Reporting

The Group RMF provides for regular review and reporting. Quarterly risk reports are prepared and include an assessment of risk, an evaluation of the effectiveness of the controls in place and the requirements for further controls.

Key Risk Management Activities for Financial Year 2013

Key activities pertaining to risk management that were undertaken for the financial year under review were as follows:

- A top-down review of enterprise level risks was conducted as part of the annual strategic planning update to ensure that the risk implications of any changes in strategy were identified, assessed and documented.

- Quarterly risk assessments were undertaken for each Division and GHO function to identify and/or update enterprise level and operational level risks. The results of these assessments were incorporated in the quarterly reporting to the RMC and Divisional FSBs.
- A new risk management system was customised and deployed during the year. Numerous training sessions were undertaken during the year to familiarise relevant Risk Owners and Risk Champions with the system. Any changes to risk data are now performed directly in the system, thereby facilitating real-time updates of risk information.
- Risk Assessments have been performed for all major projects currently being implemented. GRM, together with Group/Divisional Strategy performed formal risk analysis on a number of key investment proposals during the financial year.
- A Risk Management Key Performance Indicator (KPI) index was established to assess senior management's performance in managing risks within their respective areas of responsibility. The index represented one component of the PGCE and Divisional Executive Vice Presidents (EVP) scorecards for financial year 2013. This will continue to be incorporated in the scorecards for the coming year.

Group Policies and Authorities

Limits of delegated authority which have been approved by the Board for acquisition and disposal of assets, awarding tenders as well as approving operational expenses are prescribed in the Group Policy and Authorities (GPA). In addition, policies and procedures are in place to ensure compliance with internal control and the prescribed laws and regulations. These policies and procedures are set out in the GPA and divisional/operating units' standard operating procedures. The GPA are reviewed annually. The 2013 review was undertaken in tandem with changes to the business environment and regulatory guidelines.

Corporate Culture and Group's Core Values

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

Code of Business Conduct

As part of its on-going efforts to strengthen its corporate governance, Sime Darby rolled out the Code of Business Conduct (COBC) in nine different languages (and Braille) to directors and employees across its Divisions and territories. This initiative was to inculcate a strong culture of ethics. The COBC emphasises a zero-tolerance policy on corruption and is reinforced through various channels, including e-learning, classroom training, the intranet and the Group's website. Approved vendors are also required to sign a 'Vendor Letter of Declaration' to ensure adherence to the COBC.

The COBC supports the Group's Core Values by instilling and upholding the value of uncompromising integrity in the behaviour and conduct of the Board, Management, employees and all stakeholders of the Group. Any breach of the COBC is actionable through disciplinary proceedings.

The continuing initiatives 2013 included on-going COBC training at employee inductions, awareness via COBC posters, and COBC presentations at Country and Global Induction Programs.

Employee competency

The Group has established a comprehensive framework that provides a structured competency baseline requirement to assess existing human capital development needs across various levels of employees. Emphasis is placed on the quality and ability of employees with continuing education, training and development being actively encouraged through a wide variety of schemes and programmes.

Whistleblowing

The policy on whistleblowing as set out in the GPA is available in the Sime Darby Enterprise Portal. An overview of the whistleblowing policy is described in the Group's website. The policy encourages employees to report any wrongdoing by any person in the Group to the proper authorities so that appropriate action can be taken immediately. Additionally, it also provides for

any complaint or report to be directly submitted to the Senior Independent Director (SID) of the Board, should the whistleblower believe that the Group is better served if the report was addressed to levels higher than Management.

The SID is Dato' Henry Sackville Barlow who is contactable through the whistleblowing channels of reporting as provided in the official Sime Darby website.

In 2013, reporting to the GAC and Board was further enhanced with more detailed analysis of whistleblowing cases across the Group.

All concerns raised via the whistleblowing channels will be treated fairly and properly. The Policy on Whistleblowing also includes provisions to safeguard the confidentiality of the whistleblower, ensure no retaliation of the whistleblower if he or she has acted in good faith, and measures to avoid abuse of the policy for purposes of making false or malicious allegations.

EFFECTIVENESS OF RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

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

- The management information system includes preparation and submission of a Five-Year Strategy Blueprint, which is to be reviewed and updated annually, the annual budgets and other information to the Board. Budgets prepared by operating units are regularly updated by means of a rolling forecast and explanation of variances is incorporated in the monthly management reports. The Sime Darby GMC reviews the performance and results of divisions/operating units on a regular basis. In addition, the financial performance and key business performance indicators are reported to the Board on a quarterly basis.
- The risk reports that are prepared by GRM on a quarterly basis are reviewed by Management and presented for approval to the GMC, Divisional FSBs and RMC.
- Feedback received through Management comments in the GCAD reports with respect to the risk and internal control related issues, are further summarised and presented to the GMC, Divisional FSBs and GAC.
- A Control Self-Assessment (CSA) process that uses a questionnaire approach which is coordinated and monitored by the GCO was rolled out during the financial year. CSA allows employees in the Group to identify the risk within their business environment and evaluate the adequacy and effectiveness of the controls in place. The results of the CSA process will be validated during GCAD audits and exceptions reported in the audit reports and GCO's reporting to the GAC.

- Periodic examination by GCAD of business processes and the state of internal control including controls over quality, environmental, safety and health issues, and compliance with policies, procedures, applicable laws, regulations and contracts. Reports on the audits or reviews carried out by the GCAD function are issued on a regular basis to the Management and the GAC.
- GCAD conducted an independent audit of the risk management process undertaken by the Group as well as each division. This was to provide the Board and senior management independent assurance that the process was working as intended.
- GCO rolled out Regulatory Compliance reviews at the Plantation and Property Divisions during the financial year under review.

The monitoring, review and reporting arrangements in place give reasonable assurance that the structure of controls and its operations are appropriate to the Group's operations and that risks are at an acceptable level throughout the Group's businesses. Such arrangements, however, do not eliminate the possibility of human error or deliberate circumvention of control procedures by employees and others.

REVIEW OF STATEMENT BY EXTERNAL AUDITORS

As required by paragraph 15.23 of the Main Market Listing Requirements of Bursa Securities, the external auditors have reviewed this Statement on Risk Management and Internal Control. Their review was performed in accordance with the Recommended Practice Guide (RPG) 5 issued by the Malaysian Institute of Accountants. Based on their review, the external auditors have reported to the Board that nothing has come to their attention that causes them to believe that this Statement is inconsistent with their understanding of the process the Board has adopted in the review of the adequacy and integrity of risk management and internal control of the Group. RPG 5 does not require the external auditors to and they did not consider whether this Statement covers all risks and controls, or to form an opinion on the effectiveness of the Group's risk and control procedures.

CONCLUSION

For the financial year under review, based on inquiry, information and assurance provided, the Board is of the view that the risk management and internal control system within the Group is sound and adequate. There will be continual focus on measures to protect and enhance shareholder value and business sustainability.

This statement is made in accordance with a resolution of the Board dated 24 September 2013.

INVESTOR RELATIONS AND SHAREHOLDERS' COMMUNICATION

The Group understands that having an active communication channel with the investment community is part of effective stakeholder engagement efforts. This involves providing information and analysis that will help them develop a comprehensive understanding of the Group's strategies and developments.

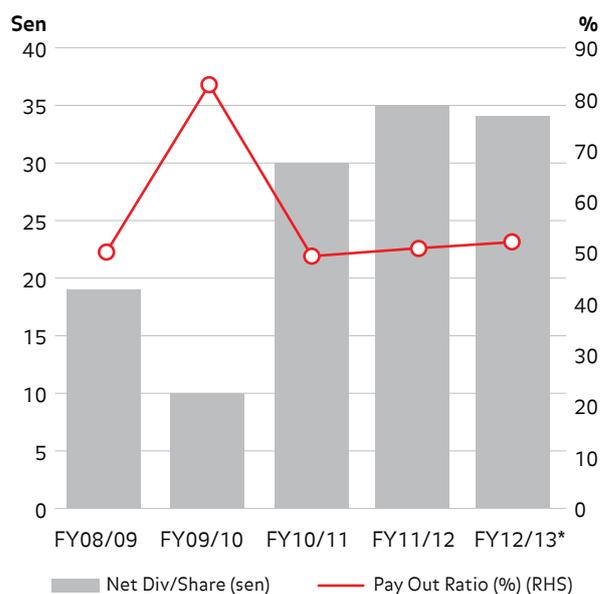
The Group's investment community comprises shareholders, investors, research analysts and other stakeholders, both in Malaysia and overseas. The Investor Relations Unit provides a platform for two-way communication between the Group and the investment community, with active participation by the Group's Senior Management. At the same time, the Board is periodically briefed on the interactions and feedback from the investment community.

SHAREHOLDERS' RETURN

In FY2012/2013, the Board declared an interim single tier dividend of 7 sen per ordinary share amounting to RM420.7 million, which was paid on 10 May 2013.

The Board has recommended a final single tier dividend of 27 sen per share in FY2012/2013. The entitlement and payment for this will be decided after the shareholders' approval for the payment of the final single tier dividend at the forthcoming Annual General Meeting (AGM) of the Company.

Dividend Track Record



* Includes a proposed final single tier dividend of 27 sen per share.

ENGAGING THE INVESTMENT COMMUNITY

The Investor Relations Unit carried out extensive Investor Relations engagement programmes throughout FY2012/2013. For FY2012/2013, the number of meetings held and fund managers/analysts met are as follows:

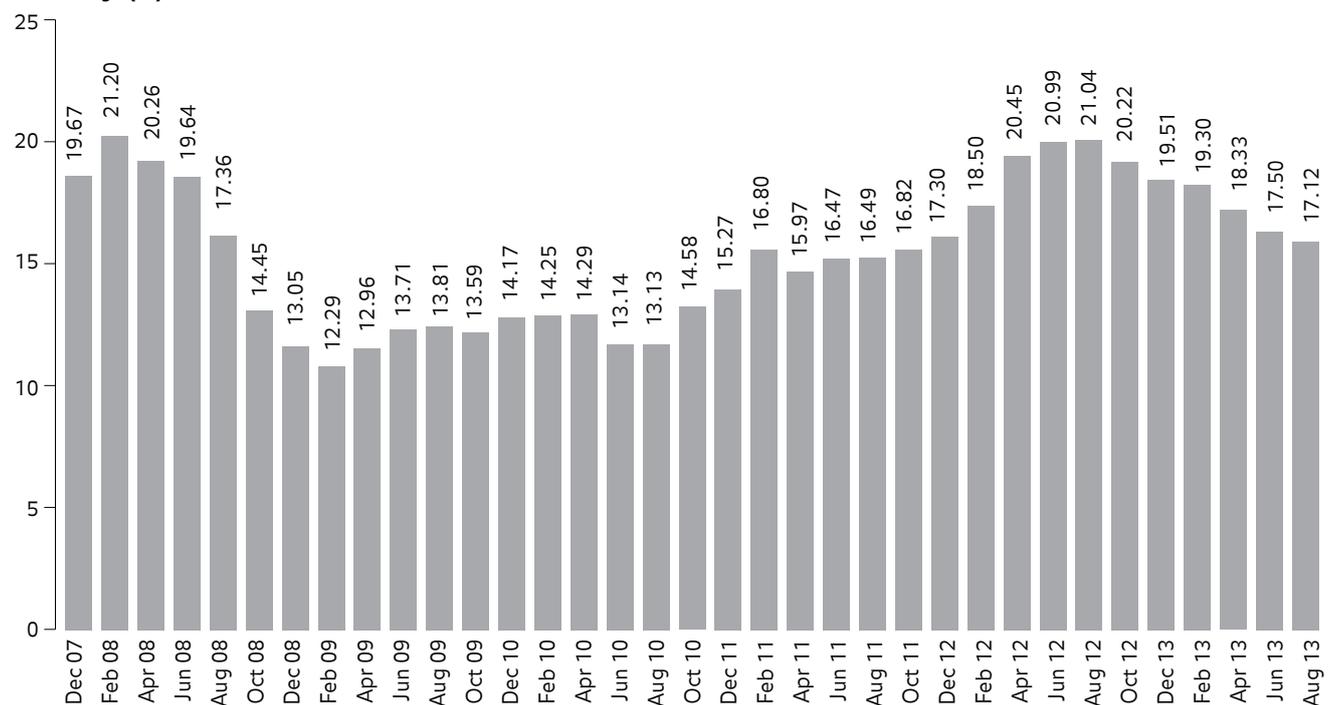
	No. of Meetings	No. of Fund Managers/Analysts
Conferences/Roadshows	17	457
One-on-one meeting	102	210
Teleconferences	16	32
Site Visits	7	11
Quarterly Analyst Briefing	4	228
Total	146	938

Since 2010, the Investor Relations Unit has been engaging investors with interests in sustainability or environment, social and governance (ESG) issues. The Investor Relations Unit has intensified their engagement with the ESG investors by having non-deal roadshows (NDR) in July 2012 and July 2013. The team met over 50 ESG fund managers in nine cities across Europe during the NDRs to communicate the Group's Sustainability Framework and Strategy and to discuss ESG issues.

Feedback from the investment community has been encouraging; notably, by the Norwegian Government Pension Fund Global (NGPFG) in its Annual Report 2012, stating that it has increased its investment in Sime Darby between 2011 and 2012.

Foreign Shareholding

Percentage (%)

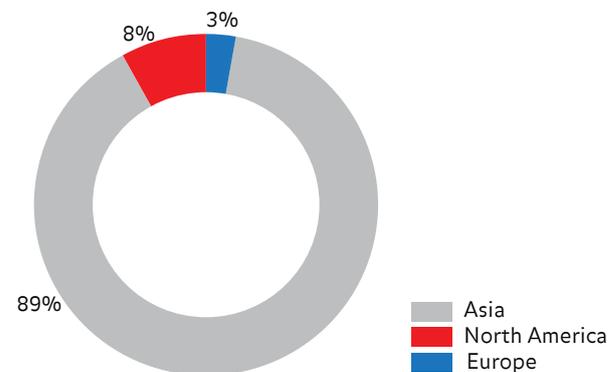


SHARE OWNERSHIP

As at 30 June 2013, apart from the two major shareholders, Permodalan Nasional Berhad and Employees Provident Fund which hold 52% and 13% equity respectively, the Group's largest overseas geographical shareholding base was North America with 8% of issued share capital. Shareholders from Europe accounted for 3% while shareholders from both Singapore and Hong Kong accounted for 1% of issued share capital.

Since February 2009, Sime Darby's foreign shareholding improved from 12.3% to a high of 21.2% in July 2012. Due to the sectorial downgrade on plantation companies in view of the softening crude palm oil price, foreign shareholding declined to 17.5% in June 2013. We believe that foreign interest in the Company remains strong amid the inherent strength of the Group's diversified portfolio of business.

Geographical Shareholding



CREDIT RATING/SUKUK ISSUANCE

Sime Darby continues to maintain a strong capital position through its disciplined approach on capital allocation and cash flow management. The strong credit rating accorded by both local and international rating agencies is a testimony of the Group's financial strength. The credit ratings are as follows:

Local Rating			
Date	22 May 2013		
Rating Agency(ies)	Malaysian Rating Corporation Berhad (MARC)		
Rating	MARC-1 _{ID} / AAA _{ID}		
Outlook	Stable		
Programme	RM4,500 million Islamic Medium Term Notes Programme (IMTN) and RM500 million Islamic Commercial Papers (ICP) with a combined limit of RM4,500 million (ICP/IMTN)		
International Rating(s)			
Date	18 January 2013	18 January 2013	14 January 2013
Rating Agency	S&P	Fitch	Moody's
Rating	A;*axAAA	A	A3
Outlook	Stable	Stable	Stable
Programme	USD1.5 billion (RM4.5 billion) Multi-Currency Sukuk Issuance Programme		

*ASEAN Rating Scale

In January 2013, the Senior Management of the Group went on a roadshow to introduce the USD1.5 billion (RM4.5 billion) Multi-Currency Sukuk Issuance Programme. Following the successful establishment of the programme, Sime Darby had, on 23 January 2013, announced the issuance of its inaugural USD400 million (RM1.2 billion) five-year Sukuk issue at a fixed coupon rate of 2.053%, and its USD400 million (RM1.2 billion) ten-year Sukuk issue at a fixed coupon rate of 3.29%. The Sukuk has been assigned an issue ratings of A/A/A3 by Standard & Poor's, Fitch and Moody's, respectively.

This debut USD issuance was highly successful, recording a subscription rate of over 10 times via 376 orders from high quality investors across Asia, the Middle East and Europe. This landmark transaction also achieved several firsts - the lowest ever coupon issued globally by any corporate organisation in the USD Sukuk market; the lowest ever USD coupon in Sukuk format by an Asian issuer; and the lowest ever coupon by a Malaysian borrower in the USD market, in both the five and ten year tenures. In addition, Bank Negara Malaysia has accorded "Emas" status for this Sukuk issuance.

ANALYST COVERAGE

Sime Darby has been well-tracked by the investment community with 27 equity research houses covering the Company.

As at 30 June 2013, Sime Darby received 11 Buy calls, 15 Hold calls and 1 Sell call from research analysts covering the Company.

FURTHER INFORMATION

Extensive information such as financial results, annual reports, announcements to Bursa Securities, corporate presentations, and other information on the Group can be found at www.simedarby.com.



Dato' Abdul Ghani Othman
Chairman



CHAIRMAN'S MESSAGE

Dear Shareholders,

It is my pleasure to present to you the Sime Darby Berhad Annual Report for the financial year ended 30 June 2013.

Since taking office as Chairman on 1 July 2013, I have spent a considerable amount of time with management teams from across the Group to better understand this vast organisation. Today, Sime Darby is Malaysia's largest diversified multinational company, involved in five core businesses in 23 countries and employing more than 100,000 people. The weight of the responsibility I have been entrusted with is tremendous indeed but with our dedicated board of directors and also the able management team led by President and Group Chief Executive, Tan Sri Dato' Mohd Bakke Salleh, we are well equipped to manage the task at hand. We are always conscious of the fact that we are the guardians of RM27.1 billion of shareholders' funds; money that belongs to approximately 30,000 shareholders from the biggest with a 52% stake to the smallest who may have just 100 shares.

Though we are operating in a challenging global environment, Sime Darby has weathered the storm and is poised to meet the current year with equanimity and fortitude. I applaud the management team for the performance of the Group during the financial year under review and have confidence that they will adopt the same positive approach in the current financial year.

FINANCIAL HIGHLIGHTS

During the financial year under review, Sime Darby showed resilience, delivering a good set of results despite operating within a challenging environment.

Global economic growth experienced a marked moderation and commodity prices were generally softer during the year.

For the financial year ended 30 June 2013, the Group recorded a net profit (profit after tax and non-controlling interests) of RM3.7 billion, representing a decrease of 11% year-on-year. The Group's net profit was 16% higher than the FY2012/2013 Key Performance Indicator's (KPI) net profit target of RM3.2 billion. The Group also reported a Return on Average Shareholders' Funds (ROASF) of 14% for FY2012/2013 which was 2% higher than the KPI target of 12%.

Group Results

RM million	2013	2012	% +/-(-)
Revenue	46,812.3	47,254.5	(1)
Profit before tax	4,462.2	5,694.5	(22)
Profit after tax	3,479.2	4,392.8	(21)
Profit/(Loss) from Discontinued Operations*	352.4	(46.4)	859
Profit after tax and non-controlling interests	3,700.6	4,150.2	(11)

* The discontinued operations include a gain of RM340.6 million arising from the joint venture agreement with Ramsay Health Care Ltd on the establishment of Ramsay Sime Darby Health Care Sdn Bhd. Following the completion of the arrangement on 30 June 2013, the Group's investment in the Health Care business will change from a subsidiary to a jointly controlled entity. Accordingly, the Group has ceased to present the Healthcare Division as a separate segment.

Summary of Divisional Profit Before Interest and Tax

RM million	2013	2012	% +/-(-)
Plantation	2,006.5	3,203.2	(37)
Industrial	1,300.2	1,351.4	(4)
Motors	711.4	702.1	1
Property	571.5	467.2	22
Energy & Utilities	229.9	335.4	(31)
Others	38.8	68.8	(44)

The **Plantation Division** registered a RM2.0 billion profit before interest and tax (PBIT) for the financial year under review, a decrease of 37% from the previous corresponding financial period. This was mainly attributable to lower average crude palm oil (CPO) prices realised for the year. Meanwhile, the **Industrial Division** posted a PBIT of RM1.3 billion, a marginal decline of 4% compared to the last financial year, due in particular to the tough economic situation in the Australian mining industry. Despite the challenges posed by slower economic conditions and stricter lending regulations in key markets, the **Motors Division** contributed RM711.4 million to the Group's PBIT, a 1% increase from the previous year. The **Property Division** exceeded expectations, contributing a PBIT of RM571.5 million, following several successful township launches. This represented a 22% increase in PBIT year-on-year as a result of higher sales. The **Energy & Utilities Division** recorded a PBIT of RM229.9 million while the other businesses of the Group registered a PBIT of RM38.8 million.

The Group is in a strong financial position with shareholders' funds at RM27.1 billion, cash and bank balances of RM4.1 billion and a modest gross gearing ratio (debt-to-equity) of 36%. A strong balance sheet, built on the robust allocation of capital and efficient management of assets, allows the Group the financial flexibility to capitalise on growth opportunities to maximise shareholders' value.

Dividend

The Board has proposed a final dividend of 27 sen per share for FY2012/2013. Combined with the earlier interim dividend of 7 sen per share, the total dividend for the year is 34 sen per share.

On 30 August 2013, Sime Darby proposed to undertake a Dividend Reinvestment Plan (DRP) that provides shareholders with the option to reinvest their dividends in new Sime Darby shares, at a discount to market, in lieu of receiving cash. The DRP gives shareholders the opportunity to enhance the value of their investment in Sime Darby. The new shares will enlarge Sime Darby's share capital base and strengthen its capital position.

The proposed DRP is conditional upon approvals from Bursa Malaysia Securities Berhad, its shareholders via an Extraordinary General Meeting to be held on 21 November 2013 and other relevant authorities, if required.

MAJOR CORPORATE ACTIVITIES

During the financial year under review, the Group undertook a number of major corporate exercises:

Issuance of Asia's First Internationally Rated Multi-Currency Sukuk Programme in 2013

On 22 January 2013, Sime Darby Global Berhad, a wholly owned subsidiary of Sime Darby Berhad successfully priced its first issuance of USD800.0 million Sukuk under its inaugural USD1.5 billion Multi-Currency Sukuk Programme. The Sukuk Programme was assigned ratings of A, A and A3 from Standard & Poor's Rating Services, Fitch Ratings and Moody's Investors Service, respectively. The ratings are a reflection of the Group's strong competitive position as one of the world's largest plantation players, its long track record as a successful multinational involved in key businesses, large operating scale and the integrated operations of the businesses as well as the Group's robust financial profile.

The Sukuk Programme will provide Sime Darby with the financial agility to meet its funding requirements as it goes forward and expands its global business portfolio. It will allow Sime Darby to tap a wider pool of investors, both conventional and Islamic, from Asia, the Middle East and Europe. The Sukuk Programme is based on the Shariah Principle of Ijarah.

Acquisitions

On 3 July 2012, Sime Darby Motors Group (Australia) Pty Limited acquired the entire issued and paid up share capital in Sime Darby Motors Retail Australia Pty Limited (SDMRA). The principal activity of SDMRA is to operate motor dealerships in Australia. On 6 July 2012, SDMRA completed the acquisition of the Porsche Centre Parramatta, Sydney, for a cash consideration of AUD4.3 million (equivalent to RM14.0 million). The acquisition was a strategic move to enable the Motors Division to add to its stable of brands in the luxury market in Australia.

On 4 July 2012, the Group, S P Setia Berhad (S P Setia) and Kwasa Global (Jersey) Limited, a subsidiary of the Employees Provident Fund (EPF), entered into a Subscription and Shareholders' Agreement to regulate their participation in Battersea Project Holding Company Limited (BPHC), a company established in Jersey in the agreed proportion of 40%, 40% and 20%, respectively. BPHC, via its subsidiary, Battersea Project Land Company Limited, completed the acquisition of the Battersea Power Station site in London, United Kingdom on 4 September 2012 for GBP400.0 million (equivalent to RM1,972.0 million). This acquisition was part of the Group's strategy to grow and expand its Property Division and to embark on developments in high growth international markets such as London, which remains a global financial centre and education hub with favourable demand-supply dynamics.

On 1 October 2012, Sime Darby Johor Development Sdn Bhd (SDJD) acquired the entire issued and paid-up share capital of Sime Darby Property Selatan Sdn Bhd (SDPS). On 6 November 2012, SDJD, Tunas Selatan Pagoh Sdn Bhd (TSP) and SDPS entered into a Shareholders' Agreement to regulate the relationship between SDJD and TSP as shareholders of SDPS, for the development of the Pagoh Education Hub.

SDPS, via four wholly owned subsidiaries, had on 7 November 2012, entered into four separate Concession Agreements (CA) with Universiti Tun Hussein Onn Malaysia, International Islamic University Malaysia, Universiti Teknologi Malaysia and the Government of Malaysia to undertake the planning, design, financing, construction, landscaping, equipping, installation, completion, testing and commissioning of facilities and infrastructures, including carrying out the asset management services for the respective universities and Pagoh Polytechnic as well as the shared facilities, collectively known as the Pagoh Education Hub. The CAs, based on a Private Finance Initiative under the concept of 'Build-Lease-Maintain-Transfer', will be for a 23-year period, which includes the construction period of three years.

The Pagoh Education Hub under the CAs is expected to generate a stable cash flow and is also a catalytic project which will enhance the value of the Group's properties in the surrounding areas.

On 29 November 2012, Sime Darby Overseas (HK) Limited entered into equity purchase agreements for the acquisition of the remaining 51% equity interest in its jointly controlled entities, Weifang Weigang Dredging Project Co Ltd (WWDP) and Weifang Weigang Tugboat Services Co Ltd, from Beijing Yintong Guoji Investment Advisory Co Ltd for a cash consideration of RMB36.7 million (equivalent to RM18.4 million) and RMB15.3 million (equivalent to RM7.7 million) respectively. Consequently, both entities and Weifang Binhai Haiwei Dredging Project Co Ltd, subsidiary of WWDP, became subsidiaries of the Group. The acquisitions will enable Sime Darby to have control of the two key port ancillary dredging and tugboat services in the Weifang Port.

CHAIRMAN'S MESSAGE

On **1 March 2013**, Sime Darby Motors Sdn Bhd acquired the entire issued and paid-up share capital of Timeless Diamond Sdn Bhd (TDSB). On 28 March 2013, TDSB changed its name to Sime Darby Auto Britannia Sdn Bhd (SDAB), whose principal activity is to operate the McLaren distributorship in Malaysia. The Group, through SDAB, was officially appointed the sole distributor of McLaren supercars on 16 April 2013. The appointment provides the Group with another niche segment within the Malaysian luxury automobile market .

Disposals

On **26 March 2013**, Sime Darby Holdings Berhad (SDH) entered into an arrangement with AH Holdings Health Care Pty Ltd (AHHC), a wholly owned subsidiary of Ramsay Health Care Ltd, to establish a joint venture, whereby SDH would divest its healthcare and education business (held under Sime Darby Healthcare Sdn Bhd), and AHHC would also divest its Indonesian healthcare business to Sime Darby Global Healthcare Sdn Bhd (SDGH). Arising from the divestments, both SDH and AHHC, as joint venture partners, will each have an equal shareholding in SDGH. In addition, SDH would receive a cash consideration of RM390.0 million from AHHC. SDGH was subsequently renamed Ramsay Sime Darby Health Care Sdn Bhd on 12 April 2013.

The arrangement was completed on 30 June 2013 and consequent to the completion of the arrangement, the Group recognised a gain of RM340.6 million.

The joint venture is part of the Group's strategy to accelerate the growth plans of its healthcare business.

CORPORATE GOVERNANCE

The Group recognises the importance of corporate governance as it underpins the management and business operations of the Group to deliver sustainable value to all stakeholders. Sime Darby's commitment towards corporate governance is underlined by the following objectives:

- i. Promote integrity, transparency, accountability and responsiveness
- ii. Ensure appropriate checks and balances between the Divisions and the Group
- iii. Cultivate ethical business conduct and behaviour through the Code of Business Conduct (COBC)

The core of Sime Darby's corporate governance framework is the two-tier board structure, headed by the Main Board and supported by the Flagship Subsidiary Boards (FSBs). The FSBs oversee the operations of the Divisions, subject to the direction and counsel of the Main Board and compliance with any policy and delegated authority limits set by the Board.

During the financial year under review, the Group undertook various measures to enhance corporate governance. Among them were the initiatives undertaken by Group Compliance Office (GCO) and Group Corporate Assurance to enhance the current

whistleblowing database used to monitor and report any cases of wrongdoing highlighted either by the Group's Head Office or Divisions. These are cases that have not been raised via formal channels. In addition, the Group has also communicated and updated information on the available whistleblowing mechanisms to all employees.

The Governance, Risk & Compliance portal was also launched during the year. The portal contains links to the Group's policies and procedures as well as relevant articles and information pertaining to governance, risk and compliance. The objective of the portal is to increase the awareness of good governance amongst Sime Darby employees.

In addition, GCO actively engages in dialogue with the Malaysian Anti-Corruption Commission (MACC), the Malaysian Anti-Corruption Academy and Transparency International-Malaysia (TI-M). Sime Darby, as a signatory to the Corporate Integrity Pledge, had undergone a Monitoring Audit on 12 April 2013, led by MACC, together with a representative from TI-M.

The Group completed several key compliance-related activities during the past 18 months. These include a series of training sessions to equip key local trainers with the necessary skills and information required for them to conduct in-house COBC sessions. Other activities in the programme include COBC awareness sessions at Country and Global Induction Programmes and reviewing the Group Policies and Authorities annually.

To further increase the visibility and momentum of the COBC programme, GCO developed the COBC Communication and Awareness Plan that covers activities spanning over three phases. The main objective of this plan is to put in place activities that will increase the internalisation of the COBC to Group employees.

The Group strives to share its governance and compliance standards with its various counterparts and business partners in the course of its business dealings. Garnering the Corporate Governance Report (United Kingdom) award for Best Corporate Governance, Malaysia, in 2013, is a testament of the Group's commitment towards maintaining the highest standards in corporate governance.

CORPORATE RESPONSIBILITY

Sime Darby has been proactive in its commitment to Corporate Responsibility. Every year the Group takes stock of its challenges and successes and continues to refine and improve its commitment in key growth areas.

The Group recognises that creating shared value is a continuous journey. Thus, the collaborative effort and combined commitment of the senior management and employees are crucial to ensure that Corporate Responsibility continues to be embedded and is second nature to the business. At Sime Darby, every Division has an obligation and role to play. Most importantly, every employee is an important contributor in championing Corporate Responsibility and the sustainable business growth of the Group.

Corporate Responsibility at Sime Darby is about the total value chain. It not only focuses on business strategy that is grounded by strong core values, but also operational efficiency, proactive governance and risk mitigation, stakeholder engagement and strategic philanthropy.

FY2012/2013 saw the expansion of various initiatives, from those related to enhancing operational excellence and sustainability value, to those focused on progressing esprit de corps through employee engagement and volunteerism. This financial year, the Group through its business operations continued its efforts to strengthen key projects, industry ties and knowledge exchange among the divisions and departments of the Group.

Externally, through Yayasan Sime Darby (Sime Darby Foundation), the Group continued its commitment towards corporate philanthropy, with key targets set in achieving shared value through its programme focus areas of Community Development, Environmental Conservation, Education, Sporting Excellence and the Preservation of Arts, Culture and Heritage.

As the global Corporate Responsibility landscape shifts from one that is competitive to one more dedicated to strategic collaboration, Sime Darby will continue to proactively leverage and build on strong partnerships.

With over 300 initiatives completed and more than 75 on-going in various countries, the Group is poised to continue working hand-in-hand with its stakeholders, which include business partners, local communities and NGOs. Sime Darby not only helps facilitate discussions, but also develops cohesive strategies and solutions in addressing various global and local concerns and needs.

SUSTAINABILITY

In the financial year under review, the Group further strengthened governance around sustainability by establishing a Sustainability Committee of the Board (SC). The SC assists the Board in overseeing the Group's principles, policies, objectives and strategies related to sustainability. It also provides Board-level oversight on key topical sustainability issues. The SC is chaired by the Senior Independent Non-Executive Director of the Board, Dato' Henry Sackville Barlow.

Sustainability has also been further embedded in the Group's corporate strategy. In FY2011/2012, five strategic sustainability goals were incorporated into the Group's Five-Year Strategic Blueprint, including the development of Group-level action plans. In the same year, Divisional action plans were developed to better cascade Group-wide initiatives and outline industry-specific efforts towards the achievement of the strategic sustainability goals. During the year under review, much of the Group's reporting initiatives were focused on the various efforts undertaken at the Plantation Division.

Sime Darby Plantation continues to maintain its leadership position as the largest producer of Certified Sustainable Palm Oil (CSPO). Fifty-five of the Division's 60 Strategic Operating Units (SOUs) have been certified by the Roundtable on Sustainable Palm Oil (RSPO).

Each SOU comprises a mill (or mills) supported by one or more supplying base estates. The remaining five SOUs that have not been certified have started their RSPO certification process. Sime Darby Plantation currently has an annual production capacity of 2.033 million tonnes of CSPO and 0.473 million tonnes of certified sustainable palm kernel oil. This represents approximately 83% of the Group's annual crude palm oil and 86% of annual palm kernel oil production.

With market sentiment shifting towards the provision of traceable and fully segregated CSPO, Sime Darby Plantation has also made significant progress in the certification of its downstream refineries. Nine of the Division's 11 refineries around the world are now certified with the RSPO's Supply Chain Certification System. A fully segregated CSPO supply line has now been established between Sime Darby Plantation's SOUs in Sabah, Malaysia, and the Division's refinery in the Netherlands.

The Group has also made significant progress in its carbon management efforts. A carbon reduction strategy has been implemented which focuses primarily on a 40% reduction of Sime Darby Plantation's 2009 baseline carbon emission intensity (tonnes Carbon Dioxide Equivalent/tonnes Crude Palm Oil produced) by 2020.

A key element of the carbon reduction strategy relates to the capture of biogas, which is generated during the treatment of Palm Oil Mill Effluent (POME). Biogas represented 57% of the Group's, and 72% of Sime Darby Plantation's total carbon emissions in calendar year 2012. On 24 June 2013, Sime Darby Plantation entered into a joint venture with Tenaga Nasional Berhad's (TNB) Energy Services to develop biogas-fuelled renewable energy plants that will produce and sell electricity to the Malaysian national grid. This represents a significant step in the execution of the Group's carbon reduction strategy.

HUMAN RESOURCE DEVELOPMENT

During the year under review, the emphasis was on introducing initiatives aimed at sustaining the Group's high performance culture and growth in the long term.

As part of this effort, the Corporate Executive Programme (CEP), which commenced two years ago, was expanded to Indonesia and China. In addition, the Accelerated Leadership Programme (ALP) was introduced to equip high-potential talents with the skills to undertake senior positions in the future. A greater focus was also placed on succession management, where a robust process has been developed to identify and develop successors for critical positions within the Group.

To enhance Sime Darby's standing as an employer of choice, the Employment Value Proposition (EVP), which provides the guiding principles to attract and retain talent in the future, was developed and rolled out. The Group's employee branding initiatives have begun to show results – Sime Darby was rated the second strongest brand in the CLC Malaysia Brand Assessment

Survey in 2012, a survey which included multinational and government-linked corporations. It is important for the Group to continue building this strong brand in the employment market to attract the right talent into the organisation.

In line with the Group's commitment to continuously identify and develop leadership potential and high performance standards, the Sime Darby Leadership Centre was launched during the year under review. The Leadership Centre was built to cater to the increasing demands within the Group for leadership development as well as to develop and hone employees' capabilities and skills.

PROSPECTS

The Group expects the global economic and business environment to remain volatile despite the moderate improvement in high-income nations, namely the United States, Japan and the United Kingdom. CPO prices have continued to remain lacklustre. The Plantation Division will continue to focus on improving operational productivity and cost efficiency whilst increasing its efforts to expand its planted hectareage.

While the prospects of the Australian coal mining industry remain challenging, the positive trends from the emerging economies and regulatory policies may boost the confidence of the mining industry. Meanwhile, the industrial machinery business is expected to remain resilient, especially in Malaysia and Singapore - markets well supported by increased infrastructure spending and strong demand from the oil and gas sector.

The Motors Division is expected to continue operating under tough market conditions, underpinned by weak consumer sentiment and changes in government legislation. The current slowdown in the Chinese economy and intense competition in the luxury segment may further increase margin pressures. Nonetheless, the Division will continue to focus on strategic geographical expansion and launching of key new models that would serve as catalysts in driving demand.

Despite the prospects of a slower economic growth and stricter fiscal and monetary policies, the Malaysian property sector is expected to grow at a moderate pace. The Property Division will remain focused on extracting value from its current landbank through integrated project developments and strategic partnerships. The resilient demand for properties in strategic locations such as Denai Alam and the newly-launched City of Elmina is expected to continue as more projects in the township come on stream.

The impact of the slowdown in China's economy on the ports operations is expected to continue as throughput growth will likely be affected. However, the Group will continue to increase the capacity of the Weifang Port to capitalise on the increasing demand in the hinterland. This, together with an increase in cargo mix bearing higher tariff rates, will give the port a sustainable long term competitive advantage.

ACKNOWLEDGEMENT

On behalf of the Board, I would like to record my gratitude and appreciation to the former Chairman, Tun Musa Hitam, for his contributions to the Group during his five-year tenure as Chairman of the Board. I would also like to thank Tan Sri Samsudin Osman who was appointed as Acting Chairman following the retirement of Tun Musa Hitam.

My heartfelt thanks also goes to my distinguished colleagues on the Board, as well as those on the Flagship Subsidiary Boards, for their invaluable support and contributions during this challenging year.

Also, I would like to pay tribute to all Sime Darby employees whose hard work and dedication contributed to the Group's earnings. Last but not least, I wish to thank our shareholders, customers, business partners and all other stakeholders for their resolute confidence in and continued support of the Group.



Dato' Abdul Ghani Othman
Chairman

PRESIDENT & GROUP CHIEF EXECUTIVE'S REVIEW

Dear Shareholders,

Against the backdrop of a challenging and volatile economic environment, I am pleased to report another successful year for the Group. The Group exhibited perseverance, drawing on the strengths of our diverse portfolio of assets and balance sheet. Our vast experience in different markets and jurisdictions has enabled us to strategically assess and manoeuvre through the challenges we have faced over the last several months. Despite the volatility, especially in the commodity markets, the Group continued to execute its Five-Year Strategy Blueprint, making significant strides to improve operational efficiencies.

Our diversified portfolio of businesses is the foundation upon which we have based efforts to unlock the growth potential in each of our divisions. We continue to hold leadership positions in our core businesses and nurture the relationships we have cultivated with our stakeholders as a responsible brand that believes in sustainable development. We have focused on promoting a high performance culture and our people today are amongst the best talents in the business.

Going forward, the Group is well positioned to leverage on the global trends that continue to offer us tremendous opportunities in both growth and mature markets. We will take full advantage of this and are committed to strengthening our businesses and reinforcing our leadership position in each industry and market we operate in.





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

DELIVERING SUSTAINABLE FINANCIAL RESULTS

This year, the Group registered commendable profits across the divisions while remaining focused on achieving the targets set out in our Five-Year Strategy Blueprint. The results reflect the strength of the Group's diverse business portfolio as the conglomerate model remains key in delivering sustainable profits. Sime Darby has been able to withstand adverse conditions through its well-positioned businesses in both high-growth and mature economies.

For the financial year under review, Sime Darby recorded a revenue of RM46.8 billion and a profit after tax and non-controlling interests of RM3.7 billion. The Group also reported a Return on Average Shareholders' Funds (ROASF) of 14%, compared to its KPI target of 12%.

DIVISIONAL FINANCIAL RESULTS

The Plantation Division registered a profit before interest and tax (PBIT) of RM2.0 billion, a decline of 37% compared to RM3.2 billion in the previous financial year. This was primarily due to lower average crude palm oil (CPO) price realised of RM2,317 per tonne, against RM2,925 per tonne previously. Overall, fresh fruit bunch (FFB) production was higher by 4% with Indonesia registering 13% higher production, though Malaysia registered a drop of 1%. The average oil extraction rate (OER) was maintained at 21.8%.

Midstream and downstream operations recorded a PBIT of RM108.8 million for FY2012/2013, compared to a loss of RM62.3 million previously. The turnaround was largely attributable to better profit margins as a result of lower feedstock costs, higher plant utilisation, lower losses from the refinery in Europe, the net reversal of impairment for property, plant and equipment totalling RM35.4 million and the share of profit from Emery Oleochemicals, a jointly controlled entity with PTT Global Chemical.

The Industrial Division's PBIT declined marginally by 4% to RM1.3 billion, compared to RM1.35 billion in the previous year. The decline was largely due to lower equipment sales to the mining sector in Australasia, following the drop in coal prices. In addition, the Division also experienced lower deliveries to the marine and oil & gas sectors in Malaysia and Singapore as a result of continuing weak market conditions. The slowdown in the construction sector and delayed commencement of infrastructure projects in China also affected the Division's results this year.

The Motors Division's PBIT continued to improve with a 1% increase to RM711.4 million over that of the previous year. All regions recorded higher performances except for Singapore which was affected by weaker market sentiment and changes in government legislation. The operations in Hong Kong and Macau improved largely on

the back of stronger performance by BMW whilst China continued to be affected by lower consumer spending. Operations in Malaysia registered higher profits driven by strong sales for all marques.

The Property Division recorded its best ever earnings in recent times with a PBIT of RM571.5 million, an increase of 22% compared to RM467.2 million in the previous year. This was mainly due to the higher profit recognition from Denai Alam, Bandar Bukit Raja, Taman Pasir Putih and the new launches in City of Elmina. For FY2012/2013, the Division achieved a Gross Sales Value (GSV) of RM2.1 billion for its property development projects in Malaysia.

PBIT for the Energy & Utilities Division declined by 32% to RM229.9 million compared to RM335.4 million in the previous year, due to the recognition of RM99.4 million in deferred revenue from its power plant in Malaysia in the previous year. The port operations in China registered a slight decline of 3%, attributable to a 3% drop in throughput at Weifang Port which experienced especially harsh weather conditions. The slowdown in China's economy resulted in lower demand for coal and other commodities and was one of the reasons that contributed to the decline in this Division's performance. The water operations in China also registered a lower profit of RM3.9 million compared to RM12.1 million previously due to an increase in raw water costs and lower sales volume.

For the year under review, PBIT from the Healthcare Division declined by 8% mainly due to the higher overheads and initial operations of the newly opened Ara Damansara Medical Centre and ParkCity Medical Centre.

Contributions from the Other Businesses segment declined to RM38.8 million compared to RM68.8 million in the previous year. This is attributable to lower contributions from the insurance brokerage business, the reduction in the share of profit from Tesco Stores (Malaysia) Sdn Bhd and the gain on disposal of an investment of RM29.7 million in the previous financial year.

STRATEGIC AND OPERATIONAL ACHIEVEMENTS

In the last financial year, two strategic projects crucial in charting the Group's direction moving forward were completed.

In September 2012, Sime Darby concluded the signing of the Sales and Purchase Agreement (SPA) of the Battersea Power Station property development project, signalling the Group's intention to tap into the opportunities available in the international property market. Phase 1, consisting of 866 units of apartments and townhouses, was launched in January 2013 and witnessed a phenomenal 97%

take-up rate as at 30 June 2013, with a total sales value of GBP685.0 million (RM3.3 billion). The expected profits from the successful execution of this project are in line with the strategy to generate at least 20% of the Property Division's earnings from international markets by FY2016/2017.

On 30 June 2013, Sime Darby Berhad and the Australia-based Ramsay Health Care Limited completed a 50:50 joint venture arrangement whereby the Group disposed of its 100% stake in the Healthcare business to the new joint venture company known as Ramsay Sime Darby Health Care. The Group realised a gain of RM340.6 million on the completion of this disposal. The joint venture will enable the Group's healthcare business to expand in Southeast Asia as a start and eventually throughout Asia. This is part of the Group's game plan in accelerating the growth of its healthcare business by penetrating and capturing the rapidly growing opportunities in Asia.

From the operational perspective, each Division accomplished its major strategic business initiatives and attained efficiency targets for FY2012/2013. The Plantation Division made significant progress in Liberia, where total planted hectareage as at 30 June 2013 reached 8,025 hectares of oil palm, compared to only 3,350 hectares the year before. Initial development, mainly for rubber planting, has also been carried out on a 10,000-hectare site in Pulau Belitung, Indonesia. As part of the Group's aim to be a leader in the production of certified sustainable palm oil, 92% of the Group's Strategic Operating Units (SOUs) across Malaysia and Indonesia were RSPO-certified as of end-June 2013. Significant progress has also been made in the setting-up of our first refinery in Indonesia, which strengthens our presence across the value chain in both Malaysia and Indonesia. The 825,000 metric tonne (MT) per annum refinery situated in Pulau Laut, South Kalimantan is expected to be operational in October 2013.

The Industrial Division continues to benefit from the integration of the Bucyrus dealership with key deliveries of Bucyrus equipment to the Group's major clients. This has helped the Division maintain a healthy order book of RM3.28 billion as at 30 June 2013, despite reduced capital expenditure in most major mining companies. The current slowdown in the Australian and Chinese mining sectors has provided the Division the opportunity to undertake some necessary consolidation of resources and to reposition itself in preparation for the next upswing. New workshop facilities were set up in Toowoomba and Mackay in Australia while the Bronchi Centre of Excellence in China was completed to meet the growing demand for equipment maintenance.

The Motors Division made major progress in opening up new showrooms and used car centres, in addition to securing new distributorships and dealerships in key growth markets. Among the highlights were the

successful opening of the McLaren showrooms in Hong Kong and Shanghai, in 2012 and 2013 respectively. Another new McLaren showroom is expected to be launched by end 2013 in Petaling Jaya, Malaysia. The Division continued to set up new showrooms for various marques to capitalise on the growing demand for mass market cars in Thailand and China. The acquisition of the Citroen distributorship in New Zealand and Australia, together with the setting up of the Porsche and Citroen dealerships in Australia added another feather in the cap of the Division as it continues to grow its stable of marques in the Australasian region.

The Property Division chalked up impressive new township launches in Malaysia, such as Denai Alam, Bandar Bukit Raja, Taman Pasir Putih and City of Elmina. A major improvement in operational efficiency by the Division was evident in the quicker time-to-market of nine months from the previous thirteen months. On the international front, the site preparation for the first phase of the Battersea Power Station Project Development has begun and is expected to be completed in FY2016/2017.

The Energy & Utilities Division witnessed the operationalisation of Weifang Port's 1 X 20,000 MT berth, with the remaining 2 X 20,000 MT berths expected to be completed by the end of the year. The Jining South Port is 100% complete and fully operational and the Jining Taiping Port underwent trial operations in June 2013.

Last but not the least, the Healthcare Division's third hospital, ParkCity Medical Centre began operations on 12 December 2012. This 300-bed state-of-the-art and multi-disciplinary hospital aims to be the regional Centre of Excellence for women and child health as well as geriatric care.

KEY STRATEGIES TOWARDS DYNAMIC GROWTH

When I took office three years ago as the President and Group Chief Executive of this Company, I promised shareholders that we will chart a new path for the Group. With the support of a strong and highly capable team, we outlined a Five-Year Strategy Blueprint based on four key thrusts: (i) Realise the full potential of the core businesses; (ii) Strive for leadership position; (iii) Pursue strategic portfolio growth; and (iv) Institute a performance and value-driven culture.

Key strategies are refined to adapt to the changing business environments and yet remain aligned to the objectives of the strategy blueprint. These refinements are crucial to ensure that the Group is sufficiently flexible in the face of a changing and unpredictable business environment. At the same time, it is vital for the Group to be able to seize opportunities when they present themselves. In many sectors, this agility can be a game-changer, by securing growth and longer term success, especially in emerging markets.

The key strategies for the Plantation Division consist of charting directions for both the Upstream and Downstream segments. Focus for the Upstream segment remains on maximising productivity and increasing operational efficiency. Landbank expansion and crop diversification would also be a crucial strategy moving forth, as part of the Division's portfolio growth. The Downstream segment will be looking at high margin derivative products and potential value-added biochemical ventures.

As a Division which is strongly aligned to its principal, the Industrial Division's key focus is to grow in tandem with Caterpillar and achieve market leadership, particularly in China. The expansion of Caterpillar branches and the selective repositioning of non-Caterpillar products underpin the Division's emphasis on operational efficiency on the back of the slowdown in China's economy and a sluggish mining market. Integration activities of the Bucyrus dealership are also underway to expedite value creation.

The Motors Division will continue to pursue expansion into new locations. This will include expanding existing marques into new geographies and acquiring new marques for existing geographies.

The Property Division's strategic direction includes the establishment of distinctive, integrated and niche property developments and being a leader in themed township developments. Besides the strengthening of the property investment portfolio capabilities, the Division will also continue to embark on performance improvements and innovation-led product development.

The Energy & Utilities Division will focus on growing its trading and engineering services businesses while ensuring the timely execution of the Weifang Port expansion.

Apart from these refinements in divisional strategies, we have also continued efforts to streamline the Group's portfolio of businesses to be a more focused conglomerate. Over the last eight years, we have completed the divestment of non-core and non-performing businesses worth RM3.2 billion.

The foundation of any high performing company is its culture and its people, hence, raising the performance bar is a key component of value enhancement. Sime Darby places high importance on capability-building as talent management plays a crucial role for the Group to maintain its long-term competitiveness and to fully realise optimal returns. In order to promote a high-performance culture in the organisation, the Group enhanced its remuneration packages by introducing the Long Term Incentive Plan (LTIP) with targets that are aligned to the Five-Year Strategy Blueprint.

As we continue to execute our strategies, new sources of capital to fund Sime Darby's expansion plans will be required. Towards this end, Sime Darby established its inaugural Multi-Currency Sukuk Programme with a programme limit of up to USD1.5 billion in January 2013. The first issuance of USD800.0 million Sukuk achieved a strong order book of more than USD8.0 billion via 376 orders from high quality investors. This landmark transaction also represents the lowest ever coupon rate by any corporate globally in the USD Sukuk market, the lowest ever USD coupon rate in Sukuk format by an Asian issuer and the lowest ever coupon rate by a Malaysian borrower in the USD market, in both the 5-year and 10-year tenures. This new debt capacity will provide adequate funding for Sime Darby's growth plans and for new acquisitions.

Given the rapid pace of technological advancements and improvements, it is imperative for Sime Darby to incorporate innovation and research & development (R&D) into its businesses. Enhancing R&D capabilities is vital in maintaining Sime Darby's competitive positioning and market leadership. Each Division has incorporated innovation as part of its strategy to enhance its respective business. Sime Darby also leverages on its Sustainability Agenda to improve profitability and market positioning, giving emphasis to environmental, social and governance standards to establish long-term value for all its stakeholders.

MOVING AHEAD

As the Group forges ahead through a period of volatility, fraught with challenges in the markets that we operate in, it becomes increasingly crucial for us to be well-positioned to grasp opportunities where possible. A resilient enterprise must be able to anticipate surprises, recover from disruptions, adapt to changing conditions and leverage on emerging opportunities. As shown in the past, Sime Darby has always remained true to its foundations and core values. The strength of the Group's well-diversified businesses has continued to sustain its profits and deliver reasonable returns in an intensely competitive environment.

The growth prospects of the global economy is expected to be moderate. Coupled with the challenges posed by softening commodity prices, it is imperative that the Management anticipates and addresses the headwinds moving forward, allowing the Group to remain on solid ground. Execution is the key to success. Every choice we make is to create value over time. Every decision we take will shape the future of the Group. We remain mindful of the challenges ahead yet, we will strive to deliver the desired value proposition to our stakeholders through a combination of improved operational performance and measured approach in strategic expansion.

ACKNOWLEDGEMENT

On behalf of the Management, I am pleased to welcome our new Chairman, Dato' Abdul Ghani Othman to the Board. We are privileged to have him lead our Board of Directors. I would like to express my gratitude and appreciation to former Chairman, Tun Musa Hitam, for his invaluable contributions during his five years on the Board. I would also like to thank Tan Sri Samsudin Osman who served as Acting Chairman following the retirement of Tun Musa Hitam.

I wish to express my deepest gratitude to the shareholders and the Board of Directors for their continued confidence and support for the Group. I would also like to take this opportunity to thank all the parties that have been instrumental in providing guidance and insight to the Group while remaining confident of our values, particularly the regulatory bodies and rating agencies.

Finally, I wish to pay a special tribute to the employees of Sime Darby who have worked hard through difficult times, remaining steadfast and true to the values of this great organisation. Investment in capability and people is our utmost priority and I am proud to say that we have developed a strong team with the kind of values and culture that will certainly bring this the Group to greater heights.



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





Key Activities

- Upstream
- Downstream
- Agribusiness and Foods
- Research and Development

Key Countries of Operations

- Indonesia
- Liberia
- Malaysia
- Singapore
- South Africa
- Thailand
- The Netherlands

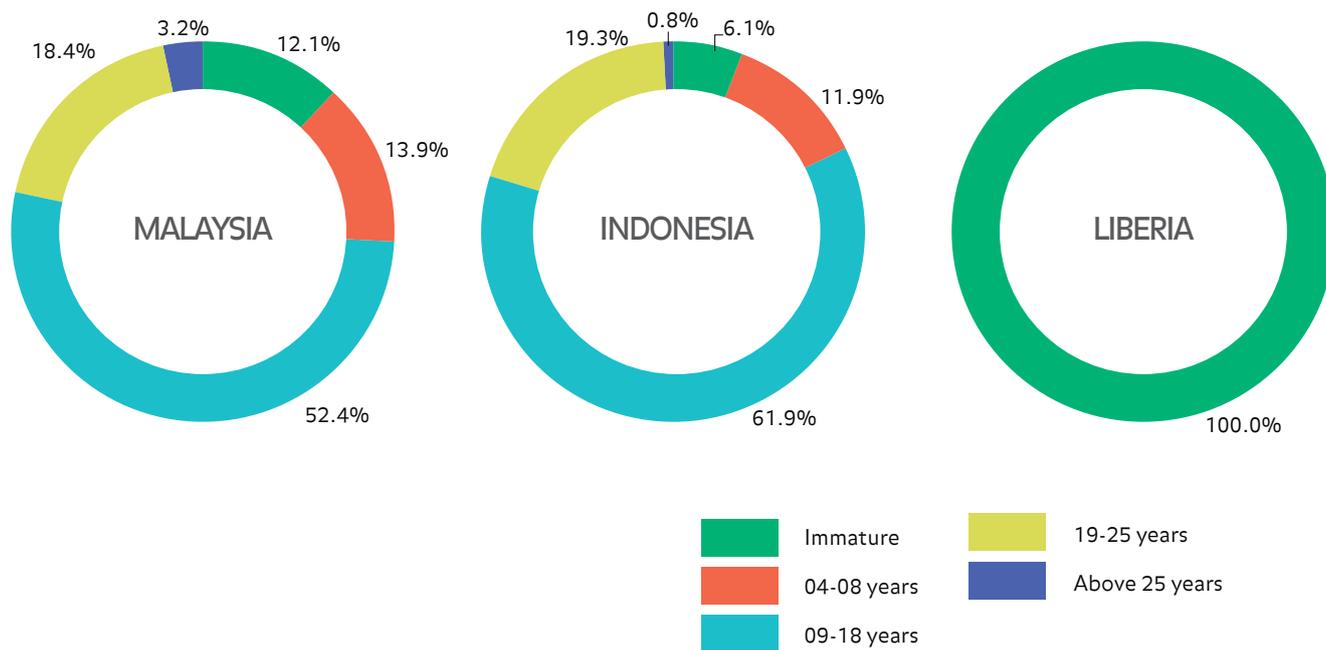
PLANTATION

World's largest listed oil palm plantation company in terms of planted area



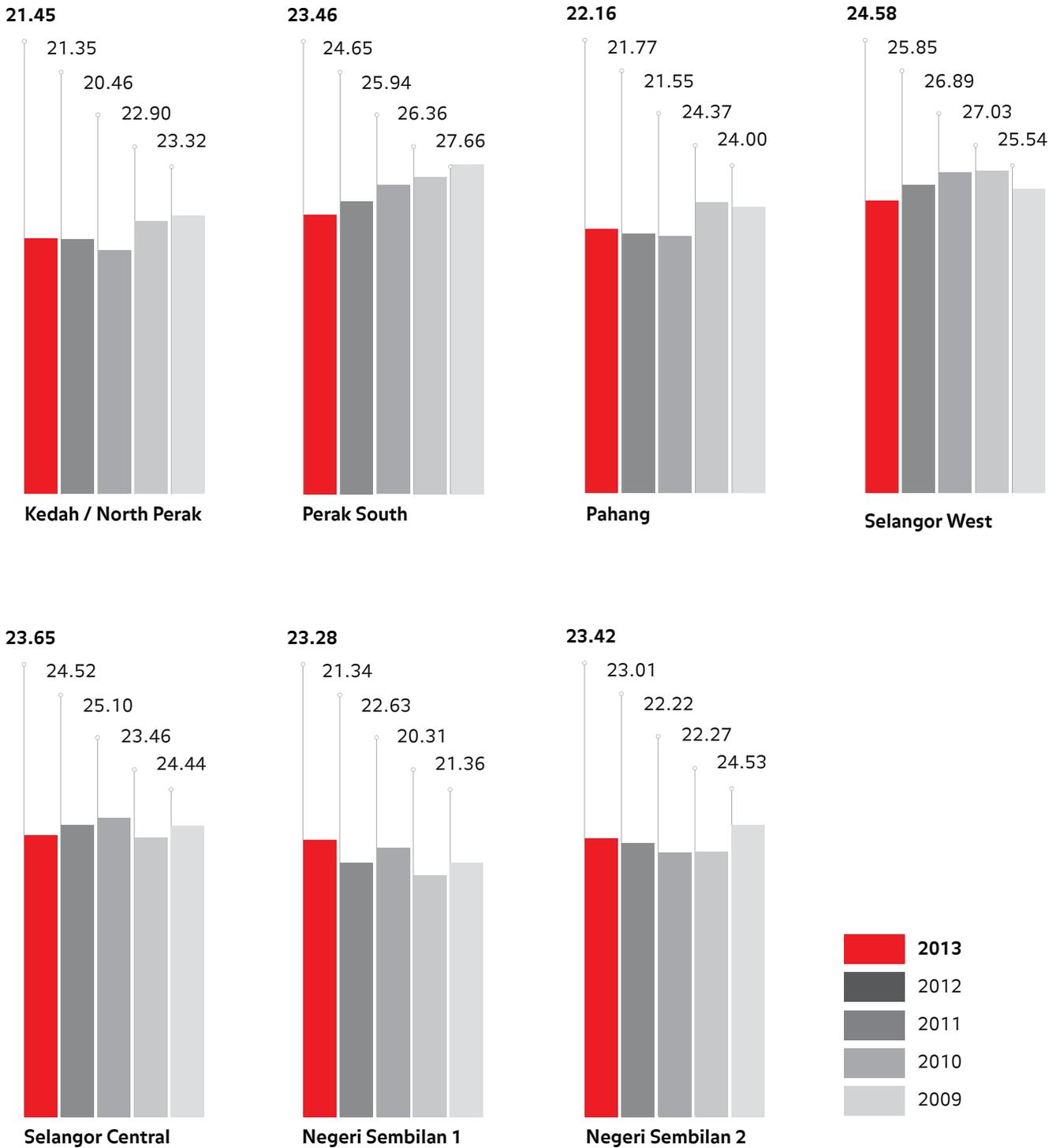
	FY2012/2013			
	Malaysia	Indonesia	Liberia	Total
Oil Palm				
Crop Production - FFB (in MT)	6,186,517	3,946,123	-	10,132,640
FFB Processed (in MT)				
-Own	6,183,741	3,830,171	-	10,013,912
-Outside	448,641	857,160	-	1,305,801
Total	6,632,382	4,687,331	-	11,319,713
Hectarage (in Hectares)				
-Mature	274,855	191,994	-	466,849
-Immature	37,940	12,511	8,025	58,476
Total planted hectares	312,795	204,505	8,025	525,325
FFB Yield per mature hectare	22.45	20.21	-	21.52
Mill production (in MT)				
-Palm Oil (CPO)	1,413,057	1,053,311	-	2,466,368
-Palm Kernel (PK)	336,617	220,168	-	556,785
CPO Extraction Rate (%)	21.31	22.47	-	21.79
PK Extraction Rate (%)	5.08	4.70	-	4.92
Average selling prices (RM per tonne)				
-Palm Oil (before sales tax)	2,504	2,064	-	2,317
-Palm Kernel (before sales tax)	1,248	837	-	1,087
Cost of Production (per MT of Palm Products)				
-Estate Cost	912	776	-	858
-Mill Cost	216	156	-	190
Total	1,128	932	-	1,048
Rubber				
Planted area (hectares)	7,811	-	-	7,811
Rubber production ('000kg)	9,957	-	-	9,957
Yield per mature hectare (kg)	1,975	-	-	1,975
Average selling price (RM / kg)	9.53	-	-	9.53

AGE PROFILE

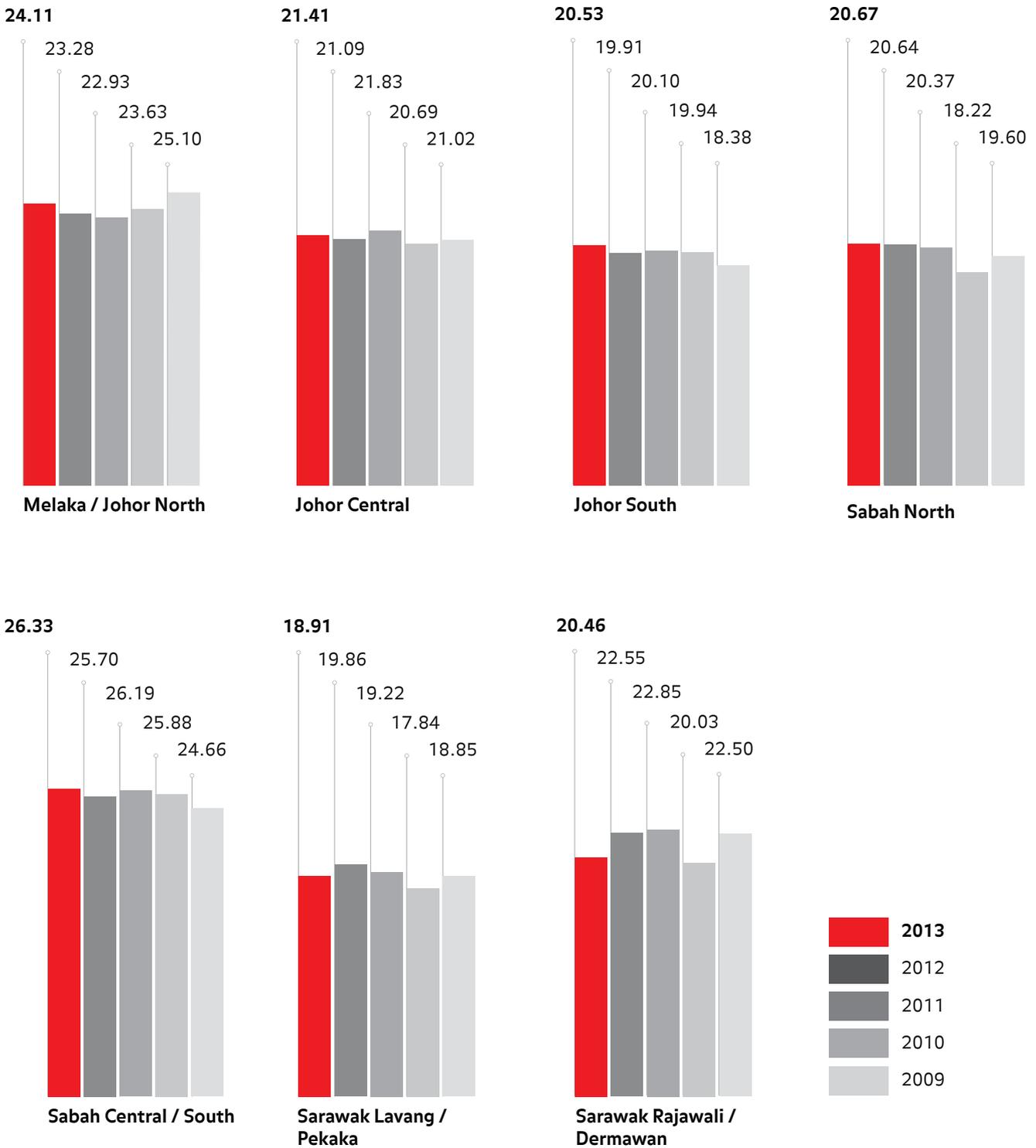


FY2011/2012				FY2010/2011		
Malaysia	Indonesia	Liberia	Total	Malaysia	Indonesia	Total
6,264,269	3,498,353	-	9,762,622	6,367,228	3,743,813	10,111,041
6,262,337	3,483,031	-	9,745,368	6,350,054	3,697,947	10,048,001
694,330	754,896	-	1,449,226	720,316	641,778	1,362,094
6,956,667	4,237,927	-	11,194,594	7,070,370	4,339,725	11,410,095
277,070	195,086	-	472,156	279,912	188,756	468,668
37,224	9,759	3,350	50,333	34,123	19,133	53,256
314,294	204,845	3,350	522,489	314,035	207,889	521,924
22.48	17.80	-	20.54	22.56	19.83	21.47
1,477,512	964,477	-	2,441,989	1,488,732	957,961	2,446,693
354,872	197,430	-	552,302	352,420	197,905	550,325
21.24	22.76	-	21.81	21.06	22.07	21.44
5.10	4.66	-	4.93	4.98	4.56	4.82
3,155	2,564	-	2,925	3,049	2,686	2,906
1,861	1,187	-	1,624	2,305	1,789	2,121
913	937	-	922	796	806	799
215	167	-	196	198	154	181
1,128	1,104	-	1,118	994	960	980
7,862	-	-	7,862	8,086	-	8,086
11,049	-	-	11,049	10,812	-	10,812
1,977	-	-	1,977	1,711	-	1,711
12.88	-	-	12.88	13.49	-	13.49

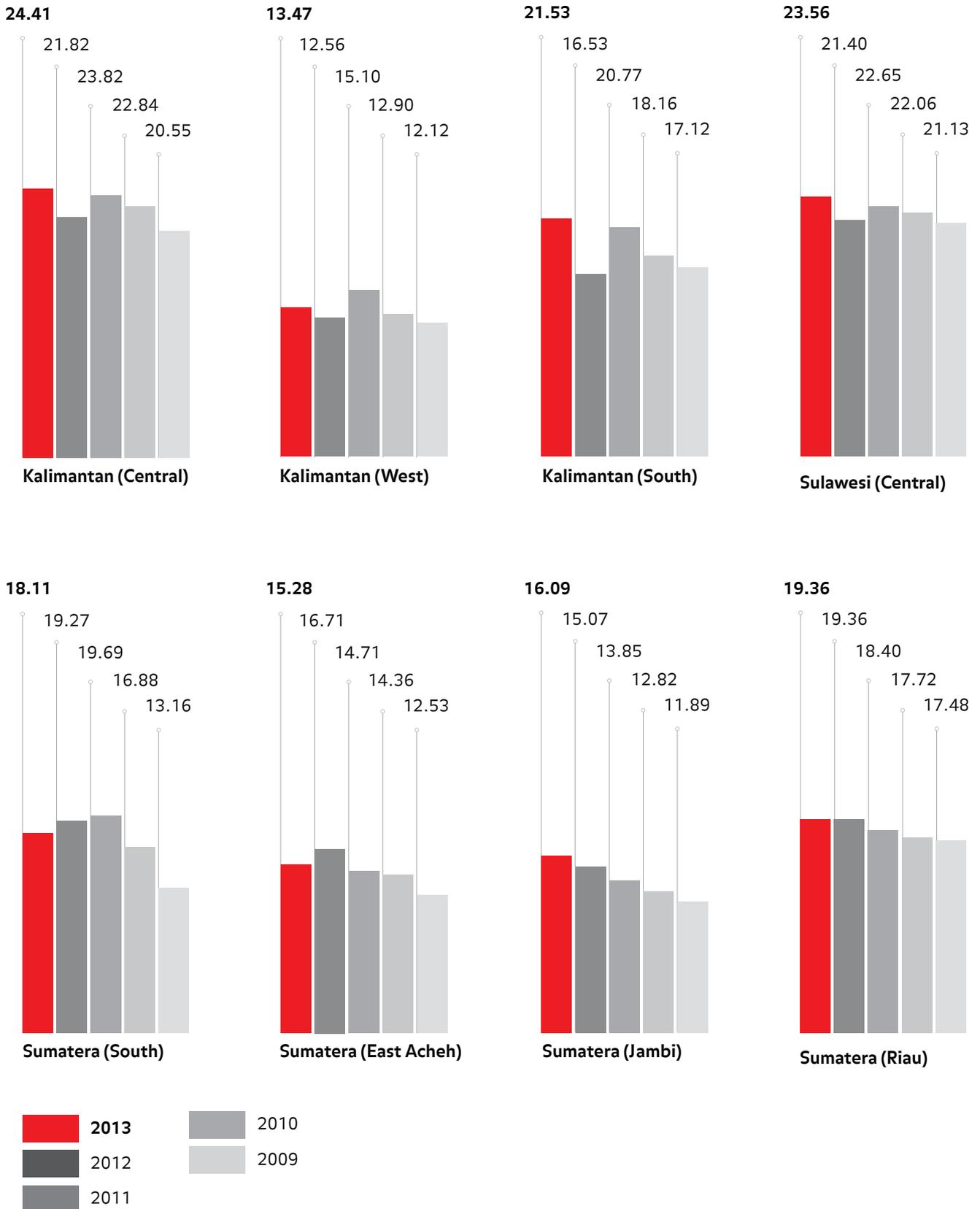
FFB YIELD BREAKDOWN BY ZONE - MALAYSIA



FFB YIELD BREAKDOWN BY ZONE - MALAYSIA (CONTINUED)



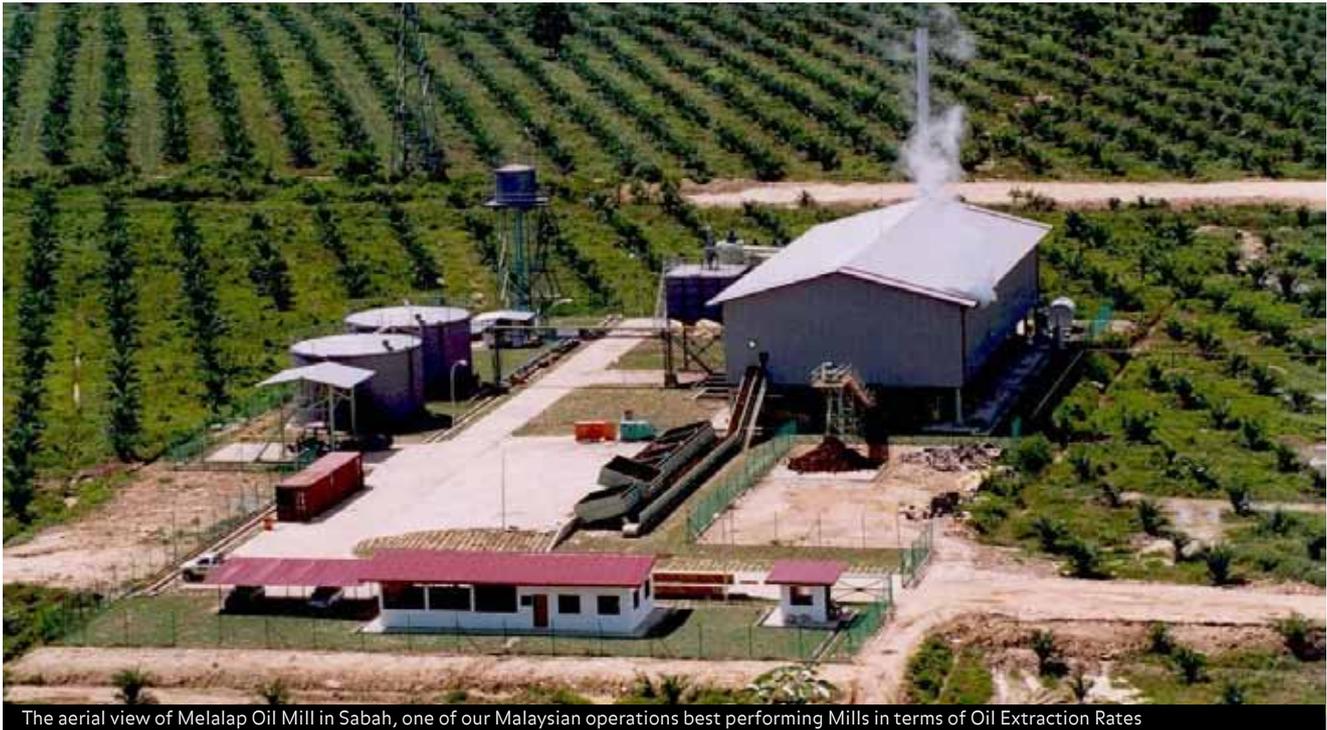
FFB YIELD BREAKDOWN BY ZONE - INDONESIA



SIME DARBY PLANTATION BOARD MEMBERS



1. Dato' Abdul Ghani Othman
2. Tan Sri Datuk Dr Yusof Basiran
3. Dato' Henry Sackville Barlow
4. Tan Sri Dato' Mohd Bakke Salleh
5. Dato' Abd Wahab Maskan
6. Datuk Franki Anthony Dass
7. Dato' Che Abdullah @ Rashidi Che Omar
8. Encik Rosely Kusip



The aerial view of Melalap Oil Mill in Sabah, one of our Malaysian operations best performing Mills in terms of Oil Extraction Rates

OVERVIEW

The Plantation Division recorded a profit before interest and tax (PBIT) of RM2.0 billion for the year under review, a decrease of 37%, compared to RM3.2 billion in the previous financial year. This is mainly attributable to lower commodity prices, higher global inventories of edible oils, slower demand from importing countries and the global economic slowdown in key regions.

The Division's PBIT decline was also due to the lower average crude palm oil (CPO) price realised at RM2,317 per metric tonnes (MT) against RM2,925 per MT in the previous corresponding period. However, the Division saw improvements in Fresh Fruit Bunch (FFB) production, FFB yield and CPO production. During the period under review, FFB production improved by 4% to 10.13 million MT while average FFB yield per mature hectare increased by 5% to 21.52 MT. CPO production had also increased by 1% to 2.47 million MT.

It has been a challenging year for the Division. The slowing down of the global economy, particularly in Europe and China, continued to weigh down the commodity markets in FY2012/2013. This, coupled with the impact of Indonesia's export tax structure, caused a significant increase in inventory levels and pressure on CPO prices, resulting in the decline in the Division's overall selling prices of CPO and Palm Kernel Oil (PKO).

The Division's Upstream operations, continued to focus on sustainable operational excellence to improve yields and oil extraction rates (OER) in addition to achieving cost competitiveness. The Division continued its emphasis on productivity and good agriculture management practices including, using or developing superior planting materials, efficient fertiliser application, water conservation and management, as well as integrated pest and disease management.

The Division also continued to intensify its efforts in yield improvement by accelerating new planting and replanting activities in Malaysia, Indonesia and Liberia, using high-yielding planting material. For rubber, the ongoing development of 10,000 hectares (ha) of greenfield land in Pulau Belitung, Sumatera, Indonesia is progressing well. Similarly, continuous improvements in milling efficiencies in Malaysia and Indonesia have sustained oil extractions rate and reduced processing costs.

Despite the challenging market environment, the Division's Downstream operations recorded an impressive business turnaround in FY2012/2013 against a loss making position in the previous year. The Downstream operations have been focusing on cost management and measures to improve operational efficiency to maintain competitiveness. Downstream Operations have aggressively intensified its efforts in new product innovation and higher value-added products via our three Innovation Centres in Malaysia, South Africa and the Netherlands to secure niche markets and customers globally.

In the year under review, the Plantation Division continued its commitment towards sustainability by maintaining its leading position as the world's largest producer of certified sustainable palm oil (CSPO). The Roundtable on Sustainable Palm Oil (RSPO) certification received by two additional Strategic Operating Units (SOUs) in Indonesia this year further complemented the Division's 100%-certified Malaysian operations. This brings the total no of SOUs certified to 52 or an annual CSPO production capacity of 2.03 million MT.

On a strategic note, the Division's integrated and diverse global presence across the palm oil value chain has certainly helped it weather the many challenges in the year under review.

PLANTATION UPSTREAM

Oil Palm

Malaysia

For the year under review, the Plantation Division's total planted area in Malaysia stood at 312,795 ha, of which 88% were mature areas. This comprises 129 estates, 36 mills and one bulking installation, spanning Peninsular Malaysia and East Malaysia. Replanting for the year accounted for about 3.5% over the total planted hectare. Actual FFB production for the year under review stood at 6.2 million MT, or 61% of the Plantation Division's total FFB production. Meanwhile, the average yield per mature hectare of 22.45 MT in the year under review was in line with the 22.48 MT per mature hectare reported in the previous financial year.

Throughout the year under review, the Division continued to focus on improving its operational efficiency and cost competitiveness. Among the ongoing initiatives implemented by Upstream operations in FY2012/2013 were:

i. Yield Improvements

The following yield improvement initiatives were implemented in FY2012/2013:

- Application of organic and inorganic fertilisers at specific sites on the basis of R&D recommendations
- Empty bunch and Palm Oil Mill Effluent applications in low yielding prime fields to ameliorate the soil with organic matter. Construction of silt pits/conservation pits in low rainfall areas to conserve soil moisture
- Planting of *Neprolephis* and other soft vegetation to conserve soil moisture in the interrows

- Integrated Pest Management initiatives for biological control of pests and diseases that affect yields
- To improve the first years' yield through excellent replanting and new planting standards using Sime Darby's premium planting materials
- Deploying other best sustainable practices to minimise conventional spraying and bare ground conditions

FFB Yield per hectare

- The highest yielding Estate for FY2012/2013 was Tiger Estate in Sabah at 31.5 MT/ha. The other Estates with FFB yield in the 28 to 30 MT/ha category were Giram (27.7 MT/ha), Sogomona (28.0 MT/ha), Mostyn (28.3 MT/ha), Kempas (28.3 MT/ha), Elphil (28.5 MT/ha), Table (28.7 MT/ha), Sg. Wangi (29.2 MT/ha) and Merotai (29.4 MT/ha). In total, more than 28 Estates achieved FFB yield of more than 25 MT/ha in FY2012/2013, while another 24 Estates achieved yields of between 23 to 25 MT/ha
- The Sabah Central zone was the best performing zone delivering 26.3 MT/ha in FY 2012/2013. The other zone which delivered above 24 MT/ha was Selangor West at 24.6 MT/ha

ii. Mechanisation

To improve productivity, maintain cost efficiency and minimise manual work, more than 135,000 ha in Peninsular Malaysia has been mechanised as at 30 June 2013. With the mechanisation of a further 25,000 ha in East Malaysia, this programme is in line with the Group's target of fully mechanising an area of 178,000 ha by 2013, representing 65% of the total matured planting areas. As all current



Further implementation of mechanisation initiatives will continue to contribute towards the improvement of productivity at our Estates in the future

and future replanting are configured towards the mechanisation of harvesting operations, the number of areas which will be mechanised will be further increased as these replanting areas move into their young mature phase.

In standardising work processes, most of the mechanised in-field collection of bunches have been done using the Mechanical Buffalo (SD2) and the Mini Tractor Grabber (SD3). This has been widely adopted in the Division's inland and coastal estates. Cutters' skills have also been optimised and utilised specifically for cutting operations to improve harvesters' productivity. This skill optimisation initiative has resulted in harvester's productivity of more than 1.8 tonnes per man/day in FY2012/2013 compared to 1.7 tonnes per man/day attained in FY2011/2012.

iii. Harvesting Incentive Scheme (HIS)

HIS, which was introduced in 2011, continues to motivate harvesters to achieve optimal performance. This scheme has continuously resulted in improved productivity per man/day, yield and crop quality, leading to better OER for the SOUs.

iv. OER Improvements

An OER incentive scheme was introduced in 2010 to focus on increasing the OER at all our SOUs in our Malaysian plantations and introduce a profit-sharing mechanism amongst SOU members. It also aims to cultivate teamwork between contributing estates and the specific mill in the SOU. The scheme has resulted in four Peninsular Malaysia mills achieving more than 22% OER in FY2012/2013. Kok Foh Mill recorded an OER of 22.38% making it the highest achieving mill in Peninsular Malaysia. In Sabah, four mills achieved OER of more than 22% with Merotai Mill charting 22.80% in the year under review. Meanwhile, in Sarawak, Rajawali Mill achieved OER of 22.29%. These improvements have resulted in the overall OER achievements of 21.31% for our Malaysian operations.

v. High Density Planting

In the year under review, a total of 10,900 ha were replanted, of which 4,245 ha were planted under the high-density new planting system. Moving forward, this high-density planting scheme is expected to provide the Division with high early yields.

vi. Waste Management

Composting

As part of its waste management initiatives, the Division increased its efforts to convert oil mill wastes comprising Palm Oil Mill Effluent (POME) and Empty Fruit Bunches (EFB) into organic fertiliser or compost during the year under review.

Mill wastes, especially EFB, have been recognised as an important source of nutrients for oil palms and have the potential of being converted into value-added products. Composting is a way of utilising

both EFB and POME to produce organic fertiliser, while avoiding the carbon emissions released in the anaerobic treatment of POME. Excess EFB and POME, which have been treated to reduce its biological load, is applied directly at oil palm fields as a source of nutrients and to supplement fertiliser application. Direct application of EFB is especially suited for young palms while enhancing soil conditions, water retention, and improving yield in the long run.

As at 30 June 2013, 22 composting plants have been completed and are currently in Commercial Operation status. They produce approximately 600,000 MT of compost annually with an application area of almost 50,000 ha. As part of the initiative to reduce carbon emissions, four composting plants registered under the Clean Development Mechanism (CDM) of the Kyoto Protocol achieved issuance of around 75,000 Certified Emission Reductions (CER).

Biogas Project

Biogas systems capture methane through the anaerobic treatment of POME. As the methane captured through these systems is carbon-neutral, a biogas power plant would be capable of supplying clean energy that can then be utilised at the Division's estates, mills and other operating units. By utilising biogas, the Division would be able to reduce the amount of biomass combusted in mill boilers, hence, allowing for the value-added use of the biomass. This, in turn reduces the dependence on fossil fuels for electricity and steam generation.

Two mills, Hadapan and Flemington, have been identified to proceed with this power generation project which will convert biogas into power. A collaboration with TNB Energy Services Sdn Bhd to develop two biogas plants are currently being finalised. Both plants are expected to be completed in November 2014.

vii. Centralised Housing Complex (CHC)

The plantation industry is relatively labour-intensive. As the backbone of the Plantation operations, the Division believes that uplifting workers' quality of life through better remuneration and benefits packages, and good quality housing and facilities will enhance their performance and commitment as well as enable the Division to be the Employer of Choice.

In the year under review, three new CHCs were constructed at Sg Dingin, CEP Renggam and Sentosa. Under the CHC programme, housing and amenities for each operating unit are centralised, affording plantation workers a lifestyle akin to that enjoyed in a mini-township. This has resulted in more than 3,500 locals returning to work in our estates.

At the same time, Sime Darby continues to upgrade existing plantation housing and amenities in Malaysia, Indonesia and Liberia.



Service to surrounding communities - while the Fire Prevention Teams at our Estates in Indonesia ensure the safety of our plantations from fire, their assistance is also extended to nearby areas to protect the environment from the effect of open burning

Indonesia

The Division's planted hectareage in Indonesia totals 204,505 ha, of which 94% or 191,994 ha are mature oil palm areas. This comprises 71 estates, 25 mills and five bulking installations located across Sumatera, Kalimantan and Sulawesi.

For the period under review, the Indonesian operations achieved higher crop production at 3,946,123 MT of FFB, an increase of 13% compared to FY2011/2012. In tandem with achieving higher FFB production, the average yield per mature hectare improved commendably in this financial year to 20.21 MT/ha, a 13.5% increase compared to the previous year. The improved production, especially in Kalimantan, is attributable to the strengthening of the Best Developed Practices programme adopted by all the estates. The five best producing estates in Indonesia are Seruyan (29.45 MT/ha), Sekunzir (29.32 MT/ha), Pantai Bonati (27.05 MT/ha), Sapiri (25.59 MT/ha) and Kawan Batu (25.38 MT/ha).

A new operational milestone was achieved in Indonesia when total CPO production surpassed one million tonnes for the first time. Due to the higher FFB production, the total CPO produced reached 1,053,311 MT which was 9% higher than the previous year. The average OER achieved of 22.47% is lower than the previous year's 22.76%. This was caused by poor extraction rates recorded in Sumatera due to adverse weather conditions and repairs to certain mills.

Out of the 25 mills in Indonesia, five mills recorded average OER of above 23%, namely, Ungkaya Mill (23.52%), Pondok Labu (23.47%), Betung (23.37%), Bebunga (23.18%) and Alur Dumai (23.02%). Two new mills, Mandah Mill in Sumatera and Betung Mill in Kalimantan, commenced operations in the year under review.

In FY2012/2013, total Palm Kernel achieved was higher by 11.5% compared to the previous year's 197,430 MT. Meanwhile, the kernel extraction rate recorded at 4.70% is higher than the previous year's rate of 4.66%.



A brighter future ahead - the children of Liberia benefits from the educational opportunities brought along by Sime Darby in line with its sustainable business development

Plantation Upstream Indonesia has made further advancement in its replanting exercise, with more areas across Kalimantan and Sumatera being progressively replanted. Total area replanted during the period under review is 4,958 ha.

In collaboration with Indonesian Oil Palm Research Institute (IOPRI), Upstream Indonesia started its own seed production plant in Pinang Sebatang Estate, Riau, and Sumatera. The first batch of germinated oil palm seeds was successfully produced in September 2012. Presently, the production capacity of this facility is approximately 1.8 million seeds per year with plans to increase it to approximately five million seeds per year. This is after taking into consideration the huge requirement for germinated seeds in the years to come, not only for the Division's estates, but also for sale to other players across Indonesia.

Schemes such as the Plasma programme and Prime Co-operative Credit for Member (*Kredit Koperasi Primer Anggota (KKPA)*) in Indonesia cover a total planted area of 41,415 ha, comprising 6,738 ha in Sumatera, 18,576 ha in Kalimantan Selatan, 10,052 ha in Kalimantan Barat and 6,049 ha in Sulawesi. These schemes have supported and provided better livelihoods for more than 25,000 families living within the areas mentioned.

PT Sajang Heulang KKPA Project, covering a total of 16,000 hectares in the Sebamban area, South Kalimantan, was considered by local authorities as one of the best developed and well managed KKPA programs in Indonesia. This scheme currently supports approximately 8,000 families, and has been one of the most frequently visited KKPA schemes by visitors and other organisations, to learn and possibly adopt what we have practiced here.

Liberia

Sime Darby Plantation (Liberia) (SDPLI) is making good progress in its effort to expand its planted area. During the year under review, the company's planted area has increased to 8,025 ha, a jump of 4,675 ha compared to the same period last year.

SDPLI has been working on strengthening its Free, Prior and Informed Consent (FPIC) process where engagements with relevant stakeholders have been intensified. This includes initiatives like Participatory Mapping where SDPLI and community elders are involved in identifying areas considered as important to the community and these areas are clearly delineated to ensure they are not developed. SDPLI also hired The Forest Trust (TFT) to work with its social team to ensure the effective management of social and environmental challenges. Another effort is The Sustainable Partnership Initiative, a multi-stakeholder consultative forum launched last year to pursue sustainability initiatives in Liberia. SDPLI, together with Project Affected Communities (PAC), Non-Government Organisations (NGOs), the Government of Liberia, as well as international development institutions such as the World Bank, International Finance Corporation (IFC) and the United Nations are the partners in this initiative.

The company's continuous pro-active efforts came to fruition when a Memorandum of Understanding (MoU) between the citizens of Zodua and SDPLI was sealed on 28 June 2013 after months of intense engagements with local communities, leaders, chieftains and the Government of Liberia.

SDPLI remains committed to growing its business profitably and responsibly, while transforming the Liberian economy and lifting thousands of Liberians out of poverty.

As of 30 June 2013, SDPLI employs 3,024 employees, including 22 expatriates stationed in Liberia, to manage the project.



With the implementation of the best-in-class agro management and tapping systems, the collective effort of the Division's rubber estates produced the highest yield in the Country

Rubber

Rubber yield for FY2012/2013 remained good at 1,975 kg/ha. Four estates in Peninsular Malaysia, namely, Sg Bahru, Bradwall, Sg Sabaling and Welch recorded impressive rubber yields of above 2,000 kg/ha. Another three estates achieved yields of more than 1,900 kg/ha. These yields are the highest recorded in the country. This achievement can be attributed to the best-in-class agro-management and tapping systems implemented at our rubber Estates.

However, rubber operations' overall profit declined to RM42.2 million from RM83.8 million attained last year due to the lower average rubber selling price and a reduced mature area. The average rubber selling price was RM9.5 per kg for dry rubber against last year's RM12.9 per kg. As a result, the profit per mature hectare was also lower at RM8,375 compared to RM15,001 per mature hectare last year.

The Division's associate company in Thailand, Muang Mai Guthrie Ltd, whose main activities are the processing and trading of rubber, also recorded a satisfactory net profit of RM7.2 million for the year ended 31 December 2012. This was achieved in spite of weak physical demand due to the Eurozone debt crisis and the slowdown of China's economy.

Despite weak and bearish sentiment for the near term, the long-term demand for rubber remains positive as the global need for natural rubber is projected to grow at about 3% to 4% annually. Based on this outlook and encouraged by the good results attained during the last few years, the Division is aggressively pursuing expansion plans for both the overseas and local markets.

The first conversion of 90 ha of oil palm area to rubber in Kedah was completed during the year. The conversion of another 600 ha will be completed by the end of the next financial year. New rubber planting of at least 2,000 ha in Indonesia and Liberia is also expected to commence next year. In the pursuit towards becoming a major global rubber player, Sime Darby Plantation targets to increase its rubber areas by around 3,000 to 4,000 ha annually.

PLANTATION DOWNSTREAM

Plantation Downstream is involved in the manufacturing and distribution of oils and fats products, oleochemicals and palm oil-based biodiesel, as well as fast-moving consumer goods. The Company's downstream activities are present in 14 countries, where CPO is refined for edible oils and fats products, oleochemicals and biodiesel.

The year under review was a challenging one, not only for the Downstream Manufacturing operations in Sime Darby Plantation but also for Malaysian refineries, especially in the first half of the year. This was due to the competitiveness issue between Malaysia and Indonesia with regard to the tax structure.

To overcome the refining losses in Malaysia, refiners unwound long-term contracts and slowed down purchases, resulting in a rapid build-up of CPO inventory to an all-time high of 2.63 million MT during the seasonally high production months. The end result was a 31% plunge in the 2012 CPO spot price to RM2,231/MT as at end-2012. This led to the implementation of a new CPO export tax structure by the Malaysian Government effective 1 January 2013. As a result, Malaysian-based downstream players were afforded a more level-playing field vis-à-vis their Indonesian counterparts, and provided an export outlet for the build-up of their CPO stockpile in Malaysia. Furthermore, with the present low CPO price, palm biodiesel has become economically viable again.



Packaging of SAFaR, a milk fat replacer produced by Sime Darby Jomalina



We ensure the best selection of high quality cultures, always

However, the weak global economy still affects global demand for vegetable oil. To minimise market exposure, key customers purchased their stock on a short-term basis.

In the period under review, Plantation Downstream continued its focus on achieving manufacturing excellence. This was supported by the launch of various key initiatives in the areas of cost, operational efficiency, productivity as well as product quality and safety.

A single basis measurement was introduced across the downstream operations through the implementation of the Refinery Performance Index (RPI). This was done to enhance operations as well as performance management and monitoring. The RPI covers seven critical areas such as oil loss, oil yield, overall equipment effectiveness (OEE), variable cost, machine downtime, organisational safety and health, as well as compliance.

One of the drivers for RPI is a programme on Continuous Improvement Plans (CIP) through the implementation of the Lean Six-Sigma (LSS) method. To date, 60% of Plantation Downstream's executives have obtained Green Belts, while 15 executives who are currently undergoing training for Black Belts will graduate in October 2013. This, together with the plan to promote cross-sharing projects and CIP/LSS awareness programmes for all business units in FY2013/2014, will further increase the number of initiatives and projects in the future.

Since the implementation of the CIP in FY2009/2010, Plantation Downstream has accumulated savings from 277 projects, amounting to RM61.0 million.

With regard to its expansion plans, Plantation Downstream completed its first refinery project in Pulau Laut, South Kalimantan, Indonesia which is currently at its commissioning stage. This 2,500 MT/day (825,000 MT/annum) facility will further enhance the value of the Plantation Division by minimising leakages in CPO price discount, maximising product value by extending the value chain, providing more options for sales and marketing, as well as serving as a bulking station for the South and South-West Kalimantan areas. This will be further enhanced by the addition of two new Kernel Crushing Plants (KCP) which are currently under construction. The plants, located in Kalimantan Selatan and Kalimantan Tengah, will have a capacity of 200 MT/day and 150 MT/day respectively.

RESEARCH AND DEVELOPMENT CENTRE

Sime Darby Research and Development comprises several centres of excellence, which provide the Plantation Division with a competitive edge whilst enabling business sustainability and value creation. Through its world-class research and advisory services, the Centre aims to be the leading global innovator in oil palm research and development (R&D).

Plantation Research and Advisory (PRA)

During the financial year under review, PRA provided agronomic advisory and fertiliser recommendation services to 124 oil palm estates in Malaysia. PRA also completed foliar sampling analyses on all the oil palm and rubber estates for the year. Additionally, the unit provided compost and fertiliser sampling and monitoring services to ensure the acceptable quality of these products.

PRA was also actively involved in agro-technical feasibility studies to evaluate potential new areas for agricultural development globally. Training sessions were also conducted on best agro-management practices which include nursery management and culling practices, pest and disease control, fertiliser usage and ground cover management. This transfer of knowledge and skills will enable estates to achieve their yield potentials.

The crop protection unit within PRA maintained its focus on integrated pest management (IPM) practices with the objective of achieving pest management control through self-sustaining, non-chemical means. Mass production of *Metarhizium* for commercial application in new replants with *Oryctes* issues has been ongoing in Peninsular Malaysian estates. Further research will be undertaken for improved application methods and additional pest applications.

As of January 2013, the barn owl introduction programme in Sabah continues to flourish, increasing to 71 occupied boxes compare to 13 from the previous year. Screening of effective microbes for *Ganoderma* control, evaluation of beneficial plants, as well as mapping disease outbreaks is still ongoing. Through the development of effective 'green' pest control options, R&D is able to prevent yield loss in a sustainable manner.

Minamas Research Centre (MRC)

To support its plantation assets in Indonesia, the MRC was set up with similar functions to that of the PRA in Malaysia. Agronomic advisory and fertiliser recommendation services were provided to 76 estates in Indonesia by MRC.

In addition to the advisory and testing services, MRC has made great strides in developing seed production capabilities. The Planting Materials Unit (PMU) was established in October 2012 to address the possible shortage of planting materials due to import restrictions. Future expansion of the facilities will increase production capacity significantly. For the year under review, MRC has produced about 1.36 million seeds, the majority of which were for Minamas' estates.

Breeding and Biotechnology

The Breeding and Biotechnology team are currently developing the next generation of planting materials with oil yields that are superior compared to the current material. The first seedlings of this generation of materials are currently in the nursery and will be field-planted for testing in research trials in the next financial

year. By the end of the decade, potential yields of more than 11 MT oil/ha can be expected from the planting materials selected.

R&D is progressing in the area of genomics and genetics integrated with traditional breeding and tissue culture to accelerate the development of elite palms with special traits through DNA markers. Some of the traits being targeted include disease/drought resistance and physical parameters to improve ease of harvesting.

Advanced platform technologies which include metabolomics, proteomics and transcriptomics are now being applied successfully to support and complement DNA marker research by providing a deeper biological understanding of plant traits. This is geared towards maximising oil palm yield to support the competitiveness of the Plantation Division. Stemming from the research results, six patents have been filed and three papers published in international scientific journals during the current financial year.

Processing & Engineering (P&E)

Improving the performance of mills is a key focus area of P&E. Specific recommendations on effluent treatment ponds (ETP) ensure that environmental regulations are adhered to while various studies into quality issues faced by the mills have helped identify the source of problems, a key step in developing a solution.

P&E spearheads various projects related to palm oil mills and rubber factories with the objective of enhancing productivity and quality by introducing new technologies and improving current operations. Meanwhile, research focuses on innovation to improve process efficiency while maintaining product quality.

In the area of waste-to-wealth, a pilot plant producing Natural Gas-like fuel from methane for automobiles has been constructed and is currently being commissioned at East Oil Mill, Selangor, Malaysia. The plant captures, cleans and compresses biogas generated from the effluent treatment. The final product from the plant is compressed biomethane which is used as a replacement for fossil fuels/diesel.

Lab Services (LS) provides laboratory testing as well as advisory and training services to the Plantation Group. LS laboratories are located in Carey Island, Tawau and Bintulu. All the laboratories under LS are accredited with MS ISO/IEC 17025 by Standards Malaysia. In FY2012/2013, LS carried out a total of 372,503 analyses valued at RM7,788,631. The type of samples analysed were soil, fertiliser, plant, compost, effluent, water, palm oil, standard Malaysian rubber (SMR), latex and pesticide.

As part of its method-development activities, the pesticide lab has established two very important test methods for the analysis of three-MCPD and glycidyl esters (GE). The three-MCPD and GE analyses are required by key customers in Europe. The in-house testing capabilities saves the Group about RM1.0 million per year on analytical charges to external laboratories.



The mixing of chemicals for analysis of compounds at our R&D

Oils & Fats/Oleochemicals/Food and Agribusiness Innovation Centre (FABIC)

The FABIC section focuses on fundamental research, process and product innovation for downstream applications. Eleven key projects for Oils & Fats were successfully undertaken during the year. The production of palm oil-based anti-obesity oils hit another milestone on its road towards commercialisation with the commissioning of a five MT/day pilot plant. A novel production process for palm oil-based high triacylglycerol (TAG) oil was successfully developed and will be produced on a pilot scale in the coming FY2013/2014.

With the objective of improving the processing efficiency of palm oil refineries, several process improvement and development projects were undertaken. One of these projects seeks to reduce the use of phosphoric acid during the degumming process, which could potentially reduce costs significantly. In addition, a continuous fractionation concept has been introduced to increase the productivity of the fractionation process. A plant trial was conducted at Nuri Edible Oil (NEO) and the fabrication of a pilot plant is currently ongoing.

Innovation Centres (ICs)

Innovation has been identified as a key growth driver for the downstream businesses, which sold more than two million MT of vegetable oil-based food ingredients globally. ICs are responsible for product innovation by generating a continuous flow of new and improved products for customers, which include leading global food companies.



The *Antigonon leptopus* not only appeals with its aesthetic beauty, it is also beneficial to our Estates by distracting pests away from our oil palms

The three regional R&D ICs in Asia, Europe and Africa provide a unique set of facilities and expertise to support the Division's customers. Key to the success of these ICs is the local approach taken which includes hiring locals who speak the language and cultivating an understanding of local cultures. The success of the ICs can also be attributed to their international alignment and coordination. In addition, ICs are responsible for process innovation which enables downstream refineries to improve their efficiency and quality through process improvements and analytical services.

During the last financial year, more than 30 new products have been developed and launched globally, generating over RM35.0 million in additional gross profits. Over 300 technical visits were made to customers in more than 20 countries. In addition, various training sessions were conducted for both internal and external stakeholders where the annual four-day Oil Processing and Technology Course was the most important. In FY2012/2013, the second edition of the popular book 'Sustainable Vegetable Oil Processing Technology' was published. This book has gained increased recognition among the Division's customers and is widely used as a reference on palm oil refining.

Key achievements during the FY2011/2012 include the development of new high-value ingredients for infant formula, the introduction of a new enzyme technology to make functional hard stocks for spreads, and the development of several low saturated fat ingredients for the bakery industry.

Sime Darby Seeds & Agricultural Services (SDSAS)

In FY2012/2013, SDSAS produced and supplied about 17.4 million oil palm seeds and seedlings to both external clients and internal estates. SDSAS continues to be one of the global leaders in oil palm planting material production, with its Calix 600 line making up the majority of the sales. The unit has also produced rubber and coconut planting material. SDSAS also continued its customer-centric tradition where its after-sales services and advisory covering an area of 412,491 ha during the year under review.

SUSTAINABILITY

Sime Darby Plantation is a global leader in oil palm and rubber sustainability practices. The principles and values of sustainability are embedded throughout its operations from Upstream production of FFBs and latex, to Downstream refining of oils and fats products.

Attention has recently revolved around environmental challenges, social issues and landbank expansion within the palm oil industry, in new and existing areas. We have been pioneers in sustainable practices since the 1980s, proven by the recognition received with the UN Global 500 Award at the Rio Earth Summit in 1992, for our introduction and subsequent industry-wide adoption of the zero burning replanting technique which eliminated the practice of open burning in plantations.

Today, challenges exist in terms of climate change, specifically the carbon emission intensity of operations, land rights of indigenous peoples, and on workers' rights. In this respect, we have implemented several initiatives and improved existing practices including measuring and reducing our carbon emissions, strengthening our FPIC processes in Liberia and Indonesia, and building modern, well-equipped living spaces for our employees and their families.

The comprehensive adoption and implementation of RSPO standards in estates and mills has made the Division the world's largest supplier of CSPO with 2.03 million MT and Certified Sustainable Palm Kernels (CSPK) with 0.47 million MT. The Division is also adopting the Indonesian Sustainable Palm Oil (ISPO) standard and will be actively participating in the development of the Malaysian Sustainable Palm Oil (MSPO) standard.

Meanwhile, the Sustainability Management System (SMS) is an ongoing project that is being implemented Group-wide to standardise and streamline reporting on carbon emissions, Environment, Safety and Health (ESH) incidents and assessments, as well as idea-capturing and tracking of the Lean Six-Sigma projects. This system will allow the Division to enhance its compliance efforts and adhere to industry protocols on sustainability effectively. With full rollout targeted by the end of 2013, the SMS is an important element of Sime Darby Plantation's sustainability drive.



Tyto alba remains to be an icon of sustainable pest control at the Division's Estates

Moving forward and as part of our Carbon Reduction Strategy, we have set a target to reduce carbon emissions by 25% and 40% by 2016 and 2020 respectively, based on the 2009 baseline intensity levels (carbon emission equivalent per MT of CPO). Having identified the treatment of POME as the main source of emissions, we are embarking on the implementation of biogas capture projects at our mills to eliminate methane emissions in order to achieve the reduction targets.

Environment, Safety and Health (ESH)

Sime Darby Plantation is committed to providing and maintaining a safe and healthy working environment for all its employees. This commitment is extended to its contractors and visitors to its operations. These commitments and values are being continuously embedded in our daily work culture.

Among the various risk assessment methods used are Hazard Identification Risk Assessment Risk Control (HIRARC), workplace inspection (WPI) and chemical health risk assessment (CHRA), where significant risks are controlled to a level as low as reasonably practicable (ALARP), based on the Risk Control Hierarchy.

The Division's three-year strategy focuses on Enhancing Self-Regulation and Accident Prevention with the aim of achieving 'Zero Harm to People, Planet and Profit'. This includes enhancing the safety culture through the implementation of the Sime Darby Plantation ESH Management Systems as well as accident investigation and reporting; enhancement of Standard Operating Procedures (SOP) for key risk areas (harvesting, transport and machinery, chemicals, contractors, engineering safety); enhancement of medical and health surveillance programmes; implementation of behavioural-based safety programme (S.I.M.E); implementation of the Contractor Safety programme; and enhancement of the Safety and Health rewards and recognition programme.

The Spot.Intervene.Modify.Execute (S.I.M.E) concept was introduced in Downstream operations and Upstream Indonesia during FY2012/2013. This concept revolves around promoting a positive intervention culture and self-regulation through behavioural-based safety awareness programmes to prevent accidents and incidents.

S.I.M.E is expected to be rolled out at all operating units within Sime Darby Plantation in all locations next year.

Roundtable on Sustainable Palm Oil (RSPO) & Other Certifications

The Division continues to maintain an almost completed RSPO certification for all its plantation operations in Malaysia and Indonesia. At the same time, it also expanded into complementary sustainability certifications based on business needs and customer demand. This includes the RSPO Supply Chain Certification System (RSPO SCCS) for mills and downstream processors (such as refineries and biodiesel plants), International Sustainability and Carbon Certification (ISCC), Indonesian Sustainable Palm Oil (ISPO) and Malaysian Sustainable Palm Oil (MSPO).

The Division's Liberian operations are progressing well with the launch of the Sustainable Partnership Initiative, a multi-stakeholder consultative forum. In line with its sustainability commitment, the Division is applying the RSPO-approved New Planting Procedures as well as improving FPIC processes in its Liberian concession areas.

RSPO Certification

As at 30 June 2013, 55 mills have been certified by the RSPO (35 in Malaysia and 20 in Indonesia). A total of four mills also achieved RSPO certification during the period under review.

RSPO Supply Chain Certification System (SCCS)

Sime Darby Plantation's downstream operations, Morakot Industries Public Company Limited, Thailand, was certified with the RSPO SCCS in September 2012, while Sime Darby Hudson & Knight, South Africa achieved the RSPO SCCS in December 2012.

**A total of nine Business Units (BUs) have been certified.*

International Sustainability & Carbon Certification (ISCC)

An additional 11 operating units in Johor, Sabah and Sarawak (Upstream and Downstream) have been ISCC-certified.

**A total 14 SOUs/BUs certified, ISCC Certification for SOU Segaliud has been discontinued due to the anticipated closure of the mill.*

Indonesian Sustainable Palm Oil (ISPO)

Two SOUs have been ISPO-certified during the year under review. In addition, two more SOUs have been approved by Indonesia Sustainable Palm Oil Secretariat (*Komisi Indonesian Sustainable Palm Oil (KISPO)*) and recommended for certification. Five more SOUs have also been audited by the certification body.

Further details on Sustainability Strategy and initiatives can be found in the Sime Darby Group Annual Sustainability Report 2013.

OUTLOOK & PROSPECTS

The overall demand potential of the palm oil and rubber industries continues to be supported by the growing world population and the role of emerging markets in driving the global economy. The World Bank has reported that the global economy will expand by 3% in 2014 and 3.3% in 2015. China and Indonesia will lead Asia's growth with forecast gross domestic product (GDP) of 7.7% and 6.2% respectively for 2013 (compared to 7.8% and 6.2% respectively in 2012).

The palm oil industry stands to benefit from rising food demand as well as non-food applications due to its position as a high-yielding oil crop and the fact that it is the cheapest vegetable oil in the international market. Malaysia and Indonesia will continue to be the world's leading suppliers of palm oil products and are projected to collectively contribute about 94 million MT or 41% of the world's vegetable oil supply by 2025.

Subject to conducive weather conditions, the Division is expected to improve its performance next year in view of the operational efforts in place to drive FFB yields and OER performance at its Malaysian and Indonesian operations. Meanwhile, the 825,000 MT per annum Pulau Laut refinery in Indonesia, which will commence operations in the second half of 2013, will leverage on Indonesia's export duty structure whilst capturing demand opportunities from the Indonesian market as well as export markets such as China and India. The utilisation of the Division's biodiesel operation is expected to increase due to CPO price competitiveness and the Malaysian Government's planned B10 Programme initiative.

The Division will continue to resolve the challenges of labour shortage and rising wages across both its Malaysian and Indonesian operations by increasing mechanisation and effort to improve the livelihood of workers to remain competitive. In order to minimise value leakages, particularly in Indonesia, logistics improvement initiatives are being carried out to support storage sufficiency as well as to ensure delivery of its sustainable and traceable products to customers.

On the rubber industry front, global rubber demand is expected to increase from 25.8 million MT in 2011 to 36.7 million MT in 2020 with a Compound Annual Growth Rate (CAGR) of 4.0%*. This demand growth is mainly driven by Asia, with countries such as China, India, Japan, Thailand, Indonesia and Korea contributing over 60% of the total global rubber demand forecast for 2020.

Recognising the long-term potential in rubber demand, the Division is actively looking for sizeable and strategic opportunities to further increase its rubber landbank as part of its long-term expansion strategy.

In view of the prospects and challenges faced by the plantation industry, the Division's integrated business model is well-positioned to seize opportunities whilst mitigating potential headwinds. Building capacity and capabilities throughout the value chain, either organically or through strategic partnerships, will continue to be the main focus of the Division, in line with fulfilling its triple bottom line commitment to People, Planet and Profit.

* Source: International Rubber Study Group (IRSG)



Oil palms will continue to spur economic growth and provide livelihood to many people in countries where Sime Darby operates, whilst we serve the needs of consumers across the globe in the most sustainable way possible





Key Activities

Caterpillar Dealership
Allied Brands Group

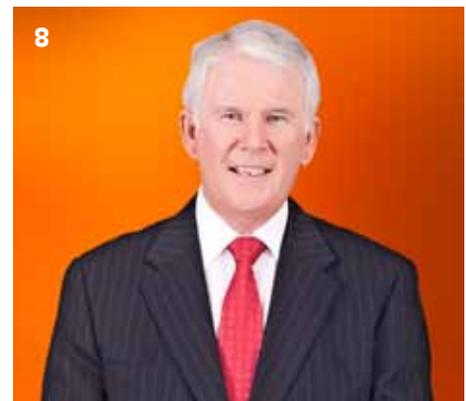
Key Countries of Operations

Australia
Brunei
China
Christmas Island (Indian Ocean)
Hong Kong
Macau
Malaysia
Maldives
New Caledonia
Papua New Guinea
Singapore
Solomon Islands
Vietnam

INDUSTRIAL

**One of the
leading
Caterpillar
dealers in the
world**

SIME DARBY INDUSTRIAL BOARD MEMBERS



1. Tan Sri Samsudin Osman
2. Dato' Azmi Mohd Ali
3. Tan Sri Dato' Mohd Bakke Salleh
4. Madam Tong Poh Keow
5. Mr Scott William Cameron
6. Dato' Sri Abdul Hamidy Abdul Hafiz
7. Dato' Ahmad Pardas Senin
8. Mr James Chapman Sheed



Cat 740B Articulated Truck offers proven reliability and durability, and ease of operation to allow the operator to focus on production

OVERVIEW

The Industrial Division performed well despite challenging external market forces, which stemmed from a slowdown in China and a contraction in the mining industry. In FY2012/2013, the Division registered a PBIT of RM1.3 billion, a decline of 4% compared to RM1.35 billion during the same period last year.

The largest contribution came from the Australian and Pacific Islands operations, accounting for 65% and 73% of the Division's revenue and PBIT respectively.

In 2011, the Division established a five-year strategy roadmap with the vision of becoming a high performing distributor for Caterpillar and allied solutions, whilst delivering sustainable value to shareholders.

To achieve this vision, three core goals were established - one, to be a world-class Caterpillar dealer in the Asia-Pacific region; two, to be the leading mining equipment and solutions supplier in Australia and China; and three, to sustain a return on invested capital (ROIC) that is greater than 20%.

During the financial year, the Division invested in the growth of its rental, used and new machine portfolios, paving the way for future business related to parts, maintenance and value-added services. This is in view of the product support portfolio continuing to be a high-growth business while the new machines portfolio

further strengthened its position in the market. Selective repositioning of non-Caterpillar businesses was also undertaken with the transfer of two portfolios to the Energy & Utilities Division.

Lower commodity prices and external pressures affecting market prices impacted the Division's performance. This was predominantly seen by the slowdown of the mining sector in Australia and the implementation of economic control measures by the Chinese Government. The construction sectors in Malaysia and Singapore remained buoyant on the back of infrastructure projects and Oil & Gas contracts.

During the year under review, the Division continued to devote its resources to streamlining processes and improving operational efficiencies and productivity. With the implementation of the three-year Business Transformation Programme (BTP) which commenced in 2011, investment in technology is underway to deliver leaner processes and seamless standardisation of the industry's best practices across the Division's operations.

Financial market factors such as fluctuating currency, interest/exchange rates, and increased credit and liquidity continue to be key risk factors for the Division. These risks are managed with strict compliance to policies and procedures defined by the Sime Darby Group and relevant authorities.

MALAYSIA

The heavy equipment market for Malaysia showed positive momentum despite the challenging market environment, primarily driven by infrastructure projects as well as steady ore and aggregate prices. Iron ore mining contracts continue to contribute positively.

Favourable policies such as the reduction of truck duties have given rise to opportunities for more efficient and productive equipment requirements by the mining and aggregate industries. Furthermore, sustained commodity prices in iron ore and quarrying have brought about an increased demand for mining equipment. The Malaysian operations benefited from these policies, taking a leadership position for the supply of rigid and articulated mining trucks.

Tractors Petroleum Services demonstrated positive growth in the Oil & Gas sector through an acquisition that expanded its scope in the value chain. The business unit also renewed its cooperation with General Electric-Pipeline Integrity Inspection (GE-PII) and made further strides in the provision of equipment solutions. In the year under review, the unit embarked on a transformation initiative to revamp its business by offering more value-added services and expanding its portfolio of non-Caterpillar solutions to a larger regional market.

During the year under review, Terberg Tractors Malaysia clinched the most significant portfolio of contracts in its operating history with PSA Singapore. The contracts will see Terberg Tractors Malaysia manufacturing and supplying 299 units of Terberg terminal tractors to PSA Singapore. The first 49 units of these tractors were delivered in April 2013 with the remaining units to be delivered by April 2014.



Hastings Deering Service Team providing high level support across remote sites

AUSTRALIA

The mining industry boom in the past few years has been challenged by lower global commodity prices, a strong Australian dollar, lower productivity, coupled with the introduction of additional government regulations and taxes. Against this backdrop, the Australian operations focused on extracting more value for the business by streamlining its processes and undertaking cost efficiency measures.

In the year under review, the Australian operations underwent a business restructuring exercise to serve its customers better, to focus on developing leadership competencies, and to improve profit and loss and balance sheet efficiency through the 'Lean - 6 Sigma' method. Specifically, operations at branches were re-focused on service delivery with the clear objective of achieving a step-change improvement in product support, productivity and safety.

The Australian operations welcomed 350 Bucyrus employees to the team as part of the acquisition exercise of the Bucyrus distribution network which began in December 2011. This exercise included acquiring the distribution component of the former Bucyrus business which is based in Mackay. Since then, significant strides have been made to develop the parts and services business, further strengthening efficiency and productivity.

This new business is operated as a separate division called Expanded Mining Products (EMP). In the coming years, the EMP business will be progressively integrated into the Hastings Deering operations. The addition of these leading product lines is expected to substantially increase Caterpillar's range of offerings and place both Caterpillar and Hastings Deering in an unrivalled position as the 'one-stop supplier' for the mining industry's requirements.

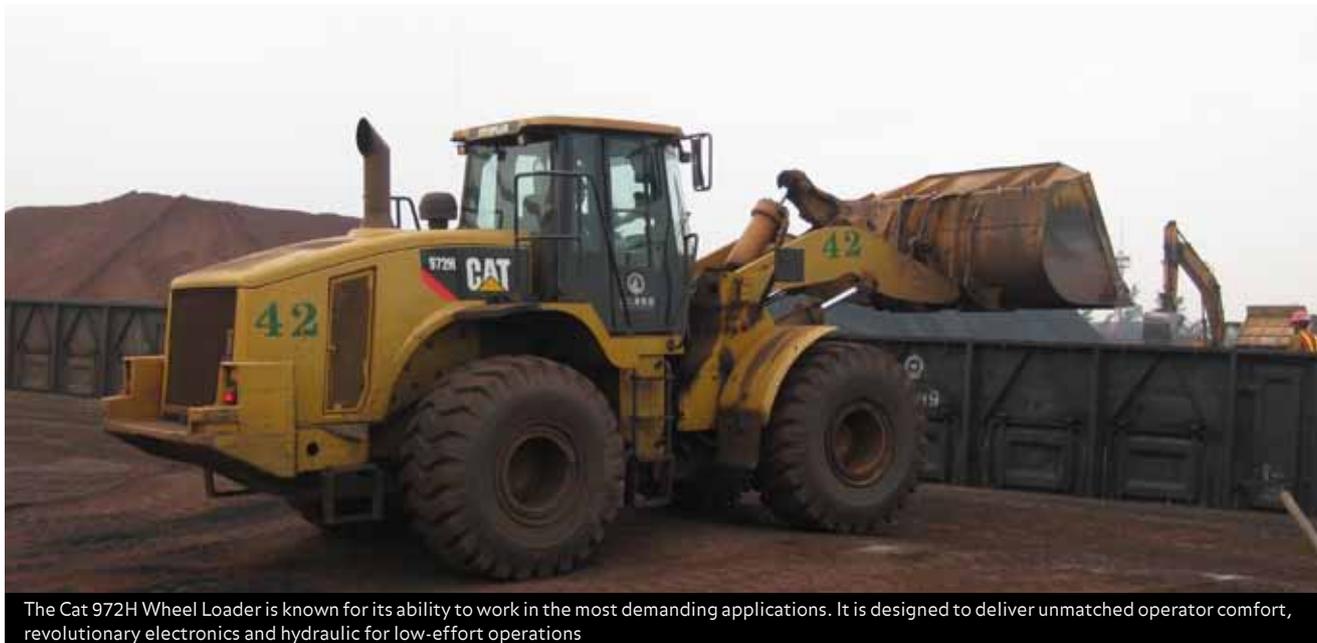
In the year under review, Hastings Deering also revised and significantly reduced its capital expenditure (CAPEX) requirements with deferment and scale-downs at its branch facilities including the initial development plans of new branches in Willawong, Mackay, Rockhampton, as well as various upgrading projects for the Queensland branch facilities.

CHINA

The contraction in the construction equipment sector continues to be a reflection of the measures taken by the Chinese government to curb inflation and withhold investments on certain infrastructure projects. The lacklustre market sentiment in China did not dampen the growth in market share for the Division.

The operations in China will forge ahead with plans to establish a Centre of Excellence in each of the seven provinces. During FY2012/2013, RM28.0 million has been invested for the construction of the Centres of Excellence in Fujian and Hunan.

In the year under review, the operations in China intensified its efforts to reduce inventory build-up caused by the contraction in business opportunities. The operations bore results with the increase in efficiency and expansion of its existing customer base whilst continuing its commitment to invest and grow the business in China.



The Cat 972H Wheel Loader is known for its ability to work in the most demanding applications. It is designed to deliver unmatched operator comfort, revolutionary electronics and hydraulic for low-effort operations

SINGAPORE

Through its Caterpillar dealership, Tractors Singapore Ltd continued to maintain its position as the leading supplier of heavy equipment and engines in Singapore.

In the year under review, the Singapore operations continued to benefit from the growing Oil & Gas industry due to steady petroleum prices. The marine sector helped sustain the demand for Caterpillar and non-Caterpillar marques. The Singapore operations also continued to attract stable demand from the construction sector, largely due to major infrastructure projects such as the extension of the Mass Rapid Transit (MRT) line.

Tractors Machinery International Pte Ltd (TMI), a fully-owned subsidiary of the Sime Darby Group via Tractors Singapore Ltd, was appointed by IO to be its exclusive distribution partner in Singapore, Malaysia and Brunei. IO is the leading provider of data centre 2.0 technologies for the world's largest enterprises, governments and service providers.

As an IO global distribution partner, TMI is now poised to generate incremental revenue by leveraging on IO's next-generation technology platform and global brand equity.

PAPUA NEW GUINEA, SOLOMON ISLANDS & NEW CALEDONIA

Papua New Guinea's operations remained strong on the back of mining and pipeline construction projects. Product support for these sectors contributed the largest portion of the business in the Pacific Islands dealership. Hastings Deering PNG delivered more than 50% of a RM1.2 billion mining fleet refresh at the Ok Tedi copper and gold mine in the central highlands of Papua New Guinea. The logging sector in Papua New Guinea also remains active and the Division will continue to pursue opportunities to supply new and used machinery to this industry.

New Caledonia remains one of the world's largest producers of nickel ore. Several large nickel mining projects that were under development last year presented opportunities to supply heavy equipment to the sector. During the year under review, construction of the new Noumea head office and workshop facilities commenced as planned. This new state-of-the-art facility is expected to be completed by mid-2014.

SUSTAINABILITY

China

Energy Conservation

Hong Kong - Administration & Service Department

This project aims to replace existing light bulbs with more energy-efficient ones, creating cost-savings in electricity consumption and lower carbon emissions. Through this project, 13,480 kWh of electricity consumption and an equivalent of 11.52 tonnes per annum of carbon dioxide are expected to be reduced.

In the year under review, 860 of old T8 light bulbs were replaced with T5 energy saving bulbs while 33 high pressure mercury lamps were replaced with industrial high-bay lamps. Further steps will be taken to replace residual light bulbs with energy-saving bulbs.

Scheduled Oil Skimmer

Guangdong - Service Department (Foshan Shunde, CEL Machinery Company Limited)

Guangdong operations embarked on an initiative to mechanically skim scheduled oil waste from the surface of wastewater tanks. Entering into its second year of implementation, this initiative is carried out twice yearly to avoid water pollution and soil contamination. This initiative has significantly increased safety levels compared to manual clean-ups of the scheduled oil waste.



Mining machinery designed and manufactured to be reliable and economical in all environments

Australia, Papua New Guinea, Solomon Islands

Indigenous Programme – Bridge the Gap

The Hastings Deering operations embarked on an initiative to provide employment opportunities in the mining and construction industries for indigenous people. As part of this initiative, housing, food, transportation and an indigenous live-in mentor were provided for candidates in Brisbane.

Some of the major challenges faced in delivering the programme included recruiting and selecting the right candidates, obtaining the support infrastructure such as accommodation and transportation which are required to maintain continuous attendance as well as ‘buy-in’ from key stakeholders to provide placements once the programme was completed.

Health and Well-being Programme

Hastings Deering – Toowoomba Branch

This programme sought to improve the health and well-being of employees through an awareness campaign which provided non-intrusive avenues to obtain additional information and services. In this programme, employees were given the opportunity to utilise the information provided as well as participate in corporate challenges to improve their overall health and well-being.

To date, results from the programme have been encouraging given the increased employee awareness on health and well-being and positive readings in the health data.

Malaysia

Pink eXcavator for Cancer Research (PIXCR)

The Malaysian operations embarked on a campaign to raise funds for cancer awareness. Painted pink, the Caterpillar 320D Hydraulic Excavator is available for rental to raise RM100,000 within 12 operational months for the Cancer Research Initiatives Foundation (CARIF).

In the year under review, the PIXCR unit was rented out for a highway-widening project along the Seremban-Nilai highway in Negri Sembilan. To date, the PIXCR campaign has successfully raised more than RM40,000 since the start of the campaign in March 2013.

OUTLOOK AND PROSPECTS

The global market for infrastructure development drives the growth of heavy construction machinery in the areas of infrastructure application. The heavy construction equipment market is estimated to witness an average compounded annual growth rate (CAGR) of 8.5% for infrastructure development. The BRIC countries (Brazil, Russia, India and China) and emerging economies of Asia-Pacific such as South Korea are leading the growth for this market.

Heavy equipment solutions providers such as Caterpillar are among the major players in the global heavy construction equipment market. Through its heavy equipment principal brands, the Division will see increased opportunities through new product launches, agreements and collaborations, joint ventures, mergers and acquisitions, investments as well as expansions in diversified geographic areas.



The growing demand in the Asia-Pacific market prompted most companies to invest in these markets through new product launches, investments and expansions, which are the key strategies to penetrate existing markets and expand into new and emerging ones.

In Australia and the Pacific Islands, mining companies have largely responded to the downturn by cutting jobs, scaling back exploratory plans and lowering costs. Across the value chain, mining and equipment providers such as Hastings Deering have developed strategies to undertake a more sustainable response to the economy or risk deepening and prolonging the impact of the downturn. In the longer term, the mining industry needs to undertake measures that will lower costs and increase capital efficiencies to boost productivity and margins.

Demand for future commodities appears to be healthy, largely driven by China's large share of global metals demand. Nevertheless, the Division's operations in China are expected to maintain moderate growth due to contraction in the infrastructure sector.

With approximately 40% of China's coal reserves found in Xinjiang, the Division is expected to invest significantly in the coal mining sector over the next few years. The Government's policy to open up the mining sector in Xinjiang and the completion of the infrastructure investment will positively influence the Division's opportunities for business growth.

The Division's Singapore operations is expected to maintain its momentum on the back of steady petroleum and petrochemical prices in the Southeast Asian Oil & Gas industry with the marine sector expected to bring sustained demand for Caterpillar and non-Caterpillar marine solutions.

In Malaysia, increased infrastructure spending will boost demand for construction equipment through Government-initiated projects. In recent years, the Government approved the construction of the Light Rail Transit (LRT) and Mass Rapid Transit (MRT) and is studying the High-Speed Rail (HSR) project with the aim of transforming the country into a world-class economic and tourism hub. Under the Greater Kuala Lumpur/Klang Valley National Key Economic Area, the Government announced plans to invest RM36.0 billion in the MRT project, which is scheduled to be completed by end-2020.

As a response to these projects, the concrete equipment category is expected to experience the strongest growth in the Malaysian construction equipment sector from 2010-2015, at a CAGR of almost 18%. Similarly, strong growth is also expected for material handling, earth-moving and road construction equipment as well as for construction vehicles. In view of this, the Division foresees growth opportunities in the areas of iron ore mining and infrastructure development.

Technology will play a pivotal role in adapting to trends and market forces. The field of heavy equipment technology is advancing rapidly with computers playing an important role in global positioning satellite technology and in identifying new heavy equipment worldwide. With the BTP implemented across its operations, the Division is expected to see an increased level of efficiency in the coming years, especially in the areas of IT and inventory management. The Division will also continue to invest its resources towards developing efficiency and productivity.



Powered to drill in hard-rock applications the Cat MD6540 Rotary Blasthole Drill efficiently operates in extreme conditions





Key Activities

Import
Assembly
Distribution
Retail

Key Countries of Operations

Australia
China
Hong Kong
Macau
Malaysia
New Zealand
Singapore
Thailand

MOTORS

**A Leading
Automotive
Player in the Asia
Pacific Region**

SIME DARBY MOTORS BOARD MEMBERS



1. Tan Sri Dato' Dr Wan Zahid Mohd Noordin
2. Tan Sri Dato' Sri Dr Wan Abdul Aziz Wan Abdullah
3. Datuk Zaiton Mohd Hassan
4. Tan Sri Dato' Mohd Bakke Salleh
5. Madam Tong Poh Keow
6. Dato' Lawrence Lee Cheow Hock
7. Datuk R. Karunakaran
8. Dato' Sri Abdul Hamidy Abdul Hafiz
9. Datuk Syed Abu Bakar Syed Mohsin Almohdzar



Porsche 911 Carrera 4

OVERVIEW

The Motors Division delivered commendable results for the year under review despite the challenging operating environment. Profit before interest and tax (PBIT) increased to RM711.4 million in FY2012/2013 from RM702.1 million in the previous year. Excellent performances recorded in Malaysia, Hong Kong, Macau, Thailand and New Zealand compensated for the competitive market conditions in China, Australia and Singapore.

The ability of the management team in responding to the challenges and opportunities in the respective markets has been instrumental in the Division achieving this result for the financial year.

MALAYSIA

The Malaysia operations built on the outstanding success of the previous year by registering yet another record performance. Profit growth was supported by impressive sales performances from BMW, Ford, Hyundai, Land Rover and Porsche, where record annual sales were registered.

Auto Bavaria, BMW Malaysia's largest dealer group, came in first (Auto Bavaria Kuala Lumpur) and third place (Auto Bavaria Johor Bahru) for BMW Malaysia's Platinum Dealer Trophy Award. Sime Darby Auto Connexion, the Ford Distributor for Malaysia, received Ford's 2012 Record Sales Year Award while Hyundai Sime Darby Motors garnered the Excellent Sales Award and Dealer Enhancement Programme Award for Hyundai Motor Company's Asia Pacific Markets.

During the year under review, the Inokom assembly facility also implemented its ambitious expansion plans with the introduction of the BMW X3, MINI Countryman and Hyundai Elantra to its range of products assembled.

SINGAPORE

Performance Motors achieved overall market leadership for BMW for a second consecutive year in 2012, making this an extraordinary achievement in the world of BMW. Performance Premium Selection, its pre-owned division supported this volume growth while Vantage Automotive recorded impressive and consecutive year-on-year volume and market share improvements for the Ford and Peugeot brands.

To curtail rising ownership certificate premiums, regulators introduced a car loan quantum and loan tenure restrictions in February 2013, sending the market into a tailspin. Despite this and a difficult five months to June 2013, the Singapore operations managed to post a set of respectable results.

CHINA

The Chinese economy has experienced a slowdown since mid-2012. This has prevailed in the financial year with a much lower gross domestic product (GDP) growth rate than previous years. To ensure that growth remained stable and maintained within a reasonable range, the Chinese Government focused on structural economic reforms instead of short-term measures.

With tougher market conditions, the overall automotive market, including the luxury segment, experienced a decline in margins due to heavy discounting. The Division's dealerships were not spared by this setback, which resulted in a decline in profit for the year despite good volume growth.

With margins for new cars under pressure, the Division will steer its focus towards optimising after-sales operations and growing the premium pre-owned cars business to further enhance revenue and profit.

HONG KONG AND MACAU

Both the Hong Kong (HK) and Macau operations saw good growth in new car sales volume and overall profitability. Again, for the third year running, both HK and Macau achieved the Number One luxury brand position in 2012 for BMW sales in the respective markets.

The Environmentally Friendly Vehicle policy, which offers additional tax rebates for new cars, was further tightened by the HK government in April 2013. This policy made it more difficult for most European cars to qualify for the rebates, resulting in a slowdown in the overall market. Nonetheless, sales momentum has been recovering gradually as the impact dissipates.

The Rolls-Royce and McLaren operations performed well within the Super Luxury segment, with both brands securing the position of the Top Selling Dealer in the Asia Pacific region. New model launches of the Rolls-Royce Wraith and McLaren P1 will be the highlights of the year, with deliveries to start in the third quarter of 2013.

AUSTRALIA AND NEW ZEALAND

The Australian distribution and retail operations experienced a very challenging year. Against the backdrop of a sharper-than-expected economic slowdown, competing manufacturers offered large discounts to achieve sales targets. This was fueled by a significant downturn in the mining sector, which also impacted the Corefleet rental business that is reliant on the mining industry for its fleet utilisation.

On the other hand, the New Zealand operations delivered their best results in five years with PBIT increasing across the retail, distribution and commercial vehicles businesses. Cost efficiencies, secured through reorganisation and investment in technology upgrades across business units also contributed to its growth.



McLaren MP4-12C Spider



Hyundai Santa Fe

THAILAND

The Thailand operations benefited from a consumer sentiment rebound after the major floods in late 2011 and the accelerated interest in car purchases following the Government's introduction of the first car buyer scheme. As a result, the Thailand operations saw a record profit for the financial year.

On the back of significant dealer network expansion and enhancement, record sales were achieved for both the BMW and Mazda brands, whilst the Division's regional strategic relationship with Ford was further cemented with the opening of Ford dealerships for the first time in Thailand.

Efforts from the Thailand Mazda operations were rewarded with the receipt of Mazda's Master Dealer Award as well as Top Customer Satisfaction Index (CSI) Award for both the Sales and After-sales categories for Bangkok.

SUSTAINABILITY

In the financial year under review, the Division remained steadfast in its commitment towards sustainability.

The Division is actively introducing cleaner technology vehicles with low emissions and high fuel efficiency to markets that supports such products. The first hybrid truck from Hino, which exceeds Euro 5 emissions regulations, is currently being distributed in New Zealand. The operations also introduced the Mitsubishi i-MiEV electric vehicle in Hong Kong and Macau; the Porsche Cayenne and Panamera Hybrid models in Malaysia; as well as BMW's Active Hybrid products in Singapore, Malaysia and Hong Kong.

To stay relevant and competitive in the global arena, the Division has introduced Business Process Improvement (BPI) throughout all business units to enhance operational efficiency. Amongst others, the Customer Feedback Management process was rolled out in August 2012 and completed for all countries. BPI is an on-going project where improvements will be identified and revisited on a yearly basis.



Ford Focus



Range Rover

OUTLOOK & PROSPECTS

The Division is committed to deliver a sustainable profit year-on-year and dedicated in the execution of its Five-Year Strategy Plan. Expansion of the existing business base and territorial reach as well as continuing organic growth initiatives will be key factors that will enable the Division to grow in today's challenging environment and deliver the expectations of the Group's stakeholders.





Key Activities

Property Development
Property Investment

Key Countries of Operations

Australia
Malaysia
Singapore
United Kingdom
Vietnam

PROPERTY

**Malaysia's
Largest
Community
Developer**

SIME DARBY PROPERTY BOARD MEMBERS



1. Tan Sri Dato' Sri Hamad Kama Piah Che Othman
2. Tan Sri Datuk Amar (Dr) Tommy Bugo @ Hamid Bugo
3. Tan Sri Dato' Mohd Bakke Salleh
4. Dato' Abd Wahab Maskan
5. Ir Dr Muhamad Fuad Abdullah
6. Tengku Datuk Seri Ahmad Shah Al-Haj ibni Almarhum Sultan Salahuddin Abdul Aziz Shah Al-Haj
7. Dato' Johan Ariffin



Envisioned as the central commercial hub of Oasis Damansara, Oasis Square integrates business, living, retail and entertainment within one lush urban oasis

OVERVIEW

Sime Darby Property is an integrated property group with two core businesses, namely Property Development and Property Investment. In addition to Malaysia, it also has operations in Australia, Singapore, United Kingdom (UK) and Vietnam.

The largest among property developers in Malaysia, Sime Darby Property's total gross development value (GDV) currently stands at RM70.0 billion, with a vast landbank of 19,000 acres. From these landbank, six main development 'corridors' have been identified:

1. Selangor Vision City covering development areas from Bukit Jelutong to Rawang in Selangor
2. Subang Jaya Corridor which includes development areas in Subang Jaya, UEP Subang Jaya, USJ Heights, Putra Heights and Ara Damansara in Selangor
3. Central Corridor in Selangor including pockets of development in Kuala Lumpur
4. Sime Darby Vision Valley South covering development areas in the northern part of Negeri Sembilan
5. Southern Region Corridor in Johor
6. Northern Corridor in Penang and Kedah

Despite the challenging property market, the revenue for the year ended 30 June 2013 was at a record high of RM2.36 billion which is 12% higher than the previous year. The favourable result was mainly due to sales recognition in Denai Alam, Bandar Bukit Raja, Bukit Jelutong, Taman Pasir Putih and City of Elmina.

Profit before interest and tax (PBIT) of RM571.5 million was also the highest operational profit since FY2007/2008, 22% higher than the previous

corresponding period. The higher PBIT is attributable to improved momentum as a result of proactive measures undertaken by the management. These measures include the speeding up of gross contribution from locked-in sales and accelerating the progress completion of units sold. It was also achieved through innovative marketing programmes as well as new sales of industrial plots in Taman Pasir Putih, City of Elmina and Bandar Bukit Raja.

During the year, the Property Investment section expanded its Gross Floor Area (GFA) of retail and office space to 3.0 million sq ft with an average gross asset yield of 9%. Average occupancy rate for the assets has remained at a healthy 83%. In addition, the Division will continue to build up its portfolio of retail assets for recurring income. The total GFA will be further boosted by the redevelopment of the Sime Darby Centre in Singapore, and the developments of Melawati Mall and Subang Jaya City Centre Mall.

On the international front, particularly in London, the property market has generally been active and sustainable, driven by household consumption and the service sector as well as sustained interest from overseas buyers. During the year under review, Phase 1 of the 39-acre Battersea Power Station (BPS) in London, known as Circus West, was successfully sold, generating total sales value of GBP685.0 million (RM3.34 billion). To date, approximately 4,000 people have registered their interest for future BPS phases.

Under the Sime Darby Affordable Housing Programme, a total of 506 units of affordable housing have been launched to date in Bandar Ainsdale, Negeri Sembilan (185 units) and Bandar Bukit Raja, Selangor (321 units). A total of 21,120 units are planned to be built by 2018.

PROPERTY DEVELOPMENT

Township Development

Sime Darby Property has continued to leverage on its strength and track record of developing themed townships and commercial centres to spearhead innovative initiatives that include integrated and niche developments, transit-oriented developments (TOD), business centres and retail malls.

To date, the Division has more than 15 active townships in its stable. These include Ara Damansara, Subang Jaya,, USJ Heights, Putra Heights, Bukit Jelutong, Bandar Bukit Raja, Denai Alam, Saujana Impian, Taman Melawati, City of Elmina, Bandar Ampar Tenang, Nilai Impian, Bandar Ainsdale, Taman Pasir Putih and Bandar Universiti Pagoh.

In FY2012/2013, Sime Darby Property launched a total of 2,433 units of residential, commercial and industrial properties involving 42 phases across nine townships. It successfully sold 1,718 units during the year, recording an average take-up rate of 70.6%. Residential and commercial properties in the townships of Denai Alam, Bandar Bukit Raja and City of Elmina performed exceptionally well during the period.

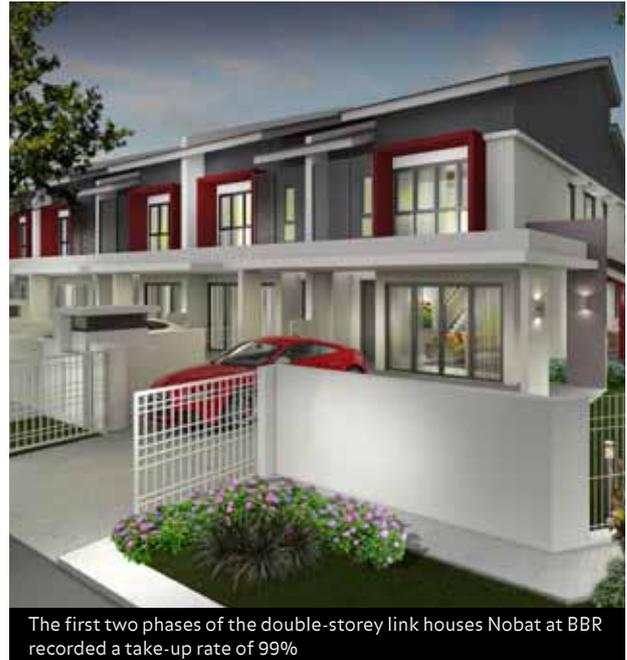
Integrated Development

When it comes to integrated developments, Sime Darby Property either spearheads its own projects or participates in strategic joint venture partnerships with reputable companies to further increase the value of the development. The Division's integrated developments consist of a mix of commercial and residential properties. These developments, which include serviced apartments with retail facilities, Small Office Home Office (SOHO), hotels, office spaces and retail malls, provide comprehensive lifestyle offerings which capitalise on the Transit-Oriented Development (TOD) concept. TOD refers to commercial buildings and residential properties that are integrated into transportation hubs or nodes to provide seamless mobility and ease of travel for communities in and around the area.

Integrated Development featuring Transit-Oriented Development (TOD)

Sime Darby Property's first major integrated development featuring the TOD concept is Subang Jaya City Centre-East (SJCC-E). The development is expected to offer diverse commercial properties that include a retail mall, serviced apartments, SOHO and corporate offices. It will also feature a Park 'n' Ride facility for the LRT and KTM stations that will be built as part of a major transportation hub within the mature township of Subang Jaya. SJCC-E, which is expected to be launched in early 2014 with an estimated GDV of RM1.6 billion, will further catalyse value appreciation in the township.

In addition to SJCC-E, Sime Darby Property plans to develop 361 units of serviced apartments in Subang Jaya. Forming part of the SJCC Plan, it will be connected to the future transportation hub planned for the township. This project is expected to be launched in 2014 with an estimated GDV of RM230.0 million.



The first two phases of the double-storey link houses Nobat at BBR recorded a take-up rate of 99%

In Putra Heights, Sime Darby Property's Phase 6 development will also incorporate the TOD concept. The 25-acre development will see residential and commercial properties as well as community facilities being integrated around a town square, the focal point of the overall development. As a TOD, the development will leverage on its proximity to a bus interchange facility and the convergence of the extended Kelana Jaya and Bukit Jalil LRT lines due to be completed by 2015. Phase 6 is scheduled to be launched at the end of 2014 with a GDV of RM1.85 billion.

Joint Venture Integrated Development

Melawati Mall (formerly known as Melawati Lifestyle Centre) is a joint venture development between Sime Darby Property and CapitaMalls Asia, Asia's leading shopping mall developer, owner and manager. Targeting the middle and upper-middle income household segments, Melawati Mall aims to provide comprehensive offerings that will include renowned international and local fashion brands, food and beverage (F&B) and entertainment outlets, an established supermarket operator, departmental store and cinema. Expected to be opened in 2016, this lifestyle shopping mall will be integrated into the Melawati town centre, serving a catchment population of 800,000 people living within a 10-minute drive.

Radia at Bukit Jelutong is an integrated development comprising serviced apartments, offices and retail outlets developed by Sime Darby Sunrise Development Sdn Bhd, a 50:50 joint venture company between Sime Darby Berhad and UEM Sunrise Berhad. The development, located within Sime Darby Property's upscale enclave in Shah Alam with a catchment population of 40,000 in the township itself, is expected to become a catalyst for commercial activities and socio-economic growth. Radia was launched in the fourth quarter of 2013.

Oasis Damansara is spearheaded by Sime Darby Brunfield Holding Sdn Bhd, a joint venture company between Sime Darby Property and the Brunfield Group. This 86-acre integrated development is envisioned to be a sustainable business and leisure hub that will eventually become the Central Business District of Petaling Jaya Utara (PJU). With a catchment population of approximately 80,000, Oasis Damansara will feature world-class office buildings and purpose-made retail developments incorporating the latest security designs technology that could help prevent crime, 'Place-making' and sustainable elements. The entire development is expected to be completed by 2022.

Niche Developments

Sime Darby Property's niche developments consist of high-end luxury residential properties that are built to cater to a discerning market segment with distinctive needs.

One of these developments is The Véo in Melawati Kuala Lumpur. A freehold two-tower luxury condominium, The Véo integrates common smart office facilities into community gardens. The development comprises 350 units, with a built-up area ranging from 753 to 3,638 sq ft.

Another niche development is The Glades, a high-end residential and commercial property development which sits on a 58-acre freehold site within its own precinct in Putra Heights, Selangor. This gated and guarded low-density development features a design that embraces the principles of sustainability, complete with lush vegetation and a series of ponds called the 'Green Basin' at its heart.

Kenny Hills Residences is another niche development set amidst lush greenery in Bukit Tunku, the most exclusive enclave in the Kuala Lumpur City Centre. The development comprises 63 luxury condo villas that span across 4.75 acres.

KLGCC Resort Real Estate (KLGCC RRE) is envisioned to be an internationally-acclaimed lifestyle hub. The development will feature innovative architecture that will take into account sustainable environmental requirements. With a multiple award-winning golf course at its heart, KLGCC RRE is set to become one of the sustainable urban developments within Greater Kuala Lumpur.

For the golf enthusiast, East Residences is Sime Darby Property's first residential development within the landscaped grounds of the Kuala Lumpur Golf and Country Club.

The strategically located Lot 245, Jalan U Thant, a 1.16-acre freehold area that faces the historic Royal Selangor Golf Club and the Kuala Lumpur City Centre, will be developed into a benchmark luxury condominium in tandem with its prestigious address.

Industrial and Business Parks

Taman Pasir Putih is a 675-acre development located between the Pasir Gudang Industrial Area and Tanjung Langsat Industrial Complex in Johor. Leveraging on the booming Iskandar Malaysia development, this project will be rebranded as 'Sime Darby Business Park, Iskandar Malaysia'. Featuring clean and green technologies, the development offers freehold industrial lots for light industrial businesses involved in packaging, procurement and logistics as well as freehold commercial lots for corporate offices and operational headquarters.

Themed Township

City of Elmina is a 5,000-acre development located along the Guthrie Corridor Expressway, west of Kuala Lumpur. When fully completed, the development will be the first to offer a comprehensive township dedicated to the pursuit of a healthy and balanced lifestyle.



The 5,000-acre development City of Elmina is a regional grouping of townships located along the Guthrie Corridor Expressway (GCE) which is expected to contribute positively to Sime Darby Property for the next 10 to 15 years

City of Elmina has been conceptualised to embrace eight aspects of wellness - social, environmental, intellectual, family, occupational, physical, emotional and spiritual – developed in line with the internationally recognised Mercer's Quality of Living Survey. At the end of FY2012/2013, the first series of homes offered for sale in the east of City of Elmina was fully sold with all 255 units of double-storey link houses valued at a total of RM188.2 million taken up.

The GDV for the development is estimated to be approximately RM17.0 billion which is expected to contribute positively to Sime Darby Property for the next 10 to 15 years. In addition, the City of Elmina will also play a significant role in Selangor Vision City, a strategic plan that aims to see the entire Guthrie Corridor becoming an economic growth catalyst within Greater Kuala Lumpur and the Klang Valley.

Positioning itself as a Commercial Destination Township, Nilai Impian 2 will be a mixed development comprising retail parks, health and education institutions, commercial offices and shopping malls. Construction for the development is expected to commence in FY2013/2014.

Bukit Chemara in Seremban is an exclusive garden living development, with strong emphasis on privacy and security set within lush greenery and hilly landscapes. Phase 1 of the development, comprising 114 units of double-storey link houses with a built-up area of 2,550 sq ft, is expected to be launched in end 2013. The homes will be priced from RM600,000. Another 53 units of these double-storey link houses along with 44 units of semi-detached homes are expected to be launched in the first half of 2014. Prices for the semi-detached homes will start from RM900,000.

Bandar Universiti Pagoh (BUP) is a 4,100-acre development based on a 'university township' concept. BUP will be a self-contained, fully-integrated development that will comprise, amongst others, a 500-acre education hub known as the Pagoh Education Hub (PEH). The institutions that will be based in PEH are Universiti Tun Hussein Onn Malaysia, International Islamic University Malaysia, Universiti Teknologi Malaysia and Pagoh Polytechnic.

Property Development – Overseas

The new Battersea Power Station project in London continues to strengthen Sime Darby Property's brand recognition and reputation as a leader in quality and innovation in the international marketplace. This will help the brand further expand its presence overseas.

With its consortium partners S P Setia and the Employees Provident Fund, Sime Darby Property will be part of the redevelopment of the iconic 39-acre site. The masterplan of the entire project envisions a sustainable mixed development with the Power Station at its heart. The 39-acre landmark will offer over 3,400 homes; over 1.7 million sq ft of office space; 552,716 sq ft of shops; 161,190 sq ft of F&B space; two hotels; 508,821 sq ft of community, cultural and leisure space; and it is expected to generate a significant number of new jobs.

The development's inaugural sales launch was held on 10 January 2013 in London, followed by the global launch in Kuala Lumpur, Singapore and Hong Kong. Surpassing expectations, sales contracts for the initial phase have been exchanged with purchasers for 841 units at a total value of GBP685.0 million (RM3.34 billion).

Subsequently, on 4 July 2013, Prime Minister of Malaysia, Dato' Sri Mohd Najib Tun Razak, together with his UK counterpart David Cameron, and the Mayor of London, Boris Johnson, witnessed the ground-breaking of the Battersea Power Station project at the site.

Sime Darby Affordable Homes

In line with its vision to become a leading developer of sustainable communities, Sime Darby Property remains committed to helping the Malaysian Government address the demand for affordable housing, especially in the country's urban centres.

The Division spearheads the Quality Affordable Sime Darby Homes (QASEH) programme that will see a total of 21,120 units of affordable homes being built by the end of 2018. QASEH will include various types of landed and strata properties priced between RM100,000 and RM600,000. These homes will be developed in Sime Darby Property's townships located throughout the Klang Valley and the Greater Kuala Lumpur conurbation area. However, the programme does not include low, low-medium or medium cost homes that are statutory requirements for the developers.

In the first half of 2013, Sime Darby Property launched 321 units of double-storey terrace homes in Bandar Bukit Raja, Klang. The built-up area of these three-bedroom and three-bathroom homes is between 1,310 and 1,380 sq ft. The homes will feature elements that promote healthy and sustainable lifestyles with amenities that include green areas with natural vegetation, reflexology paths, basketball and futsal courts as well as a children's playground.

The QASEH programme has been launched at Bandar Ainsdale, a 562-acre freehold township strategically located between Kuala Lumpur and Seremban, and close to Nilai town and Kuala Lumpur International Airport (KLIA). A total of 352 units of affordable homes were launched during the financial year, generating good support from home buyers.

Quality and affordable homes are also being developed for employees. This includes 400 units of affordably priced single-storey terrace houses, launched in the first quarter of 2013, which will be built and offered for sale to Sime Darby Plantation's estate and mill workers at Carey Island.



'Suci' homes, launched in Bandar Ainsdale, Negeri Sembilan, were well received by home buyers

PROPERTY INVESTMENT

Sime Darby Property owns and manages assets in Malaysia, Singapore and the UK. It also manages prime assets owned by the Group locally and abroad. At the end of FY2012/2013, the Property Investment portfolio has a total GFA of 3.0 million sq ft.

As part of its strategy to enhance returns on its investments, the Property Investment Roadmap was established with the aim of improving its existing portfolio via acquisitions, organic development and asset enhancement. The Roadmap also calls for the rebalancing of its portfolio to unlock the value of some of its existing assets as well as to recycle capital.

Sime Darby Property owns as well as manages hospitality and leisure assets that include hotels, service apartments, golf courses and a convention centre. The company's hospitality and leisure assets are located in Malaysia, Singapore, Australia and Vietnam.

Despite operating in a challenging environment, Sime Darby Property's Hospitality and Leisure operations achieved a turnover of RM165.0 million during the financial year under review. This performance was the result of innovative marketing and effective cost management strategies.

Property Investment

Malaysia

In Malaysia, Sime Darby Property owns and manages Sime Darby Property Corporate Tower and Sime Darby Brunsfield Corporate Tower at Oasis Square, Wisma Sime Darby, Wisma Guthrie, Sime Darby Pavilion, Subang Avenue Retail Mall, the Universiti Tunku Abdul Rahman (UTAR) building, and Kompleks Sime Darby. In total, it manages a net lettable area of 1,773,627 sq ft.

In tandem with the Property Investment Roadmap, Sime Darby Property is currently implementing an asset enhancement initiative to transform the Subang Avenue Retail Mall into a more vibrant mall.

Also consistent with the Roadmap, Sime Darby Property sold several low-yielding assets during the financial year under review, successfully monetising assets worth a total of RM36.3 million. These assets include non-strategic landbank and selected residential properties.

In the competitive office space leasing business, Sime Darby Property recorded an average occupancy rate of 66% in FY2012/2013, a drop compared to the previous year's rate of 79%. This reduction was due to vacancies at Wisma Guthrie, a building that has been slated for redevelopment. Nevertheless, the company's average occupancy rate is expected to improve in FY2013/2014 as a result of aggressive lease marketing strategies.

Singapore

In Singapore, Sime Darby Property owns and manages three commercial assets, namely, the Sime Darby Centre, Sime Darby Business Centre and Sime Darby Enterprise Centre. These assets have a GFA of 595,922 sq ft. It also manages three commercial assets including Sime Darby Performance Centre, Vantage Automotive Centre and Regent Centre that have a total GFA of 542,500 sq ft.

In FY2012/2013, the assets achieved an average occupancy rate of 92%. This was slightly lower than the 95% recorded a year ago, as a result of plans to redevelop the Sime Darby Centre into a suburban shopping mall.

United Kingdom

Despite the economic uncertainties in Europe and UK, Sime Darby Property in London and Edinburgh recorded an average occupancy rate of 100% and 80% respectively during the financial year under review. As a whole, these assets achieved an average yield rate of 6% in FY2012/2013.

Hospitality

Malaysia

In FY2012/2013, Hotel Equatorial Melaka and PNB Darby Park Executive Suites recorded an average occupancy rate of 64% and 52% respectively. Both hotels have completed their refurbishment and room upgrading exercises during the year under review. These enhancements are expected to increase occupancy rates and average room rates in the future.

The 133-room Genting View Resort in Pahang and the 82-room Harvard Suasana Hotel in Kedah have become favourite getaway destinations. Both these properties will continue to focus on the family-vacation market while tapping opportunities from the exhibition and convention sector.

Singapore

Darby Park Executive Suites (DPES) recorded an occupancy rate of more than 75% during the year under review. The demand for DPES' luxury service suites are expected to increase further due to the property's strategic location, strong brand recognition and competitive room rates. DPES will focus on attracting more business travellers as well as tourists who are looking for superior service and comfortable accommodation in the heart of the 'Lion City'.



The award-winning KLGCC has played host to a number of world class tournaments including the Maybank Malaysia Open and the Sime Darby LPGA Tournament

Vietnam

Darby Park Vung Tau is located in the south-east of Ho Chi Minh City, an area known as the country's oil and gas hub. In FY2012/2013, the occupancy rate of Darby Park Vung Tau was recorded at an encouraging 84%. This is expected to strengthen even further in the future in view of the continued growth of the oil and gas industry in Vietnam.

Australia

During the financial year under review, Darby Park Serviced Residences in Subiaco and Darby Park Serviced Residences, Margaret River in Perth registered occupancy rates of 76% and 51%, respectively.

Leisure

Kuala Lumpur Golf and Country Club (KLGCC)

KLGCC continues to be recognised as one of the most prestigious golf clubs in the South East Asia. In FY2012/2013, KLGCC hosted a number of world-class tournaments including the Sime Darby LPGA Tournament and Maybank Malaysia Open.

Sime Darby Convention Centre (SDCC)

SDCC has established itself as one of Kuala Lumpur's sought-after venues for events. Its popularity stems from its strategic location in Bukit Kiara. With a grand ballroom, function rooms and an auditorium, SDCC is able to cater to a broad range of events from conventions to weddings.

Impian Golf and Country Club (IGCC)

Located in Kajang Selangor, IGCC offers an 18-hole championship course covering a total of 142 acres. Its facilities include a clubhouse, tennis courts, swimming pool, gymnasium, golfer's terrace, pro shop and practice green.

Harvard Golf and Country Club (HGCC)

HGCC, which was established by the British administration and rubber planters in 1927, is one of the oldest golf clubs in Malaysia. Located in Kedah, HGCC is a 27-hole course.

INDUSTRY ENHANCEMENT INITIATIVES

"Place-making", Urban Design and Sime Darby Property's Design Guidelines

At the heart of all design and development initiatives is "Place-making", Sime Darby Property's urban design goal. "Place-making" takes into account the many different aspects of planning, design and management of a given area. Focusing more on the customer, "Place-making" seeks to understand an area's assets, residents' inspirations and aspirations, with the view to creating townships that enhance health, happiness and well-being.

Unlike the traditional approach to township planning which focuses on efficient land use, the urban design approach looks at creating innovative and sustainable townships.

Sime Darby Property's customised Urban Design and Built Form Guidelines were developed based on global best practices. These Guidelines will enable the Division to set the industry benchmark in terms of quality and innovation. It will also help ensure that its brand values and attributes are effectively communicated to its audience via its products.

Sustainability Highlights

Sime Darby Property has established a Sustainability Blueprint to achieve its vision of becoming the leader in building sustainable communities. The Blueprint sets out 14 key sustainability goals that cover the economy, environmental protection, organisational culture, safety and health, product design and development as well as operational eco-efficiency.

One of the key goals in the Blueprint is for Sime Darby Property to improve its score in its Sustainability Index (SUSDEX). The Index measures the sustainability performance of the company's townships and business units based on the Global Reporting Initiative Framework, an internationally-recognised sustainability reporting structure.

For FY2012/2013, Property Development achieved an overall SUSDEX score of 64.2%, higher than its base target of 60%. In the same period, Property Investment achieved a SUSDEX score of 62.3%, which was above its base target of 55%. Sime Darby Property aims to improve its SUSDEX ratings by 5% each year. This will put it on course towards achieving an overall 95% sustainability rating by 2020.

Sime Darby Property's sustainability initiatives in FY2012/2013

Initiatives	Indicators
Together in Restoring the Earth's Environment (TREE) Programme	Two TREE programmes were organised at Bukit Jelutong and Bandar Bukit Raja where a total of 310 rare, threatened and endangered rainforest trees were planted.
Green Heart - Young Sustainability Ambassadors Programme	Participants will undertake year long planned activities on sustainability such as outdoor camping with nature and managing "Green Heart" Recycling Centres for Sime Darby Property township residents.
Carbon Footprint Project	Total carbon emission for 2012 was recorded at 47,102.07 tCO ₂ -e compared to 52,567.69 tCO ₂ -e in 2011.
	Sime Darby Property aims to reduce its green house emissions by 40% by 2020.

Details on the initiatives above and Sime Darby Property's sustainability efforts can be found in the Sime Darby Group Annual Sustainability Report 2012/2013.

OUTLOOK AND PROSPECTS

The economic outlook both globally and regionally, as well as the Malaysian property market in the near-term continues to be challenging.

However, the prospects for Sime Darby Property's development in growth areas, especially in the Klang Valley and Greater Kuala Lumpur, remain attractive in view of the wide range of products that it offers. Consolidation of the property market will likely affect the overall take-up of future launches. While high-end properties may be affected by the implementation of tighter lending guidelines, demand in selected prime areas, and for landed and affordable housing within the Division's developments is expected to remain reasonably active.

Sales of residential properties below RM1.0 million remain strong at sought-after locations and townships such as City of Elmina, Denai Alam and Bandar Bukit Raja. The residential properties with prices ranging from RM350,000 to RM1.5 million will contribute about 72% in terms of total units and 82% of total GSV to next year's launches.

Demand for quality retail properties in the Klang Valley continues to be strong for the next 2 years. Occupancy rates for offices are forecast to hover around 80% with a growing trend for companies to move into suburban areas and integrated developments such as hotels and shopping malls.

This is anticipated to benefit Sime Darby Property's future TODs such as SJ 7 and SJCC in Subang Jaya as well as its current high-yielding assets under property investment. Occupancy rate for Malaysian assets is expected to improve from 80% to 90% resulting in higher contributions in future years, while redevelopment projects for Singapore assets will lead to a higher net lettable area and rental income.

The property market in the UK, especially in London, has been fairly active and sustainable. This was driven primarily by the country's economic recovery, buoyant local demand and strong interest from overseas buyers for residential properties. Meanwhile, the Malaysian economy is expected to resume its growth, driven by moderate strength in domestic demand. Gradual fiscal consolidation is on the cards as policy makers seek to contain budget deficit and maintain both public and household debt within a sustainable threshold.





Key Activities

- Power
- Engineering Services
- Ports & Logistics
- Water Management

Key Countries of Operations

- China
- Malaysia
- Singapore
- Thailand

ENERGY & UTILITIES

**Third most
efficient port
(Weifang Port)
in Shandong
province, China**

SIME DARBY ENERGY & UTILITIES BOARD MEMBERS (NON-CHINA)



1. Dato Sri Lim Haw Kuang
2. Tan Sri Dato' Mohd Bakke Salleh
3. Madam Tong Poh Keow
4. Dato' Ir Jauhari Hamidi
5. Dato' Ahmad Pardas Senin
6. Tan Sri Rastam Mohd Isa



Port Dickson Power Berhad's (PDP) power generating facility at Port Dickson has a combined gross capacity of 440MW of electricity

OVERVIEW

The Energy & Utilities Division continued to generate sustained earnings in the financial year under review, despite operating in a tough global economic and business environment. The management team remained focused on growing all business units, namely, power generation and engineering service to fulfil the strategic business initiatives set out in the Five-Year Strategy Blueprint.

The Division aims to sustain operational excellence in the power generation unit and become the preferred provider of integrated engineering solutions in Malaysia, Thailand and Singapore. As part of its efforts to pursue strategic portfolio growth, a comprehensive risk management framework was conducted to align its operating units and explore synergies in the areas of trading, utilities and engineering services

In FY2012/2013, the Division recorded a PBIT of RM170.0 million, a decrease of 23% in comparison with the same period last year.

CONTINUING OPERATIONS

Power

The Power Business Unit's financial results for the year under review saw a reduction compared to FY2011/2012, due to the one-off recognition for deferred revenue from the Port Dickson power plant. However, the Unit's financial results were above the target set for FY2012/2013. Operational performance remained steady with high electricity consumption from Tenaga Nasional Berhad in Malaysia, the Electricity Generating Authority of Thailand and industrial customers in Thailand.

Engineering Services

Mecomb Malaysia Sdn Bhd (MMSB) ended its financial year with a series of accomplishments, notably the success in securing several marque projects by the Project Division. This has further exemplified the merits of the Division's business enhancement initiatives, underpinned by its proprietary Boutique Contracting Model.

The succession of keynote projects awarded to MMSB in the final quarter of the financial year under review which included the Mass Rapid Transit (MRT) Project's fire protection package, Kuala Terengganu Specialist Hospital's Low Voltage (LV) services and Foresta Sri Damansara's Air Condition and Mechanical Ventilation (ACMV) package, resonate with MMSB's intrinsic competencies and commercial competitiveness as well as the company's growing precedence with key industry players.

Mecomb Singapore continued to strengthen its relationship with major customers such as KeppelFels and Jurong Shipyard during the year under review. The recovery in the marine industry in Singapore saw the company securing strong orders for the next two to three years. In addition, the company's pump skid solutions were also successful in clinching significant petrochemical projects from key customers in Jurong Island.

During the year, Mecomb Singapore also secured the pneumatic tube system project at Singapore General Hospital and Singapore's National Heart Centre. The pneumatic tube system, which transports documents, blood samples and important items in the hospitals, plays a crucial role in improving hospital management and productivity.

Mecomb Thailand continues to pursue its core competencies, especially in the expansion of its channel network for electrical components. This has allowed the company to reap considerable and sustainable sales growth in both the OEM and panel-builder markets.

The company also leveraged on its core competency in software applications to enhance its proprietary Intelligent Car Parking system in order to fulfil market needs. This resulted in the company securing numerous projects such as Siam Retail, Ngamwongwan Shopping Mall and Promenade.

DISCONTINUED OPERATIONS

Oil & Gas

Sime Darby Engineering Sdn Bhd (SDE)

The novation of the Kebabangan Project (KBB Project) to MMHE as of 1 April 2012 marks the E&U Non-China Division's exit from the oil & gas sector. During FY2012/2013, the Division realigned its focus on areas where it could achieve a better leadership position.

Nonetheless, SDE continues to perform and fulfil its existing contractual obligations namely, the two Oil and Natural Gas Corporation (ONGC) projects. The B193-5WHP project has been successfully handed over to ONGC while the B193 – Process Platform is scheduled to be handed over to ONGC in December 2013.

Bakun Hydroelectric Dam

The Bakun project achieved Substantial Completion status with the issuance of the Taking Over Certificate as well as the Certification for the Whole Works by the client. Remaining activities are limited to managing the rectification list, documentation and overseeing the end of the defects liability period.

SUSTAINABILITY

Environment

Climate Change Management – Carbon Inventory and Monitoring

As a continuation from the previous year, the Group's Carbon Inventory and Monitoring programme, Divisional Sustainability and Quality Management (DSQM) completed the measurement and calculations of all Operating Units' (OUs) carbon emission for 2012.

Based on this, the Power Business Unit emitted 0.51 tons of carbon dioxide (CO₂) for every megawatt of electricity generated. At the same time, Mecomb Group emitted 2.32 tonnes of CO₂ for every RM1.0 million in revenue.

Health and Safety

The Division recorded zero fatality and zero Lost Time Incidents (LTI) in FY2012/2013. This achievement was due to the continuous awareness programmes on Occupational Safety and Health (OSH) implemented by the Division. Some of these programmes include:

- OSH risk management review on Hazard Identification, Risk Assessment and Risk Control (HIRARC)
- Activities focusing on leading indicators such as toolbox meeting, near-miss reporting, and safety walkabouts
- Implementing lagging indicators as one of the safety targets or Key Performance Indicators (KPI)

OUTLOOK AND PROSPECTS

For the past two years, the growth strategy of the Division has been to focus on building up capabilities by redefining its core business as well as leveraging on existing talent and opportunities available within the Division.

Continuous urbanisation and industrialisation in Malaysia, Singapore and Thailand, where E&U Non-China has a firm presence, will drive demand for engineering products and services as well as electricity.

Malaysia

In Malaysia, both the Industrial Production Index (IPI) and electricity generation growth have moderated to the 2007 levels, and is expected to remain in line with the country's moderate GDP outlook. Thus, the country's electricity consumption is expected to remain stable.

E&U Non-China is among the beneficiaries of high growth in the property and infrastructure sectors. The Division's growth is in tandem with the positive drive in the property sector which is mainly driven by developments in Iskandar Malaysia. The MRT project is also expected to enhance revenue for the Division.

Thailand

In Thailand, GDP growth for 2013 and 2014 is expected to moderate, as a weak external environment creates headwinds on the export front. Nevertheless, the implementation of the post-flood public capital expenditure (CAPEX) plans will support the economy.

Electricity generation peaked in mid-2010 and decreased to moderate levels in mid-2011 before plunging as a result of the floods. It has since recovered in 2012 and will continue to see a normalised rate of growth in the near future due to the recovery in automobile production.

Overall, positive growth is expected in the Thailand economy, supported by public and private consumption which will drive the demand for engineering products.

Singapore

The prospect of the Singapore operations is expected to be positive in view of the strong orders from Brazil for rigs as well as from the petrochemicals sector. This provides an opportunity for E&U Non-China to expand its scope, services and provision of spare parts for its engineering products.

SIME DARBY ENERGY & UTILITIES BOARD MEMBERS (CHINA)



1. Dato Sri Lim Haw Kuang
2. Dato' Azmi Mohd Ali
3. Datuk Zaiton Mohd Hassan
4. Tan Sri Dato' Mohd Bakke Salleh
5. Madam Tong Poh Keow
6. Mr Timothy Lee Chi Tim
7. Encik Mohamad Abdul Halim Ahmad
8. Datuk Elias Kadir



In December 2012, Weifang Port launched its container operations making it the sole operator of container lines within Shandong's Yellow River Delta

OVERVIEW

The operations of Energy & Utilities China, which is based in the Shandong province, encompass the Ports & Logistics and Water Management business units. In the financial year under review, Energy & Utilities China posted a PBIT of RM53.1 million, representing a decrease of 15.3% compared to RM62.7 million during the same period last year. The reduction in PBIT was mainly due to the challenging economic environment as well as the increased cost of raw water for Weifang Water.

PORTS & LOGISTICS

In the year under review, Sime Darby's port operations in China reported an increase in operational performance in the financial year with total throughput increasing

by 9.2% to 28.6 million tonnes, compared to 26.2 million tonnes in FY2011/2012. This was primarily due to the resilient throughput demand and the full operationalisation of Jining Sime Darby Longgong Port Co Ltd (South Port) despite challenging market conditions.

The Division continues to be optimistic on the long term prospects of its Ports & Logistics business unit in the region. Hence, the company will continue to embark on organic expansion plans with particular emphasis and commitment on Weifang Port's capacity expansion and value-added services to create greater value for its stakeholders in the next three to five years.

Weifang Port

Located on the southern Bohai Rim of the Shandong Peninsula, Weifang Port offers strategic access to its

immediate and regional hinterland. In line with its strategic blueprint, Weifang Port hopes to capture additional hinterland demand by adding container berth facilities and increasing current berth capacity to become a leading port operator in the region. The construction of three new 20,000-tonne berths, which began in March 2012 and due to be completed this year, will contribute towards this goal.

The commencement of container operations with Weifang Port's first container shipment in December 2012, combined with the establishment of dedicated container shipping routes connecting Weifang Port, are significant milestones achieved this financial year.

For the year under review, Weifang Port registered a 3.1% decrease in total throughput from 18.4 million tonnes in FY2011/2012 to 17.8 million tonnes in FY2012/2013. This was due to a harsher than usual winter season and decreased industrial consumption of raw materials, in line with China's economic moderation. However, Weifang Port expects to record better performance in the coming year with the completion of its 20,000 tonne berths contributing to increased capacity.

Jining Ports

Sime Darby's Jining cluster of ports currently consists of three fully operational ports, namely, Jining Sime Darby Port Co Ltd (North Port), Jining Sime Darby Guozhuang Port Co Ltd (City Port) and Jining Sime Darby Longgong Port Co Ltd (South Port).

For the year under review, the Jining Ports registered a 38.5% increase in total throughput from 7.8 million tonnes in FY2011/2012 to 10.8 million tonnes in FY2012/2013 due to a recovery in demand from City Port and the full operationalisation of South Port.

Water Management

During the year under review, Weifang Sime Darby Water Management Co Ltd (formerly known as Weifang Sime Darby Water Co Ltd) (WSDWM) reported lower

results, with an 8.8% decrease in volume from 33.9 million cubic metres to 31.0 million cubic metres. The decreased water consumption was largely due to lower industrial activity arising from a moderation in China's economic growth. Nonetheless, the company continues to improve its facilities and pipeline coverage to ensure uninterrupted supply to a larger customer base. Currently, the company has the capacity to provide 140,000 cubic metres per day.

SUSTAINABILITY - OCCUPATIONAL SAFETY & HEALTH

In FY2012/2013, Sime Darby Energy & Utilities China emphasised heavily on Occupational Safety and Health practices through the establishment of a dedicated Environment, Safety and Health (ESH) department for the Division. Over the next five years, the ESH department will focus on implementing various compliance and management systems in accordance with Sime Darby's ESH policies.

OUTLOOK AND PROSPECTS

Weifang Port is on track with its five-year development plan of doubling its throughput capacity. Additional capital expenditure of RM1.4 billion has been allocated for the development of three new 30,000-tonne multi-purpose berths, three new 30,000-tonne general cargo berths and two new 50,000-tonne liquid berths over the next few years. The outlook for container handling operations in Weifang Port is expected to be positive with more container throughput being handled at the Port and the establishment of additional regular routes to other ports in the region.

In the next financial year, Jining Sime Darby Taiping Port Co Ltd (Taiping Port) is expected to commence operations and contribute to the Jining Group of Ports' performance.

WSDWM intends to continuously expand its water treatment capacity to meet the growing demand from new and existing customers in the next few years.



Panoramic view of Taiping Port located in Zoucheng, a county-level city in the south of Jining. The port is expected to be fully operational by end of 2013





Key Activities

Secondary and Tertiary Care Hospitals
Nursing and Health Sciences College

Key Countries of Operations

Malaysia

HEALTHCARE

**To become
a leading
healthcare
provider in Asia
by delivering
sustainable and
high quality
outcomes to all
stakeholders**



Subang Jaya Medical Centre has built a sterling reputation as an internationally recognised, award-winning medical centre in the region

OVERVIEW

The Healthcare Division continued its long tradition of providing quality medical care and professional services to its patients, strengthening its position as one of Malaysia's leading healthcare providers during the year under review.

For the year ended 30 June 2013, the Healthcare Division recorded a profit before interest and tax (PBIT) of RM24.1 million compared to RM26.1 million the previous year, a decrease of approximately 8%. The shortfall was mainly due to higher overhead costs incurred with the opening of two new hospitals, Ara Damansara Medical Centre (ADMC) and ParkCity Medical Centre (PMC).

The Division recorded multiple strategic milestones in FY2012/2013. This included the opening of its third full-fledged multi-disciplinary hospital, PMC, Kuala Lumpur on 12 December 2012, and the divestment of the ambulatory daycare centre, Sime Darby Specialist Centre Megah in April 2013. The divestment was a strategic direction for the Division to re-focus only on hospital operations in Malaysia.

This financial year was also historic for the Division as Sime Darby Berhad entered into a joint venture agreement with Australia's largest private hospital group, Ramsay Health Care Ltd, on 26 March 2013. Called Ramsay Sime Darby Health Care Sdn Bhd (formerly known as Sime Darby Global Healthcare Sdn Bhd) (RSDHC), the joint venture is equally owned by both parties and consolidates all Sime Darby's portfolio of healthcare assets in Malaysia with Ramsay's three hospitals in Indonesia. RSDHC is focused on expanding the healthcare business throughout Asia with the aspiration of becoming the leader in the regional healthcare industry.

HEALTHCARE – MEDICAL

Subang Jaya Medical Centre (SJMC) formerly known as Sime Darby Medical Centre Subang Jaya

The Healthcare Division's flagship hospital, SJMC, continues to achieve exemplary financial results for FY2012/2013. The hospital recorded an impressive PBIT of RM49.0 million compared to RM37.0 million in the previous year, an improvement of 32%, mainly due to operational excellence initiatives.

SJMC continues to concentrate on its Centres of Excellence (COE) in Cancer, Urology (specifically men's health), Digestive and Liver Health, and Blood Diseases. The Cancer and Radiosurgery Centre (Cancer Centre) is well-positioned as the regional COE for cancer treatment and is a comprehensive one-stop centre that is well-equipped and dedicated to the treatment of the disease. In FY2012/2013 alone, more than 27,000 patients had undergone chemotherapy and radiation therapy at the Cancer Centre.

Fully committed to advocating awareness and educating the public on cancer, the Healthcare Division once again partnered with the Cancer Research Initiatives Foundation (CARIF) in support of yet another initiative – the launch of the Patient Navigation Programme, a programme aimed at improving the quality of a patient's life and the survival chances of those suffering from breast cancer in Malaysia. The event took place on 8 October 2012 at SJMC and was attended by the Ladies Professional Golf Association (LPGA) star players, Ariya Jutanugarn, Christie Kerr, Natalie Gulbis and Malaysia's own Jean Chua.

Ara Damansara Medical Centre (ADMC) formerly known as Sime Darby Medical Centre Ara Damansara

Since opening its doors on 12 January 2012, ADCM has shown commendable results. In FY2012/2013, the hospital recorded an increase in revenue of RM36.0 million compared to RM7.0 million in the previous financial year.

At full capacity, ADCM is a 220-bed tertiary hospital with an array of specialties offering world-class treatment and care. It is also the first private medical facility in Malaysia with COE in Brain, Heart, and Spine and Joints cases. The hospital is currently developing a comprehensive Stroke Centre and Heart Attack Centre to complement the other niche specialties available.

Fully equipped with full-fledged rehabilitation facilities and services which can be tailored according to each patient's needs, ADCM enables its patients to receive comprehensive and expert post-treatment care to aid their management and recovery.



Ara Damansara Medical Centre is equipped with advanced medical technologies and a dedicated team of healthcare practitioners, providing holistic patient care and clinical experience

ParkCity Medical Centre (PMC) formerly known as Sime Darby Medical Centre ParkCity

The opening of its third hospital, PMC on 12 December 2012 marked another major milestone for the Healthcare Division. The hospital is strategically located to serve surrounding densely populated residential neighbourhoods, among them, Desa ParkCity, Bandar Manjalara, Kepong and Bandar Sri Damansara.

The 300-bed hospital is a full-fledged multi-disciplinary hospital focusing on Women & Children's Health as well as Elderly Health. This includes a breast clinic for surgeries and child developmental clinic for assessment and treatment in hearing, speech, behaviour and motor skills. A unique rehabilitation programme for Attention Deficit Hyperactivity Disorder (ADHD) and autistic children has also been established. In addition, PMC offers a sub-specialty Hand Clinic which provides a wide range of services from surgical reconstruction to rehabilitation.

PMC is also the blueprint hospital for the Division's initiative in the implementation of the automated Healthcare Management Information System (HMIS). The revolutionary system will not only integrate all business functions (i.e patient waiting time, electronic medical record, wireless imaging, patient billing) but will promote a sustainable working environment with a paperless concept. The HMIS will also be implemented in staggered phases at ADCM and SJMC in the near future.

New Project – Mediplex

The Healthcare Division is also venturing into a hybrid offering of health, wellness and lifestyle living under the name Mediplex. Upon completion, Mediplex will be Malaysia's first purpose-built healthcare and retail complex where wellness is integrated into healthcare, retail and leisure as the main focus of the development.

Located as an annex to SJMC, the seven-storey building is part of SJMC's hospital expansion initiative. Envisioned as a multi-tenanted, integrated and holistic lifestyle and wellness plaza, potential tenants will comprise selected physician practices, wellness products, retail and therapy clinics/salons, wellness, international cuisine and lifestyle-themed food and beverages outlets, healthcare diagnostic services as well as rejuvenation spas and patient support care equipment and products.

With 56.6% of construction completed as at the end of FY2012/2013, the Mediplex is expected to commence operations by 2014.

HEALTHCARE – EDUCATION

Sime Darby Nursing & Health Sciences College

In FY2012/2013, Sime Darby Nursing and Health Sciences College (Sime Darby College) continued to offer quality education to Malaysian and foreign students. Established in 1995 and as one of the pioneers in healthcare education in Malaysia, Sime Darby College has delivered industry-relevant curriculum, producing quality graduates whose services are sought after locally and internationally.

For the year under review, Sime Darby College introduced two new programmes in line with their mission to produce competent and high calibre professionals in the healthcare services.

Introduced in February 2013, the Estate Hospital Assistants' Skills enhancement programme for Sime Darby Plantation is a refresher programme that enables Estate Hospital Assistants to enhance their skills and knowledge.

The Diploma in Healthcare Service programme, which is under the school of allied health science, is the first to offer management skills in multiple disciplines such as patient management and hospitality, medical tourism and information technology. Introduced in April 2013, the programme aims to nurture and enable students to competently serve in the hospital/healthcare industries such as in the areas of frontline services, customer care, international patient logistics, healthcare-related Information Technology and patient contact centres.

In FY2012/2013, Sime Darby College received full accreditation from the Malaysian Qualifications Agency (MQA) for its Diploma in Medical Lab Technology, Foundation in Science Programme and the Post Basic Critical Care Programme. On the same note, the Diploma in Physiotherapy is next in line to obtain full accreditation having already undergone the auditing process by the MQA.

Maintaining its track record of academic excellence, Sime Darby College was once again recognised for the quality of its graduates following the 100% pass rates achieved for the Malaysia Nursing Board Exams in December 2012 and March 2013 respectively.

During the year under review, Sime Darby College also embarked on a Corporate Social Responsibility initiative where 23 Orang Asli students were selected to undergo training and skills enhancement in Basic Healthcare. The programme aims to equip the students with skills that will enable them to easily find employment in the support service areas of the healthcare industry.

SUSTAINABILITY

The Healthcare Division believes in the welfare of its people and is firmly committed to the safety and health of employees and patients. In FY2012/2013, the Division reported zero fatality, a 22% decrease in incident rate as well as a 25% decrease in frequency rate, proof of its efforts to ensure that operations are conducted in a safe environment. The Division also organised a series of hygiene campaigns to educate patients and reinforce hygiene practices to hospital personnel. The campaigns stressed the importance of hand hygiene, established guidelines on proper hand washing, increased the number of hand sanitisers in hospitals, which was followed by a study to monitor and assess compliance with hygiene guidelines.

The Division also enhanced patient safety by inculcating International Patient Safety Goals (IPSG) into their delivery of care. IPSG consists of six key areas related to the correct identification of patients, effective communication, safety of high-alert medication, safety during surgery, management of healthcare associated infections and patient falls.

The Healthcare Division is also committed to driving a culture of customer service excellence through their Service Transformation programme. In March 2013, the Division published two new handbooks on "Service Excellence & Standards of Behaviour" and "Dress Code & Conduct and Facility and Housekeeping Standards". These handbooks are the newest addition to the series of publications that were developed to standardise the unique brand of care and customer service that patients experience throughout the hospitals.

While Healthcare Division is a minor contributor to the Group's greenhouse gas emissions profile (around 0.6%), it continues to participate alongside other Divisions in efforts to reduce the Group's emissions intensity. The Division is implementing a range of projects in its hospitals to reduce energy consumption while maintaining an excellent level of patient comfort and quality of care.

OUTLOOK AND PROSPECTS

The collaboration between Sime Darby Berhad and notable Australian healthcare player, Ramsay Health Care Limited (Ramsay), led to the incorporation of RSDHC.

Ramsay is the largest private hospital operator in Australia with business operations in Australia, United Kingdom, France and Indonesia. The organisation operates more than 120 hospitals and day surgery facilities across four continents, treating over one million patients per annum. Employing over 30,000 staff globally, Ramsay is well-respected in the healthcare industry for operating quality private hospitals and for its excellent record in hospital management and patient care.

The joint venture, which combines all of Sime Darby's healthcare assets portfolio in Malaysia with Ramsay's three hospitals in Indonesia (RS Premier Jatinegara, RS Premier Surabaya and RS Premier Bintaro), is in line with Sime Darby's Strategy Blueprint to build a regional presence through aggressive expansion involving joint venture partnerships and co-branding with reputable partners. The new development will allow the Healthcare Division to penetrate and capture the rapidly growing opportunities in Asia whilst tapping into the strengths and expertise of Ramsay. Opportunities for value creation are in the pipeline, via key synergies such as adoption of best practices and cross border clinical collaboration.

RSDHC, which commenced operations on 1 July 2013, aims to become the leading healthcare provider in Asia by delivering sustainable and high quality outcomes to all stakeholders.



ParkCity Medical Centre was designed on the carbon-footprint concept; putting emphasis on creating a natural healing environment with natural sunlight, ventilation and a greenery garden, to provide the perfect ambience for patients to heal and rejuvenate

ALLIED PRODUCTS & SERVICES



A subsidiary of the Sime Darby Group

INSURANCE BROKING AND SERVICES

The Insurance Broking and Services Group reported satisfactory performance for the year under review despite keen competition in the markets where the Group is present.



CONSUMER PRODUCTS

Tesco Stores (Malaysia) Sdn Bhd, a joint-venture with Tesco PLC in which the Group owns a 30 percent stake, registered lower profits for the year under review. The company has 47 stores opened throughout Malaysia currently.



Pada suatu petang, ada seekor lembu sedang makan rumput di ladang. Suatu hari,



CORPORATE RESPONSIBILITY

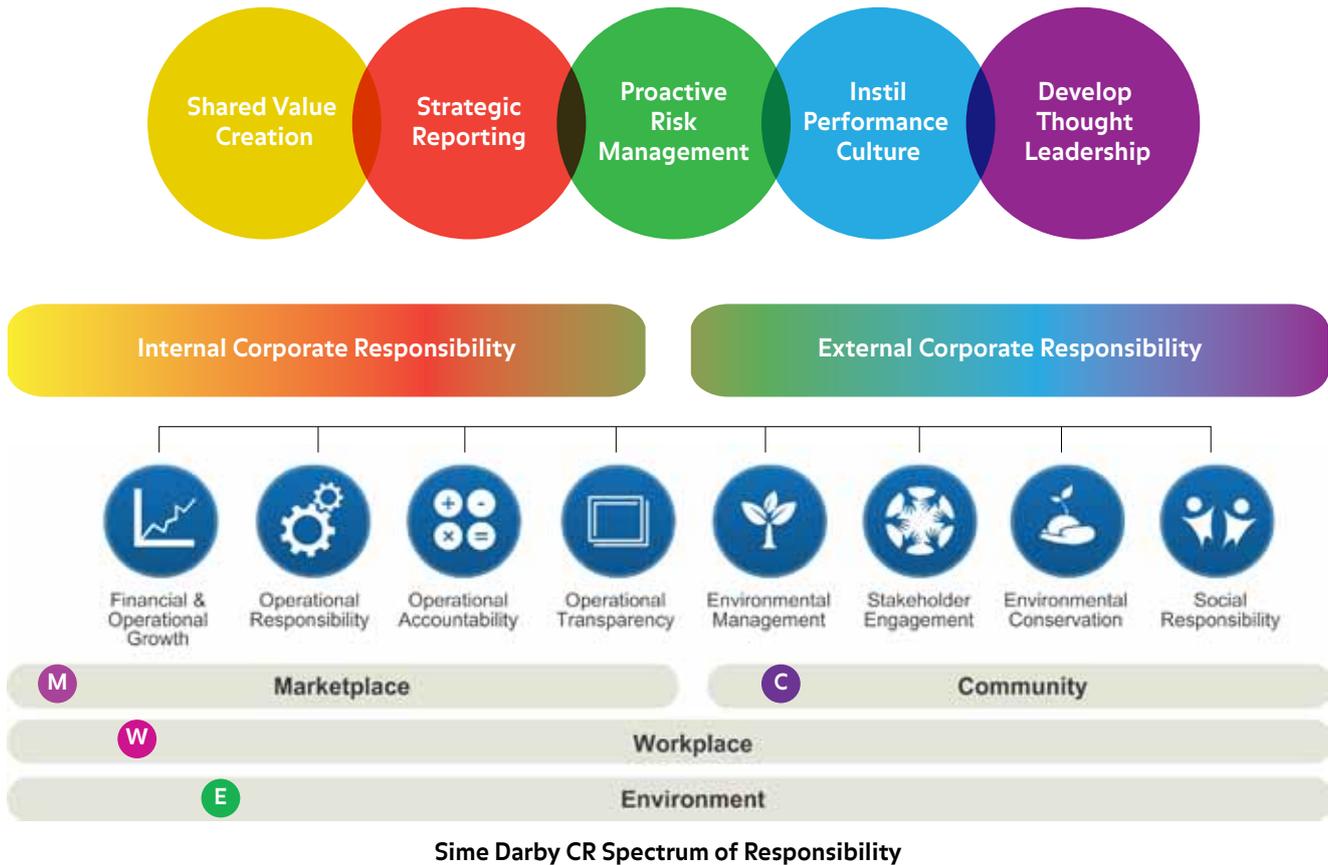
Spectrum of Responsibilities

Financial and Operational Growth
Operational Responsibility
Operational Accountability
Operational Transparency
Environmental Management
Stakeholder Engagement
Environmental Conservation
Social Responsibility

Focus Areas

Marketplace
Workplace
Community
Environment

**Developing
Sustainable
Futures
Through
Shared Value
Creation**



OVERVIEW OF CORPORATE RESPONSIBILITY AT SIME DARBY

For Sime Darby, Corporate Responsibility (CR) is realised through shared value creation and the way the Group articulates its role as a good corporate citizen. It is reflected in the Group's commitment not only towards good governance, but also its efforts to go beyond compliance in the Marketplace, Workplace, Community and the Environment. This is done with due cognisance of the challenges and needs of all its stakeholders, both present and in the future.

The Group's long term approach also aims to balance and sustain the needs of its operations in light of global issues and demands. It focuses on maintaining good economic value, one that goes beyond legal, ethical and regulatory compliance. All this is driven by its strong core values of Respect & Responsibility, Integrity, Excellence & Enterprise.

At Sime Darby, CR exists as a spectrum of responsibilities. At one end, it focuses on financial and operational integrity, good governance and strategic growth, and on the other it emphasises on a strong commitment towards sound environmental practices, conservation, stakeholder engagement and strategic philanthropy.

Implementation and improvement is continuous and embedded through collaborative efforts. These are established through a network that is both multi-stakeholder centric and multi-disciplinary. Various functions and departments within Sime Darby such as Strategy and Business Development, Human Resources (HR), Legal, Risk Management, Compliance, Sustainability and Quality Management (SQM), Corporate Social Responsibility (CSR), Communications & Corporate Affairs and the Foundation (YSD), all integrate elements of CR into their policies, procedures and practices. These functions share common core values that are crucial in integrating CR into Sime Darby's value chain.

SIME DARBY CR STRATEGY

The CR strategic goals for Sime Darby have been developed to embed accountability and responsibility into its business operations. Internal programmatic plans and standards are developed to assist the Group to create shared value within and along its supply chain in all countries of operation. The Group is committed to manage both business and stakeholder risks effectively and sustainably, report initiatives through a transparent governance structure and, instil and sustain a performance culture of continuous improvement. The Group's ultimate goal is to be able to contribute to global best practices, become a CR thought leader and an exemplary corporate citizen, whilst still maintaining profitability and good business.

The following summarises Sime Darby's goals, strategic 5 year targets and focus areas for CR for the year under review:

GOALS	KEY TARGETS	FOCUS AREAS
 <p>Shared Value Creation</p>	<ul style="list-style-type: none"> • Develop opportunities for sustainability-led innovations, responsible business practices and collaborative CR efforts • Generate shared positive impact and growth within target communities by 2017 • Continuous growth and enhancement of employee engagement initiatives 	<ul style="list-style-type: none"> • Financial & Operational Growth • Operational Responsibility • Operational Transparency • Stakeholder Engagement • Environmental Conservation • Social Responsibility
 <p>Effective Strategic Reporting</p>	<ul style="list-style-type: none"> • Develop and maintain global reporting guidelines and consistency in submissions to ensure continuous improvements for effective stakeholder engagement 	<ul style="list-style-type: none"> • Operational Transparency • Operational Accountability
 <p>Effective Risk Management</p>	<ul style="list-style-type: none"> • Embed sustainability risks into Sime Darby's Enterprise Risk Management Framework • Develop and maintain management and mitigation procedures and tools • Develop proactive management systems to comply with regulations and address issues beyond compliance 	<ul style="list-style-type: none"> • Operational Accountability • Operational Responsibility • Environmental Management • Stakeholder Engagement
 <p>Instil Performance Culture</p>	<ul style="list-style-type: none"> • Continuous reduction in Health and Safety incident rates and target zero fatalities • Institutionalise global benchmarking and continuous improvement initiatives • Maintain high ethical corporate values 	<ul style="list-style-type: none"> • Financial & Operational Growth • Operational Transparency • Environmental Management • Stakeholder Engagement
 <p>Develop Thought Leadership</p>	<ul style="list-style-type: none"> • Develop active knowledge exchange platform and sharing to deliver sector expertise • Contribute to 'best-practice' standards and progress development 	<ul style="list-style-type: none"> • Stakeholder Engagement • Operational Transparency • Operational Accountability

PERFORMANCE SUMMARY

Sime Darby's CR efforts respond to global challenges by providing and developing solutions that cater to local needs, whilst not losing sight of the bigger global picture. These relevant localised solutions and mitigation strategies are conducted through its business reach across more than 20 countries worldwide. The following indicators summarises various CR initiatives implemented throughout the Group in an effort to operationalise the Group's CR Strategy.

To supplement this executive summary, a report on the CR projects for the financial year with a focus on Sime Darby Plantation is available in the Sime Darby Sustainability Report. Further information, including programmatic plans, photos and beneficiary accounts of Sime Darby's CR initiatives across the Divisions are also available www.simedarby.com/cr. For information on projects by Sime Darby Foundation (YSD), kindly refer to the Yayasan Sime Darby Annual Report 2013.



Child advocates and participants of the Children for Child Protection Forum and Exhibition 2012, held in partnership between Sime Darby, UNICEF, Childline Malaysia and Ministry of Women, Family and Community Development



Sime Darby Property Affordable Homes Initiative was launched in support of the Malaysian government's PR1MA Project that aims to enable low to middle income earners the opportunity to own good quality homes at affordable prices



Sime Darby Unimills Innovation Centre Europe in the Netherlands offers extensive new product development (NPD) expertise, thus allowing technical and commercial assessment and monitoring of sustainable palm oil development

Key Focus	Key Initiatives	Indicator	FY 2011/2012	FY 2012/2013	
Workplace	Lean Six Sigma and continuous improvement	Total savings RM	14.8 million	28.15 million	
	Health and Safety				
	Incident rate (number of incidents/1000 employees)	Rate	45.11	37.99	
	Frequency rate (number of incidents / 1,000,000 man hours)	Rate	18.9	16.14	
	Severity rate (number of lost days / 1,000,000 man hours)	Rate	226.13	310.65	
	Group fatalities (ESH)	Number	8	12	
	Talent Management				
	Group's total employees	Employees	108,675	110,645	
Total talent development	Average training hours	16	15		

Key Focus	Key Initiatives	Indicator	FY 2011/2012	FY 2012/2013
Environment	Environmental Management			
	Total carbon emission by the Group	Tonnes CO2-e	3.279 million	3.801million
	Restoration of natural resources	Projects	> 9	> 5
	Waste management	Projects	9	6
	Water saving & energy efficient initiatives	Lights bulbs installed	*n/a	893
	Environmental Engagement at the Workplace			
	Green Office Campaign at Sime Darby Property	Employees	> 200	> 450
	Environmental Conservation			
	Rehabilitation, conservation & protection species and biodiversity	MYR	7,073,278	11,194,097
Community	Community Investment			
	Collaborative food aid and financial literacy initiatives for urban poor (Malaysia)	Families	200	400
	Target units to be built in Malaysia (out of a total of 21,120 units to be completed by 2016)	Housing units (Phase 1)	420 (Bandar Ainsdale)	321 (Bandar Bukit Raja)
	Housing provision for employees and plantation workers	Countries	Malaysia Liberia	Malaysia Liberia Indonesia
	Infrastructure improvements and access to basic amenities	Projects	9	34
	Providing Access to Healthcare			
	Engagement and awareness	Engagements	6	44
	Children and Youth Development			
	Child rights and development	Initiatives	30	261
	Number of beneficiaries engaged	People	> 890	> 3,750
	Providing Universal Education			
	Workplace Childcare provision (Malaysia)	Facilities	*n/a	75
	Scholarships and bursaries for nationals of Malaysia, Indonesia, China & Liberia	MYR	22,224,981	22,134,936
	Strategic Philanthropic Giving			
	Beneficiaries benefited from contributions	Beneficiaries	> 10,000	> 57,000
	Government and Non-Government Organisations (NGO) engaged	Organisations	> 30	> 130
	Promoting Healthy Lifestyle and Developing Sporting Talent			
	Sime Darby Football Club	Malaysian Premier League	3 rd	2 nd
		Malaysia Football Association Cup	2 nd	2 nd
	Sports clinic and activities for children	Children	*n/a	216
Funds raised through sports tournaments	MYR	581,262	471,333	
Community engagements through sports	People	*n/a	250	

Note: Where projects are new, *n/a will be used in the preceding column to indicate that no measures were available during FY2011/2012

HIGHLIGHTS OF INITIATIVES

Operationalising Corporate Responsibility in Sime Darby

At Sime Darby, "Developing Sustainable Futures" means the integration and balance of economic, environmental and social considerations and requirements in the way the Group maintains, develops and grows its various businesses. The Group operationalises CR through various initiatives in key focus areas. The following examples provide an overview snapshot of the areas of CR that Sime Darby incorporates into its operations. More information on the projects are available via www.simedarby.com/cr.

Strategic Goal	Instill Performance Culture
Key Area(s)	Financial & Operational Growth
	Operational Accountability
Key Focus	Marketplace / Workplace

Quality and Lean Six Sigma (LSS)

The Group has incorporated continuous improvement methodologies within its supply chain to enhance operational efficiency. The Lean Six Sigma (LSS) exercise was established to maintain leadership in core businesses and to instil, maintain and improve performance culture. The Group's LSS Business Management Strategy Blueprint, provides the framework for planning, training, project identification and implementation for the next five years. For the period under review, 106 projects were completed, 479 Green Belts (LSS Project Managers) were trained and a total savings valued at RM 28.15 million was recorded for the Group.



The production of palm biodiesel and its distribution in selected countries are managed by Sime Darby Plantation in Carey Island and Teluk Panglima Garang, Malaysia with a combined annual capacity of 90,000 tonnes



Through Lean Six Sigma Initiatives the Group has managed to maintain and improve efficiency and performance culture



R&D on sustainable palm oil are being carried out at various facilities such as Sime Darby Plantation's R&D Centres in Carey Island and Banting, Malaysia, as well as Unimills Innovation Centre Europe in the Netherlands, Hudson and Knight Innovation Centre Africa in South Africa and Minamas Research Centre in Indonesia

106 projects

Completed under Lean Six Sigma exercise for FY2012/2013

Environment, Safety and Health (ESH)

The Sime Darby sustainability governance framework prioritises safety and health as a key measure of the Group’s performance. Safety and health initiatives are developed to ensure regulatory compliance and to promote sector leadership in health and safety culture within the operations. This is monitored and measured through an Incident Frequency Rate (FR) and a Severity Rate (SR) index, as well as other monitoring tools on accident occurrences.



The Idea House is the first carbon neutral residence in South East Asia and it embodies Sime Darby Property’s commitment towards integrating green technologies into our township development and residential designs

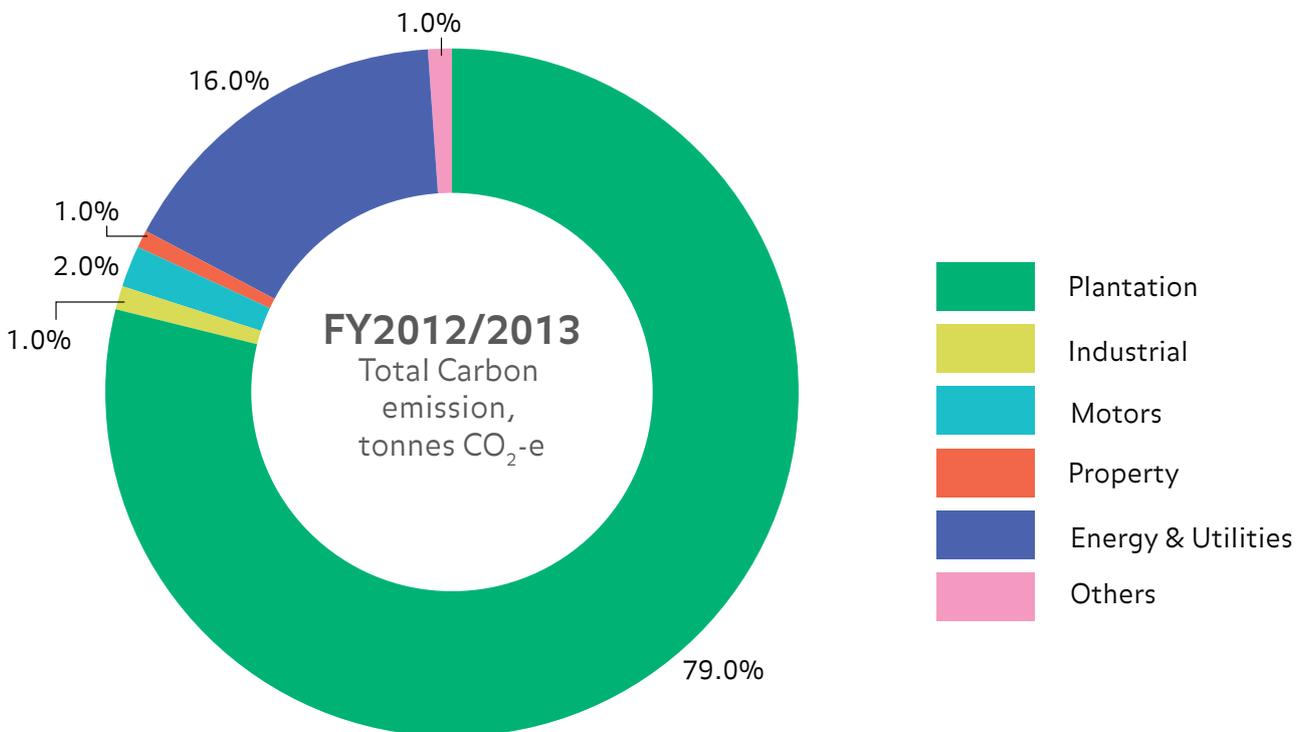
Strategic Goal	Instil Performance Culture
Key Area(s)	Environmental Management
	Operational Accountability
	Operational Responsibility
Key Focus	Marketplace / Workplace / Environment

Carbon management

The Group’s SQM departments in the various Divisions, monitor the operations’ carbon emissions through a Carbon Reduction Strategy. Through this initiative, the Group aims to reduce emission intensity to reduce costs, enhance operational effectiveness and meet customer expectations. Sime Darby’s carbon inventory includes six Divisions in eight key countries of operation: Malaysia, Indonesia, Australia, China, Thailand, Singapore, the Netherlands and South Africa. This constitutes over 95 percent of the Group’s global operations.

Biogenic emissions from renewable sources are also monitored. The reduction strategy focuses primarily on the performance of the Plantation Division which contributes the majority (around 79 per cent) of the Group’s carbon emissions. Recognising this, Plantation has committed to a 40 per cent reduction in emissions intensity (tCO₂-e/mt CPO produced) by 2020, from its 2009 baseline levels. Secondary reduction targets have also been established for other Divisions.

Sime Darby Group’s Carbon Emission



RM28.15 million

Savings recorded through implementation of Lean Six Sigma exercise for FY2012/2013

Strategic Goal	Shared Value Creation
Key Area(s)	Stakeholder Engagement
Key Focus	Workplace/Community/ Environment

Engaging Employees through Volunteerism

Acknowledging that employees are its greatest asset, the Group strives to respond to the needs of human capital development through employee engagements carried out under the Sime Darby Volunteers Programme (SDVP). The SDVP is a cross-divisional effort that aims to improve community living and livelihoods, and reduce environmental impact through collective engagements. It fosters employee esprit de corps, teamwork, camaraderie and enhances a sense of belonging to the Sime Darby Group.

Various initiatives have been conducted by the Group, ranging from volunteering efforts with orphanages, old folks homes, special needs organisations, human rights causes, as well as tree planting, recycling efforts and environmental awareness programmes.

The following table illustrates the performance indicators under Sime Darby Volunteers Programme since its inception in 2011. Further information is available on <https://volunteer.simedarby.com>

Indicators	To date
Total SDVP projects in Malaysia recorded in web portal	50
Number of volunteers registered in SDVP web portal	1,682
Number of Malaysian volunteer participation (unique)*	414
Number of volunteer hours contributed (for Malaysia)	>11,300
Other volunteer projects worldwide (to be integrated into SDVP web portal)	>30

Unique* refers to individual volunteers that have participated in at least one project.



Distribution of food aid under the soup kitchen to the homeless and urban poor around Kuala Lumpur promote better understanding of community needs and camaraderie amongst employees



'Reach Out Programme' with the patients of the Paediatric Institute, Hospital Kuala Lumpur, one of the Sime Darby Volunteers Programme (SDVP)



Collective activism efforts driven by employees include stakeholder engagement and social responsibility. Photo of Morakot employees assisting to clean up Wat Samrong Tai, Thailand



Volunteer-centric project by employees provided a platform to contribute towards community development, i.e refurbishment of Semenyih Community Centre, Malaysia under the Jalanan Ikhtiar Programme

218 paediatric patients

Engaged through Reach-Out & Read (ROaR) and Reach-Out & Create with Kids (ROCK) initiatives with 66 trained volunteers



The 'Eco-Symbiosis' sustainability project by Sime Darby Power LCP Ltd and Sime Darby O&M Ltd engaged school children and communities around Laem Chabang and Manorom, Thailand

Strategic Goal	Develop Thought Leadership
Key Area(s)	Environmental Conservation
Key Focus	Environment

Ensuring Environmental Sustainability by Conserving the Environment, Protecting the Ecosystem and Rehabilitating Endangered Species

The Group is committed to put in place sustainable practices that minimises its environmental footprint, manages natural resources and waste, while promoting energy efficiency to reduce impact on the environment. The Group's environmental conservation efforts include research and development, forest rehabilitation programmes, biodiversity research collaboration and protection of ecosystem endangered species through rehabilitation of habitats supported by Yayasan Sime Darby.



Environmental conservation and eco-awareness efforts include the tree planting activity by employees of China Engineers Ltd, Nanning, China



Tam and Puntung, two residents of Borneo Rhinoceros Sanctuary (BRS) in Sabah - sponsored by YSD in support of endangered species



'River and Trees for Life' is one of the environmental - community initiatives carried out by the employees of Sime Darby Property, Malaysia and their family members

RM11,194,097

Spent on Rehabilitation and Conservation Programmes, including protection of endangered and vulnerable species



Empowerment through education is one of Sime Darby's stakeholder-centric initiatives aimed at assisting project affected communities. This includes the provision of school infrastructure, teaching and learning aid, transportation and scholarships for the school children and youth of Liberia

Strategic Goal	Shared Value Creation
Key Area(s)	Social Responsibility
	Stakeholder Engagement
Key Focus	Community

Supporting Community Development, Advocating Human Rights and Promoting Equality and Fairness

Community development programmes at Sime Darby focuses on providing local solutions to communities in need and relevant stakeholders. The main areas driven by the Group include amongst others, creation of employment, supporting and advocating human rights, provision of shelter, public infrastructure and amenities, access to basic healthcare, alleviation of poverty, as well as international relief aid and assistance through charitable contributions.



Scholarships and bursaries are awarded by Yayasan Sime Darby to academically excellent and economically challenged students and persons with disabilities

Providing Access to Universal Education – Developing and Advancing Human Capital through Educational Opportunities

Sime Darby realises that provision of universal education assists in breaking barriers of poverty, promotes nation building and overall development of civil society. The Group has investments in educational opportunities through disbursements of YSD's Excellence Scholarships, Enrichment Scholarships, Special Support Bursary and educational assistance. In addition, the Group also provides employee children with early education through various Child Care Centres at the work place and at Sime Darby's plantations.

Promoting Sports through Development of Outstanding Talent and Encouraging Healthy Lifestyle

The Group, through YSD supports outstanding talents in Golf, Cycling, Tennis and Cricket. For the period under review, YSD invested approximately RM34,293,251 for Malaysians to excel in the field of sports and compete at the international arena. Sime Darby also encourages healthy lifestyle amongst its employees through the annual Sime Darby Group Games (SDGG). Employees from across the Group compete with each other in the spirit of camaraderie and good sportsmanship, to emerge as the Group's Champion.

Development and Preservation of Arts & Culture through Recognition of Cultural Heritage Arts

Being present in numerous countries worldwide brings forward the opportunity for Sime Darby to assist in promoting local arts and cultural heritage. Whether it is in support of artistic talents, dying arts, or integrating cultural heritage into product designs, Sime Darby acknowledges that being a member of society includes the respect for different cultures and heritage.

This section summarises the implementation of Sime Darby's CR strategy and highlights some of the initiatives undertaken. Discover more of Sime Darby CR programmes and projects at www.simedaby.com/cr

5,400 stakeholders

Engaged through various initiatives under the Child Protection Policy (CPP) Programme for FY2012/2013

Examples of CR initiative in various localities



Hastings Deering Institute of Technology Australia conducts Caterpillar's Indigenous Youths Pre-Vocational Programme that aims to provide employment opportunity for indigenous youths



CEL Hong Kong employees in the 'Sowers Action - Challenging 12 Hours', a fundraising walk to provide educational solutions for children living in rural mountainous regions of China that walk for 1-2 hours to school every day



Children of the indigenous Orang Asli of Pos Lenjang, Pahang and Pos Piah, Perak having fun in an activity during Kembara Hyundai RTM 2013 with volunteers from Hyundai - Sime Darby Motors



Children of the School Holiday Programme under the Child Protection Policy (CPP) were engaged and empowered with the knowledge, confidence and skills to enable them take action on their personal safety and well-being



Sime Darby Football Club (SDFC) celebrating the end of a victorious season in the Malaysian 2013 Premier League and their promotion to the 2014 Super League. The Football Club is part of the initiative to strengthen the nucleus of Malaysian football and promote sports excellence

AWARDS

Month	Division	Awards received	Presented / Awarded by
July 2012	Plantation	Best Rubber Plantation Management Award & CSR Award to Bukit Pilah Estate	Malaysian Rubber Board
	Motors	Car of the Year Award to Hyundai Elantra	Asian Auto Allianz Industry Awards 2012
October 2012	Plantation	National Excellent OSH Award 2012 for the Agriculture Sector to Salak Estate	National Council of Occupational Safety and Health
November 2012	Property	Property CEO of the Year' to Dato' Abd Wahab Maskan, Sime Darby Property's Managing Director	FIABCI Malaysia
	Healthcare	Industry Excellence Award in Healthcare Services to Ramsay Sime Darby Health Care (formerly known as Sime Darby Healthcare)	Malaysia Business Awards Ceremony 2012 by Kuala Lumpur Malay Chamber of Commerce
	Property	Best Villa Development (Malaysia)' Award to <i>The Residence</i> , one of the offerings under Sime Darby Property's <i>The Glades</i> development	South East Asia Property Awards 2012
December 2012	Motors	Car of the Year award (for Large SUVs) to Hyundai Santa Fe	Autocar Asean. (Automotive magazine)
	Energy & Utilities	Most Popular Graduate Employer Finalist' award for the Energy, Oil & Gas and Utilities sector to Sime Darby Energy & Utilities	GTI Media, (in recognition of Malaysia's 100 Leading Graduate Employers 2012)
	Plantation	Best Estate Award (in the 1,001-4,000 ha category) in Peninsular Malaysia to Kempas Estate	Anugerah Industri Kelapa Sawit Malaysia by Malaysian Palm Oil Board
January 2013	Group Head Office	Winner of General Counsel Award (for General Commercial) to Ms Choo Suit Mae General Counsel Sime Darby Berhad	International Law Office (ILO) Asia Pacific
	Property	Runner-up for 'Best Clubhouse in Asia Pacific' to KLGCC	Regional Asian Golf Monthly Awards 2012



Month	Division	Awards received	Presented / Awarded by
February 2013	Motors	Ford's 2012 Record Sales Year Award to Sime Darby Auto Connexion - the Ford Distributor for Malaysia	Ford Motor Company
	Plantation	No. 1 leading palm oil brand in Thailand to Morakot	Consumer-based survey conducted by Marketeer, one of Thailand's most respected magazines
	Industrial	Caring Company Award to CEL (Hong Kong)	Hong Kong Council of Social Service (HKCSS) in recognition of CEL corporate citizenship and support for public welfare.
April 2013	Property	Gold Award (property development category) to Sime Darby Property (4 th consecutive year)	Putra Brand Awards
	Property	'Golf Club of the Year' to KLGCC (3 rd consecutive year)	Annual ParGolf Awards
May 2013	Healthcare	Excellence in Electronic Medical Record (EMR) Implementation Award to Ramsay Sime Darby Health Care (formerly known as Sime Darby Healthcare)	2013 Frost & Sullivan Malaysia Excellence Award
	Plantation	'Trusted Brand Award 2013' for the 10th consecutive year to Morakot	Reader's Digest (Thailand)
	Plantation	Supplier of the Year' (dry goods) Award to Sime Darby Hudson & Knight (South Africa)	Famous Brands 2013
June 2013	Group Head Office	Best Chief Financial Officer for Investors Relations 2013 to Madam Tong Poh Keow, Group Chief Financial Officer (category-largest 30 stocks in Malaysia by market capitalisation)	Malaysia Investor Relations Association (MIRA)
	Group Head Office	Winner of Quality of Annual Report/ Formal Disclosure 2013	Malaysia Investor Relations Association (MIRA)
	Property	Business Continuity Institute (BCI) Asia Top 10 developers Award to Sime Darby Property	BCI Asia



CORPORATE DIARY

2012

July

Caterpillar Machines Delivered to Penjom Mine

Tractors Malaysia, a Caterpillar dealership under Sime Darby Industrial, delivered the first batch of machines ordered by PT J Resources Nusantara at Penjom Gold Mine, Kuala Lipis. The machines, comprising three Cat 77E Off-Highway Trucks, were delivered at a handover ceremony on 27 July 2012.

Acquisition of new Porsche dealership in Sydney

Sime Darby Motors' Australian operations acquired the Porsche Centre Parramatta dealership, representing its first venture into the retail sector with a prestigious brand. The new dealership commenced operations on 31 July 2012.

August

iPhone App for Healthcare

Ramsay Sime Darby Health Care (formerly known as Sime Darby Healthcare) became the first private healthcare provider in Malaysia to develop an iPhone application with the launch of the Ramsay Sime Darby Health Care iPhone App on 14 August 2012.



September

All-new Ford Focus debuts in Malaysia

Sime Darby Auto Connexion, the distributor for Ford vehicles in Malaysia, launched the new fuel-efficient Ford Focus to the Malaysian public.

October

Ramsay Sime Darby Health Care (formerly known as Sime Darby Healthcare) Introduces the Wellness System for Golfers

The Wellness System for Golfers, introduced in collaboration with MST Golf and KLGCC was launched on 4 October 2012. The healthcare packages designed aims to promote the recovery and quality of life through innovative and caring health services.

SEM Wheel Loaders Unveiled

Shandong Equipment Malaysia Sdn Bhd (SEM), a company under Sime Darby Industrial, launched the SEM Wheel Loaders at the Tractors Malaysia branch in Ipoh. Held on 17 October 2012, the event saw the unveiling of compact, small and mid-sized wheel loaders to the Malaysian market.

Sime Darby Contributes to Liberians

An allocation of USD420,000 (RM1.29 million) was made by the Sime Darby Group for scholarships and bursaries to 27 Liberians as financial aid to help in their pursuit of tertiary education.

November**Sime Darby Property to develop Malaysia's First Multi-Varsity Education Hub**

Sime Darby Property, through four Special Purpose Vehicles (SPV), signed concession agreements with the Malaysian Government and four institutions of higher learning to build the country's first Multi-Varsity Education Hub in Pagoh. Held on 7 November 2012, the signing ceremony was witnessed by Deputy Prime Minister, Tan Sri Muhyiddin Yassin, and Minister of Higher Education, Dato' Seri Mohamed Khaled Nordin.

Sime Darby Property received the ISO 50001: 2011 certification from SIRIM QAS International Sdn Bhd

Sime Darby Property became the first organisation in Malaysia to receive the ISO15000:2011 certification from SIRIM QAS International for successfully implementing an energy management system on its property assets. Despite being a 20 year-old building, Wisma Sime Darby, where the Group Head Office is located, managed to obtain this Gold Standard in Energy Management System.

**December****Tractors Malaysia Organised the Construction and Infrastructure Equipment Exhibition (CIEX)**

For the first time, Tractors Malaysia organised CIEX, the biggest Caterpillar heavy equipment exhibition in Malaysia. Held at the Tractors Engineering Complex in Puchong from 5-8 December 2012, CIEX showcased over 30 Caterpillar heavy equipment, products and services. Tractors Malaysia also launched the Cat 773E Off-Highway Trucks and Cat 740B Articulated Dumb Trucks in conjunction with the exhibition.

ParkCity Medical Centre (formerly known as Sime Darby Medical Centre ParkCity) Opens

Ramsay Sime Darby Health Care's (formerly known as Sime Darby Healthcare) soft launch of its third medical centre, PMC, took place on 12 December 2012. The 300-bed hospital is a full-fledged multi-disciplinary hospital focusing on women and children's health as well as elderly health.

CEL Clinches Mining Equipment Deal with Xinjiang Construction Company

CEL secured the sale of mining equipment to Qing'an, one of the contractors for the Shenhua Group, the largest coal production company in the world. The mining equipment purchased include six units of Cat 793D Off-Highway Trucks (OHT), 14 units of 777D OHTs, one 6040 electric-drive hydraulic shovel and five units of Cat 390D Hydraulic excavators. These, together with six units of Cat 777D OHTs sold in 2011, represents CEL's strength and capability in serving mining customers in Xinjiang.

Weifang Sime Darby Port Co Ltd (WSDP) Launches Container Line Operations

WSDP, the first container handling service provider in Weifang City and the sole port operator of container lines in Shandong's Yellow River Delta, reached a milestone with the launch of its container line operations. The launch also signified the inaugural shipment of containers for Weifang Port and allows the port to offer customers a convenient and cost-efficient shipping option into the hinterland areas of the central Shandong province.

First MINI Showroom Opens in Changsha, China

Sime Darby Motors opened its first MINI showroom in Changsha, China. The showroom is equipped with comprehensive MINI-styled facilities and displays the newest range of MINI models.

CORPORATE DIARY

2013

January

Inaugural Sales Launch in Malaysia for Battersea Power Station

The Malaysian sales launch for the Battersea Power Station redevelopment project in London was officiated by Dato' Seri Chor Chee Heung, Minister of Housing and Local Government on 12 January 2013 at the Setia International Centre in Bangsar. Sime Darby Property, together with consortium partners S P Setia and Employees Provident Fund are redeveloping the iconic 39-acre site in London.

February

Sime Darby Motors Takes Over Citroen

Sime Darby Motors took over the operations of Citroen under a global Peugeot-Citroen plan to combine both brands under a single distributorship in Australia and New Zealand.



March**Housing Scheme for Plantation Workers**

The Sime Darby Plantation Housing Scheme, a new housing initiative for current and retired Malaysian plantation workers in Carey Island, was launched by the Prime Minister of Malaysia, Dato' Sri Mohd Najib bin Tun Abdul Razak on 8 March 2013. This scheme is a collaborative effort between Sime Darby Property, Sime Darby Plantation and Yayasan Sime Darby.

Joint Venture with Ramsay Health Care Ltd Announced

Sime Darby Berhad entered into a joint venture agreement with Australia's largest private hospital group, Ramsay Health Care Ltd, on 26 March 2013. The joint venture entity, called Ramsay Sime Darby Health Care (RSDHC), consolidates all Sime Darby's portfolio of healthcare assets in Malaysia with Ramsay's three hospitals in Indonesia.

Going Pink for Charity

Tractors Malaysia initiated the Pink Xcavator for Cancer Research (PIXCR) programme in an effort to promote cancer awareness and raise RM100,000 for the Cancer Research Initiative Foundation (CARIF). Under this programme, a Caterpillar 320D Hydraulic Excavator which has been painted pink is available for rental to Tractors Malaysia's customers for a 12-month period beginning March 2013.

Sime Darby Property Launches 'Green Heart - Young Sustainability Ambassador Programme'

The 'Green Heart - Sime Darby Property Young Sustainability Ambassador Programme' was launched on 25 March 2013 to empower employees' children to learn the importance of sustainable living as well as preservation of the earth and the environment. The programme also aims to inculcate social and leadership skills among the children.

April**New Range Rover Model Unveiled**

Range Rover (Malaysia) introduced its new Range Rover model to the Malaysian market. This model features the world's first all-aluminium monocoque body.

May**Sime Darby Property Launches Affordable Homes at Bandar Bukit Raja**

Phase One of Sime Darby Property's Affordable Homes in Bandar Bukit Raja, comprising 321 units of double-storey terrace homes, was launched by the Prime Minister of Malaysia, Dato' Sri Mohd Najib Tun Abdul Razak on 3 May 2013.

June**Motors Division Launches Three New Models**

Sime Darby Motors introduced three new models to the Malaysian market:

- Ford presented its latest addition to its Malaysian line-up, the segment-redefining Ford Kuga.
- Hyundai Santa Fe (Malaysia) and Hyundai-Sime Darby Motors unveiled the Inokom Santa Fe, a seven-seater mid-sized Sport Utility Vehicle (SUV), licensed by Hyundai.
- BMW launched the MINI Countryman from the Inokom assembly line.



STATEMENT ON DIRECTORS' RESPONSIBILITY

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

The Directors consider that in preparing the financial statements for the financial year ended 30 June 2013 set out on pages 195 to 353, the Group has used the appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates. The Directors have responsibility for ensuring that the Group and the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Group and the Company and enable them to secure 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 24 September 2013.



**REPORTS AND
FINANCIAL
STATEMENTS
FOR THE
YEAR ENDED
30 JUNE 2013**

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DIRECTORS' REPORT

For the financial year ended 30 June 2013

The Directors are pleased to present their Report together with the audited financial statements of the Group and of the Company for the financial year ended 30 June 2013.

Principal Activities

The Company is principally an investment holding company. The principal activities of the subsidiaries, jointly controlled entities and associates are as stated in Note 54 to the financial statements.

The principal activities of the Group were previously divided into six businesses namely, Plantation, Property, Industrial, Motors, Energy & Utilities and Healthcare. Following the completion of a joint venture arrangement on the Healthcare business on 30 June 2013, the Group has reclassified Healthcare as part of other businesses. Details of the joint venture arrangement are described in the section on Changes in Group Composition in this Report.

Other than the above, there were no significant changes in the nature of the Group's activities during the financial year.

Financial Results

The results of the Group and of the Company for the financial year ended 30 June 2013 are as follows:

	Group RM million	Company RM million
Profit before tax	4,462.2	1,708.0
Tax expense	(983.0)	1.8
Profit from continuing operations	3,479.2	1,709.8
Profit from discontinued operations	352.4	-
Profit for the year	<u>3,831.6</u>	<u>1,709.8</u>
Attributable to owners of :		
- the Company		
- from continuing operations	3,348.2	1,709.8
- from discontinued operations	352.4	-
	<u>3,700.6</u>	<u>1,709.8</u>
- non-controlling interests	131.0	-
Profit for the year	<u>3,831.6</u>	<u>1,709.8</u>

Dividends

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

	RM million
a. Final single tier dividend of 25.0 sen per share paid on 14 December 2012 in respect of the financial year ended 30 June 2012; and	<u>1,502.4</u>
b. Interim single tier dividend of 7.0 sen per share paid on 10 May 2013 in respect of the financial year ended 30 June 2013	<u>420.7</u>

On 29 August 2013, the Directors recommended the payment of a final single tier dividend of 27.0 sen per share for the financial year ended 30 June 2013 amounting to RM1,622.6 million (final dividend). The entitlement and payment dates for the final dividend will be announced later. The proposed final dividend is subject to the approval of the shareholders of the Company at the forthcoming Annual General Meeting.

Dividends (continued)

Subject to the relevant regulatory approvals and the shareholders' approval being obtained at an Extraordinary General Meeting to be convened, the Company proposes to undertake a dividend reinvestment plan (Proposed DRP). The Directors have determined that the Proposed DRP, if approved, will apply to the final dividend and shareholders of the Company will be given an option to elect to reinvest the entire final dividend in new ordinary share(s) of RM0.50 each in the Company (Sime Darby Shares) in accordance with the Proposed DRP. The Directors have also determined that the issue price of the new Sime Darby Shares to be issued pursuant to the final dividend will be at a 5% discount to the volume weighted average market price of the Sime Darby Shares for the 5 market days immediately prior to the price fixing date, which will be announced later.

Reserves and Provisions

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

Share Capital and Debentures

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

Performance-Based Employee Share Scheme

At the Extraordinary General Meeting held on 8 November 2012, the Company's shareholders approved the establishment of a performance-based employee share scheme (the Scheme) under which new ordinary shares of RM0.50 each in the Company will be granted to eligible employees and executive directors of the Group. The Scheme was effected on 15 January 2013 following the submission of the By-Laws for the Scheme to Bursa Malaysia Securities Berhad, the receipt of all required approvals and the compliance with the requirements pertaining to the Scheme.

The salient features of the Scheme are as disclosed in Note 36 to the financial statements. As at the date of this Report, the Company has yet to grant any shares under the Scheme.

Changes in Group Composition

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

a. Plantation

On 17 December 2012, Sime Darby Plantation Sdn Bhd completed the disposal of its entire 49% equity interest in Tenom Crumb Sdn Bhd to Sabah Rubber Industry Board for a cash consideration of RM3.0 million.

b. Property

- i. On 4 July 2012, the Group, S P Setia Berhad and Kwasa Global (Jersey) Limited entered into a Subscription and Shareholders' Agreement to regulate their participation in Battersea Project Holding Company Limited (BPHC), a company established in Jersey in the agreed proportion of 40%, 40% and 20%, respectively. BPHC via its subsidiary, Battersea Project Land Company Limited, completed the acquisition of the Battersea Power Station site in London, United Kingdom on 4 September 2012 for GBP400.0 million (equivalent to RM1,972.0 million).
- ii. On 6 November 2012, Sime Darby Johor Development Sdn Bhd (SDJD), Tunas Selatan Pagoh Sdn Bhd (TSP) and Sime Darby Property Selatan Sdn Bhd (SDPS) entered into a Shareholders' Agreement to regulate the relationship between SDJD and TSP as shareholders of SDPS for the development of the Pagoh Education Hub. SDPS, via four wholly owned subsidiaries, had on 7 November 2012, entered into four separate concession agreements (CAs) with Universiti Tun Hussein Onn Malaysia, International Islamic University Malaysia, Universiti Teknologi Malaysia and the Government of Malaysia to undertake the planning, design, financing, construction, landscaping, equipping, installation, completion, testing and commissioning of facilities and infrastructure, including carrying out the asset management services for the respective universities and Pagoh Polytechnic and the shared facilities, collectively known as the Pagoh Education Hub on a Private Finance Initiative basis under the concept of "Build-Lease-Maintain-Transfer". The concession period of the CAs is twenty three years, including the construction period of three years.
- iii. On 27 May 2013, Sime Darby Property (Amston) Pte Ltd completed the disposal of its entire 49% equity interest in Bluefields Investments Pte Ltd to Mount Claremont Investments Pte Ltd for a cash consideration of SGD3.5 million (equivalent to RM8.7 million).

Changes in Group Composition (continued)

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

c. Industrial

On 9 July 2012, Hastings Deering (Australia) Ltd acquired 31.67% of the equity interest in Nova Power Pty Ltd (Nova Power) and on 21 June 2013, increased its interest to 33.70% for a total cash consideration of AUD2.4 million (equivalent to RM7.5 million). The principal activity of Nova Power is the provision of low emission power to support electricity distribution networks.

d. Motors

On 3 July 2012, Sime Darby Motors Group (Australia) Pty Limited acquired 2 ordinary shares of AUD1.00 each in Sime Darby Motors Retail (Australia) Pty Limited (SDMRA), representing the entire issued and paid-up share capital of SDMRA at par for cash. The principal activity of SDMRA is to operate motor dealerships in Australia. On 6 July 2012, SDMRA completed the acquisition of Porsche Centre Parramatta, Sydney for a cash consideration of AUD4.3 million (equivalent to RM14.0 million).

e. Energy & Utilities

- i. On 17 October 2012, Sime Darby Marine (Hong Kong) Pte Ltd completed the disposal of its entire 50% equity interest in Halani Sime Offshore (L) Inc to Halani International Ltd for a cash consideration of HKD17.4 million (equivalent to RM7.0 million).
- ii. On 6 November 2012, Sime Darby Energy Sdn Bhd (SDE) completed the acquisition of the remaining 30% equity interest in Chubb Malaysia Sendirian Berhad from Gunnebo Holdings APS for a cash consideration of RM8.8 million.
- iii. On 29 November 2012, Sime Darby Overseas (HK) Limited (SDOHK) entered into equity purchase agreements for the acquisition of the remaining 51% equity interest in its jointly controlled entities, Weifang Weigang Dredging Project Co Ltd (WWDP) and Weifang Weigang Tugboat Services Co Ltd from Beijing Yintong Guoji Investment Advisory Co Ltd for a cash consideration of RMB36.7 million and RMB15.3 million respectively (equivalent to RM18.4 million and RM7.7 million respectively). Consequently, both entities and Weifang Binhai Haiwei Dredging Project Co Ltd, subsidiary of WWDP, became subsidiaries of the Group.
- iv. On 2 January 2013, SDE completed the disposal of its entire equity interest of 50% + 1 share in Sime-SIRIM Technologies Sdn Bhd to SIRIM Berhad for a cash consideration of RM9.9 million.
- v. On 14 May 2013, SDE completed the disposal of its entire 40% equity interest in Mustang Sime Darby Sdn Bhd to Mustang Engineering Limited for a cash consideration of RM0.5 million.
- vi. On 28 June 2013, Weifang Sime Darby West Port Co Ltd (WSDWP), Weifang Sime Darby Liquid Terminal Co Ltd (WSDLT) and Weifang Sime Darby General Terminal Co Ltd (WSDGT) were incorporated in China with the registered share capital of RMB200 million each held by SDOHK (99%) and Weifang Sime Darby Port Co Ltd (1%). The principal activities of WSDWP and WSDGT are port construction, management and operation while the principal activities of WSDLT are construction, management and operation of a liquid terminal.

f. Healthcare

On 26 March 2013, Sime Darby Holdings Berhad (SDH) entered into an arrangement with AH Holdings Health Care Pty Ltd (AHHC), a wholly owned subsidiary of Ramsay Health Care Ltd, to establish a joint venture, whereby SDH will divest its healthcare and education business (held under Sime Darby Healthcare Sdn Bhd), and AHHC will also divest its Indonesian healthcare business into Sime Darby Global Healthcare Sdn Bhd (SDGH). Arising from the divestments, both SDH and AHHC, as joint venturers will each have an equal shareholding in SDGH and, in addition, SDH will also receive a cash consideration of RM390.0 million. SDGH was renamed Ramsay Sime Darby Health Care Sdn Bhd on 12 April 2013.

The arrangement was completed on 30 June 2013 and the Group received a partial payment of RM187.3 million of the total cash consideration of RM390.0 million on 1 July 2013. The balance of RM202.7 million shall be paid over a three-year period. Consequent to the completion of the arrangement, the Group recognised a gain of RM340.6 million.

The joint venture is part of the Group's strategy to accelerate the growth plans of its healthcare business to penetrate and capture the rapidly growing opportunities in Asia.

Changes in Group Composition (continued)

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

g. Others

- i. On 3 December 2012, Sime Darby Global Berhad (SDG) was incorporated in Malaysia. Its entire issued and paid-up share capital is held by SDH. The principal activities of SDG comprise the establishment of a multi-currency Islamic securities programme and to undertake all transactions in relation thereof.
- ii. On 3 December 2012, Sime Darby Allied Products Berhad completed the acquisition of the remaining 30% equity interest in Sime Rengo Packaging (M) Sdn Bhd (SRP) from Rengo Company Limited for a cash consideration of RM14.2 million. SRP changed its name to Sime Darby Packaging Sdn Bhd on 11 January 2013.

Directors

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

Dato' Abdul Ghani Othman (Chairman) (Appointed on 1 July 2013)

Tan Sri Dato' Sri Hamad Kama Piah Che Othman (Deputy Chairman)

Tan Sri Samsudin Osman

Tan Sri Dato' Sri Dr Wan Abdul Aziz Wan Abdullah (Appointed on 10 December 2012)

Tan Sri Dato' Dr Wan Mohd Zahid Mohd Noordin

Tan Sri Datuk Amar (Dr) Tommy Bugo @ Hamid Bugo

Tan Sri Datuk Dr Yusof Basiran

Tan Sri Dato' Mohd Bakke Salleh

Datuk Zaiton Mohd Hassan

Dato Sri Lim Haw Kuang

Dato' Henry Sackville Barlow

Dato' Azmi Mohd Ali

Ir Dr Muhamad Fuad Abdullah (Appointed on 4 February 2013)

Tun Musa Hitam (Retired on 8 November 2012)

Dato' Sreesanthan Eliathamby (Retired on 8 November 2012)

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 6(c) to the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he or she is a member, or with a company in which he or she has a substantial financial interest except for any benefits which may be deemed to have arisen from the transactions disclosed in Note 50 to the financial statements.

Directors' Interests in Shares

According to the Register of Directors' Shareholdings, the Director who held office at the end of the financial year and has interest in shares in or debentures of the Company is as follows:

	Number of ordinary shares of RM0.50 each			
	At date of appointment	Addition	Disposal	At 30 June 2013
Ir Dr Muhamad Fuad Abdullah	1,060	-	-	1,060

Directors' Interests in Shares (continued)

Other than as disclosed above, the Directors in office who held participatory interest made available by a subsidiary of the Company up to the date of this Report are as follows:

Kuala Lumpur Golf & Country Club Berhad

Participatory interests	Type of membership
Dato' Abdul Ghani Othman	Honorary
Tan Sri Samsudin Osman	Honorary
Tan Sri Dato' Dr Wan Mohd Zahid Mohd Noordin	Honorary
Tan Sri Datuk Amar (Dr) Tommy Bugo @ Hamid Bugo	Honorary
Tan Sri Datuk Dr Yusof Basiran	Honorary
Tan Sri Dato' Mohd Bakke Salleh	Honorary
Dato Sri Lim Haw Kuang	Honorary
Dato' Henry Sackville Barlow	Honorary
Dato' Azmi Mohd Ali	Honorary
Ir Dr Muhamad Fuad Abdullah	Honorary

Statutory Information on the Financial Statements

- a. Before the statements of profit or loss, comprehensive income and financial position of the Group and of the Company were made out, the Directors took reasonable steps:
 - i. to ascertain that proper action had been taken in relation to the writing off of bad debts and the impairment for doubtful debts, and satisfied themselves that all known bad debts had been written off and adequate impairment had been made for doubtful debts; and
 - ii. to ensure that any current assets, which were unlikely to realise in the ordinary course of business, their values as shown in the accounting records of the Group and of the Company, have been written down to amounts which they might be expected to realise.
- b. At the date of this Report, the Directors are not aware of any circumstances:
 - i. which would render the amount written off for bad debts or the amount of impairment for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
 - ii. which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
 - iii. which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- c. As at the date of this Report:
 - i. there are no charges on the assets of the Group and of the Company which have arisen since the end of the financial year to secure the liability of any other person; and
 - ii. there are no contingent liabilities in the Group and in the Company which have arisen since the end of the financial year other than those arising in the ordinary course of business.
- d. At the date of this Report, the Directors are not aware of any circumstances not otherwise dealt with in the Report or financial statements which would render any amount stated in the financial statements misleading.
- e. No contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

Statutory Information on the Financial Statements (continued)

- f. In the opinion of the Directors:
- i. the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature except for the effect of the joint venture and divestment of the Healthcare business as stated in Note 13 to the financial statements; and
 - ii. no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this Report which is likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this Report is made.

Immediate and Ultimate Holding Companies

The Directors regard Permodalan Nasional Berhad as its immediate holding company and Yayasan Pelaburan Bumiputra as its ultimate holding company. Both companies are incorporated in Malaysia.

Auditors

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

Signed in accordance with a resolution of the Board of Directors dated 24 September 2013



Dato' Abdul Ghani Othman
Chairman



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

Kuala Lumpur
24 September 2013

STATEMENT BY DIRECTORS

Pursuant to Section 169 (15) of the Companies Act, 1965

We, Dato' Abdul Ghani Othman and Tan Sri Dato' Mohd Bakke Salleh, two of the Directors of Sime Darby Berhad, do hereby state that, in the opinion of the Directors, the financial statements set out on pages 195 to 353 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 2013 and of the results and the cash flows of the Group and of the Company for the financial year ended on that date, in accordance with the Financial Reporting Standards issued by the Malaysian Accounting Standards Board and the provisions of the Companies Act, 1965.

The supplementary information set out in Note 57 on page 354 have been prepared in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

Signed in accordance with a resolution of the Board of Directors dated 24 September 2013



Dato' Abdul Ghani Othman
Chairman



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

Kuala Lumpur
24 September 2013

STATUTORY DECLARATION

Pursuant to Section 169 (16) of the Companies Act, 1965

I, Tong Poh Keow, the officer primarily responsible for the financial management of Sime Darby Berhad, do solemnly and sincerely declare that the financial statements set out on pages 195 to 353 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.



Tong Poh Keow
(MIA 4625)
Group Chief Financial Officer

SUBSCRIBED AND SOLEMNLY DECLARED by the abovenamed Tong Poh Keow, at Kuala Lumpur, Malaysia on 24 September 2013.

Before me,



S. Inderaju
Commissioner for Oaths (No. W451)
Kuala Lumpur



**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF SIME DARBY BERHAD**
(Incorporated in Malaysia)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Sime Darby Berhad on pages 195 to 353, which comprise the statements of financial position as at 30 June 2013 of the Group and of the Company, and the statements of profit or loss, comprehensive income, changes in equity and cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on Notes 1 to 56.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The Directors are also responsible for such internal control as the Directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of 30 June 2013 and of their financial performance and cash flows for the year then ended in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.



**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF SIME DARBY BERHAD (CONTINUED)**

(Incorporated in Malaysia)

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act, 1965 (the Act) in Malaysia, we also report the following:

- a. In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.
- b. We have considered the financial statements and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 54 to the financial statements.
- c. We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- d. The audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

OTHER REPORTING RESPONSIBILITIES

The supplementary information set out in Note 57 on page 354 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad (Bursa Malaysia) and is not part of the financial statements. The Directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Listing Requirements, as issued by the Malaysian Institute of Accountants (MIA Guidance) and the directive of Bursa Malaysia. In our opinion, the supplementary information is prepared in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

A handwritten signature in black ink, appearing to read 'PricewaterhouseCoopers', written over a horizontal line.

PRICEWATERHOUSECOOPERS
(No. AF: 1146)
Chartered Accountants

Kuala Lumpur
24 September 2013

A handwritten signature in black ink, appearing to read 'Mohammad Faiz Bin Mohammad Azmi', written over a horizontal line.

MOHAMMAD FAIZ BIN MOHAMMAD AZMI
(No. 2025/03/14 (J))
Chartered Accountant

STATEMENTS OF PROFIT OR LOSS

For the financial year ended 30 June 2013

Amounts in RM million unless otherwise stated

	Note	Group		Company	
		2013	2012	2013	2012
Revenue	5	46,812.3	47,254.5	1,685.0	2,733.3
Operating expenses	6	(43,689.4)	(42,790.8)	(88.2)	(15.0)
Other operating income	7	1,518.2	1,323.1	76.0	10.9
Operating profit		4,641.1	5,786.8	1,672.8	2,729.2
Share of results of jointly controlled entities	8(a)	25.9	14.2	-	-
Share of results of associates	9(a)	115.2	100.4	-	-
Profit before interest and tax		4,782.2	5,901.4	1,672.8	2,729.2
Finance income	10	127.3	178.6	197.2	160.3
Finance costs	11	(447.3)	(385.5)	(162.0)	(227.7)
Profit before tax		4,462.2	5,694.5	1,708.0	2,661.8
Tax expense	12	(983.0)	(1,301.7)	1.8	16.1
Profit from continuing operations		3,479.2	4,392.8	1,709.8	2,677.9
Profit/(loss) from discontinued operations (net of tax)	13(a)	352.4	(46.4)	-	-
Profit for the year		3,831.6	4,346.4	1,709.8	2,677.9
Profit/(loss) for the year attributable to owners of:					
- the Company					
from continuing operations		3,348.2	4,196.6	1,709.8	2,677.9
from discontinued operations		352.4	(46.4)	-	-
		3,700.6	4,150.2	1,709.8	2,677.9
- non-controlling interests		131.0	196.2	-	-
		3,831.6	4,346.4	1,709.8	2,677.9
		Sen	Sen		
Earnings/(loss) per share attributable to owners of the Company:	14				
Basic					
- from continuing operations		55.72	69.83		
- from discontinued operations		5.86	(0.77)		
		61.58	69.06		
Diluted					
- from continuing operations		55.71	69.83		
- from discontinued operations		5.86	(0.77)		
		61.57	69.06		

The notes on pages 206 to 353 form an integral part of these financial statements.

STATEMENTS OF COMPREHENSIVE INCOME

For the financial year ended 30 June 2013

Amounts in RM million unless otherwise stated

Note	Group		Company	
	2013	2012	2013	2012
Profit for the year	3,831.6	4,346.4	1,709.8	2,677.9
Other comprehensive income/(loss)				
<u>Items that will be reclassified subsequently to profit or loss</u>				
Currency translation differences:				
- subsidiaries	(639.0)	14.0	-	-
- jointly controlled entities	(7.9)	(6.0)	-	-
- associates	(7.9)	(1.3)	-	-
Net change in fair value of:				
- available-for-sale investments	17.1	33.9	-	-
- cash flow hedges	57.0	(149.1)	-	-
Share of other comprehensive income of:				
- jointly controlled entities	9.9	-	-	-
- associates	0.8	5.5	-	-
Tax expense	(13.8)	15.4	-	-
	(583.8)	(87.6)	-	-
<u>Items that will not be reclassified subsequently to profit or loss</u>				
Actuarial losses on defined benefit pension plans	(19.0)	(33.1)	-	-
Share of actuarial losses on defined benefit pension plans of a jointly controlled entity	(48.0)	-	-	-
Tax expense	2.8	(3.0)	-	-
	(64.2)	(36.1)	-	-
<u>Reclassification adjustments from equity</u>				
Reclassified to profit or loss:				
- currency translation differences on:				
- repayment of investment in subsidiaries	17.7	-	-	-
- disposal/liquidation of subsidiaries	-	(9.5)	-	-
- changes in fair value on disposal of available-for-sale investment	(0.2)	(36.7)	-	-
- changes in fair value of cash flow hedges as adjustment to revenue and other income	(114.0)	(4.8)	-	-
Reclassified changes in fair value of cash flow hedges to inventories	0.6	(11.9)	-	-
Tax expense	35.2	11.0	-	-
	(60.7)	(51.9)	-	-

Statements of Comprehensive Income
For the financial year ended 30 June 2013 (continued)

Amounts in RM million unless otherwise stated

	Note	Group		Company	
		2013	2012	2013	2012
Total other comprehensive loss from continuing operations		(708.7)	(175.6)	-	-
Other comprehensive loss from discontinued operations	13	-	(4.6)	-	-
	16	(708.7)	(180.2)	-	-
Total comprehensive income for the year		3,122.9	4,166.2	1,709.8	2,677.9
Total comprehensive income/(loss) for the year attributable to owners of:					
- the Company					
from continuing operations		2,652.6	4,022.3	1,709.8	2,677.9
from discontinued operations		352.4	(51.0)	-	-
		3,005.0	3,971.3	1,709.8	2,677.9
- non-controlling interests		117.9	194.9	-	-
		3,122.9	4,166.2	1,709.8	2,677.9

The notes on pages 206 to 353 form an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION

As at 30 June 2013

Amounts in RM million unless otherwise stated

	Note	Group		Company	
		2013	2012	2013	2012
NON-CURRENT ASSETS					
Property, plant and equipment	17	14,096.4	14,003.7	-	-
Biological assets	18	2,498.5	2,417.1	-	-
Prepaid lease rentals	19	1,141.1	1,115.9	-	-
Investment properties	20	633.4	374.8	-	-
Land held for property development	21	864.2	835.2	-	-
Subsidiaries	22	-	-	6,325.4	6,059.1
Jointly controlled entities	8(b)	1,295.8	284.1	-	-
Associates	9(b)	1,585.8	1,492.4	-	-
Available-for-sale investments	23	118.7	111.8	-	-
Intangible assets	24	915.0	864.5	-	-
Deferred tax assets	25	924.0	819.6	-	-
Tax recoverable		391.0	331.8	-	-
Derivatives	26	136.9	3.2	-	-
Receivables	27	656.5	442.2	4,942.2	1,700.0
		25,257.3	23,096.3	11,267.6	7,759.1
CURRENT ASSETS					
Inventories	28	8,714.5	9,491.9	-	-
Property development costs	29	2,068.3	1,764.3	-	-
Receivables	27	6,057.2	6,932.0	6,754.9	8,393.5
Accrued billings and others	30	1,244.2	1,561.6	-	18.0
Tax recoverable		287.1	128.7	-	-
Derivatives	26	45.3	28.6	-	-
Cash held under Housing Development Accounts	32	560.3	540.9	-	-
Bank balances, deposits and cash	33	4,093.5	4,564.7	317.5	315.1
		23,070.4	25,012.7	7,072.4	8,726.6
Non-current assets held for sale	34	130.4	42.2	-	-
TOTAL ASSETS		48,458.1	48,151.2	18,340.0	16,485.7

Statements of Financial Position
As at 30 June 2013 (continued)

Amounts in RM million unless otherwise stated

	Note	Group		Company	
		2013	2012	2013	2012
EQUITY					
Share capital	35	3,004.7	3,004.7	3,004.7	3,004.7
Share premium		100.6	100.6	100.6	100.6
Reserves	37	7,228.9	7,855.4	5,725.1	5,725.1
Retained profits		16,762.1	15,055.4	3,964.1	4,177.4
ATTRIBUTABLE TO OWNERS OF THE COMPANY		27,096.3	26,016.1	12,794.5	13,007.8
Non-controlling interests		884.8	873.8	-	-
TOTAL EQUITY		27,981.1	26,889.9	12,794.5	13,007.8
NON-CURRENT LIABILITIES					
Borrowings	38	7,993.4	3,930.8	2,400.0	1,700.0
Finance lease obligation	39	157.8	-	-	-
Payables	40	-	-	2,529.5	-
Provisions	41	92.0	83.6	-	-
Retirement benefits	42	154.5	124.7	-	-
Deferred income	43	291.0	183.7	-	-
Deferred tax liabilities	25	642.2	537.1	3.2	-
Derivatives	26	1.9	52.7	-	-
		9,332.8	4,912.6	4,932.7	1,700.0
CURRENT LIABILITIES					
Payables	40	8,235.8	9,432.4	112.8	127.9
Progress billings and others	44	80.0	64.5	-	-
Borrowings	38	2,092.2	5,872.6	500.0	1,650.0
Finance lease obligation	39	6.5	-	-	-
Provisions	41	233.5	383.6	-	-
Deferred income	43	61.6	51.2	-	-
Tax payable		229.3	431.7	-	-
Derivatives	26	115.0	112.7	-	-
		11,053.9	16,348.7	612.8	1,777.9
Liabilities associated with assets held for sale	34	90.3	-	-	-
TOTAL LIABILITIES		20,477.0	21,261.3	5,545.5	3,477.9
TOTAL EQUITY AND LIABILITIES		48,458.1	48,151.2	18,340.0	16,485.7

The notes on pages 206 to 353 form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 30 June 2013

Amounts in RM million unless otherwise stated

Group 2013	Note	Share capital	Share premium	Reserves	Retained profits	Attributable to owners of the Company	Non- controlling interests	Total equity
At 1 July 2012		3,004.7	100.6	7,855.4	15,055.4	26,016.1	873.8	26,889.9
Profit for the year		-	-	-	3,700.6	3,700.6	131.0	3,831.6
Other comprehensive loss for the year	16	-	-	(631.7)	(63.9)	(695.6)	(13.1)	(708.7)
Total comprehensive (loss)/income		-	-	(631.7)	3,636.7	3,005.0	117.9	3,122.9
Share of capital reserve of associates		-	-	2.8	-	2.8	-	2.8
Transfer between reserves		-	-	2.4	(2.4)	-	-	-
Transactions with owners:								
- issue of shares in subsidiaries		-	-	-	-	-	9.5	9.5
- acquisition of non-wholly owned subsidiaries	47(a)	-	-	-	-	-	11.3	11.3
- acquisition of non- controlling interests	47(b)	-	-	-	(4.5)	(4.5)	(18.5)	(23.0)
- disposal of subsidiaries	48(a)	-	-	-	-	-	(4.7)	(4.7)
- liquidation of subsidiaries		-	-	-	-	-	(1.0)	(1.0)
- dividends paid	15	-	-	-	(1,923.1)	(1,923.1)	(103.5)	(2,026.6)
At 30 June 2013		3,004.7	100.6	7,228.9	16,762.1	27,096.3	884.8	27,981.1
2012								
At 1 July 2011		3,004.7	100.6	7,995.1	12,929.9	24,030.3	787.2	24,817.5
Profit for the year		-	-	-	4,150.2	4,150.2	196.2	4,346.4
Other comprehensive loss for the year	16	-	-	(142.9)	(36.0)	(178.9)	(1.3)	(180.2)
Total comprehensive (loss)/income		-	-	(142.9)	4,114.2	3,971.3	194.9	4,166.2
Transfer between reserves		-	-	3.2	(3.2)	-	-	-
Transactions with owners:								
- acquisition of a non- wholly owned subsidiary		-	-	-	-	-	1.0	1.0
- acquisition of non- controlling interest		-	-	-	(62.4)	(62.4)	(34.2)	(96.6)
- dividends paid	15	-	-	-	(1,923.1)	(1,923.1)	(75.1)	(1,998.2)
At 30 June 2012		3,004.7	100.6	7,855.4	15,055.4	26,016.1	873.8	26,889.9

Statements of Changes in Equity
For the financial year ended 30 June 2013 (continued)

Amounts in RM million unless otherwise stated

Company		Share	Share		Retained	Total
2013	Note	capital	premium	Reserves	profits	equity
At 1 July 2012		3,004.7	100.6	5,725.1	4,177.4	13,007.8
Profit for the year		-	-	-	1,709.8	1,709.8
Transactions with owners:						
- dividends paid	15	-	-	-	(1,923.1)	(1,923.1)
At 30 June 2013		3,004.7	100.6	5,725.1	3,964.1	12,794.5
2012						
At 1 July 2011		3,004.7	100.6	5,725.1	3,422.6	12,253.0
Profit for the year		-	-	-	2,677.9	2,677.9
Transactions with owners:						
- dividends paid	15	-	-	-	(1,923.1)	(1,923.1)
At 30 June 2012		3,004.7	100.6	5,725.1	4,177.4	13,007.8

An analysis of the movements in each category within reserves is set out in Note 37.

STATEMENTS OF CASH FLOWS

For the financial year ended 30 June 2013

Amounts in RM million unless otherwise stated

	Note	Group		Company	
		2013	2012	2013	2012
Cash flow from operating activities					
Profit from continuing operations		3,479.2	4,392.8	1,709.8	2,677.9
Adjustments for:					
- dividends from subsidiaries		-	-	(1,685.0)	(2,733.3)
- amortisation of prepaid lease rentals		48.3	46.1	-	-
- depreciation and amortisation		1,241.3	1,135.5	-	-
- share of results of jointly controlled entities and associates		(141.1)	(114.6)	-	-
- finance income		(127.3)	(178.6)	(197.2)	(160.3)
- finance costs		447.3	385.5	162.0	227.7
- tax expense		983.0	1,301.7	(1.8)	(16.1)
- other non-cash items [note (a)]		(149.1)	(194.3)	-	(10.9)
Changes in working capital:		5,781.6	6,774.1	(12.2)	(15.0)
- inventories and rental assets		(4.4)	(2,224.4)	-	-
- property development costs		(273.8)	(216.8)	-	-
- land held for property development		(41.6)	(5.2)	-	-
- receivables and others		409.4	(1,007.8)	17.3	(134.8)
- payables and others		(901.5)	860.6	(1.4)	1.4
Cash generated from/(used in) operations		4,969.7	4,180.5	3.7	(148.4)
Tax (paid)/refund		(1,384.3)	(1,686.4)	5.0	20.7
Dividends received from:					
- subsidiaries		-	-	1,685.0	2,732.6
- jointly controlled entities		1.0	0.8	-	-
- associates		33.9	63.4	-	-
Income received from available-for-sale investments		64.4	53.9	-	-
Operating cash flow from continuing operations		3,684.7	2,612.2	1,693.7	2,604.9
Operating cash flow from discontinued operations	13	16.0	43.4	-	-
Net cash from operating activities		3,700.7	2,655.6	1,693.7	2,604.9

Statements of Cash Flows
For the financial year ended 30 June 2013 (continued)

Amounts in RM million unless otherwise stated

	Note	Group		Company	
		2013	2012	2013	2012
Cash flow from investing activities					
Finance income received		119.1	172.8	172.1	144.3
Proceeds from sale of property, plant and equipment		775.3	75.8	-	-
Proceeds from sale of investment properties		26.6	61.3	-	-
Net cash outflow from sale of subsidiaries	48(a)	(10.4)	(1.5)	-	-
Proceeds from sale of a jointly controlled entity	48(b)	7.0	-	-	-
Proceeds from sale of associates	48(c)	12.2	22.2	-	-
Proceeds from sale of available-for-sale investments		40.4	87.2	-	-
Proceeds from liquidation of an associate		4.7	-	-	-
Purchase of property, plant and equipment		(1,884.4)	(1,426.7)	-	-
Costs incurred on biological assets		(154.1)	(70.1)	-	-
Payment for prepaid lease rentals		(101.0)	(98.9)	-	-
Purchase of investment properties		(15.6)	(1.3)	-	-
Acquisition of subsidiaries and businesses	47(a)	(7.3)	(1,170.3)	-	-
Subscription of shares in subsidiaries		-	-	(266.3)	(1,240.1)
Subscription of shares in jointly controlled entities		(457.5)	(12.9)	-	-
Acquisition and subscription of shares in associates		(25.8)	(795.8)	-	-
Purchase of available-for-sale investments		(30.2)	(10.0)	-	-
Purchase of intangible assets		(73.9)	(7.9)	-	-
(Increase)/decrease in amounts due from subsidiaries		-	-	(1,526.8)	1,377.4
Others		(60.8)	11.2	-	-
Investing cash flow (used in)/from continuing operations		(1,835.7)	(3,164.9)	(1,621.0)	281.6
Investing cash flow used in discontinued operations	13	(325.7)	(51.8)	-	-
Net cash (used in)/from investing activities		(2,161.4)	(3,216.7)	(1,621.0)	281.6

Statements of Cash Flows
For the financial year ended 30 June 2013 (continued)

Amounts in RM million unless otherwise stated

	Note	Group 2013	2012	Company 2013	2012
Cash flow from financing activities					
Capital repayment and distribution by a subsidiary to owners of non-controlling interests		(1.0)	-	-	-
Purchase of additional interest in subsidiaries	47(b)	(23.0)	-	-	-
Increase /(decrease) in amount due to a subsidiary		-	-	2,453.9	(999.5)
Proceeds from shares issued to owners of non-controlling interests		9.5	-	-	-
Finance costs paid		(441.9)	(425.7)	(151.1)	(145.7)
Long-term borrowings raised		4,757.5	1,893.9	700.0	-
Repayment of long-term borrowings		(2,182.1)	(491.8)	(300.0)	-
Revolving credits, trade facilities and other short-term borrowings (net)		(2,050.9)	1,164.5	(850.0)	150.0
Dividends paid		(2,026.6)	(1,998.2)	(1,923.1)	(1,923.1)
Financing cash flow (used in)/from continuing operations		(1,958.5)	142.7	(70.3)	(2,918.3)
Financing cash flow from/(used in) discontinued operations	13	48.0	(1.6)	-	-
Net cash (used in) /from financing activities		(1,910.5)	141.1	(70.3)	(2,918.3)
Net (decrease)/increase in cash and cash equivalents		(371.2)	(420.0)	2.4	(31.8)
Foreign exchange differences		(103.0)	(18.8)	-	-
Cash and cash equivalents at beginning of the year		5,077.8	5,516.6	315.1	346.9
Cash and cash equivalents at end of the year [note (b)]		4,603.6	5,077.8	317.5	315.1

Statements of Cash Flows**For the financial year ended 30 June 2013 (continued)****Amounts in RM million unless otherwise stated**

	Note	Group 2013	2012	Company 2013	2012
a. Other non-cash items:					
Income from available-for-sale investments		(64.4)	(53.9)	-	-
Loss/(gain) on disposal of					
- property, plant and equipment		(70.7)	(46.7)	-	-
- investment properties		(10.7)	(30.8)	-	-
- subsidiaries		(5.2)	1.2	-	-
- a jointly controlled entity		(7.0)	-	-	-
- associates		(4.5)	-	-	-
- available-for-sale investments		(0.2)	(66.4)	-	-
Write offs of :					
- property, plant and equipment		18.5	17.7	-	-
- biological assets		9.2	3.0	-	-
Write-down of inventories (net)		60.9	80.8	-	-
Impairment/(reversal of impairment):					
- property, plant and equipment		(48.3)	13.3	-	-
- biological assets		-	(0.3)	-	-
- prepaid lease rentals		-	(4.9)	-	-
- investment properties		5.3	(1.6)	-	-
- intangible assets		0.5	4.9	-	-
- receivables		25.8	17.7	-	-
Changes in fair value of derivatives		(127.9)	19.4	-	-
Unrealised foreign currencies exchange loss/(gain)		153.8	51.8	-	(10.9)
Reversal of provision for performance guarantees and bonds		(84.2)	(193.0)	-	-
Others		-	(6.5)	-	-
		(149.1)	(194.3)	-	(10.9)
b. Cash and cash equivalents at end of the year:					
Cash held under Housing Development Accounts	32	560.3	540.9	-	-
Bank balances, deposits and cash	33	4,093.5	4,564.7	317.5	315.1
Bank overdrafts	38	(50.2)	(27.8)	-	-
		4,603.6	5,077.8	317.5	315.1

The notes on pages 206 to 353 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2013

Amounts in RM million unless otherwise stated

1. General Information

The Company is principally an investment holding company. The principal activities of the subsidiaries, jointly controlled entities and associates are as stated in Note 54.

The principal activities of the Group were previously divided into six businesses namely, Plantation, Property, Industrial, Motors, Energy & Utilities and Healthcare. Following the completion of a joint venture arrangement on the Healthcare business on 30 June 2013, the Group has reclassified Healthcare as part of other businesses. Details of the joint venture arrangement are described in Note 48(a).

Other than the above, there were no significant changes in the nature of the Group's activities during the financial year.

2. Basis of Preparation

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

In November 2011, the MASB issued the Malaysian Financial Reporting Standards Framework (MFRS Framework) to replace the FRS Framework. MFRS Framework is a fully IFRS-compliant framework which is applicable for all non-private entities for annual periods beginning on or after 1 January 2012, other than the Transitioning Entities (TEs), which may defer adoption by three years in view of imminent changes which may change current accounting treatments.

TEs are non-private entities within the scope of MFRS 141 – Agriculture and IC Interpretation 15 – Agreements for the Construction of Real Estate, including their parent, significant investor and venturer.

The Group and the Company, being a TE, will continue to apply the existing FRS Framework and adopt the MFRS Framework with effect from 1 July 2015.

a. Financial reporting standards under the existing FRS Framework that have been adopted in preparing these financial statements

Revision and amendments to standards that have been adopted:

- **Revised FRS 124 – Related Party Disclosures**
Revised FRS 124 simplifies the definition of related party and provides partial exemption from disclosures for government-related entities instead of full exemption.
- **Amendments to FRS 7 – Financial Instruments : Disclosures**
Amendments to FRS 7 stipulates the disclosure requirements for all transferred financial assets that are not derecognised and also for any continuing involvement in a transferred financial asset.
- **Amendments to FRS 101 – Presentation of Financial Statements**
FRS 101 requires items of 'other comprehensive income' including their associated tax to be presented into two groupings which consists of those that would not be reclassified subsequently to profit or loss and those that will be reclassified subsequently to profit or loss when specific conditions are met.

The adoption of the above did not result in any significant changes to the Group's and Company's results and financial position.

Notes to the Financial Statements

For the financial year ended 30 June 2013 (continued)

Amounts in RM million unless otherwise stated

2. Basis of Preparation (continued)**b. Financial reporting standards under the existing FRS Framework that have yet to be adopted in preparing these financial statements****i. New, revision and amendments to standards and interpretations that will be effective for the annual periods beginning on or after 1 January 2013:**

- **FRS 10 – Consolidated Financial Statements**
FRS 10 replaces IC Interpretation 112 – Consolidation - Special Purpose Entities and the consolidation section in FRS 127 – Consolidated and Separate Financial Statements. It defines and sets out the principle of control to identify whether an investor controls an investee and establishes control as the basis for consolidation.
- **FRS 11 – Joint Arrangements**
FRS 11 supersedes FRS 131 – Interests in Joint Ventures. It classifies joint arrangements into two types – joint operations and joint ventures by focusing on the rights and obligations of the arrangements. The option to proportionate consolidate joint venture's results and financial position in the venturer's financial statements is no longer allowed.
- **FRS 12 – Disclosure of Interests in Other Entities**
FRS 12 provides disclosure requirements for all forms of interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities. Disclosures include significant judgements and assumptions made in determining the nature of the entity's interest in another entity and the risks associated with those interests.
- **FRS 13 – Fair Value Measurement**
FRS 13 defines fair value, sets out the measurement framework and stipulates the disclosure requirements. It explains how to measure fair value and does not change the measurement objective as established in existing FRSs.
- **Revised FRS 119 – Employee Benefits**
Revised FRS 119 eliminates the limits of the "corridor approach" where only a portion of the actuarial gains and losses is recognised to profit or loss.
- **Revised FRS 127 – Separate Financial Statements**
The revised FRS 127 only deals with the accounting and disclosure requirements for investments in subsidiaries, associates and joint ventures in the separate financial statements of the parent.
- **Revised FRS 128 – Investments in Associates and Joint Ventures**
The revised FRS 128 prescribes the accounting for investment in associates as well as joint ventures where the equity method of accounting is required in accordance with FRS 11.
- **Amendments to FRS 7 – Financial Instruments: Disclosures**
Amendments to FRS 7 sets out the additional disclosure requirements on the effects or potential effects including any rights of a netting arrangement of a financial asset and a financial liability.
- **Amendments to FRS 101 – Presentation of Financial Statements**
Amendments to FRS 101 clarifies the difference between the minimum required comparative information and the voluntary additional comparative information.
- **Amendments to FRS 116 – Property, Plant and Equipment**
Amendments to FRS 116 clarifies that items such as spare parts, stand-by equipment and servicing equipment shall be recognised as property, plant and equipment when they meet the definition of property, plant and equipment. Otherwise, such items are classified as inventory.
- **Amendments to FRS 132 – Financial Instruments: Presentation**
Amendments to FRS 132 clarifies that income tax relating to distributions to holders of an equity instrument and to transaction costs of an equity transaction shall be accounted for in accordance with FRS 112 Income Taxes.
- **Amendments to FRS 134 – Interim Financial Reporting**
Amendments to FRS 134 clarifies that an entity shall disclose the total assets and liabilities for a particular reportable segment only when the amounts are regularly provided to the chief operating decision maker and there has been a material change from the amount disclosed in the last annual financial statements for that reportable segment.

Notes to the Financial Statements
For the financial year ended 30 June 2013 (continued)

Amounts in RM million unless otherwise stated

2. Basis of Preparation (continued)

b. Financial reporting standards under the existing FRS Framework that have yet to be adopted in preparing these financial statements (continued)

ii. Amendments to standards that will be effective for annual periods beginning on or after 1 January 2014:

• **Amendments to FRS 10 – Consolidated Financial Statements**

Amendments to FRS 10 introduces exception to the principle that all subsidiaries shall be consolidated. The amendments define an investment entity and require a parent that is an investment entity to measure its investment in particular subsidiaries at fair value through profit or loss instead of consolidating those subsidiaries in its consolidated financial statements.

• **Amendments to FRS 12 – Disclosure of Interests in Other Entities**

Amendments to FRS 12 offers new disclosure requirements for a parent when it becomes or ceased to be an investment entity and also disclosure requirements for each unconsolidated subsidiary.

• **Amendments to FRS 127 – Separate Financial Statements**

Amendments to FRS 127 clarifies that if a parent is required, in accordance with paragraph 31 of FRS 10, to measure its investment in a subsidiary at fair value through profit or loss, it shall also account for its investment in that subsidiary in the same way in its separate financial statements.

• **Amendments to FRS 132 – Financial Instruments: Presentation**

Amendments to FRS 132 offers additional guidance on the criterion and right to offset a financial asset and a financial liability following amendments made to FRS 7 – Financial Instruments: Disclosures.

iii. New and amendments to standards that will be effective for annual periods beginning on or after 1 January 2015:

• **FRS 9 – Financial Instruments**

FRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial instruments: amortised costs and fair value. All instruments are to be measured at fair value except for debt instruments that qualify for amortised cost accounting.

It allows an option to present fair value changes in equity instruments in profit or loss or other comprehensive income and it is an irrevocable election on initial recognition.

Reclassification of financial liability between fair value and amortised cost is prohibited while financial asset can only be reclassified when the entity changes its business model for managing the financial asset. Any difference between the carrying amount and fair value on reclassification is recognised in profit or loss.

• **Amendments to FRS 7 – Financial Instruments: Disclosures**

Amendments to FRS 7 prescribes the disclosure requirements on the classifications and measurements of financial assets and liabilities in accordance with the requirement of FRS 9 upon initial application.

Except as disclosed, the adoption of the above will not result in any significant changes to the Group's and Company's results and financial position.

3. Summary of Principal Accounting Policies

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

a. Basis of consolidation

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

Notes to the Financial Statements
For the financial year ended 30 June 2013 (continued)

Amounts in RM million unless otherwise stated

3. Summary of Principal Accounting Policies (continued)

a. Basis of consolidation (continued)

i. Subsidiaries

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

Subsidiaries are consolidated using the acquisition method of accounting except for those subsidiaries acquired under common control. Under the acquisition method of accounting, the financial statements of subsidiaries are consolidated from the date on which control is transferred to the Group and de-consolidated from the date when control ceases. The consideration is measured at the fair value of the assets given, equity instruments issued and liabilities incurred at the date of exchange. Contingent consideration is recorded at fair value as component of the purchase consideration with subsequent adjustment resulting from events after the acquisition date taken to profit or loss. Acquisition related costs are recognised as expenses when incurred.

In a business combination achieved in stages, previously held equity interests in the acquiree are re-measured to fair value at the date of acquisition and any corresponding gain or loss is recognised in the profit or loss.

Identifiable assets, liabilities and contingent liabilities assumed in a business combination are measured at their fair values, at the date of acquisition. The excess of the consideration and the fair value of previously held equity interests over the Group's share of the fair value of the identifiable net assets acquired at the date of acquisition is reflected as goodwill. Any gain from bargain purchase is recognised directly in the profit or loss.

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 profit or loss.

When control ceases, the disposal proceeds, if any, and the fair value of any retained investment are compared to the Group's share of the net assets disposed. The difference together with the carrying amount of allocated goodwill and the cumulative amount of any exchange differences that relate to the subsidiary is recognised in the profit or loss as gain or loss on disposal of the subsidiary.

Non-controlling interests are presented on the statements of financial position and changes in equity separate from equity attributable to owners of the Company. Non-controlling interests in the results of the Group are presented in the statements of profit or loss and comprehensive income as an allocation of the total profit or loss and total comprehensive income for the financial year between owners of non-controlling interests and the Company.

Transactions with owners of non-controlling interests without a change in control are treated as transactions with equity owners of the Group. For purchases of additional interests from owners of non-controlling interests, the difference between the consideration paid and the non-controlling interests acquired is recorded in equity. Similarly, in the case of partial disposal of interests to owners of non-controlling interests, the difference between the consideration received and the amount by which the non-controlling interest is adjusted is recognised in equity.

ii. Business combinations under common control

Business combinations under common control are accounted using the predecessor method of merger accounting. Under the predecessor method of merger accounting, the profit or loss and other comprehensive income include the results of each of the combining entities from the earliest date presented or from the date when these entities came under the control of the common controlling party (if later).

The assets and liabilities of the combining entities are accounted for based on the carrying amounts from the perspective of the common controlling party, or the combining entities if the common controlling party does not prepare consolidated financial statements.

Notes to the Financial Statements**For the financial year ended 30 June 2013 (continued)****Amounts in RM million unless otherwise stated****3. Summary of Principal Accounting Policies (continued)****a. Basis of consolidation (continued)****ii. Business combinations under common control (continued)**

The difference in cost of acquisition over the aggregate carrying value of the assets and liabilities of the combining entities as of the date of the combination is taken to equity. Transaction cost for the combination is recognised in the profit or loss.

Similar treatment applies in the Company's separate financial statements when assets and liabilities representing the underlying businesses under common control are directly acquired by the Company. In accounting for business combinations in the Company's separate financial statements, the excess of the cost of acquisition over the aggregate carrying amounts of assets and liabilities as of the date of the combination is taken to equity.

iii. Jointly controlled entities

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

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

Equity accounting is discontinued when the Group's carrying amount of the interest in a jointly controlled entity reaches zero, or reaches the limit of the obligations in the case when the Group has incurred obligations or guaranteed obligations in respect of the jointly controlled entity.

Unrealised gains on transactions between the Group and its jointly controlled entities are eliminated to the extent of the Group's interest in the jointly controlled entities. Unrealised losses are also eliminated on the same basis but only to the extent of the costs that can be recovered, and the balance that provides evidence of reduction in net realisable value or an impairment of the assets transferred are recognised in the profit or loss.

When joint control ceases, the disposal proceeds, if any, and the fair value of any retained investment are compared to the carrying amount of the investment as of that date. The difference together with the cumulative amount of any exchange differences that relate to the jointly controlled entity is recognised in the profit or loss as gain or loss on disposal of the jointly controlled entity.

iv. Associates

Associates are entities in which the Group is in a position to exercise significant influence. Significant influence is the power to participate in the financial and operating policy decisions, but not control over those policies.

Investments in associates are accounted for in the consolidated financial statements using the equity method of accounting and are initially recorded at cost. The Group's investment in associates includes goodwill identified on acquisition net of any accumulated impairment loss. For the purpose of impairment, the entire carrying amount of each investment is tested as a single asset.

The Group's share of its associates' post-acquisition profits or losses is recognised in the profit or loss, and its share of post-acquisition movements in reserves is recognised in other comprehensive income. Where necessary, adjustments are made to the results and net assets of associates to ensure consistency of accounting policies with those of the Group. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment.

Equity accounting is discontinued when the Group's carrying amount of the investment in an associate reaches zero, or reaches the limit of the obligations in the case when the Group has incurred obligations or guaranteed obligations in respect of the associate.

Notes to the Financial Statements
For the financial year ended 30 June 2013 (continued)

Amounts in RM million unless otherwise stated

3. Summary of Principal Accounting Policies (continued)

a. Basis of consolidation (continued)

iv. Associates (continued)

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated on the same basis but only to the extent of the costs that can be recovered, and the balance that provides evidence of reduction in net realisable value or an impairment of the assets transferred are recognised in the profit or loss.

When significant influence ceases, the disposal proceeds, if any, and the fair value of any retained investment are compared to the carrying amount of the investment as of that date. The difference together with the cumulative amount of any exchange differences that relate to the associate is recognised in the profit or loss as gain or loss on disposal of the associate.

b. Foreign currencies

i. Functional currency

Financial statements of subsidiaries, jointly controlled entities and associates are prepared using the currency of the primary economic environment in which the entity operates, i.e. the functional currency.

The consolidated financial statements are presented in Ringgit Malaysia, which is the Company's functional currency and the Group's presentation currency.

ii. Transactions and balances

Foreign currency transactions and monetary items are translated into the functional currency using the exchange rates prevailing at the transaction dates and at the end of the reporting period, respectively. Foreign exchange differences arising from settlement of such transactions and from the translation of foreign currency monetary items at year end exchange rates are recognised in the profit or loss.

iii. Translation of foreign currency financial statements

For consolidation purposes, the results and financial position of all the group entities that have a functional currency different from the Group's presentation currency are translated into the Group's presentation currency as follows:

- income and expenses in the statements of profit or loss and comprehensive income are translated at average exchange rates for the financial year;
- assets and liabilities in the statements of financial position, including goodwill and fair value adjustments arising on the acquisition of a foreign entity are translated at exchange rates ruling at the end of the reporting period; and
- all resulting translation differences are recognised in other comprehensive income

Intercompany loans where settlement is neither planned nor likely to occur in the foreseeable future, are treated as part of the parent's net investment. Translation differences arising therefrom are recognised in other comprehensive income.

The cumulative translation differences recorded in exchange reserves in respect of a foreign subsidiary, branch, jointly controlled entity or associate are recognised to profit or loss when control over the subsidiary or branch, joint control over the jointly controlled entity or significant influence over the associate is lost. In the case of partial disposal without losing control over a subsidiary with foreign operation, proportionate share of the cumulative amount of the exchange differences is re-attributed to non-controlling interests. For partial disposal of interest in a jointly controlled entity or investment in an associate without losing the joint control or significant influence, the proportionate share of the cumulative exchange differences recognised in other comprehensive income is reclassified from equity to profit or loss.

Notes to the Financial Statements
For the financial year ended 30 June 2013 (continued)

Amounts in RM million unless otherwise stated

3. Summary of Principal Accounting Policies (continued)

b. Foreign currencies (continued)

iv. Principal exchange rates

	Year end rates		Average rates	
	2013	2012	2013	2012
	RM	RM	RM	RM
Australian dollar (AUD)	2.94	3.23	3.17	3.18
British pound (GBP)	4.85	4.97	4.84	4.88
Chinese renminbi (RMB)	0.52	0.50	0.49	0.48
European Union euro	4.15	4.00	3.99	4.14
Hong Kong dollar	0.41	0.41	0.40	0.40
Indonesian rupiah (1,000)(IDR)	0.32	0.34	0.32	0.34
New Zealand dollar	2.48	2.53	2.53	2.48
Singapore dollar (SGD)	2.51	2.50	2.49	2.45
Thailand baht	0.10	0.10	0.10	0.10
United States dollar (USD)	3.18	3.19	3.09	3.08

c. Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of an asset or part of an asset. The carrying amount of the replaced part is derecognised and all repairs and maintenance costs are charged to the profit or loss during the financial year in which they are incurred.

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

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

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

Leasehold land	over the lease period ranging from 30 to 999 years
Buildings	2% to 20%, or the lease term if shorter
Plant and machinery	2% to 20%, or the lease term if shorter
Rental assets	10% to 33.3%
Vehicles, equipment and fixtures	5% to 33.3%

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

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the carrying amount is recognised in the profit or loss.

Notes to the Financial Statements
For the financial year ended 30 June 2013 (continued)

Amounts in RM million unless otherwise stated

3. Summary of Principal Accounting Policies (continued)

d. Biological assets

i. Malaysia

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 profit or loss in the financial year in which the expenditure is incurred.

However, if the land on which the trees are planted is on a lease term, the capitalised costs will be amortised to the profit or loss on a straight-line basis over the last planting cycle before the expiry of the lease.

ii. Indonesia and Liberia

New planting expenditure incurred on land clearing and upkeep of trees to maturity and replanting expenditure incurred in replanting old planted areas are capitalised at cost as biological assets and amortised on a straight-line basis over the economic useful lives of the trees, or the remaining period of the lease, whichever is shorter.

e. Prepaid lease rentals

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

The prepaid lease rentals are amortised on a straight-line basis over the lease period ranging from 10 to 59 years.

f. Investment properties

Investment properties are land and buildings held for rental income and/or capital appreciation which are not substantially occupied or intended to be occupied for use by, or in the operations of the Group.

Investment properties are stated at cost less accumulated depreciation and accumulated impairment losses. Freehold land and buildings under construction are not depreciated. Other investment properties are depreciated on a straight-line basis to write down the cost of each asset to their residual values over their estimated useful lives. The principal annual depreciation rates are:

Leasehold land	over the lease period ranging from 50 to 99 years
Buildings	2% to 5%, or the lease term if shorter

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

g. Land held for property development

Land held for property development consists of cost of land on which no significant development work has been undertaken or where development activities are not expected to be completed within the normal operating cycle. Land held for property development is classified as non-current asset and carried at cost less accumulated impairment losses, if any.

Cost associated with the acquisition of land includes the purchase price of the land, professional fees, stamp duties, commissions, conversion fees and other relevant levies.

Land held for property development is transferred to property development costs under current assets when development activities have commenced and are expected to be completed within the normal operating cycle.

h. Investments in subsidiaries

Investments in subsidiaries and intercompany loans which are treated as part of the parent's net investment are recorded at costs less accumulated impairment losses, if any, in the Company's financial statements.

i. Intangible assets

i. Goodwill

Goodwill represents the excess of the consideration and the fair value of previously held interests over the Group's share of the fair value of identifiable assets, liabilities and contingent liabilities of the acquiree at the date of acquisition.

Notes to the Financial Statements**For the financial year ended 30 June 2013 (continued)****Amounts in RM million unless otherwise stated****3. Summary of Principal Accounting Policies (continued)****i. Intangible assets (continued)****i. Goodwill (continued)**

Goodwill on acquisition of subsidiaries is recognised as an intangible asset and is stated at cost less accumulated impairment losses. Goodwill is allocated to cash generating units for the purpose of impairment testing. When control of a subsidiary ceases, the gain or loss on disposal includes the carrying amount of allocated goodwill.

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

ii. Research and development costs

Research costs are charged to the profit or loss in the financial year in which the expenditure is incurred.

Internally generated 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 a 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.

iii. Trademarks, assets usage rights, customer relationships and distribution rights

Trademarks, assets usage rights, customer relationships and distribution rights are capitalised at cost. Trademarks, assets usage rights and customer relationships with a finite useful life are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated using the straight-line basis over their contractual periods or estimated useful lives.

The principal annual amortisation rates are:

Trademarks	5% - 20%
Assets usage rights	5%
Customer relationships	12.5%

The distribution rights represent the right to sell and service products in various service territories on an exclusive basis with no predetermined service period. Accordingly, it is not amortised but tested for impairment annually and whenever indication of impairment exists.

iv. Computer software

Expenditure on computer software that is not an integral part of the related hardware is treated as an intangible asset and is carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line basis over their estimated useful lives. The annual amortisation rates are 10% to 33.3%. Projects in progress are not amortised as these computer software are not yet available for use.

j. Non-current assets held for sale

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

- a decision to sell has been made;
- 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 cost to sell.

Notes to the Financial Statements
For the financial year ended 30 June 2013 (continued)

Amounts in RM million unless otherwise stated

3. Summary of Principal Accounting Policies (continued)

k. Inventories

Inventories are stated at the lower of cost and net realisable value. The cost of inventories is determined on a weighted average basis except for the following:

Heavy equipment, motor vehicles and completed development units	Specific identification basis
Replacement parts	First in first out basis

The cost of raw materials, consumable stores, replacement parts and trading inventories represents cost of purchase plus incidental costs, and in the case of other inventories, includes design costs, cost of materials, direct labour, other direct costs and related production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less cost to completion and selling expenses.

l. Property development costs

The cost of land, related development costs common to whole projects and direct building costs less cumulative amounts recognised as expense in profit or loss for property under development are carried in the statements of financial position as property development costs. Revenue and expense recognised in profit or loss are determined by reference to the stage of completion of the development activity in respect of the development units sold. Any expected loss on development projects, is recognised as an expense immediately.

At end of each reporting period, the cumulative revenue recognised and progress billings made for each development unit sold are compared. Where the revenue recognised exceed the billings to the purchaser, the net amount is shown as accrued billings. Where the billings to the purchaser exceed revenue recognised, the net amount is shown as progress billings.

m. Construction contracts

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

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

At end of each reporting period, the cumulative costs incurred, profits or losses recognised and progress billings made for each contract work are compared. Where costs incurred and profits or losses recognised exceed progress billings, the net amount is shown as amount due from customers on construction contracts. Where progress billings exceed costs incurred and profits or losses recognised, the net amount is shown as amount due to customers on construction contracts.

n. Financial assets

The Group's financial assets are classified into three categories in Note 51(a) and the accounting policies for each of these categories are as follows:

i. Financial assets at fair value through profit or loss

Financial assets are classified as fair value through profit or loss if they are held for trading. Derivatives are categorised as held for trading unless they are designated and are effective hedging instrument. The Group does not have any financial assets designated as fair value through profit or loss upon initial recognition.

These financial assets are measured at fair value and transaction costs are expensed in profit or loss. Any gain or loss arising from changes in fair value are recognised in profit or loss.

ii. Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. These financial assets are recorded at fair value plus transaction costs and thereafter, they are measured at amortised cost using the effective interest method less accumulated impairment losses.

Notes to the Financial Statements**For the financial year ended 30 June 2013 (continued)****Amounts in RM million unless otherwise stated****3. Summary of Principal Accounting Policies (continued)****n. Financial assets (continued)**

The Group's financial assets are classified into three categories in Note 51(a) and the accounting policies for each of these categories are as follows: (continued)

iii. Available-for-sale financial assets

Available-for-sale financial assets are financial assets that are designated as available for sale or are not classified in any of the two preceding categories. These financial assets are recorded initially at fair value plus transaction costs and thereafter, they are measured at fair value. Except for impairment, foreign exchange gains and losses on translation of monetary available-for-sale financial assets such as debt instruments, interest calculated using the effective interest method and dividends which are recognised in profit or loss, any gain or loss arising from changes in fair value are recognised in other comprehensive income. On derecognition, the cumulative gain or loss is reclassified from available-for-sale reserve to profit or loss.

Financial assets are classified as current assets for those having maturity dates of less than 12 months after the reporting date, and the balance is classified as non-current. For available-for-sale financial assets, the classification is based on expected date of realisation of the assets.

Regular way purchase or sale of a financial asset is recognised on the settlement date i.e. the date that an asset is delivered to or by the Group. A contract that requires or permits net settlement of the change in the value of the contract is not a regular way contract. Such contract is accounted for as a derivative in the period between the trade date and the settlement date.

o. Derivatives and hedging activities

Derivatives are measured at fair value. A derivative that is neither designated nor an effective hedging instrument is categorised under fair value through profit or loss and changes in its fair value is recognised in profit or loss. In the case of a derivative that qualifies for cash flow hedge, the effective portion of changes in its fair value is recognised in other comprehensive income. The gain or loss is removed from equity and included in profit or loss in the same period or periods during which the hedged item affects profit or loss. In the case of a hedge of a forecast transaction which results in the recognition of a non-financial asset or a non-financial liability, the gain or loss is removed from equity and included in the carrying amount of the asset or liability.

The gain or loss is also removed from equity and included in profit or loss when a derivative expires, no longer meets the criteria for hedge accounting, or the forecasted transaction is no longer expected to occur.

Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative. Derivatives are classified as current asset or current liability for those having maturity dates of less than 12 months after the reporting period, and the balance is classified as non-current.

p. Impairment

Goodwill and other intangible assets that have an indefinite useful life or not yet available for use are not subject to amortisation and are tested for impairment. Other non-financial assets are assessed for indication of impairment. If an indication exists, an impairment test is performed. In the case of financial assets, investment in subsidiaries, interest in jointly controlled entities and investment in associates, they are assessed for objective evidence of impairment.

This exercise is performed annually and whenever events or circumstances occur indicating that impairment may exist.

The recognition and measurement of impairment are as follows:

i. Non-financial assets

An impairment loss is recognised for the amount by which the carrying amount of the non-financial asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Impairment loss on a revalued asset is treated as revaluation decrease to the extent that the impairment loss does not exceed the amount in the revaluation surplus for the same asset. Impairment loss on non-financial assets stated at historical costs is charged to profit or loss.

Notes to the Financial Statements
For the financial year ended 30 June 2013 (continued)

Amounts in RM million unless otherwise stated

3. Summary of Principal Accounting Policies (continued)

p. Impairment (continued)

The recognition and measurement of impairment are as follows: (continued)

i. Non-financial assets (continued)

Except for goodwill, assets that were previously impaired are reviewed for possible reversal of the impairment at the end of each reporting period. Any subsequent increase in recoverable amount is recognised in the profit or loss unless it reverses an impairment loss on a revalued asset in which case it is taken to revaluation reserve. Reversal of impairment loss is restricted by the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years.

An impairment loss recognised for goodwill is not reversed.

ii. Subsidiaries, jointly controlled entities and associates

An impairment loss is recognised for the amount by which the carrying amount of the subsidiary, jointly controlled entity or associate exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and present value of the estimated future cash flows expected to be derived from the investment including the proceeds from its disposal.

Any subsequent increase in recoverable amount is recognised in profit or loss.

iii. Loans and receivables

Loans and receivables are assessed individually and thereafter collectively for objective evidence of impairment. If evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss. Reversal of impairment loss to profit or loss, if any, is restricted to not resulting in the carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised previously.

iv. Available-for-sale financial assets

A significant or prolonged decline in the fair value of the available-for-sale financial assets below its cost is considered as an indicator that the assets are impaired. If any such evidence exists for available-for-sale financial assets, the decline in fair value together with the cumulative loss recognised in other comprehensive income, if any, is taken to profit or loss.

Reversal of impairment losses through profit or loss in subsequent period is only made if the financial asset is a debt instrument and the increase in fair value can be objectively related to an event occurring after the impairment loss was recognised in profit or loss.

q. Share capital

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

Dividends to owners of the Company and non-controlling interests are recognised in the statement of changes in equity in the period in which they are declared.

r. Provisions

Provisions are recognised when the Group has a 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. Warranties

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

Notes to the Financial Statements**For the financial year ended 30 June 2013 (continued)****Amounts in RM million unless otherwise stated****3. Summary of Principal Accounting Policies (continued)****r. Provisions (continued)**ii. Performance guarantees and bonds

Provisions for performance guarantees and bonds are recognised when crystallisation is probable. When crystallisation is possible, the performance guarantees and bonds are disclosed as contingent liabilities.

iii. Risk sharing

The risk sharing arrangement is with a third party leasing company for financing customers' purchase of equipment from the Group whereby the Group guarantees the payment from its customers under the lease agreement up to a pre-determined amount. Provision are recognised for the obligation that the Group has to pay the leasing company should the customers default and the amount is estimated based on a percentage of risk sharing ratio over the total outstanding lease portfolio.

s. Deferred income

Deferred income comprises the following:

i. Maintenance income – is deferred and recognised by reference to the percentage of the estimated total costs for each of the maintenance contracts with customers to provide service and support for customers' machinery.

ii. Advance annualised licence fees – are deferred and recognised on a fixed annualised amount on a straight-line basis over the term of the golf club memberships.

iii. Government grants – are recognised at fair value when there is reasonable assurance that the Group will comply with the conditions attached to them and the grants will be received. Grants are treated as deferred income and allocated to profit or loss over the useful lives of the related assets or the period of operating expenditure to which the grants are intended to compensate.

t. Employee costsi. Short-term employee benefits

Wages, salaries, paid annual leave and sick leave, bonuses and non-monetary benefits are accrued in the period in which the services are rendered by employees.

ii. Defined contribution pension plans

A defined contribution pension plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

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

iii. Defined benefit pension plans

A defined benefit pension plan is a pension plan that is not a defined contribution pension plan. Typically defined benefit pension plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The Group has various defined benefit pension plans, some of which are funded by payments from the relevant Group companies in various countries. The Group's defined benefit pension plans are determined based on a periodic actuarial valuation by external consultants where the amount of the benefits that eligible employees have earned in return for their services in the current and prior years are estimated.

The liabilities in respect of the defined benefit pension plans are the present values of the defined benefit obligations at the end of the reporting period, adjusted for actuarial gains and losses and past service costs, and reduced by the fair value of the plan assets. The defined benefit obligations, calculated using the Projected Unit Credit Method, are determined by independent actuaries, considering the estimated future cash outflows.

Actuarial gains or losses arising from market adjustments and changes in actuarial assumptions are recognised in other comprehensive income.

Notes to the Financial Statements
For the financial year ended 30 June 2013 (continued)

Amounts in RM million unless otherwise stated

3. Summary of Principal Accounting Policies (continued)

t. Employee cost (continued)

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 the end of the reporting period are discounted to present value.

v. Share-based compensation

The Group and the Company operate an equity-settled, share-based compensation plan for its employees.

Employee services received in exchange for the grant of the Company's shares are recognised as an expense in the profit or loss over the vesting period of the grant, with a corresponding increase in equity.

The total amount to be expensed over the vesting period is determined by reference to the fair value of the shares granted:

- including any market performance conditions;
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- excluding the impact of any non-vesting conditions (for example, the requirement for employees to save).

Non-market vesting conditions are included in the assumptions to arrive at the number of shares that are expected to vest. At the end of the reporting period, the Group and the Company revise its estimates of the number of shares that are expected to vest. The impact of the revision of original estimates, if any, is recognised in the profit or loss, with a corresponding adjustment to equity.

The fair value of shares granted to employees of subsidiaries are recharged by the Company to the subsidiaries.

vi. Other long-term employee benefits

Other long-term employee benefits such as deferred compensation payable twelve months or more after the service period are calculated based on the Group's and the Company's policy using the same methodology as other post employment benefits.

u. Financial liabilities

The Group's financial liabilities are classified into three categories in Note 51(a) and the accounting policies for each of these categories are as follows:

i. Financial liabilities at fair value through profit or loss

Financial liabilities are classified as fair value through profit or loss if they are held for trading. Derivatives are categorised as held for trading unless they are designated and are effective hedging instruments. The Group does not have any financial liabilities designated as fair value through profit or loss upon initial recognition.

ii. Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due. Financial guarantee contracts are recognised initially at fair value plus transaction costs and thereafter, at the higher of the best estimate of the expenditure required to settle the present obligation at the end of the reporting period and the amounts initially recognised less, where appropriate, cumulative amortisation recognised.

Notes to the Financial Statements**For the financial year ended 30 June 2013 (continued)****Amounts in RM million unless otherwise stated****3. Summary of Principal Accounting Policies (continued)****u. Financial liabilities (continued)**

The Group's financial liabilities are classified into three categories in Note 51(a) and the accounting policies for each of these categories are as follows: (continued)

iii. Other financial liabilities

All other financial liabilities are recognised initially at fair value plus transaction costs and thereafter, at amortised cost using the effective interest method. Amortisation is charged to profit or loss. The borrowing costs is capitalised as part of the cost of an asset and ceases when the asset is substantially completed for its intended use or sale, if the borrowing costs is directly attributable to the acquisition, construction or production of the asset.

Financial liabilities are classified as current liabilities for those having maturity dates of less than 12 months after the end of the reporting period, and the balance is classified as non-current.

v. Cash and cash equivalents

For the purpose of the statements of cash flows, cash and cash equivalents include cash in hand, deposits held at call with banks and cash held under Housing Development Accounts, net of bank overdrafts.

w. Revenue recognition

Revenue from sale of goods and performance of services are recognised at the fair value of the consideration received or receivable upon delivery of goods or performance of services, net of discounts, allowances, indirect taxes and liquidated ascertained damages.

Revenue from property development is recognised by reference to the stage of completion of the development activity in respect of development units sold. The stage of completion is measured by the completion of a physical proportion of contract work to-date. Revenue from construction contracts is recognised on the percentage of completion method by reference to either the proportion of costs incurred to-date to the total estimated costs or the completion of a physical proportion of contract work to-date.

Revenue for the Group is stated after eliminating sales within the Group.

Other revenue is recognised on the following basis:

- i. Interest income – recognised on an accrual basis, using the effective interest method
- ii. Dividend income – recognised when the right to receive payment is established.

x. Operating leases

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

y. Finance leases

Lease of property, plant and equipment where the Group has substantially all the risk and rewards of ownership are classified as finance lease. The assets are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments at the inception of the respective leases. The corresponding liabilities are classified as finance lease obligation.

Lease payments are allocated between the finance charges and finance lease obligation. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining finance lease obligation.

Property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the assets and the lease term.

z. Tax

The tax expense for the financial year comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised directly in other comprehensive income. In this case, the tax is recognised in other comprehensive income.

Notes to the Financial Statements**For the financial year ended 30 June 2013 (continued)****Amounts in RM million unless otherwise stated****3. Summary of Principal Accounting Policies (continued)****z. Tax (continued)**

The current income tax charge for the Company is the expected income taxes payable in respect of the taxable profit for the financial year and is measured using the tax rates that have been enacted at the end of the reporting period. The current income tax charge for the Group is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries operate and generate taxable income.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. Provisions are established where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is recognised on temporary difference arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred tax is recognised on temporary differences arising on investments in subsidiaries, jointly controlled entities and associates except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates (and laws) that have been enacted or substantively enacted at the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled

aa. Commodity future and forward contracts

Commodity contracts are entered into to manage exposure to adverse movements in vegetable oil prices. Certain contracts are entered into and continue to be held for the purpose of the receipt or delivery of the physical commodity in accordance with the Group's expected purchase, sale or usage requirements. Accordingly, such contracts are deemed not to be financial instruments. Gains or losses arising from these contracts are deferred and included in the measurement of the purchase or sale transactions only upon the recognition of the anticipated transactions.

Contracts entered other than for the purpose of the receipt or delivery of physical commodity are treated as derivatives.

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 crystallisation will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in the extremely rare circumstances where there is a liability that is not recognised because it cannot be measured reliably.

ac. Segment reporting

Segment information is presented in a manner that is consistent with the internal reporting provided to management for the allocation of resources and assessment of its performance. These are affected predominantly by differences in the products and services provided. The Group's operating businesses are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

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

Notes to the Financial Statements**For the financial year ended 30 June 2013 (continued)****Amounts in RM million unless otherwise stated****4. Critical Accounting Estimates and Judgement in Applying Accounting Policies**

The consolidated financial statements are prepared in accordance with FRS issued by the MASB. The summary of principal accounting policies as described in Note 3 are essential to understand the Group's results of operations, financial position, cash flows and other disclosures. The preparation of financial statements in conforming with FRS requires the use of certain critical accounting estimates that involve complex and subjective judgements and the use of assumptions, some of which may be for matters that are inherently uncertain and susceptible to change. The Directors exercise their judgement in the process of applying the Group's accounting policies. Estimates and assumptions are based on the Directors' best knowledge of current events. Such estimates and judgement could change from period to period and have a material impact on the results, financial position, cash flows and other disclosures.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

a. Fair values of investment retained

FRS 127 requires investment retained in a former subsidiary to be stated at fair value at the date when control is lost which shall be regarded as the cost on initial recognition. The fair value of investment that is not traded in an active market is determined by using valuation techniques and the Group has used discounted cash flow analysis in the valuation of its investment in Ramsay Sime Darby Health Care Sdn Bhd (formerly known as Sime Darby Global Healthcare Sdn Bhd), a company formed following the divestment of Sime Darby Healthcare Sdn Bhd in accordance with the joint venture arrangement as disclosed in Note 48(a).

The carrying value of the investment in the jointly controlled entity would be an estimated RM16.5 million lower or higher if the cash flows used in the discounted cash flow analysis differ by 5% from management's estimates.

b. Useful lives of property, plant and equipment

The Group reviews annually the estimated useful lives of property, plant and equipment based on factors such as business plan and strategies, expected level of usage and future technological developments. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned. A reduction in the estimated useful lives of property, plant and equipment would increase the depreciation charge and decrease the carrying value of property, plant and equipment.

The impact of the changes in the estimated useful lives of property, plant and equipment during the financial year is disclosed in Note 17.

c. Impairment of non-financial assets

The Group assesses whether there is any indication that non-financial assets are impaired at the end of each reporting period. Impairment is measured by comparing the carrying amount of an asset with its recoverable amount. Recoverable amount is measured at the higher of the fair value less cost to sell for that asset and its value-in-use. The value-in-use is the net present value of the projected future cash flow derived from that asset discounted at an appropriate discount rate. Projected future cash flows are calculated based on historical sector and industry trends, general market and economic conditions, changes in technology and other available information. Changes to any of these assumptions would affect the amount of impairment.

The impairment assessment on property, plant and equipment and intangible assets are disclosed in Notes 17 and 24 respectively.

d. Inventories write-down

Inventories write-down is provided based on their net realisable value. Net realisable value is the estimate of the selling price in the ordinary course of business, less cost to completion and selling expenses. The amount written down during the financial year is shown in Note 28.

e. Impairment of receivables

Impairment is made for receivables that the management considers the recoverability to be doubtful. On a regular basis, the management reviews the receivables' ageing report and repayment history for any objective evidence of impairment.

If the past due debts as shown in Note 27 were to impair by an additional 1%, the profit before tax of the Group will be adversely affected by RM19.8 million (2012: RM25.9 million) for the financial year.

Notes to the Financial Statements**For the financial year ended 30 June 2013 (continued)****Amounts in RM million unless otherwise stated****4. Critical Accounting Estimates and Judgement in Applying Accounting Policies (continued)****f. Construction contracts and property development projects**

The Group recognises contract and property development revenue based on percentage of completion method. The stage of completion is measured by reference to either the costs incurred to-date to the estimated total cost or the completion of a physical proportion of work to-date. Significant judgement is required in determining:

- the completeness and accuracy of the bids and/or budgets;
- the extent of the costs incurred;
- the estimation of the variation works that are recoverable from customers;
- the additional overheads due to meeting customers' request, weather and other delays;
- the subcontractors performance issues; and
- the changes in availability and proximity of equipment and material.

The foregoing factors as well as the stage of completion of contracts in progress and the mix of contracts at different margins may cause fluctuation in gross profit between periods. Substantial changes in cost estimates, particularly in complex projects have had, and can in future periods have, a significant effect on the Group's profitability. In making the above judgement, the Group relies on past experience and work of specialists.

g. 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 2013 amounts to RM303.4 million (2012: RM359.4 million) as shown in Note 41.

h. Tax**i. Income taxes**

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

The Group has recognised certain tax recoverable for which the Group believes that there is a reasonable basis for recognition. Where the final tax outcome of this matter is different from the amount that was initially recorded, such difference may cause a material adjustment to the carrying amount of the tax recoverable balance recorded in the period in which such determination is made. Total tax recoverable income for the Group as at 30 June 2013 is RM678.1 million (2012: RM460.5 million).

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.

i. Pension obligations

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost/income for pensions include the expected long-term rate of return on the relevant plan assets and the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations.

The expected return on plan assets assumption is determined on a uniform basis, taking into consideration long-term historical returns, asset allocation and future estimates of long-term investment returns.

Notes to the Financial Statements**For the financial year ended 30 June 2013 (continued)****Amounts in RM million unless otherwise stated****4. Critical Accounting Estimates and Judgement in Applying Accounting Policies (continued)****i. Pension obligations (continued)**

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Group considers the interest rates of high quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related pension obligation.

Other key assumptions for pension obligations are based in part on current market conditions.

j. Contingent liabilities

Recognition and measurement for contingent liabilities is based on management's view of the expected outcome of the contingencies after consulting legal counsel for litigation cases and experts, internal and external to the Group, for matters in the ordinary course of business. The Group's contingent liabilities and material litigations are as shown in Notes 45 and 46 respectively.

5. Revenue

Revenue for the Group represents sale of goods, performance of services, income from property development activities and construction contracts earned outside the Group, net of discounts, allowances and liquidated ascertained damages.

Revenue for the Company represents dividend income from investment in subsidiaries (unquoted).

	Group		Company	
	2013	2012	2013	2012
Sale of goods	40,842.8	42,075.7	-	-
Performance of services	3,568.1	3,187.4	-	-
Property development	2,140.3	1,801.5	-	-
Construction contracts	261.1	189.9	-	-
Dividend income from investment	-	-	1,685.0	2,733.3
	46,812.3	47,254.5	1,685.0	2,733.3

6. Operating Expenses

	Group		Company	
	2013	2012	2013	2012
Changes in inventories of finished goods and work in progress	916.8	(1,977.9)	-	-
Finished goods, work in progress and other direct overheads	29,651.4	30,746.9	-	-
Raw materials and consumables used	3,961.2	6,060.6	-	-
Employee costs [note (a)]	4,742.5	4,149.8	0.7	0.6
Amortisation of prepaid lease rentals	48.3	46.1	-	-
Amortisation of intangible assets	22.3	5.9	-	-
Depreciation				
- property, plant and equipment [note (b)]	1,162.0	1,071.8	-	-
- biological assets	43.1	43.0	-	-
- investment properties	13.9	14.8	-	-
Property development costs	1,113.3	1,082.1	-	-
Construction contract costs	294.4	337.0	-	-
Replanting expenditure	208.7	189.6	-	-

Notes to the Financial Statements
For the financial year ended 30 June 2013 (continued)

Amounts in RM million unless otherwise stated

6. Operating Expenses (continued)

	Group		Company	
	2013	2012	2013	2012
Research expenditure [note (a)]	114.9	131.6	-	-
Reversal of warranties and guarantees	(2.7)	(74.8)	-	-
Auditors' remuneration:				
Fees for statutory audits				
- PricewaterhouseCoopers Malaysia	6.9	6.5	0.6	0.6
- member firms of PricewaterhouseCoopers International Limited	16.1	14.7	-	-
- others	1.4	0.3	-	-
Fees for non-audit services				
- PricewaterhouseCoopers Malaysia	3.5	4.3	-	0.6
- member firms of PricewaterhouseCoopers International Limited	4.6	3.8	-	-
- others	2.4	0.4	-	-
Directors' remuneration [note (c)]	5.5	5.6	3.2	3.2
Hire of plant and machinery	106.7	37.2	-	-
Operating lease payments for land and buildings	270.8	209.9	-	-
Foreign currency exchange loss				
- realised	147.5	68.4	-	-
- unrealised	271.6	116.4	76.0	-
Fair value loss – foreign currency exchange contracts	1.4	11.6	-	-
Ineffective portion of cash flow hedges - foreign currency exchange contracts	2.6	16.7	-	-
Loss on disposal of				
- property, plant and equipment	5.2	2.4	-	-
- subsidiaries	-	1.2	-	-
Write offs				
- property, plant and equipment	18.5	17.7	-	-
- biological assets	9.2	3.0	-	-
Impairment of				
- property, plant and equipment	19.5	29.9	-	-
- biological assets	-	0.1	-	-
- investment properties	5.8	10.3	-	-
- intangible assets	0.5	4.9	-	-
- receivables	94.7	89.0	-	-
Other costs	404.9	310.0	7.7	10.0
	43,689.4	42,790.8	88.2	15.0

Notes to the Financial Statements
For the financial year ended 30 June 2013 (continued)

Amounts in RM million unless otherwise stated

6. Operating Expenses (continued)

	Group		Company	
	2013	2012	2013	2012
a. Employee costs				
Employee costs included in profit or loss	4,742.5	4,149.8	0.7	0.6
Employee costs included in research expenditure	59.7	72.4	-	-
Employee costs included in construction contracts [Note 31]	5.9	1.0	-	-
	4,808.1	4,223.2	0.7	0.6
Employee costs include:				
Defined benefit pension plans [Note 42]	35.7	29.1	-	-
Defined contribution pension plans	270.2	208.7	-	-
Termination benefits	3.2	0.2	-	-
b. Depreciation on property, plant and equipment				
Depreciation included in profit or loss	1,162.0	1,071.8	-	-
Capitalised in biological assets	20.2	-	-	-
Depreciation in relation to discontinued operations [Note 13]	28.2	25.4	-	-
	1,210.4	1,097.2	-	-
c. Directors' remuneration				
Non-executive Directors				
- fees	5.5	5.6	3.2	3.2
Executive Director (included in note (a) above)	7.1	5.2	-	-
	12.6	10.8	3.2	3.2

The estimated monetary value of benefits provided to Directors of the Company during the financial year by way of usage of the Group's and Company's assets and other benefits are as follows:

	Group		Company	
	2013	2012	2013	2012
Non-executive Directors	0.3	0.4	0.3	0.4
Executive Director	*	*	-	-
	0.3	0.4	0.3	0.4

* less than RM0.1 million

Notes to the Financial Statements
For the financial year ended 30 June 2013 (continued)

Amounts in RM million unless otherwise stated

7. Other Operating Income

	Group		Company	
	2013	2012	2013	2012
Commission, handling fees and incentives	434.0	370.4	-	-
Income from available-for-sale investments (gross)				
- quoted shares in Malaysia	1.0	1.3	-	-
- unquoted shares	63.0	52.5	-	-
- unquoted debentures	0.3	-	-	-
- unit trust funds	0.1	0.1	-	-
Foreign currency exchange gain				
- realised	168.7	149.6	-	-
- unrealised	117.8	64.6	76.0	10.9
Fair value gains				
- foreign currency exchange contracts	-	0.6	-	-
- commodity future contracts	0.7	1.9	-	-
Ineffective portion of cash flow hedges				
- foreign currency exchange contracts	13.7	-	-	-
- cross currency swap	117.5	6.4	-	-
Hire of plant and machinery	4.1	1.7	-	-
Rental income from land and buildings	21.3	22.0	-	-
Gain on disposal of				
- property, plant and equipment	75.9	49.1	-	-
- investment properties	10.7	30.8	-	-
- subsidiaries	5.2	-	-	-
- a jointly controlled entity	7.0	-	-	-
- associates	4.5	-	-	-
- available-for-sale investments	0.2	66.4	-	-
Reversal of impairment losses of				
- property, plant and equipment	67.8	16.6	-	-
- biological assets	-	0.4	-	-
- prepaid lease rentals	-	4.9	-	-
- investment properties	0.5	11.9	-	-
- receivables	68.9	71.3	-	-
Sale of scrap	17.5	65.5	-	-
Forfeitures, recoveries and other miscellaneous income	317.8	335.1	-	-
	1,518.2	1,323.1	76.0	10.9

Notes to the Financial Statements
For the financial year ended 30 June 2013 (continued)

Amounts in RM million unless otherwise stated

8. Jointly Controlled Entities

Jointly controlled entity disposed during the financial year is shown in Note 48(b). The Group's interest in the jointly controlled entities as at 30 June 2013, their respective principal activities and countries of incorporation are shown in Note 54.

a. Share of results of jointly controlled entities

The Group's share of revenue and expenses and other comprehensive income of jointly controlled entities are as follows:

	Group	
	2013	2012
Revenue	1,416.4	1,755.6
Expenses	(1,385.9)	(1,746.6)
Tax expense	(4.6)	5.2
Profit after tax	<u>25.9</u>	<u>14.2</u>
Currency translation differences [Note 16]	(7.9)	(6.0)
Share of other comprehensive income [Note 16]	<u>(38.1)</u>	<u>-</u>

Included in the share of results of jointly controlled entities is a loss of RM5.1 million (2012: Nil) arising from the Group's interest in Battersea Project Holding Company Limited (BPHC). As at 30 June 2013, BPHC has secured purchasers for 841 units, out of the total of 866 units, representing 97% take-up of the available units in Phase 1, for total value of GBP685 million (equivalent to RM3,324 million). BPHC has yet to recognise any revenue from the development project.

b. Interest in jointly controlled entities

The Group's interest in the assets and liabilities of jointly controlled entities are as follows:

	Group	
	2013	2012
Non-current assets	1,898.6	486.2
Current assets	1,090.1	726.4
Non-current liabilities	(712.6)	(208.9)
Current liabilities	(1,071.7)	(692.4)
Non-controlling interests	(40.2)	(27.2)
Goodwill on acquisition	131.6	-
Carrying amount at end of year	<u>1,295.8</u>	<u>284.1</u>

The increase in the Group's interest in jointly controlled entities is mainly due to the following:

i. Battersea Project Holding Company Limited (BPHC)

On 4 July 2012, the Group entered into a joint venture with S P Setia Berhad and Kwasa Global (Jersey) Limited to participate in the acquisition and development of the Battersea Power Station site in London, United Kingdom through BPHC in the agreed shareholding proportion of 40%, 40% and 20%, respectively. The Group's interest in BPHC as at 30 June 2013 amounted to GBP83.2 million (equivalent to RM403.7 million).

ii. Ramsay Sime Darby Health Care Sdn Bhd (formerly known as Sime Darby Global Healthcare Sdn Bhd) (RSDHC)

On 30 June 2013, the Group completed the joint venture with AH Holdings Health Care Pty Ltd (AHHC), a wholly owned subsidiary of Ramsay Health Care Ltd, to establish RSDHC in the agreed shareholding proportion of 50%:50%. The joint venture involves the Group injecting its healthcare and education business held under Sime Darby Healthcare Sdn Bhd and AHHC injecting its Indonesian healthcare business into RSDHC. The Group's share of interest in RSDHC as at 30 June 2013 amounted to RM594.6 million. Details of the transaction is disclosed in Note 48(a).

Notes to the Financial Statements
For the financial year ended 30 June 2013 (continued)

Amounts in RM million unless otherwise stated

9. Associates

Associates acquired and disposed during the financial year are shown in Notes 47(c) and 48(c), respectively. The Group's equity interest in the associates as at 30 June 2013, their respective principal activities and countries of incorporation are shown in Note 54.

a. Share of results of associates

The associates' results and financial position are as follows:

	Group	
	2013	2012
Associates' results		
Revenue	6,958.8	6,726.1
Net profit for the year	328.1	301.4
Associates' financial position		
Total assets	10,379.3	9,738.6
Total liabilities	(6,385.0)	(6,012.8)
Net assets	3,994.3	3,725.8

Share of results and other comprehensive income of associates are as follows:

	Group	
	2013	2012
Share of results before impairment	115.2	101.4
Impairment losses	-	(2.0)
Reversal of impairment losses	-	1.0
Currency translation differences [Note 16]	(7.9)	(1.3)
Share of other comprehensive income [Note 16]	0.8	5.5
Share of capital reserve	2.8	-

b. Investment in associates

The Group's investment in associates are as follows:

	Group	
	2013	2012
Quoted shares in Malaysia, at cost	786.7	773.8
Unquoted shares, at cost	676.0	680.5
Share of post-acquisition reserves	281.4	210.7
Unrealised profit on transactions with associates	(152.9)	(165.2)
Impairment losses	(5.4)	(7.4)
	1,585.8	1,492.4

The quoted shares in Malaysia is in respect of the Group's equity interest of 31.2% (2012: 29.8%) in Eastern & Oriental Berhad (E&O), a company listed on the Main Market of Bursa Malaysia Securities Berhad. As at 30 June 2013, the market value of the Group's interest in E&O was RM690.4 million (2012: RM473.3 million) and the carrying value was RM826.7 million (2012: RM788.4 million). Based on the estimated realisable net asset value of E&O, management believes that no impairment is necessary despite the excess of the carrying value over the market value.

Notes to the Financial Statements
For the financial year ended 30 June 2013 (continued)

Amounts in RM million unless otherwise stated

10. Finance Income

	Group		Company	
	2013	2012	2013	2012
Interest income from:				
- subsidiaries	-	-	171.2	142.9
- banks and other financial institutions	98.2	128.8	1.0	0.8
- financial guarantees in respect of credit facilities granted to				
- certain subsidiaries	-	-	25.0	16.6
- others	0.1	0.4	-	-
- others	8.8	30.2	-	-
	107.1	159.4	197.2	160.3
Accretion of discount [Notes 27(a), (d) and (e)]	20.2	19.2	-	-
	127.3	178.6	197.2	160.3

11. Finance Costs

	Group		Company	
	2013	2012	2013	2012
Interest expense to:				
- banks and other financial institutions	267.9	291.3	16.7	33.0
- finance lease obligation	6.0	-	-	-
- a subsidiary	-	-	28.9	-
Financial guarantee contracts costs	-	-	-	84.9
Net change in fair value of interest rate swap contracts	(7.6)	(34.0)	-	-
Cross currency swap interest	40.1	23.3	-	-
	306.4	280.6	45.6	117.9
Interest capitalised in property development costs [Note 29]	(4.4)	(4.9)	-	-
	302.0	275.7	45.6	117.9
Islamic profit sharing arising on:				
- Sukuk	28.9	-	-	-
- Islamic Medium Term Notes and Islamic Commercial Papers	116.4	109.8	116.4	109.8
	145.3	109.8	116.4	109.8
Total finance costs	447.3	385.5	162.0	227.7

Notes to the Financial Statements
For the financial year ended 30 June 2013 (continued)

Amounts in RM million unless otherwise stated

12. Tax Expense

	Group		Company	
	2013	2012	2013	2012
Income tax:				
In respect of current year				
- Malaysian income tax	446.9	779.2	-	0.7
- foreign income tax	628.7	721.6	-	-
In respect of prior years				
- Malaysian income tax	(135.7)	(68.9)	(5.0)	(16.8)
- foreign income tax	23.3	(8.8)	-	-
Total income tax	963.2	1,423.1	(5.0)	(16.1)
Deferred tax:				
- origination and reversal of temporary differences	108.6	(39.8)	3.2	-
- effects of recognition of previously unrecognised tax losses, unabsorbed capital allowances and temporary differences	(88.8)	(81.6)	-	-
Total deferred tax	19.8	(121.4)	3.2	-
Total tax expense	983.0	1,301.7	(1.8)	(16.1)

Notes to the Financial Statements
For the financial year ended 30 June 2013 (continued)

Amounts in RM million unless otherwise stated

12. Tax Expense (continued)

Tax reconciliation

Reconciliation from tax at applicable tax rate to tax expense is as follows:

	Group		Company	
	2013	2012	2013	2012
Profit before tax	4,462.2	5,694.5	1,708.0	2,661.8
Less: Share of results of jointly controlled entities	(25.9)	(14.2)	-	-
Share of results of associates	(115.2)	(100.4)	-	-
	4,321.1	5,579.9	1,708.0	2,661.8
Applicable tax	1,033.8	1,355.6	427.0	665.4
Withholding tax on foreign income	26.9	24.2	-	-
Effects of tax incentives and income not subject to tax				
- single tier dividends from subsidiaries	-	-	(421.3)	(682.6)
- reversal of impairment losses	(17.0)	(8.9)	-	-
- others	(54.0)	(56.6)	(26.5)	(0.2)
Effects of expenses not deductible for tax purposes				
- impairment losses	6.4	9.0	-	-
- others	135.3	69.7	24.0	18.1
Deferred tax assets not recognised in respect of current year's tax losses	52.8	68.0	-	-
Over provision in prior years	(112.4)	(77.7)	(5.0)	(16.8)
Effects of recognition of previously unrecognised tax losses, unabsorbed capital allowances and temporary differences	(88.8)	(81.6)	-	-
Tax expense for the year	983.0	1,301.7	(1.8)	(16.1)
Applicable tax rate (%)	23.9	24.3	25.0	25.0
Effective tax rate (%)	22.7	23.3	(0.1)	(0.6)

The applicable tax of the Group represents the consolidation of all Group companies' applicable tax based on their respective domestic tax rates. The applicable tax of the Company is the product of the profit before tax multiplied by the domestic tax rate of the Company.

The applicable tax rate of the Group has decreased from 24.3% to 23.9% mainly due to the changes in the proportion of income contributed by subsidiaries which are subjected to different statutory income tax rate.

Notes to the Financial Statements
For the financial year ended 30 June 2013 (continued)

Amounts in RM million unless otherwise stated

13. Discontinued Operations

The discontinued operations is in respect of the Healthcare business following the disposal of the Group's interest in Sime Darby Healthcare Sdn Bhd on 30 June 2013 pursuant to a joint venture arrangement described in Note 48(a).

In 2012, the discontinued operations arose from the disposal of the Teluk Ramunia and Pasir Gudang fabrication yards where the Group exited the oil and gas business following the completion of the disposal on 31 March 2012. The oil and gas business formed a significant component of the Energy & Utilities division and hence its results was presented as discontinued operations.

The results and cash flows of the discontinued operations are as follows:

a. Results

	2013	2012	2012	2012
	Healthcare	Healthcare	Oil & Gas	Total
Revenue	385.5	358.3	715.3	1,073.6
Operating expenses	(372.0)	(339.1)	(849.1)	(1,188.2)
Other operating income	9.9	6.9	94.7	101.6
Profit/(loss) before interest and tax	23.4	26.1	(39.1)	(13.0)
Finance income	0.9	0.2	0.4	0.6
Finance costs	(2.0)	-	(1.5)	(1.5)
Profit/(loss) before tax	22.3	26.3	(40.2)	(13.9)
Tax expense	(10.5)	(6.5)	(10.9)	(17.4)
Profit/(loss) after tax	11.8	19.8	(51.1)	(31.3)
Gain/(loss) on sale of discontinued operations	340.6	-	(15.1)	(15.1)
Net profit/(loss) from discontinued operations	352.4	19.8	(66.2)	(46.4)
<u>Other comprehensive income from discontinued operations</u>				
Net changes in fair value of cash flow hedges	-	-	(4.6)	(4.6)

Notes to the Financial Statements
For the financial year ended 30 June 2013 (continued)

Amounts in RM million unless otherwise stated

13. Discontinued Operations (continued)

The results and cash flow of the discontinued operations are as follows: (continued)

a. Results (continued)

	2013	2012	2012	2012
	Healthcare	Healthcare	Oil & Gas	Total
Included in the results are:				
<u>Operating expenses</u>				
Employee costs	138.9	125.2	58.3	183.5
Depreciation on property, plant and equipment	28.2	25.4	-	25.4
Auditors' remuneration	0.2	0.2	0.2	0.4
Hire of plant and machinery	5.6	4.4	-	4.4
Operating lease payments for land and buildings	-	-	0.3	0.3
Unrealised foreign currency exchange loss	-	0.1	4.4	4.5
Impairment of receivables	0.1	1.1	-	1.1
<u>Other operating income</u>				
Realised foreign currency exchange gain	-	-	14.0	14.0
Gain on disposal of property, plant and equipment	0.6	-	-	-
Reversal of impairment of receivables	0.5	-	57.5	57.5
Rental income from land and buildings	2.1	0.3	0.2	0.5
<u>Tax expense</u>				
Income tax:				
Malaysian income tax				
- in respect of current year	10.7	10.2	(3.2)	7.0
- in respect of prior years	0.4	-	-	-
Total income tax	11.1	10.2	(3.2)	7.0
Deferred tax:				
- origination and reversal of temporary differences	(0.6)	-	14.1	14.1
- effects of recognition of previously unrecognised tax losses, unabsorbed capital allowances and temporary differences	-	(3.7)	-	(3.7)
Total deferred tax	(0.6)	(3.7)	14.1	10.4
Total tax expense	10.5	6.5	10.9	17.4

Notes to the Financial Statements
For the financial year ended 30 June 2013 (continued)

Amounts in RM million unless otherwise stated

13. Discontinued Operations (continued)

The results and cash flows of the discontinued operations are as follows: (continued)

b. Cash flows

	2013	2012	2012	2012
	Healthcare	Healthcare	Oil & Gas	Total
Cash flow from operating activities				
Profit/(loss) after tax	11.8	19.8	(51.1)	(31.3)
Adjustments for:				
- depreciation	28.2	25.4	-	25.4
- finance income	(0.9)	(0.2)	(0.4)	(0.6)
- finance costs	2.0	-	1.5	1.5
- tax expense	10.5	6.5	10.9	17.4
- gain on disposal of property, plant and equipment	(0.6)	-	-	-
- (reversal of impairment)/impairment of receivables	(0.4)	1.1	(57.5)	(56.4)
- unrealised foreign currency exchange losses	-	0.1	4.4	4.5
	50.6	52.7	(92.2)	(39.5)
Changes in working capital				
- inventories	(2.2)	(4.1)	1.6	(2.5)
- trade receivables and others	(10.9)	(1.3)	26.3	25.0
- trade payables and others	(8.0)	(17.9)	90.4	72.5
Cash from operations	29.5	29.4	26.1	55.5
Tax paid	(13.5)	(9.7)	(2.4)	(12.1)
Net cash from operating activities	16.0	19.7	23.7	43.4
Cash flow from investing activities				
Finance income received	0.9	0.2	1.0	1.2
Proceeds from sale of property, plant and equipment	11.4	-	34.5	34.5
Purchase of property, plant and equipment	(338.0)	(73.4)	(14.1)	(87.5)
Net cash (used in)/from investing activities	(325.7)	(73.2)	21.4	(51.8)
Cash flow from financing activities				
Finance costs paid	(2.0)	-	(1.6)	(1.6)
Short-term borrowing	50.0	-	-	-
Net cash from/(used in) financing activities	48.0	-	(1.6)	(1.6)

Notes to the Financial Statements
For the financial year ended 30 June 2013 (continued)

Amounts in RM million unless otherwise stated

14. Earnings Per Share

Basic and diluted earnings/(loss) per share attributable to owners of the Company are computed as follows:

	Group	
	2013	2012
<u>Basic</u>		
Profit/(loss) for the year		
- from continuing operations	3,348.2	4,196.6
- from discontinued operations	352.4	(46.4)
	3,700.6	4,150.2
Weighted average number of ordinary shares in issue (million)	6,009.5	6,009.5
Earnings/(loss) per share (sen)		
- from continuing operations	55.72	69.83
- from discontinued operations	5.86	(0.77)
	61.58	69.06
<u>Diluted</u>		
Profit/(loss) for the year		
- from continuing operations *	3,347.7	4,196.6
- from discontinued operations	352.4	(46.4)
	3,700.1	4,150.2
Weighted average number of ordinary shares in issue (million)	6,009.5	6,009.5
Diluted earnings/(loss) per share (sen)		
- from continuing operations	55.71	69.83
- from discontinued operations	5.86	(0.77)
	61.57	69.06

* adjusted for the dilutive effect of long-term stock incentive plan of an associate of RM0.5 million (2012: Nil) for the financial year ended 30 June 2013.

Notes to the Financial Statements
For the financial year ended 30 June 2013 (continued)

Amounts in RM million unless otherwise stated

15. Dividends

	Group/Company	
	2013	2012
Final single tier dividend of 25.0 sen per share (2012: 22.0 sen per share) for the financial year ended 30 June 2012 paid on 14 December 2012	1,502.4	1,322.1
Interim single tier dividend of 7.0 sen per share (2012: 10.0 sen per share) for the financial year ended 30 June 2013 paid on 10 May 2013	420.7	601.0
	<u>1,923.1</u>	<u>1,923.1</u>

At the forthcoming Annual General Meeting, a final single tier dividend of 27.0 sen per share for the financial year ended 30 June 2013 amounting to a net payout of RM1,622.6 million will be proposed for shareholders' approval. The financial statements do not reflect this dividend which will be recognised in the financial year ending 30 June 2014 when approved by shareholders.

Subject to the relevant regulatory approvals and the shareholders' approval being obtained at an Extraordinary General Meeting to be convened, the Company proposes to undertake a dividend reinvestment plan (Proposed DRP). The Directors have determined that the Proposed DRP, if approved, will apply to the final dividend and shareholders of the Company will be given an option to elect to reinvest the entire final dividend in new ordinary share(s) of RM0.50 each in the Company (Sime Darby Shares) in accordance with the Proposed DRP. The Directors have also determined that the issue price of the new Sime Darby Shares to be issued pursuant to the final dividend will be at a 5% discount to the volume weighted average market price of the Sime Darby Shares for the 5 market days immediately prior to the price fixing date to be announced later.

Notes to the Financial Statements
For the financial year ended 30 June 2013 (continued)

Amounts in RM million unless otherwise stated

16. Other Comprehensive Income/(Loss)

Other comprehensive income/(loss) and the tax effects are analysed as follows:

Group 2013	Capital reserve	Hedging reserve
Currency translation differences:		
- subsidiaries	-	-
- jointly controlled entities	-	-
- associates	-	-
Net change in fair value of:		
- available-for-sale investments	-	-
- cash flow hedges	-	57.0
Actuarial losses on defined benefit pension plans	-	-
Reclassified to profit or loss:		
- currency translation differences on repayment of net investment in subsidiaries	-	-
- changes in fair value on disposal of available-for-sale investment	-	-
- changes in fair value of cash flow hedges as adjustment to		
- revenue	-	3.5
- other income	-	(117.5)
Reclassified changes in fair value of cash flow hedges to inventories	-	0.6
Share of other comprehensive income of:		
- jointly controlled entities	-	(0.2)
- associates	-	-
Tax expense	-	21.4
Continuing operations	-	(35.2)
2012		
Currency translation differences:		
- subsidiaries	-	-
- jointly controlled entities	-	-
- associates	-	-
Net change in fair value of:		
- available-for-sale investments	-	-
- cash flow hedges	-	(149.3)
Actuarial gains on defined benefit pension plans	-	-
Reclassified to profit or loss:		
- currency translation differences on disposal/liquidation of subsidiaries	-	-
- changes in fair value on disposal of available-for-sale investment	-	-
- changes in fair value of cash flow hedges as adjustment to revenue	-	(4.8)
Reclassified changes in fair value of cash flow hedges to inventories	-	(11.9)
Share of other comprehensive income of associates	5.5	-
Tax expense	-	25.9
Continuing operations	5.5	(140.1)
Discontinued operations [Note 13]	-	(4.6)
	5.5	(144.7)

Available-for-sale reserve	Exchange reserve	Retained profits	Non-controlling interests	Total	Tax effects	Net of tax
-	(626.2)	-	(12.8)	(639.0)	-	(639.0)
-	(7.9)	-	-	(7.9)	-	(7.9)
-	(7.9)	-	-	(7.9)	-	(7.9)
17.1	-	-	-	17.1	-	17.1
-	-	-	-	57.0	(13.8)	43.2
-	-	(18.7)	(0.3)	(19.0)	2.8	(16.2)
-	17.7	-	-	17.7	-	17.7
(0.2)	-	-	-	(0.2)	-	(0.2)
-	-	-	-	3.5	-	3.5
-	-	-	-	(117.5)	35.2	(82.3)
-	-	-	-	0.6	-	0.6
-	10.1	(48.0)	-	(38.1)	-	(38.1)
0.7	0.1	-	-	0.8	-	0.8
-	-	2.8	-	24.2	-	24.2
17.6	(614.1)	(63.9)	(13.1)	(708.7)	24.2	(708.7)
-	15.4	-	(1.4)	14.0	-	14.0
-	(6.0)	-	-	(6.0)	-	(6.0)
-	(1.3)	-	-	(1.3)	-	(1.3)
33.9	-	-	-	33.9	(10.5)	23.4
-	-	-	0.2	(149.1)	25.9	(123.2)
-	-	(33.0)	(0.1)	(33.1)	(3.0)	(36.1)
-	(9.5)	-	-	(9.5)	-	(9.5)
(36.7)	-	-	-	(36.7)	11.0	(25.7)
-	-	-	-	(4.8)	-	(4.8)
-	-	-	-	(11.9)	-	(11.9)
-	-	-	-	5.5	-	5.5
0.5	-	(3.0)	-	23.4	-	23.4
(2.3)	(1.4)	(36.0)	(1.3)	(175.6)	23.4	(175.6)
-	-	-	-	(4.6)	-	(4.6)
(2.3)	(1.4)	(36.0)	(1.3)	(180.2)	23.4	(180.2)

Notes to the Financial Statements
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17. Property, Plant and Equipment

Group	Freehold land	Long leasehold land
2013		
At 1 July	2,821.3	884.3
Acquisition of subsidiary and business [Note 47(a)]	-	-
Disposal of subsidiaries [Note 48(a)]	(109.7)	-
Additions	127.6	19.1
Disposals	(5.0)	-
Write offs	-	-
Impairment losses	-	-
Reversal of impairment losses	-	-
Transfer to investment properties [Note 20]	(73.1)	(12.0)
Transfer to land held for property development [Note 21]	(29.4)	(18.5)
Transfer to intangible assets [Note 24]	-	-
Transfer to inventories	-	-
Transfer from/(to) non-current assets held for sale [Note 34]	4.3	(5.2)
Reclassification	-	1.5
Depreciation	-	(8.6)
Exchange differences	(18.2)	1.4
At 30 June	2,717.8	862.0
Cost/valuation	2,724.1	1,011.2
Accumulated depreciation	-	(137.8)
Accumulated impairment losses	(6.3)	(11.4)
Carrying amount at end of year	2,717.8	862.0
2012		
At 1 July	2,776.2	1,050.8
Acquisition of subsidiary and business	-	-
Disposal of subsidiaries	-	-
Additions	22.8	-
Disposals	(5.0)	-
Write offs	-	-
Impairment losses	(2.7)	-
Reversal of impairment losses	0.5	-
Transfer from investment properties [Note 20]	30.5	-
Transfer to inventories	-	-
Transfer from property development costs [Note 29]	11.5	-
Transfer to non-current assets held for sale [Note 34]	(1.8)	-
Reclassification	-	(162.6)
Depreciation	-	(6.5)
Exchange differences	(10.7)	2.6
At 30 June	2,821.3	884.3
Cost/valuation	2,828.0	1,022.2
Accumulated depreciation	-	(126.6)
Accumulated impairment losses	(6.7)	(11.3)
Carrying amount at end of year	2,821.3	884.3

Short leasehold land	Buildings	Plant and machinery	Rental assets	Vehicles, equipment and fixtures	Capital work in progress	Total
361.4	4,301.9	2,123.9	1,479.3	1,024.9	1,006.7	14,003.7
-	-	11.0	-	0.5	63.5	75.0
-	(448.7)	(92.7)	-	(45.3)	(16.9)	(713.3)
34.7	350.6	252.8	667.7	324.5	1,112.4	2,889.4
-	(21.7)	(25.2)	-	(13.2)	(0.3)	(65.4)
-	(5.4)	-	-	(12.8)	(0.3)	(18.5)
-	(14.5)	(2.5)	(0.4)	(2.1)	-	(19.5)
-	32.8	25.4	0.7	8.9	-	67.8
(0.2)	(34.6)	-	-	-	-	(119.9)
-	-	-	-	-	-	(47.9)
-	-	-	-	(62.3)	(1.6)	(63.9)
-	-	-	(393.7)	1.6	(10.3)	(402.4)
-	(84.3)	(3.4)	-	(3.0)	-	(91.6)
(1.2)	479.5	337.0	12.1	151.3	(980.2)	-
(9.0)	(207.8)	(309.2)	(366.7)	(309.1)	-	(1,210.4)
(1.2)	(37.3)	(0.7)	(63.0)	(13.0)	(54.7)	(186.7)
384.5	4,310.5	2,316.4	1,336.0	1,050.9	1,118.3	14,096.4
615.7	5,860.9	5,038.5	1,923.9	2,628.9	1,234.6	21,037.8
(222.9)	(1,459.3)	(2,585.5)	(583.1)	(1,565.1)	-	(6,553.7)
(8.3)	(91.1)	(136.6)	(4.8)	(12.9)	(116.3)	(387.7)
384.5	4,310.5	2,316.4	1,336.0	1,050.9	1,118.3	14,096.4
192.9	3,041.9	1,799.2	1,188.5	946.4	1,660.2	12,656.1
-	22.0	15.5	-	-	-	37.5
-	-	-	-	(1.9)	-	(1.9)
1.8	180.6	266.4	948.0	290.4	752.9	2,462.9
-	(1.3)	(7.2)	-	(13.5)	-	(27.0)
-	(6.0)	-	(0.9)	(10.8)	-	(17.7)
(0.1)	(15.5)	-	(5.0)	(2.8)	(3.8)	(29.9)
0.4	1.6	12.1	2.0	-	-	16.6
-	25.3	-	-	-	-	55.8
-	-	-	(337.3)	-	-	(337.3)
-	177.8	72.0	-	-	-	261.3
-	-	-	-	-	(3.4)	(5.2)
169.6	1,031.9	255.1	-	83.0	(1,377.0)	-
(8.9)	(191.3)	(287.4)	(326.9)	(276.2)	-	(1,097.2)
5.7	34.9	(1.8)	10.9	10.3	(22.2)	29.7
361.4	4,301.9	2,123.9	1,479.3	1,024.9	1,006.7	14,003.7
579.7	5,831.8	4,853.6	2,040.4	2,567.9	1,126.4	20,850.0
(211.1)	(1,432.1)	(2,555.3)	(555.9)	(1,519.6)	-	(6,400.6)
(7.2)	(97.8)	(174.4)	(5.2)	(23.4)	(119.7)	(445.7)
361.4	4,301.9	2,123.9	1,479.3	1,024.9	1,006.7	14,003.7

Notes to the Financial Statements**For the financial year ended 30 June 2013 (continued)****Amounts in RM million unless otherwise stated****17. Property, Plant and Equipment (continued)**

Certain plantation land of the Group are used as underlying assets (Sukuk Assets) for the Sukuk issued during the financial year which is based on the Shariah Principle of Ijarah. The structure does not represent collateralisation and there is no transfer of registered title of the Sukuk Assets. The carrying amount of the Sukuk Assets as at 30 June 2013 amounted to RM531.0 million (2012: Nil).

Property, plant and equipment with a total carrying amount of RM114.8 million (2012: RM90.0 million) were pledged as security for certain of the Group's borrowings [Note 38]. In addition, included in plant and machinery is an amount of RM162.3 million (2012: Nil) acquired under finance leases [Note 39].

During the financial year, the Group carried out a review of the recoverable amount of its property, plant and equipment. The review led to the recognition of a net reversal of impairment of RM48.3 million, of which RM35.9 million were due to the reversal of impairment of the Plantation downstream's property, plant and equipment. The reversal was made following the improvement in sales and profit.

During the financial year, there is a change in the estimated useful lives of the following property, plant and equipment and the impact is as disclosed below:

- i. Crude palm oil storage tank
The estimated useful life has been increased from 20 years to 40 years and therefore, the Group's depreciation expense for the financial year has decreased by RM5.0 million.
- ii. Computer equipment
The estimated useful life has been reduced from 4 – 5 years to 3 years. As a result, the Group's depreciation expense for the financial year has increased by RM2.2 million.
- iii. Medical equipment
The estimated useful life has been increased from 5 – 8 years to 10 years, resulting in lower depreciation expense for the financial year by RM4.0 million.

Notes to the Financial Statements
For the financial year ended 30 June 2013 (continued)

Amounts in RM million unless otherwise stated

18. Biological Assets

	Group	
	2013	2012
At 1 July	2,417.1	2,429.7
Additions	174.3	70.1
Write offs	(9.2)	(3.0)
Impairment	-	(0.1)
Reversal of impairment losses	-	0.4
Depreciation	(43.1)	(43.0)
Exchange differences	(40.6)	(37.0)
At 30 June	2,498.5	2,417.1

Included in additions is depreciation capitalised of RM20.2 million (2012: Nil).

Biological assets represent plantation development expenditure for oil palm, rubber and other crops which are analysed as follows :

	Group	
	2013	2012
Oil palm	2,465.3	2,381.2
Rubber	33.1	35.8
Others	0.1	0.1
	2,498.5	2,417.1

The total new planting and replanting expenditure during the financial year are as follows:

	Group	
	2013	2012
New planting	174.3	70.1
Replanting [Note 6]	208.7	189.6
At 30 June	383.0	259.7

Produce which were unsold as at the end of the reporting period are shown as produce stocks under inventories.

Certain biological assets of the Group are used as underlying assets (Sukuk Assets) for the Sukuk issued during the financial year which is based on the Shariah Principle of Ijarah. The structure does not represent collateralisation and there is no transfer of registered title of the Sukuk Assets. The carrying amount of the Sukuk Assets as at 30 June 2013 amounted to RM286.0 million (2012: Nil).

Notes to the Financial Statements
For the financial year ended 30 June 2013 (continued)

Amounts in RM million unless otherwise stated

19. Prepaid Lease Rentals

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

Group	Long	Short	
2013	leasehold	leasehold	Total
	land	land	
At 1 July	13.4	1,146.9	1,160.3
Additions	-	101.0	101.0
Reclassification	(10.7)	10.7	-
Amortisation	(0.4)	(47.9)	(48.3)
Exchange differences	0.5	(32.0)	(31.5)
At 30 June	<u>2.8</u>	<u>1,178.7</u>	<u>1,181.5</u>
2012			
At 1 July	4.0	1,083.9	1,087.9
Acquisition of subsidiary	-	20.0	20.0
Additions	10.1	88.8	98.9
Reversal of impairment losses	-	4.9	4.9
Amortisation	(1.1)	(45.0)	(46.1)
Exchange differences	0.4	(5.7)	(5.3)
At 30 June	<u>13.4</u>	<u>1,146.9</u>	<u>1,160.3</u>

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

	Group	
	2013	2012
Non-current		
Due later than one year	1,141.1	1,115.9
Current		
Due no later than one year, included in accrued billings and others under current assets [Note 30]	40.4	44.4
	<u>1,181.5</u>	<u>1,160.3</u>

Notes to the Financial Statements
For the financial year ended 30 June 2013 (continued)

Amounts in RM million unless otherwise stated

20. Investment Properties

Group 2013	Freehold land	Long leasehold land	Short leasehold land	Buildings	Total
At 1 July	51.0	41.3	24.0	258.5	374.8
Additions	7.8	-	-	7.8	15.6
Disposals	(13.2)	-	-	-	(13.2)
Impairment losses	-	-	-	(5.8)	(5.8)
Reversal of impairment losses	0.5	-	-	-	0.5
Transfer from property, plant and equipment [Note 17]	73.0	12.0	0.2	34.7	119.9
Transfer from inventories	2.8	-	-	157.0	159.8
Depreciation	-	(0.9)	(0.8)	(12.2)	(13.9)
Exchange differences	(0.4)	-	(0.6)	(3.3)	(4.3)
At 30 June	121.5	52.4	22.8	436.7	633.4
Cost	122.0	60.7	35.3	617.8	835.8
Accumulated depreciation	-	(8.3)	(12.5)	(163.0)	(183.8)
Accumulated impairment losses	(0.5)	-	-	(18.1)	(18.6)
Carrying amount at end of year	121.5	52.4	22.8	436.7	633.4
2012					
At 1 July	41.1	48.6	24.3	293.2	407.2
Additions	-	-	-	1.3	1.3
Disposals	(0.5)	(5.9)	-	(5.0)	(11.4)
Impairment losses	-	-	-	(10.3)	(10.3)
Reversal of impairment losses	6.4	-	-	5.5	11.9
Transfer to property, plant and equipment [Note 17]	(30.5)	-	-	(25.3)	(55.8)
Transfer from property development costs [Note 29]	44.0	-	-	-	44.0
Transfer to non-current assets held for sale [Note 34]	(5.9)	-	-	-	(5.9)
Depreciation	-	(1.0)	(0.8)	(13.0)	(14.8)
Exchange differences	(3.6)	(0.4)	0.5	12.1	8.6
At 30 June	51.0	41.3	24.0	258.5	374.8
Cost	52.0	48.7	35.1	376.7	512.5
Accumulated depreciation	-	(7.4)	(11.1)	(90.4)	(108.9)
Accumulated impairment losses	(1.0)	-	-	(27.8)	(28.8)
Carrying amount at end of year	51.0	41.3	24.0	258.5	374.8

Notes to the Financial Statements
For the financial year ended 30 June 2013 (continued)

Amounts in RM million unless otherwise stated

20. Investment Properties (continued)

The fair value of investment properties as at 30 June 2013 was RM1,070.8 million (2012: RM814.0 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 properties of certain subsidiaries with carrying amount of RM246.4 million (2012: RM132.5 million) were pledged as security for borrowings [Note 38].

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

	Group	
	2013	2012
Rental income	62.2	62.8
Direct operating expenses	(25.9)	(6.3)

21. Land Held for Property Development

	Group	
	2013	2012
At 1 July	835.2	893.7
Transfer from property, plant and equipment [Note 17]	47.9	-
Transfer to property development costs [Note 29]	(60.5)	(63.7)
Incidental costs incurred	41.6	5.2
At 30 June	864.2	835.2

22. Subsidiaries

	Company	
	2013	2012
Unquoted shares at cost	2,753.9	2,487.6
Contributions to subsidiaries	3,571.5	3,571.5
	6,325.4	6,059.1

During the financial year, the Company increased its investment in a wholly owned subsidiary, Sime Darby Industrial Holdings Sdn Bhd (SDIH), by subscribing to 266.3 million new ordinary shares of RM1 each in SDIH for a consideration of RM266.3 million.

Contributions to subsidiaries are interest-free and any repayment is subject to the discretion of the subsidiaries.

The Group's equity interest in the subsidiaries, their respective principal activities and countries of incorporation are shown in Note 54.

Notes to the Financial Statements
For the financial year ended 30 June 2013 (continued)

Amounts in RM million unless otherwise stated

23. Available-for-sale Investments

Group 2013	Quoted shares		Unquoted shares	Unquoted debenture	Unit trust	Total
	In Malaysia	Outside Malaysia				
At 1 July	27.0	-	70.7	4.0	10.1	111.8
Additions	-	-	-	-	30.2	30.2
Disposals	-	-	-	-	(40.4)	(40.4)
Net change in fair value	6.1	-	10.8	0.1	0.1	17.1
At 30 June	33.1	-	81.5	4.1	-	118.7
2012						
At 1 July	25.3	23.3	71.9	5.0	-	125.5
Additions	-	-	-	-	10.0	10.0
Disposals	-	(57.5)	-	-	-	(57.5)
Net change in fair value	1.7	34.3	(1.2)	(1.0)	0.1	33.9
Exchange differences	-	(0.1)	-	-	-	(0.1)
At 30 June	27.0	-	70.7	4.0	10.1	111.8

The unquoted debenture carries a coupon rate of 3.75% and matures on 30 June 2020 at its nominal value of RM4.2 million.

Notes to the Financial Statements
For the financial year ended 30 June 2013 (continued)

Amounts in RM million unless otherwise stated

24. Intangible Assets

Group 2013	Acquired			
	Goodwill	Trademarks	Assets usage rights	Customer relationships
At 1 July	52.7	16.6	3.4	6.6
Acquisition of subsidiary and business [Note 47(a)]	6.4	-	-	-
Additions	-	1.5	-	-
Adjustment to purchase consideration	4.6	-	-	-
Impairment losses	(0.5)	-	-	-
Transfer from property, plant and equipment [Note 17]	-	-	-	-
Amortisation	-	(2.9)	(0.3)	(0.9)
Exchange differences	(4.0)	(1.7)	-	(0.5)
At 30 June	59.2	13.5	3.1	5.2
Cost	59.9	59.6	5.6	6.9
Accumulated amortisation	-	(40.0)	(2.5)	(1.7)
Accumulated impairment losses	(0.7)	(6.1)	-	-
Carrying amount at end of year	59.2	13.5	3.1	5.2
2012				
At 1 July	50.3	23.0	3.7	7.4
Acquisition of subsidiary and business	-	-	-	-
Additions	-	0.1	-	-
Adjustment to purchase consideration	3.6	-	-	-
Impairment losses	-	(4.9)	-	-
Reclassification	(1.4)	1.4	-	-
Amortisation	-	(3.0)	(0.3)	(0.8)
Exchange differences	0.2	-	-	-
At 30 June	52.7	16.6	3.4	6.6
Cost	63.7	58.8	5.5	7.4
Accumulated amortisation	-	(36.1)	(2.1)	(0.8)
Accumulated impairment losses	(11.0)	(6.1)	-	-
Carrying amount at end of year	52.7	16.6	3.4	6.6

Distribution rights	Computer software	Total	Internally generated		Total intangible assets
			Development costs	Computer software	
781.2	-	860.5	4.0	-	864.5
-	-	6.4	-	-	6.4
-	14.0	15.5	-	58.4	73.9
-	-	4.6	-	-	4.6
-	-	(0.5)	-	-	(0.5)
-	62.3	62.3	-	1.6	63.9
-	(16.8)	(20.9)	(1.3)	(0.1)	(22.3)
(71.0)	0.5	(76.7)	-	1.2	(75.5)
710.2	60.0	851.2	2.7	61.1	915.0
710.2	159.4	1,001.6	18.4	61.2	1,081.2
-	(98.3)	(142.5)	(9.7)	(0.1)	(152.3)
-	(1.1)	(7.9)	(6.0)	-	(13.9)
710.2	60.0	851.2	2.7	61.1	915.0
-	-	84.4	1.6	-	86.0
770.2	-	770.2	-	-	770.2
-	-	0.1	4.2	-	4.3
-	-	3.6	-	-	3.6
-	-	(4.9)	-	-	(4.9)
-	-	-	-	-	-
-	-	(4.1)	(1.8)	-	(5.9)
11.0	-	11.2	-	-	11.2
781.2	-	860.5	4.0	-	864.5
781.2	-	916.6	18.4	-	935.0
-	-	(39.0)	(8.4)	-	(47.4)
-	-	(17.1)	(6.0)	-	(23.1)
781.2	-	860.5	4.0	-	864.5

Notes to the Financial Statements
For the financial year ended 30 June 2013 (continued)

Amounts in RM million unless otherwise stated

24. Intangible Assets (continued)

Goodwill is allocated to the Group's cash-generating units (CGU) 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.

Trademarks with carrying amount of RM0.4 million (2012: RM0.4 million) were acquired for an indefinite period. These trademarks are not amortised as they are expected to contribute to net cash inflows indefinitely.

Distribution rights with carrying amount of RM710.2 million (2012: RM781.2 million) was in respect of the acquisition of the Bucyrus distribution rights and business assets for a consideration of approximately RM1.2 billion in December 2011. Pursuant to a purchase price allocation performed by an external professional firm, an amount of RM770.2 million was identified as distribution rights.

Internally developed computer software which is still under development are not depreciated.

The Group tests intangible assets for impairment by assessing the underlying cash-generating units. Based on this, an impairment loss of RM0.5 million (2012: RM4.9 million) was recorded in profit or loss.

A reporting segment level summary of intangible assets with indefinite useful life is as follows:

Group 2013	Plantation	Industrial	Motors	Energy & Utilities	Total
Goodwill	0.7	28.2	26.0	4.3	59.2
Trademarks	-	0.4	-	-	0.4
Distribution rights	-	710.2	-	-	710.2
	0.7	738.8	26.0	4.3	769.8
2012					
Goodwill	1.5	26.8	20.1	4.3	52.7
Trademarks	-	0.4	-	-	0.4
Distribution rights	-	781.2	-	-	781.2
	1.5	808.4	20.1	4.3	834.3

The recoverable amount of the CGU was based on its value in use calculations using cash flow projections from financial budgets approved by management covering a five-year period. The discount rate applied to the cash flow projections and the forecasted growth rates used to extrapolate the cash flows beyond the five-year period are as follows:

	Plantation		Industrial		Motors		Energy & Utilities	
	2013	2012	2013	2012	2013	2012	2013	2012
	%	%	%	%	%	%	%	%
Discount rates	10	10	9-13	14-16	9-12	9-12	9	9
Forecasted growth rates	6	6	3	3	3	3	-	-

The discount rates applied to the cash flow projections for the distribution rights in Industrial range from 9.3% to 13.0% (2012: 14.0% to 16.0%) per annum which is derived from the cash generating unit's pre-tax weighted average cost of capital plus a reasonable risk premium at 30 June 2013. The growth rates applied in the value-in-use calculations from the first to fifth year is 0% to 26.0% (2012: 6.0%) while the terminal value is calculated based on the cash flows at the end of the fifth year with a growth rate of 2.5%.

The management believes that there are no reasonably possible changes in any of the key assumptions used that would cause the carrying amount of the CGUs to materially exceed the recoverable amounts.

Notes to the Financial Statements
For the financial year ended 30 June 2013 (continued)

Amounts in RM million unless otherwise stated

25. Deferred Tax

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority. The following amounts, determined after appropriate offsetting, are shown in the statements of financial position:

	Group		Company	
	2013	2012	2013	2012
Deferred tax assets	924.0	819.6	-	-
Deferred tax liabilities	(642.2)	(537.1)	(3.2)	-
	281.8	282.5	(3.2)	-
Tax losses for which the tax effects have not been recognised in the financial statements	1,170.9	1,079.7	-	-

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

Group 2013	Property, plant and equipment	Prepaid lease rentals	Property development	Impairment and provisions	Tax losses and unabsorbed capital allowances	Others	Total
At 1 July	(353.0)	(216.3)	217.6	338.7	165.5	130.0	282.5
Disposal of subsidiaries [Note 48(a)]	0.6	-	-	9.5	(0.1)	(0.9)	9.1
Credited/(charged) to profit or loss							
- origination and reversal of temporary differences	(25.8)	0.1	(24.4)	3.6	(39.0)	(22.5)	(108.0)
- effects of recognition of previously unrecognised tax losses, unabsorbed capital allowances and temporary differences	36.3	-	(5.1)	37.1	28.6	(8.1)	88.8
Credited to other comprehensive income [Note 16]	-	-	-	-	-	24.2	24.2
Transfer to non-current assets held for sale [Note 34]	-	-	-	-	(6.0)	-	(6.0)
Exchange differences	2.7	10.1	(0.2)	(16.6)	4.5	(9.3)	(8.8)
At 30 June	(339.2)	(206.1)	187.9	372.3	153.5	113.4	281.8

Notes to the Financial Statements
For the financial year ended 30 June 2013 (continued)

Amounts in RM million unless otherwise stated

25. Deferred Tax (continued)

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

Group 2012	Property, plant and equipment	Prepaid lease rentals	Property develop- ment	Impairment and provisions	Tax losses and unabsorbed capital allowances	Others	Total
At 1 July	(406.4)	(231.7)	226.0	338.0	124.5	89.6	140.0
Credited/(charged) to profit or loss							
- origination and reversal of temporary differences	(9.5)	10.3	(6.2)	27.8	(20.5)	23.8	25.7
- effects of recognition of previously unrecognised tax losses, unabsorbed capital allowances and temporary differences	65.2	-	0.6	(31.4)	58.1	(7.2)	85.3
Credited to other comprehensive income [Note 16]	-	-	-	-	-	23.4	23.4
Exchange differences	(2.3)	5.1	(2.8)	4.2	3.4	0.5	8.1
At 30 June	(353.0)	(216.3)	217.6	338.6	165.5	130.1	282.5

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 RM468.2 million (2012: RM436.3 million) would be payable.

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

	Company 2013	2012
At 1 July	-	-
Charged to profit or loss		
- origination of temporary differences	(3.2)	-
At 30 June	(3.2)	-

The deferred tax arose from temporary differences in payables.

Notes to the Financial Statements
For the financial year ended 30 June 2013 (continued)

Amounts in RM million unless otherwise stated

26. Derivatives

The Group's derivatives are as follows:

Group 2013	Positive fair value	Negative fair value	Net
Non-current			
Non-hedging derivatives:			
- forward foreign exchange contracts [note (a)]	12.2	(1.4)	10.8
Cash flow hedges:			
- forward foreign exchange contracts [note (a)]	1.0	(0.5)	0.5
- interest rate swap contracts [note (b)]	13.7	-	13.7
- cross currency swap contract [note (c)]	110.0	-	110.0
	136.9	(1.9)	135.0
Current			
Non-hedging derivatives:			
- forward foreign exchange contracts [note (a)]	18.2	(5.8)	12.4
- commodity futures contracts [note (d)]	2.9	(1.7)	1.2
Cash flow hedges:			
- forward foreign exchange contracts [note (a)]	24.2	(69.4)	(45.2)
- cross currency swap contract [note (c)]	-	(38.1)	(38.1)
	45.3	(115.0)	(69.7)
Total derivatives	182.2	(116.9)	65.3
2012			
Non-current			
Non-hedging derivatives:			
- forward foreign exchange contracts [note (a)]	0.8	(4.3)	(3.5)
Cash flow hedges:			
- forward foreign exchange contracts [note (a)]	2.4	-	2.4
- cross currency swap contract [note (c)]	-	(48.4)	(48.4)
	3.2	(52.7)	(49.5)
Current			
Non-hedging derivatives:			
- forward foreign exchange contracts [note (a)]	2.6	(21.8)	(19.2)
- interest rate swap contracts [note (b)]	-	(2.6)	(2.6)
- commodity futures contracts [note (d)]	1.9	-	1.9
Cash flow hedges:			
- forward foreign exchange contracts [note (a)]	24.1	(71.1)	(47.0)
- interest rate swap contracts [note (b)]	-	(17.2)	(17.2)
	28.6	(112.7)	(84.1)
Total derivatives	31.8	(165.4)	(133.6)

These derivatives are entered into to hedge foreign currency, interest rate and price risks as described in Note 52. Whilst all derivatives entered provide economic hedges to the Group, non-hedging derivatives are instruments that do not qualify for the application of hedge accounting under the specific rules in FRS 139.

Notes to the Financial Statements
For the financial year ended 30 June 2013 (continued)

Amounts in RM million unless otherwise stated

26. Derivatives (continued)

a. Forward foreign exchange contracts

As at 30 June, forward foreign exchange contracts have been entered into with the following notional amounts and maturities:

Group 2013	Maturities		Total
	Less than 1 year	1 year to 3 years	
Forward contracts used to hedge anticipated sales denominated in			
- United States dollar	891.9	7.0	898.9
- European Union euro	131.4	-	131.4
- British pound	4.3	-	4.3
	1,027.6	7.0	1,034.6
Forward contracts used to hedge receivables denominated in			
- United States dollar	517.6	-	517.6
- European Union euro	0.8	-	0.8
- Japanese yen	6.6	-	6.6
- British pound	2.5	-	2.5
	527.5	-	527.5
Forward contracts used to hedge anticipated purchases denominated in			
- United States dollar	540.3	9.7	550.0
- Australian dollar	31.8	-	31.8
- European Union euro	659.7	490.2	1,149.9
- Singapore dollar	7.1	-	7.1
- Japanese yen	57.5	-	57.5
- British pound	7.5	-	7.5
	1,303.9	499.9	1,803.8
Forward contracts used to hedge payables denominated in			
- United States dollar	329.2	-	329.2
- Australian dollar	0.4	-	0.4
- European Union euro	119.9	-	119.9
- Singapore dollar	0.2	-	0.2
- Japanese yen	15.2	-	15.2
- British pound	9.1	-	9.1
	474.0	-	474.0
Total notional amount	3,333.0	506.9	3,839.9
Net fair value (liabilities)/assets	(32.8)	11.3	(21.5)

Notes to the Financial Statements
For the financial year ended 30 June 2013 (continued)

Amounts in RM million unless otherwise stated

26. Derivatives (continued)

a. Forward foreign exchange contracts (continued)

As at 30 June, forward foreign exchange contracts have been entered into with the following notional amounts and maturities: (continued)

Group 2012	Maturities		Total
	Less than 1 year	1 year to 3 years	
Forward contracts used to hedge anticipated sales denominated in			
- United States dollar	1,431.6	20.1	1,451.7
- European Union euro	1.0	-	1.0
- Japanese yen	3.8	-	3.8
- British pound	13.3	-	13.3
	<u>1,449.7</u>	<u>20.1</u>	<u>1,469.8</u>
Forward contracts used to hedge receivables denominated in			
- United States dollar	1,027.5	-	1,027.5
- European Union euro	127.5	-	127.5
- others	0.5	-	0.5
	<u>1,155.5</u>	<u>-</u>	<u>1,155.5</u>
Forward contracts used to hedge anticipated purchases denominated in			
- United States dollar	448.4	5.1	453.5
- Australian dollar	59.5	-	59.5
- European Union euro	927.8	530.4	1,458.2
- Singapore dollar	11.5	-	11.5
- Japanese yen	21.6	-	21.6
- British pound	27.1	-	27.1
	<u>1,495.9</u>	<u>535.5</u>	<u>2,031.4</u>
Forward contracts used to hedge payables denominated in			
- United States dollar	592.3	-	592.3
- European Union euro	229.5	-	229.5
- British pound	5.6	-	5.6
- others	1.9	-	1.9
	<u>829.3</u>	<u>-</u>	<u>829.3</u>
Total notional amount	<u>4,930.4</u>	<u>555.6</u>	<u>5,486.0</u>
Net fair value liabilities	<u>(66.2)</u>	<u>(1.1)</u>	<u>(67.3)</u>

Notes to the Financial Statements
For the financial year ended 30 June 2013 (continued)

Amounts in RM million unless otherwise stated

26. Derivatives (continued)

b. Interest rate swap contracts

The interest rate swap contracts as at 30 June are as follows:

Type of interest rate swap	Effective period	Range of weighted average rate per annum	Notional amount in original currency (USD million)	
			2013	2012
Plain vanilla	12 December 2012 to 12 December 2018	1.822%-1.885%	300.0	-
LIBOR range accrual	29 February 2008 to 29 August 2012	4.70% - 4.80%	-	26.3
Plain vanilla	27 February 2009 to 28 August 2012	3.20% - 3.38%	-	18.8
Plain vanilla	30 January 2010 to 30 July 2012	3.97%	-	280.0
Plain vanilla	27 June 2009 to 27 December 2012	4.72%	-	200.0

The notional amount, fair value and maturity periods of the interest rate swap contracts are as follows:

	Notional amount		Fair value assets/ (liabilities)	
	2013	2012	2013	2012
Maturity periods				
- due no later than one year	-	1,674.2	-	(19.8)
- due later than one year and no later than three years	424.2	-	4.3	-
- due later than three years and no later than seven years	529.1	-	9.4	-
	953.3	1,674.2	13.7	(19.8)

c. Cross currency swap contract

The Group has entered into a cross currency swap contract to exchange the principal payments of a USD400.0 million (2012: USD400.0 million) loan into AUD, the functional currency of the subsidiary, to reduce the Group's exposure from adverse fluctuations in foreign currency.

	Notional amount		Fair value assets/ (liabilities)	
	2013	2012	2013	2012
Maturity periods				
- due no later than one year	-	-	(38.1)	-
- due later than one year and no later than three years	565.6	283.8	18.0	(48.4)
- due later than three years and no later than seven years	705.5	991.8	92.0	-
	1,271.1	1,275.6	71.9	(48.4)

Notes to the Financial Statements
For the financial year ended 30 June 2013 (continued)

Amounts in RM million unless otherwise stated

26. Derivatives (continued)

d. Commodity futures contracts

The outstanding commodity futures contracts that are not held for the purpose of physical delivery, all maturing in less than 1 year, are as follows:

Group 2013	Quantity (metric tonne)	Notional amount	Fair value assets/ (liabilities)
Purchase contracts denominated in			
- Ringgit Malaysia	5,482	13.1	0.2
- United States dollar	18,120	46.7	(1.1)
	23,602	59.8	(0.9)
Sales contracts denominated in			
- Ringgit Malaysia	7,140	16.9	(0.4)
- United States dollar	25,780	67.8	2.5
	32,920	84.7	2.1
2012			
Purchase contracts denominated in			
- Ringgit Malaysia	3,141	10.0	(0.5)
- United States dollar	44,036	152.9	(15.4)
	47,177	162.9	(15.9)
Sales contracts denominated in			
- Ringgit Malaysia	500	1.6	0.1
- United States dollar	45,160	158.8	17.7
	45,660	160.4	17.8

Notes to the Financial Statements
For the financial year ended 30 June 2013 (continued)

Amounts in RM million unless otherwise stated

27. Receivables

	Group		Company	
	2013	2012	2013	2012
Non-current				
Trade receivables [note (a)]	151.4	77.6	-	-
Amounts due from a subsidiary [note (b)]	-	-	4,942.2	1,700.0
Advances for plasma plantation projects [note (c)]	96.6	106.0	-	-
Redeemable loan stocks [note (d)]	248.4	232.2	-	-
Other receivables [note (e)]	214.6	54.4	-	-
	711.0	470.2	4,942.2	1,700.0
Accumulated impairment losses				
- trade receivables	(32.2)	-	-	-
- advances for plasma plantation projects	(22.3)	(28.0)	-	-
	656.5	442.2	4,942.2	1,700.0
Current				
Trade receivables [note (a)]	4,256.6	5,030.4	-	-
Amounts due from subsidiaries [note (b)]	-	-	6,753.2	8,392.6
Amounts due from jointly controlled entities	279.2	121.5	-	-
Amounts due from associates	22.5	24.0	-	-
Other receivables [note (e)]	1,661.8	1,929.1	1.7	0.9
Deposits	121.9	164.7	-	-
	6,342.0	7,269.7	6,754.9	8,393.5
Accumulated impairment losses				
- trade receivables	(136.5)	(152.6)	-	-
- amounts due from jointly controlled entities	(24.2)	(57.1)	-	-
- other receivables	(124.1)	(128.0)	-	-
	6,057.2	6,932.0	6,754.9	8,393.5
Total receivables	6,713.7	7,374.2	11,697.1	10,093.5

Notes to the Financial Statements
For the financial year ended 30 June 2013 (continued)

Amounts in RM million unless otherwise stated

27. Receivables (continued)

a. Trade receivables

Non-current

The trade receivables include outstanding net present value of land sales made under deferred payment terms and an outstanding debt from a customer. The discount rate used was 5.0% (2012: 5.0%) per annum. The contracted price and the notional interest are as follows:

	Group	
	2013	2012
Outstanding contracted value		
- a jointly controlled entity	92.0	102.7
- others	70.1	-
Discount on inception	(23.2)	(24.2)
Accretion		
At 1 July	9.8	5.7
Credited to profit or loss	3.7	4.1
Received	(1.0)	-
At 30 June	12.5	9.8
Carrying amount at end of year	151.4	88.3
Due later than one year, included in non-current trade receivables	151.4	77.6
Due no later than one year, included in current trade receivables	-	10.7
	151.4	88.3

b. Amounts due from subsidiaries

Non-current

The amounts due from a subsidiary bear interest at rates ranging from 3.01% to 4.75% (2012: 4.38% to 4.75%) per annum, are unsecured and are not expected to be recalled within the next twelve months.

Current

The amounts due from subsidiaries are unsecured, repayable on demand and are interest free except for RM500.0 million (2012: RM1,650.0 million) which bear interest at rates ranging between 3.56% to 3.60% (2012: 3.40% to 3.76%) per annum.

c. Advances for plasma plantation projects

	Group	
	2013	2012
At 1 July	106.0	66.2
Additions	14.0	44.3
Recovered on handover	(18.4)	(1.4)
Exchange differences	(5.0)	(3.1)
At 30 June	96.6	106.0

Notes to the Financial Statements**For the financial year ended 30 June 2013 (continued)****Amounts in RM million unless otherwise stated****27. Receivables (continued)****c. Advances for plasma plantation projects (continued)**

In Indonesia, oil palm plantation owners/operators are required to participate in selected programmes to develop plantations for smallholders (herein referred to as plasma farmers). The Group is involved in "Perusahaan Inti Rakyat Transmigrasi" and "Kredit Koperasi Primer untuk Anggotanya" which require the Group to serve as a contractor for developing the plantations, train and develop the skills of the plasma farmers, and purchase the fresh fruit bunches harvested by the plasma farmers at prices determined by the Indonesian Government.

The advances made by the Group in the form of plasma plantation development costs are recoverable from the plasma farmers upon the completion and handover of the plasma plantation projects to plasma farmers. These advances are to be recovered either directly from plasma farmers or through bank loans obtained by plasma farmers. Impairment losses are made when the estimated amount recoverable is less than the outstanding advances.

d. Redeemable loan stocks (unsecured)

The redeemable loan stocks arose from the disposal of Guthrie Corridor Expressway Sdn Bhd (now known as Prolintas Expressway Sdn Bhd) (GCESB) in 2007 to a subsidiary of Permodalan Nasional Berhad. In accordance with the Sale and Purchase of Shares Agreement, the settlement of the intercompany balance due from GCESB would be partially by cash and the balance through issuance of RM500.0 million non-transferable zero coupon Redeemable Loan Stocks (RLS) of GCESB.

On inception, the RLS was discounted to take into account the time value of money based on the discounted cash flow projections method. The discount rate used was 7.0% (2012: 7.0%) per annum which represents GCESB's effective cost of borrowings then. The present value of the RLS is as follows:

	Group	
	2013	2012
Nominal value	500.0	500.0
Discount on inception	(334.0)	(334.0)
Accretion		
At 1 July	66.2	51.1
Credited to profit or loss	16.2	15.1
At 30 June	82.4	66.2
Carrying amount at end of year	248.4	232.2

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
		<u>500.0</u>

Notes to the Financial Statements**For the financial year ended 30 June 2013 (continued)****Amounts in RM million unless otherwise stated****27. Receivables (continued)****e. Other receivables****Non-current**

The other receivables include the following:

- i. an amount due from a local authority in China under a construction agreement totalling RM86.6 million (2012: RM79.9 million), of which RM54.4 million (2012: RM42.2 million) is expected to be repaid within the next 12 months. The amount bears interest at 3.2% (2012: 3.2%) per annum.
- ii. the present value of the deferred payment consideration arising from the disposals of Dunlopillo Holdings Sdn Bhd and Sime Darby Healthcare Sdn Bhd of RM16.7 million and RM362.5 million (2012: RM26.5 million and Nil) respectively. The discount rates used were 3.0% (2012: 3.0%) per annum and 6.9% (2012: Nil) per annum, respectively. The contracted amounts and movements on the initial discounts on inception are as follows:

	Group	
	2013	2012
Outstanding contracted amount	408.0	28.0
Discount on inception	(28.8)	(1.5)
Accretion		
At 1 July	-	-
Credited to profit or loss	0.3	-
Received	(0.3)	-
At 30 June	-	-
Carrying amount at end of year	379.2	26.5
Due later than one year, included in non-current other receivables	182.4	16.7
Due no later than one year, included in current other receivables	196.8	9.8
	379.2	26.5

Current

Included in other receivables as at 30 June 2012 were the balance consideration from the disposal of the Teluk Ramunia and Pasir Gudang fabrication yards of RM654.9 million. The amounts were received in September 2012.

Notes to the Financial Statements
For the financial year ended 30 June 2013 (continued)

Amounts in RM million unless otherwise stated

27. Receivables (continued)

f. Ageing analysis of receivables

Ageing analysis of individual receivables categorised into impaired and not impaired are as follows:

	Group		Company	
	2013	2012	2013	2012
Not impaired				
- not past due	4,631.5	4,825.8	11,697.1	10,093.5
- past due by				
1 to 30 days	1,257.6	1,256.0	-	-
31 to 60 days	297.7	433.8	-	-
61 to 90 days	144.1	236.4	-	-
91 to 180 days	81.6	306.7	-	-
more than 181 days	202.7	360.9	-	-
Impaired	437.8	320.3	-	-
Gross receivables	7,053.0	7,739.9	11,697.1	10,093.5

The receivables that are neither past due nor individually impaired are creditworthy debtors with good payment records with the Group. More than 65.7% (2012: 62.3%) of the Group's gross receivables are from this group of customers. Receivables that are past due but not individually impaired relate to a number of independent customers for whom there is no recent history of default.

The receivables that are individually determined to be impaired at the reporting date relate to debtors that are in financial difficulties, have defaulted on payments and/or have disputes on the billings. Of the total amount due from these debtors, an impairment of RM278.2 million (2012: RM307.9 million) has been made while the balance is expected to be recovered through the debt recovery process.

The Group's credit risk management objectives, policy and the exposure are described in Note 52. Movements of impairment loss accounts are as follows:

	Group	
	2013	2012
At 1 July	365.7	480.6
Disposal of subsidiaries	(2.3)	-
Write offs	(53.7)	(84.3)
Impairment losses	94.8	90.1
Reversal of impairment losses	(69.4)	(128.8)
Exchange differences	4.2	8.1
At 30 June	339.3	365.7
Impairment arising from:		
- individual assessment	278.2	307.9
- collective assessment	61.1	57.8
Carrying amount at end of year	339.3	365.7

Notes to the Financial Statements
For the financial year ended 30 June 2013 (continued)

Amounts in RM million unless otherwise stated

28. Inventories

	Group	
	2013	2012
Produce stocks	170.2	188.3
Raw material and consumable stores	619.6	479.2
Work in progress	449.9	606.4
Finished goods	90.3	126.0
Completed development units	120.7	455.7
Trading inventories		
- heavy equipment	3,042.9	3,278.9
- motor vehicles	2,664.6	2,830.2
- spare parts	1,528.8	1,492.6
- commodities and others	27.5	34.6
	8,714.5	9,491.9

The carrying amount of trading inventories includes RM814.3 million (2012: RM591.7 million) stated at net realisable value.

Inventories where the net realisable value is expected to be below the carrying amount were written down. During the financial year, the Group wrote down an amount of RM61.9 million (2012: RM119.5 million) and reversed RM1.0 million (2012: RM38.7 million) previously written down.

No inventories were pledged as security for borrowings (2012: RM214.3 million) [Note 38].

29. Property Development Costs

	Group	
	2013	2012
Development costs		
At 1 July	6,413.6	6,853.7
Disposal of subsidiaries	-	(93.9)
Development costs incurred during the year	1,391.5	1,303.8
Transfer to property, plant and equipment [Note 17]	-	(261.3)
Transfer to investment properties [Note 20]	-	(44.0)
Transfer from land held for property development [Note 21]	60.5	63.7
Completed development units transferred to inventories	(26.5)	(175.5)
Completed development units and land sold	(1,887.9)	(1,230.5)
Exchange differences	(10.9)	(2.4)
At 30 June	5,940.3	6,413.6

Notes to the Financial Statements
For the financial year ended 30 June 2013 (continued)

Amounts in RM million unless otherwise stated

29. Property Development Cost (continued)

	Group	
	2013	2012
Less: Costs recognised in profit or loss		
At 1 July	(4,649.3)	(4,831.2)
Disposal of subsidiaries	-	33.4
Recognised during the year	(1,113.3)	(1,082.1)
Completed development units and land sold	1,887.9	1,230.5
Exchange differences	2.7	0.1
At 30 June	<u>(3,872.0)</u>	<u>(4,649.3)</u>
 Total property development costs	 <u>2,068.3</u>	 <u>1,764.3</u>
 Property development costs are analysed as follows:		
Land at cost	285.9	458.2
Development costs	5,654.4	5,955.4
Costs recognised in profit or loss	(3,872.0)	(4,649.3)
	<u>2,068.3</u>	<u>1,764.3</u>

Included in development costs incurred during the financial year were interest expense capitalised amounting to RM4.4 million (2012: RM4.9 million).

Property development projects with a total carrying amount of RM4.4 million (2012: Nil) were pledged as security for borrowings [Note 38].

30. Accrued Billings and Others

	Group		Company	
	2013	2012	2013	2012
Accrued billings	469.3	423.2	-	-
Amounts due from customers on construction contracts [Note 31]	154.9	472.3	-	-
Prepaid to suppliers	373.3	326.9	-	-
Prepaid lease rentals [Note 19]	40.4	44.4	-	-
Other prepayments	206.3	294.8	-	18.0
	<u>1,244.2</u>	<u>1,561.6</u>	<u>-</u>	<u>18.0</u>

Notes to the Financial Statements
For the financial year ended 30 June 2013 (continued)

Amounts in RM million unless otherwise stated

31. Construction Contracts

	Group	
	2013	2012
Aggregate costs incurred	2,896.5	10,534.0
Recognised profits less losses to-date	(697.5)	(840.9)
	2,199.0	9,693.1
Progress billings	(2,078.1)	(9,251.3)
	120.9	441.8
Represented by:		
Amounts due from customers [Note 30]	154.9	472.3
Amounts due to customers [Note 44]	(34.0)	(30.5)
	120.9	441.8
Retention sums	4.9	4.6

Included in construction contract costs incurred during the financial year were employee costs capitalised amounting to RM5.9 million (2012: RM1.0 million).

32. Cash Held under Housing Development Accounts

The Group's cash held under the Housing Development Accounts represents receipts from purchasers of residential properties less payments or withdrawals provided under Section 7A of the Housing Developers (Control and Licensing) Amendment Act 2002. The amount is held at call with banks and is available only to the subsidiaries involved in the property development activities.

The weighted average effective interest rate of cash held under Housing Development Accounts was 2.0% (2012: 2.0%) per annum.

33. Bank Balances, Deposits and Cash

	Group		Company	
	2013	2012	2013	2012
Deposits with licensed banks	2,230.7	2,839.1	317.5	315.1
Cash at bank and in hand	1,862.8	1,725.6	-	-
	4,093.5	4,564.7	317.5	315.1
	%	%	%	%
Effective profit/interest rates of deposits with licensed banks				
- Islamic	3.07	3.02	3.02	-
- conventional	3.15	3.53	3.04	3.03

Included in deposits with licensed banks are Islamic deposits amounting to RM229.3 million (2012: RM79.5 million) for the Group and RM115.0 million (2012: Nil) for the Company.

Deposits of the Group and Company have maturity periods ranging from overnight to 12 months (2012: overnight to 12 months). Cash at bank are deposits held at call.

Deposits with licensed banks of certain subsidiaries with carrying amount of RM3.0 million (2012: RM2.3 million) were pledged as security for borrowings [Note 38].

Included in bank balances, deposits and cash are funds of Yayasan Sime Darby of RM59.4 million (2012: RM99.1 million). These funds are set aside for educational, environmental conservation and sustainability projects and related activities for the benefit of the community.

Notes to the Financial Statements
For the financial year ended 30 June 2013 (continued)

Amounts in RM million unless otherwise stated

34. Non-Current Assets Held for Sale and Liabilities Associated with Assets Held for Sale

	Group	
	2013	2012
Non-current assets held for sale		
- property, plant and equipment	3.0	7.7
- prepaid lease rentals	0.7	0.7
- investment property	-	7.0
- associates	23.8	26.8
- disposal group	102.9	-
	130.4	42.2
Liabilities associated with assets held for sale		
- disposal group	(90.3)	-
Net assets held for sale	40.1	42.2

The movements during the financial year relating to net assets held for sale are as follows:

	Group	
	2013	2012
At 1 July	42.2	763.7
Disposals	(18.2)	(734.7)
Transfer from property, plant and equipment [Note 17]	91.6	5.2
Transfer from investment properties [Note 20]	-	5.9
Transfer from associates	-	2.1
Transfer from deferred tax assets [Note 25]	6.0	-
Transfer from other assets and liabilities	(81.5)	-
At 30 June	40.1	42.2

The non-current assets held for sale and liabilities associated with assets held for sale include the following:

- i. the Group's 30% equity interest in Brunsfield Embassyview Sdn Bhd
- ii. Syarikat Malacca Straits Inn Sdn Bhd, classified as disposal group.

Disposal group includes property, plant and equipment of RM85.3 million and borrowing of RM84.8 million. The borrowing was secured against the property, plant and equipment.

Notes to the Financial Statements
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35. Share Capital

	Group/Company			
	Number of shares (million)		Nominal value	
	2013	2012	2013	2012
Authorised:				
At 1 July and 30 June				
Ordinary shares of RM0.50 each	8,000.0	8,000.0	4,000.0	4,000.0
Series A redeemable convertible preference shares of RM0.01 each	7,000.0	7,000.0	70.0	70.0
Series B redeemable convertible preference shares of RM0.10 each	25.0	25.0	2.5	2.5
			4,072.5	4,072.5
Issued and fully paid up:				
At 1 July and 30 June				
Ordinary shares of RM0.50 each	6,009.5	6,009.5	3,004.7	3,004.7

36. Performance-Based Employee Share Scheme

At the Extraordinary General Meeting held on 8 November 2012, the Company's shareholders approved the establishment of a performance-based employee share scheme (the Scheme) under which new ordinary shares of RM0.50 each in the Company (Sime Darby Shares) will be granted to eligible employees and executive directors of the Group. The Scheme was effected on 15 January 2013 following the submission of the By-Laws for the Scheme to Bursa Malaysia Securities Berhad, the receipt of all required approvals and the compliance with the requirements pertaining to the Scheme.

The salient features of the Scheme are as follows:

- Eligible employees are those executives (including executive directors) of the Group (other than subsidiaries which are dormant) who have attained the age of 18 years; entered into a full-time or fixed-term contract of employment with and is on the payroll of a company within the Group; have not served notice of resignation or received notice of termination on the date of the offer; whose service/employment have been confirmed in writing; and have fulfilled other eligibility criteria which has been determined by the Long-term Incentive Plan Committee (LTIP Committee) at its sole and absolute discretion from time to time. The LTIP Committee is a committee established by the Board to implement and administer the Scheme in accordance with the Scheme By-Laws.
- The total number of Sime Darby Shares to be offered to any one of the employees and/or to be vested in any one of the grantees shall not be more than 10% of the Sime Darby Shares made available under the Scheme and shall not either singly or collectively through persons connected with the said employee, holds 20% or more of the Company's issued and paid up share capital.
- The maximum number of Sime Darby Shares to be allotted and issued under the Scheme shall not be more than in aggregate 10% of the issued and paid-up ordinary share capital of the Company at any point in time during the duration of the Scheme.
- The Scheme shall be in force for a period of 10 years commencing from the effective date of implementation.
- The new Sime Darby Shares to be allotted and issued pursuant to the Scheme shall, upon allotment and issuance, rank pari passu in all respects with the then existing issued Sime Darby Shares and shall be entitled to any rights, dividends, allotments and/or distributions attached thereto and/or which may declared, made or paid to the Company's shareholders, provided that the relevant allotment date of such new shares is before the record date (as defined in the Scheme By-Laws) for any right, allotment or distribution.
- If the LTIP Committee so decides (but not otherwise), in the event of any alteration in the capital structure of the Company during the duration of the Scheme, such corresponding alterations (if any) may be made in the number of unvested Sime Darby Shares and/or the method and/or manner in the vesting of the Sime Darby Shares comprised in a grant.

As at the end of the financial year, the Company has yet to grant any share under the Scheme.

Notes to the Financial Statements
For the financial year ended 30 June 2013 (continued)

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37. Reserves

The nature of each of the Group's reserves is as follows:

Nature	Description
Revaluation reserve	Surplus from revaluation of certain Malaysian plantation land and buildings
Capital reserve	Arising from business combinations under common control totalling RM6,231.2 million (2012: RM6,231.2 million) and other credits
Legal reserve	Reserves set aside in accordance with statutory requirements of countries where the Group operates
Hedging reserve	Arising from changes in fair value of derivatives under cash flow hedge
Available-for-sale reserve	Arising from changes in fair value of available-for-sale investments
Exchange reserve	Exchange differences arising on retranslation of the net investments in foreign operations

Group 2013	Revaluation reserve	Capital reserve	Legal reserve	Hedging Reserve	Available-for-sale reserve	Exchange reserve	Total
At 1 July	67.9	6,748.9	74.8	(64.8)	45.1	983.5	7,855.4
Other comprehensive income [Note 16]	-	-	-	(35.2)	17.6	(614.1)	(631.7)
Share of capital reserve of associates	-	2.8	-	-	-	-	2.8
Transfer from retained profits	-	1.8	0.6	-	-	-	2.4
At 30 June	67.9	6,753.5	75.4	(100.0)	62.7	369.4	7,228.9
2012							
At 1 July	67.9	6,742.5	72.5	79.9	47.4	984.9	7,995.1
Other comprehensive income [Note 16]	-	5.5	-	(144.7)	(2.3)	(1.4)	(142.9)
Transfer from retained profits	-	0.9	2.3	-	-	-	3.2
At 30 June	67.9	6,748.9	74.8	(64.8)	45.1	983.5	7,855.4

The Company's reserves of RM5,725.1 million (2012: RM5,725.1 million) arose from business combinations under common control. There was no movement in the reserve during the financial year.

Notes to the Financial Statements
For the financial year ended 30 June 2013 (continued)

Amounts in RM million unless otherwise stated

38. Borrowings

	Group		Company	
	2013	2012	2013	2012
Non-current				
<u>Secured</u>				
Term loans [note (a)]	244.9	110.0	-	-
<u>Unsecured</u>				
Term loans [note (a)]	2,819.0	2,120.8	-	-
Islamic Medium Term Notes [note (b)]	2,400.0	1,700.0	2,400.0	1,700.0
Sukuk [note (c)]	2,529.5	-	-	-
	7,993.4	3,930.8	2,400.0	1,700.0
Current				
<u>Secured</u>				
Term loans [note(a)]	0.6	-	-	-
Revolving credits and others	270.0	291.6	-	-
<u>Unsecured</u>				
Bank overdrafts	50.2	27.8	-	-
Portion of term loans due within one year [note (a)]	20.0	1,751.6	-	-
Portion of Islamic Medium Term Notes due within one year [note (b)]	-	300.0	-	300.0
Islamic Commercial Papers [note (b)]	-	650.0	-	650.0
Revolving credits, trade facilities and others	1,751.4	2,851.6	500.0	700.0
	2,092.2	5,872.6	500.0	1,650.0
Total borrowings	10,085.6	9,803.4	2,900.0	3,350.0

a. Term loans

The term loans include the following:

- i. USD400.0 million long-term loans repayable over nine semi-annual installments (eight equal installments of USD44.5 million each and a final installment of USD44.0 million) commencing at the end of the 36th month from the drawdown date on 12 December 2011. The outstanding balance as at 30 June 2013 was USD400.0 million (2012: USD400.0 million).
- ii. RM1,490.0 million long-term loans repayable over nine semi-annual installments commencing at the end of the 36th month from their respective first drawdown dates. All these loans are fully repayable by January 2020.

Notes to the Financial Statements**For the financial year ended 30 June 2013 (continued)****Amounts in RM million unless otherwise stated****38. Borrowings (continued)****b. Islamic Medium Term Notes and Islamic Commercial Papers**

On 24 September 2009, the Company had obtained the approval of the Securities Commission for the establishment of an Islamic Medium Term Note (IMTN) Programme of RM4,500.0 million and an Islamic Commercial Paper (ICP)/IMTN Programme of RM500.0 million with a combined limit of RM4,500.0 million. The IMTN Programme and ICP/IMTN Programme are for tenures of 20 years and 7 years, respectively. The IMTN Programme and the ICP/IMTN Programme are structured under the Shariah Principle of Musyarakah. The IMTNs are rated AAA_{id} by Malaysian Rating Corporation Berhad and are listed on the Main Market of Bursa Malaysia Securities Berhad under an Exempt Regime.

On 16 November 2009, the Company issued three IMTNs for tenure of 3-year, 5-year and 7-year of RM300.0 million, RM700.0 million and RM1,000.0 million respectively. On 16 November 2012, the Company redeemed its 3-year RM300.0 million IMTN upon maturity. On 11 December 2012, the Company issued two tranches of IMTNs amounting to RM700.0 million.

As at 30 June 2013, the outstanding IMTNs under the ICP/IMTN Programme are as follows:

Date of issuance	Tenure (months)	Profit rate (per annum)	Maturity date	Nominal value
16 November 2009	60	4.38%	14 November 2014	700.0
16 November 2009	84	4.75%	16 November 2016	1,000.0
11 December 2012	120	3.98%	9 December 2022	300.0
11 December 2012	180	4.35%	10 December 2027	400.0
				2,400.0

On 27 February 2013, Standard & Poor's Ratings Services assigned its axAAA ASEAN regional scale rating to the Group's latest issuances of RM300.0 million and RM400.0 million on 11 December 2012. The axAAA ASEAN rating scale provides an independent opinion on the creditworthiness of the issuer relative to other ASEAN issuers.

c. Sukuk

On 11 January 2013, the Group received the approval of the Securities Commission for the establishment of a Multi-Currency Sukuk Programme (Sukuk Programme) with a programme limit of USD1,500.0 million (or its equivalent in other currencies).

The Sukuk Programme is structured under the Shariah Principle of Ijarah, which is a sale and leaseback arrangement. Sime Darby Global Berhad, a wholly owned subsidiary of the Group, is the issuer under this financing.

The Sukuk Programme has been accorded ratings of A by Standard & Poor's Ratings Services, A by Fitch Ratings and A3 by Moody's Investors Service.

On 22 January 2013, the Group successfully priced USD800.0 million sukuk via book building process. The sukuk was issued on 29 January 2013, and the outstanding sukuk as at 30 June 2013 are as follows:

Date of issuance	Tenure (months)	Profit rate (per annum)	Maturity date	Nominal value (USD million)
29 January 2013	60	2.053%	29 January 2018	400.0
29 January 2013	120	3.290%	29 January 2023	400.0
				800.0

The sukuk issued is listed on the Singapore Exchange Securities Trading Limited and on Bursa Malaysia Securities Berhad pursuant to Bursa Malaysia's exempt regime on 30 January 2013.

Notes to the Financial Statements
For the financial year ended 30 June 2013 (continued)

Amounts in RM million unless otherwise stated

38. Borrowings (continued)

d. Other information on borrowings

i. Islamic financing

The average effective profit margins per annum on Islamic financing are as follows:

	Group		Company	
	2013	2012	2013	2012
	%	%	%	%
Islamic Medium Term Notes	4.48	4.44	4.48	4.44
Islamic Commercial Papers	-	3.44	-	3.44
Sukuk	2.75	-	-	-

ii. Conventional financing

The average effective interest rates per annum on conventional financing are as follows:

	Group		Company	
	2013	2012	2013	2012
	%	%	%	%
Term loans				
- before interest rate swaps	3.06	3.08	-	-
- after interest rate swaps	3.08	4.81	-	-
Bank overdrafts	5.61	5.72	-	-
Other short-term borrowings	3.49	3.87	3.58	3.54

The Group's term loans that are subject to contractual interest rates repricing within 1 year amounted to RM3,084.5 million (2012: RM3,982.4 million).

iii. Secured financing

Borrowings amounting to RM515.5 million (2012: RM401.6 million) are secured by fixed and floating charges over the assets of the Group. The carrying amounts of assets that the Group has pledged as collateral for the borrowings are as follows:

	Group	
	2013	2012
Property, plant and equipment	114.8	90.0
Investment property	246.4	132.5
Inventories, receivables and other assets	7.4	216.6
	368.6	439.1

Notes to the Financial Statements
For the financial year ended 30 June 2013 (continued)

Amounts in RM million unless otherwise stated

38. Borrowings (continued)

d. Other information on borrowings (continued)

iv. Currencies and maturity profile

The currencies and maturity profile of the Group's borrowings are as follows:

Group 2013	Maturities				Total
	Within 1 year	Between 1 and 2 years	Between 2 and 5 years	Above 5 years	
Term loans					
- Ringgit Malaysia	18.0	63.7	799.2	896.8	1,777.7
- United States dollar	-	282.8	848.5	139.8	1,271.1
- Chinese renminbi	2.1	5.2	10.4	3.0	20.7
- Pacific franc	0.5	0.5	1.5	12.5	15.0
Islamic Medium Term Notes					
- Ringgit Malaysia	-	700.0	1,000.0	700.0	2,400.0
Sukuk					
- United States dollar	-	-	1,264.7	1,264.8	2,529.5
Bank overdraft					
- Chinese renminbi	22.3	-	-	-	22.3
- New Zealand dollar	27.9	-	-	-	27.9
Revolving credits, trade facilities and other short- term borrowings					
- Ringgit Malaysia	1,080.1	-	-	-	1,080.1
- Australian dollar	105.0	-	-	-	105.0
- Chinese renminbi	266.7	-	-	-	266.7
- New Zealand dollar	27.4	-	-	-	27.4
- Thailand baht	32.5	-	-	-	32.5
- Singapore dollar	18.8	-	-	-	18.8
- United States dollar	490.9	-	-	-	490.9
	2,092.2	1,052.2	3,924.3	3,016.9	10,085.6

Notes to the Financial Statements
For the financial year ended 30 June 2013 (continued)

Amounts in RM million unless otherwise stated

38. Borrowings (Continued)

d. Other information on borrowings (continued)

iv. Currencies and maturity profile (continued)

The currencies and maturity profile of the Group's borrowings are as follows: (continued)

Group 2012	Maturities				Total
	Within 1 year	Between 1 and 2 years	Between 2 and 5 years	Above 5 years	
Term loans					
- Ringgit Malaysia	32.5	18.0	65.4	704.2	820.1
- United States dollar	1,718.6	-	853.8	421.8	2,994.2
- Australian dollar	-	161.5	-	-	161.5
- Pacific franc	0.5	0.5	1.5	4.1	6.6
Islamic Medium Term Notes					
- Ringgit Malaysia	300.0	-	1,700.0	-	2,000.0
Islamic Commercial Papers					
- Ringgit Malaysia	650.0	-	-	-	650.0
Bank overdraft					
- Chinese renminbi	8.6	-	-	-	8.6
- New Zealand dollar	19.2	-	-	-	19.2
Revolving credits, trade facilities and other short- term borrowings					
- Ringgit Malaysia	1,351.2	-	-	-	1,351.2
- Australian dollar	772.5	-	-	-	772.5
- Chinese renminbi	459.1	-	-	-	459.1
- Hong Kong dollar	158.4	-	-	-	158.4
- New Zealand dollar	68.4	-	-	-	68.4
- Thailand baht	13.4	-	-	-	13.4
- United States dollar	320.2	-	-	-	320.2
	5,872.6	180.0	2,620.7	1,130.1	9,803.4

The Company's borrowings are denominated in Ringgit Malaysia and the maturity dates of its Islamic Medium Term Notes are shown in note (b) above.

Notes to the Financial Statements
For the financial year ended 30 June 2013 (continued)

Amounts in RM million unless otherwise stated

39. Finance Lease Obligation

The Group leased certain of its plant and machinery under finance leases. The average lease term is 20 years (2012: Nil). The Group has options to purchase the plant and machinery for nominal amount at the end of the lease term.

	Group	
	2013	2012
Gross finance lease liabilities – minimum lease payments		
- due no later than one year	12.2	-
- due later than one year and no later than five years	49.0	-
- due later than five years	161.3	-
	<hr/> 222.5	-
Future finance charges	(58.2)	-
Present value of finance lease liabilities	<hr/> 164.3	-
The present value of finance lease liabilities is as follows:		
- due no later than one year	6.5	-
- due later than one year and no later than five years	28.3	-
- due later than five years	129.5	-
	<hr/> 164.3	-
Non-current		
Due later than one year	157.8	-
Current		
Due no later than one year	6.5	-
	<hr/> 164.3	-

The finance lease obligations are denominated in Ringgit Malaysia, subject to fixed interest rates of 3.7% and 4.5% per annum and are secured by plant and machinery with a total net book value of RM162.3 million (2012: Nil) [Note 17].

Notes to the Financial Statements
For the financial year ended 30 June 2013 (continued)

Amounts in RM million unless otherwise stated

40. Payables

	Group		Company	
	2013	2012	2013	2012
Non-current				
Amounts due to a subsidiary [note (b)]	-	-	2,529.5	-
Current				
Trade payables	4,289.9	5,674.5	-	-
Accruals [note (a)]	3,889.3	3,728.2	24.7	26.1
Amount due to a subsidiary [note (b)]	-	-	28.7	-
Amounts due to jointly controlled entities	0.7	-	-	-
Amounts due to associates	0.4	-	-	-
Financial guarantees [note (c)]	1.2	0.5	47.5	72.1
Interest payable	54.3	29.2	11.9	29.7
	8,235.8	9,432.4	112.8	127.9
Total payables	8,235.8	9,432.4	2,642.3	127.9

a. Accruals

Included in accruals is a constructive obligation of RM88.9 million (2012: RM100.0 million) for corporate social responsibility (CSR) activities to be undertaken by the Group through Yayasan Sime Darby (YSD). The projects to be undertaken would fall within the five pillars supported by YSD namely Community Development, Youth, Sports & Recreation, Conservation of Environment & Protection of Ecosystems, Arts & Culture and Education.

b. Amounts due to a subsidiary

Non-current

The amounts due to a subsidiary bear interest at rates ranging between 2.053% to 3.290% (2012: Nil) per annum, are unsecured and are not expected to be recalled within the next twelve months.

Current

The amount due to a subsidiary is unsecured, repayable on demand and is interest free.

c. Financial guarantees

The financial guarantees represent the fair value of the obligations in respect of the following contracts:

	Group		Company	
	2013	2012	2013	2012
Guarantees in respect of credit facilities granted to:				
- certain subsidiaries	-	-	1,569.6	3,621.6
- a jointly controlled entity	14.9	14.5	-	-
- certain associates	15.2	23.0	-	-
- plasma stakeholders	81.1	107.2	-	-
	111.2	144.7	1,569.6	3,621.6

Notes to the Financial Statements
For the financial year ended 30 June 2013 (continued)

Amounts in RM million unless otherwise stated

41. Provisions

Group 2013	Performance guarantees and bonds			Total
	Warranties		Risk sharing	
At 1 July	359.4	84.2	23.6	467.2
Additions	146.3	-	14.3	160.6
Amounts unutilised	(70.9)	(84.2)	(8.2)	(163.3)
Charged/(credited) to profit or loss	75.4	(84.2)	6.1	(2.7)
Utilised	(118.7)	-	(8.6)	(127.3)
Exchange differences	(12.7)	-	1.0	(11.7)
At 30 June	303.4	-	22.1	325.5
2012				
At 1 July	408.8	277.2	23.0	709.0
Additions	163.7	-	1.0	164.7
Amounts unutilised	(46.5)	(193.0)	-	(239.5)
Charged/(credited) to profit or loss	117.2	(193.0)	1.0	(74.8)
Utilised	(175.9)	-	(2.1)	(178.0)
Exchange differences	9.3	-	1.7	11.0
At 30 June	359.4	84.2	23.6	467.2

	Group	
	2013	2012
Non-current		
Due later than one year	92.0	83.6
Current		
Due no later than one year	233.5	383.6
	325.5	467.2

a. Warranties

Provision is recognised on warranties provided for the sales of machinery, vehicles and other products that are not covered by manufacturers' warranties. This provision has been estimated based on historical claims experience, as well as recent trends which are indicative of future claims.

b. Performance guarantees and bonds

Provisions for performance guarantees and bonds are recognised when crystallisation is probable.

c. Risk sharing

Provision is recognised on guarantees provided up to a predetermined amount to a third party leasing company (Caterpillar (China) Financial Leasing Co Ltd) for financing customers' purchases of equipment from the Group. This provision for the obligation that the Group has to pay to the leasing company should the customers default, has been estimated based on a percentage of risk sharing ratio over the total outstanding lease portfolio.

Notes to the Financial Statements
For the financial year ended 30 June 2013 (continued)

Amounts in RM million unless otherwise stated

42. Retirement Benefits

	Group	
	2013	2012
At 1 July	124.8	97.2
Charge for the year [Note 6(a)]	35.7	29.1
Contributions paid	(11.1)	(14.1)
Benefits paid – unfunded obligations	(6.3)	(22.9)
Actuarial losses	19.0	33.1
Exchange differences	(7.6)	2.4
At 30 June	154.5	124.8
Non-current		
Due later than one year	154.5	124.7
Current		
Due no later than one year, included in progress billings and others under current liabilities [Note 44]	-	0.1
	154.5	124.8
The amounts recognised on the statements of financial position are determined as follows:		
Present value of funded obligations [note (a)]	393.3	356.3
Fair value of plan assets [note (b)]	(281.9)	(260.4)
	111.4	95.9
Present value of unfunded obligations [note (a)]	43.1	28.9
Net liabilities	154.5	124.8
The amounts recognised in the profit or loss are as follows:		
Current service cost	31.1	23.6
Past service cost	-	0.3
Interest cost	16.4	16.5
Expected return on plan assets	(11.8)	(11.3)
	35.7	29.1
Total return on plan assets are as follows:		
Expected return on plan assets	11.8	11.3
Actuarial gains on plan assets	12.1	32.8
	23.9	44.1

Notes to the Financial Statements
For the financial year ended 30 June 2013 (continued)

Amounts in RM million unless otherwise stated

42. Retirement Benefits (continued)

	Group	
	2013	2012
a. Changes in the present value of defined benefit obligations		
Wholly or partly funded obligations	393.3	356.3
Unfunded obligations	43.1	28.9
	436.4	385.2
Movements in the present value of defined benefit obligations are as follows:		
At 1 July	385.2	327.8
Current service cost	31.1	23.6
Past service cost	-	0.3
Interest cost	16.4	16.5
Benefits paid – funded obligations	(21.7)	(15.8)
Benefits paid – unfunded obligations	(6.3)	(22.9)
Actuarial losses	31.1	65.9
Exchange differences	0.6	(10.2)
At 30 June	436.4	385.2
b. Changes in the fair value of plan assets		
At 1 July	260.4	230.6
Expected return on plan assets	11.8	11.3
Contributions by employers	11.1	14.1
Benefits paid	(21.7)	(15.8)
Actuarial gains	12.1	32.8
Exchange differences	8.2	(12.6)
At 30 June	281.9	260.4
c. Principal actuarial assumptions		
Principal actuarial assumptions used at 30 June in respect of the Group's defined benefit pension plans are as follows:		
	Group	
	2013	2012
	%	%
Discount rate	1.0 – 7.8	1.8 – 9.0
Expected return on plan assets	3.9 – 9.5	3.6 – 7.0
Expected rate of salary increases	1.5 – 7.5	1.5 – 8.0

Notes to the Financial Statements
For the financial year ended 30 June 2013 (continued)

Amounts in RM million unless otherwise stated

43. Deferred Income

	Group	
	2013	2012
Maintenance income	105.6	99.3
Advance annualised licence fees	149.3	135.6
Government grant	97.7	-
	352.6	234.9
Non-current		
Due later than one year	291.0	183.7
Current		
Due no later than one year	61.6	51.2
	352.6	234.9

44. Progress Billings and Others

	Group	
	2013	2012
Amounts due to customers on construction contracts [Note 31]	34.0	30.5
Progress billings	29.0	11.6
Retirement benefits		
- defined contribution pension plans	17.0	22.3
- defined benefit pension plans [Note 42]	-	0.1
	80.0	64.5

45. Contingent Liabilities and Commitments

Contingent liabilities and commitments are as follows:

a. Guarantees

In the ordinary course of business, the Group may obtain surety bonds and letters of credit, which the Group provides to customers to secure advance payment, performance under contracts or in lieu of retention being withheld on contracts. A liability would only arise in the event the Group fails to fulfill its contractual obligations.

The Company has also provided performance guarantees to customers of certain subsidiaries to secure performance under contracts or in lieu of retention withheld on contracts.

The outstanding guarantees as at 30 June are as follows:

	Group		Company	
	2013	2012	2013	2012
Performance and advance payment guarantees to customers of:				
- subsidiaries	-	-	2,223.9	2,223.9
- a jointly controlled entity	-	2,788.0	-	1,000.0
- the Group	2,938.1	3,837.5	-	-
	2,938.1	6,625.5	2,223.9	3,223.9

Notes to the Financial Statements
For the financial year ended 30 June 2013 (continued)

Amounts in RM million unless otherwise stated

45. Contingent Liabilities and Commitments (continued)

Contingent liabilities and commitments are as follows: (continued)

a. Guarantees (continued)

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, the counter-indemnities received by the Group and by the Company are as follows:

	Group		Company	
	2013	2012	2013	2012
Counter-indemnities from:				
- third parties	212.1	1,603.7	212.1	212.1
- a subsidiary	-	-	-	708.0
	212.1	1,603.7	212.1	920.1

b. Claims

As at 30 June 2013, claims against the Group not taken up in the statements of financial position amounted to RM1.3 million (2012: RM43.7 million). These claims include disputed amounts for the supply of goods and services.

There were no claims against the Company as at 30 June 2013 (2012: Nil).

c. Capital commitments

	Group	
	2013	2012
Authorised capital expenditure not provided for in the financial statements:		
Property, plant and equipment		
- contracted	556.8	1,193.4
- not contracted	2,213.5	2,521.8
	2,770.3	3,715.2
Other capital expenditure		
- contracted	453.5	58.8
- not contracted	2,246.9	2,193.1
	5,470.7	5,967.1

The Company does not have any capital commitment as at 30 June 2013 (2012: Nil).

d. Leases

	Group	
	2013	2012
Commitments under non-cancellable operating leases:		
- expiring not later than one year	205.7	220.3
- expiring later than one year but not later than five years	330.8	314.2
- expiring later than five years	345.4	399.0
	881.9	933.5

The Company does not have any non-cancellable operating lease as at 30 June 2013 (2012: Nil).

e. Plasma Plantation

The Group is committed to develop a total of 55,051 (2012: 50,275) hectares of oil palm plantation for plasma farmers in Indonesia. A total of 41,415 (2012: 41,879) hectares have been developed of which about 35,151 (2012: 33,174) hectares have been handed over to plasma farmers.

Notes to the Financial Statements**For the financial year ended 30 June 2013 (continued)****Amounts in RM million unless otherwise stated****46. Material Litigation**

The outstanding material litigation are as follows:

a. PT Adhityasa Saranamas (PTAS)

PT Adhityasa Saranamas (PTAS) commenced a legal suit on 17 September 2003 against Kumpulan Guthrie Berhad (KGB) and 6 of its Indonesian subsidiaries for an alleged breach of contract with regards to the provision of consultancy services in connection with the acquisition of subsidiaries in Indonesia. In 2008, the Supreme Court partially approved PTAS's claim and ordered KGB to pay the amount of USD25.76 million together with interest at the rate of 6% per year thereon (Indonesian Judgment). The parties have amicably settled the Indonesian Judgment and all legal actions instituted by PTAS in Indonesia during the previous financial year.

In Malaysia, PTAS had on 11 March 2008 commenced legal proceedings against KGB to enforce the Indonesian Judgment. In light of the settlement of legal actions in Indonesia, KGB applied to amend its Amended Defence, which application was allowed by the High Court on 27 March 2012.

The trial was concluded on 10 May 2012 and on 14 June 2012, the High Court dismissed PTAS's claim with costs (High Court Decision).

PTAS had on 15 June 2012 filed its notice of appeal to the Court of Appeal against the High Court Decision (Appeal). The Appeal was fixed for case management on 4 July 2013 and for hearing on 12 September 2013. The Court of Appeal has on 12 September 2013 adjourned the hearing to 7 November 2013.

b. Qatar Petroleum Project (QP Project), Maersk Oil Qatar Project (MOQ Project) and the Marine Project Civil Suits

On 23 December 2010, Sime Darby Berhad (SDB), Sime Darby Engineering Sdn Bhd, Sime Darby Energy Sdn Bhd, Sime Darby Marine Sdn Bhd and Sime Darby Marine (Hong Kong) Pte Ltd (collectively, the Plaintiffs) filed a civil suit against Dato' Seri Ahmad Zubair @ Ahmad Zubir bin Hj Murshid (DSAZ), Dato' Mohamad Shukri bin Baharom (DMS), Abdul Rahim bin Ismail, Abdul Kadir Alias and Mohd Zaki bin Othman (collectively, the Defendants) claiming, inter alia, damages arising from the Defendants' negligence and breaches of duty in relation to the Qatar Petroleum Project (QP Project), the Maersk Oil Qatar Project (MOQ Project) and the project relating to the construction of marine vessels known as the Marine Project. The aggregate amount claimed was RM329.7 million together with general and aggravated damages to be assessed and other relief.

The Defendants have filed their respective Statements of Defence.

DSAZ, the 1st Defendant, filed third party notices dated 8 March 2011 against 22 individuals (DSAZ's Third Party Notices) of whom include certain current members of the board of SDB. Pursuant to DSAZ's Third Party Notices, DSAZ is seeking an indemnity and/or contribution from the 22 individuals in the event DSAZ is found liable to the Plaintiffs.

DMS, the 2nd Defendant, also filed similar third party notices dated 20 April 2011 against 12 individuals and Sime Darby Holdings Berhad (DMS's Third Party Notices), of whom comprise former management and former members of the board of SDB, its subsidiaries and Kumpulan Sime Darby Berhad and former members of the audit and supervisory committee of SDB's Energy & Utilities Division. Pursuant to DMS's Third Party Notices, DMS is seeking an indemnity and/or contribution from the third parties in the event DMS is found liable to the Plaintiffs.

DSAZ had on 2 June 2011 and 8 June 2011 discontinued the third party proceedings against 5 individuals out of the 22 who were originally named.

i. Third Party Proceedings

The remaining third parties have applied to strike out third party proceedings instituted against them by DSAZ and DMS. The High Court had, on 13 December 2011, allowed the applications by the third parties and struck out DSAZ's and DMS's third party statements of claim, set aside the third party notices and dismissed the third party proceedings on the basis, amongst others, that DSAZ's and DMS's third party proceedings were frivolous and vexatious (High Court Decision).

On 11 January 2012, DSAZ and DMS filed their respective appeals against the High Court Decision (Appeals).

On 1 August 2012, the Court of Appeal, after hearing submissions from DSAZ's and DMS's solicitors, dismissed the Appeals with costs (Court of Appeal Decision). On 3 September 2012, DSAZ filed a notice of motion for leave to appeal to the Federal Court against the Court of Appeal Decision (DSAZ's Leave to Appeal). On 18 September 2013, the Federal Court dismissed DSAZ's Leave to Appeal with costs.

Notes to the Financial Statements**For the financial year ended 30 June 2013 (continued)****Amounts in RM million unless otherwise stated****46. Material Litigation (continued)**

The outstanding material litigation are as follows: (continued)

b. Qatar Petroleum Project (QP Project), Maersk Oil Qatar Project (MOQ Project) and the Marine Project Civil Suits (continued)**ii. Main Suit**

The Court fixed DSAZ's application for discovery of documents (DSAZ's Discovery Application) for hearing on 22 January 2013.

On 9 January 2013, DSAZ filed an application for a stay of the trial of the civil suit (Stay Application). The Stay Application was filed on the basis that DSAZ's Leave to Appeal has yet to be heard. On 22 January 2013, the Court allowed DSAZ's Stay Application and ordered that the trial of the civil suit be stayed pending the disposal of DSAZ's Leave to Appeal (Stay Order). In view of the Stay Order, DSAZ's Discovery Application will not be heard until DSAZ's Leave to Appeal is finally disposed of. On 2 May 2013, the Court fixed 25 September 2013 for mention pending the disposal of DSAZ's Leave to Appeal. There is no trial date fixed for the main suit.

c. Bakun Hydroelectric Project (Bakun Project) and the Indemnity Agreement Civil Suits

On 24 December 2010, Sime Darby Berhad (SDB), Sime Engineering Sdn Bhd (SESB), Sime Darby Holdings Berhad (SDHB) and Sime Darby Energy Sdn Bhd (collectively, the Plaintiffs) filed a civil suit against Dato' Seri Ahmad Zubair @ Ahmad Zubir bin Hj Murshid (DSAZ), Dato' Mohamad Shukri bin Baharom (DMS) and Abdul Rahim bin Ismail (collectively, the Defendants) claiming, inter alia, damages in connection with the Defendants' negligence and breaches of duty in relation to the Package CW2-Main Civil Works for the Bakun Hydroelectric Project (Bakun Project) and in respect of the Receipt, Discharge and Indemnity Agreement dated 12 January 2010 (Indemnity Agreement) given to DMS. The aggregate amount claimed was RM91.4 million together with general and aggravated damages to be assessed and other relief.

The Defendants have filed their respective Statements of Defence.

DSAZ, the 1st Defendant filed third party notices dated 8 March 2011 against 22 individuals (DSAZ's Third Party Notices) of whom include several current members of the board of SDB. Pursuant to DSAZ's Third Party Notices, DSAZ is seeking an indemnity and/or contribution from the 22 individuals in the event DSAZ is found liable to the Plaintiffs.

DMS, the 2nd Defendant, also filed similar third party notices dated 20 April 2011 against 11 individuals, SESB and SDHB (DMS's Third Party Notices), of whom comprise former members of the board of SDB, its subsidiaries and Kumpulan Sime Darby Berhad and former members of the audit and supervisory committee of SDB's Energy & Utilities Division. Pursuant to DMS's Third Party Notices, DMS is seeking an indemnity and/or contribution from the third parties in the event DMS is found liable to the Plaintiffs.

DSAZ had on 2 June 2011 and 8 June 2011 discontinued the third party proceedings against 5 individuals out of the 22 who were originally named.

i. Third Party Proceedings

The remaining third parties have applied to strike out third party proceedings instituted against them by DSAZ and DMS. The High Court had, on 13 December 2011, allowed the applications by the third parties and struck out DSAZ's and DMS's third party statements of claim, set aside the third party notices and dismissed the third party proceedings on the basis, amongst others, that DSAZ's and DMS's third party proceedings were frivolous and vexatious (High Court Decision).

On 11 January 2012, DSAZ and DMS filed their respective appeals against the High Court Decision (Appeals).

On 1 August 2012 the Court of Appeal, after hearing submissions from DSAZ's and DMS's solicitors, dismissed the Appeals with costs (Court of Appeal Decision). On 3 September 2012, DSAZ filed a notice of motion for leave to appeal to the Federal Court against the Court of Appeal Decision (DSAZ's Leave to Appeal). On 18 September 2013, the Federal Court dismissed DSAZ's Leave to Appeal with costs.

Notes to the Financial Statements**For the financial year ended 30 June 2013 (continued)****Amounts in RM million unless otherwise stated****46. Material Litigation (continued)**

The outstanding material litigation are as follows: (continued)

c. Bakun Hydroelectric Project (Bakun Project) and the Indemnity Agreement Civil Suits (continued)ii. Main Suit

The Court fixed DSAZ's application for discovery of documents (DSAZ's Discovery Application) for hearing on 22 January 2013.

On 9 January 2013, DSAZ filed application for a stay of the trial of the civil suit (Stay Application). The Stay Application was filed on the basis that DSAZ's Leave to Appeal has yet to be heard. On 22 January 2013, the Court allowed DSAZ's Stay Application and ordered that the trial of the civil suit be stayed pending the disposal of DSAZ's Leave to Appeal (Stay Order). In view of the Stay Order, DSAZ's Discovery Application will not be heard until DSAZ's Leave to Appeal is finally disposed of. On 2 May 2013, the Court fixed 25 September 2013 for mention pending the disposal of DSAZ's Leave to Appeal. There is no trial date fixed for the main suit.

d. Emirates International Energy Services (EMAS)

Emirates International Energy Services (EMAS) had on 13 January 2011, filed a civil suit in the Plenary Commercial Court in Abu Dhabi against Sime Darby Engineering Sdn Bhd (SDE) claiming payment of USD178.2 million (equivalent to about RM552.5 million) comprising a payment of USD128.2 million and USD50.0 million for commissions and "morale compensation" respectively.

SDE filed its Statement of Defence and Counter Claim for the sum of AED100 million (equivalent to about RM84.4 million) on 14 August 2011.

As SDE's Statement of Defence contained a request for the matter to be referred to arbitration (SDE's Plea), the Court adjourned the case to 22 August 2011 for a decision on SDE's Plea.

On 22 August 2011, the Court dismissed EMAS's claim based on SDE's Plea, as contained in SDE's Statement of Defence. SDE's solicitors informed SDE that EMAS had until 21 September 2011 to file an appeal against the Court's decision but EMAS failed to do so.

i. Proceedings at Abu Dhabi Commercial Conciliation & Arbitration Centre (ADCCAC)

EMAS had, on 11 December 2011, submitted a request for arbitration to the Abu Dhabi Commercial Conciliation & Arbitration Centre (ADCCAC). By way of a notice dated 26 December 2011 (Notice) which SDE received on 17 January 2012, SDE was informed that the matter has been registered for arbitration.

SDE's local counsel had on 14 February 2012 filed and submitted the response to the Notice to ADCCAC and the arbitration is currently stayed pending EMAS's response.

ii. Proceedings at the Judicial Department of Abu Dhabi

On 31 March 2012, EMAS filed another suit against SDE at the Judicial Department of Abu Dhabi. The claim of USD178.2 million (equivalent to RM566.3 million) by EMAS was based on the same facts and grounds as the First Suit.

At the hearing on 30 May 2012, the Court dismissed the case on procedural grounds, namely that EMAS did not comply with the procedures for Commercial Agency disputes as set forth in Articles 27 and 28 of the United Arab Emirates Commercial Agencies Law when EMAS failed to raise a formal claim or mediation request with the Committee of Commercial Agencies at the Ministry of Economy in the first instance.

On 21 June 2012, EMAS filed an appeal to the Court of Appeal in Abu Dhabi (Appellate Court) against the decision of the Court dated 30 May 2012 (Appeal).

On 13 August 2012, SDE submitted its rebuttal to EMAS's grounds of appeal before the Appellate Court. On 28 August 2012, the Appellate Court dismissed the Appeal and ordered for the case to be tried afresh by the court of first instance on the ground that the court of first instance has the jurisdiction to hear the dispute between EMAS and SDE.

Notes to the Financial Statements**For the financial year ended 30 June 2013 (continued)****Amounts in RM million unless otherwise stated****46. Material Litigation (continued)**

The outstanding material litigation are as follows: (continued)

d. Emirates International Energy Services (EMAS) (continued)**ii. Proceedings at the Judicial Department of Abu Dhabi (continued)**

On 15 October 2012, SDE's local counsel filed an appeal against the Appellate Court's decision. In deliberating SDE's appeal, the Supreme Court decided on 8 April 2013 that it was not timely to challenge the Appellate Court's decision as the latter's judgment was merely on procedural issues and not on the merits of the case. The matter is now proceeding in the court of first instance.

On 13 May 2013, SDE filed its submission while EMAS's submission was filed on 23 May 2013. On 11 June 2013, the Court delivered its interim order to appoint a court expert specialising in commercial agencies and ordered EMAS to pay AED45,000 being court expert fees. At the hearing on 18 June 2013, EMAS submitted proof of payment of the expert fees and the Court adjourned the hearing to 30 July 2013.

On 29 June 2013, the court expert held a session with SDE's local counsel and another session on 3 July 2013 for further deliberation at which SDE's proposal for settlement on a retainer basis was rejected by EMAS. The court expert released his report to the parties on 30 July 2013.

The matter has been adjourned to 2 October 2013 for hearing.

e. Michael Chow Keat Thye (the Applicant)

On 18 November 2011, Michael Chow Keat Thye (the Applicant) filed an application pursuant to Order 53 rule 3(2) of the Rules of the High Court for judicial review against the Securities Commission of Malaysia (SC) decision made on 11 October 2011 in ruling that the acquisition of the equity interest in Eastern & Oriental Berhad (E&O) by Sime Darby Nominees Sdn Bhd (SD Nominees) has not given rise to a mandatory offer obligation and seek for an Order of the High Court to compel SD Nominees to make a mandatory offer at the price of RM2.30 per E&O share.

The High Court granted leave for the application for Judicial Review on 8 December 2011.

On 21 December 2011, SD Nominees was served with a copy of the cause papers in relation to the application for Judicial Review by the Applicant's lawyers. On 5 January 2012, SD Nominees filed an application to be added as a party in the Judicial Review proceedings and obtained leave to be added as 2nd Respondent on 11 January 2012.

On 25 January 2012, SC filed an application to recuse the learned judge and the recusal application was dismissed with costs on 2 April 2012. SC appealed and the Court of Appeal dismissed the appeal with costs of RM10,000 on 2 October 2012.

On 31 January 2012, SD Nominees filed an application to expunge that part of the Applicant's affidavit and the exhibit (JP Morgan's press interview) which alleged that SD Nominees had admitted to having obtained majority control in E&O on the basis that it constituted hearsay statements and was inadmissible. The Applicant amended its affidavit and filed a corrective affidavit on 8 January 2013. In the light of the amendments, the application to expunge was withdrawn on 16 January 2013.

Subsequent case managements were held on 18 February 2013, 17 May 2013 and 11 June 2013.

On 17 June 2013, the parties were directed to file their respective submissions by 30 September 2013, which is also fixed for case management, and their respective submissions in reply (if any) by 14 October 2013. The Court fixed the hearing of the Judicial Review on 1 November 2013.

Notes to the Financial Statements**For the financial year ended 30 June 2013 (continued)****Amounts in RM million unless otherwise stated****46. Material Litigation (continued)**

The outstanding material litigation are as follows: (continued)

f. Qatar Petroleum (QP) Statement of Claim

On 15 August 2012, Sime Darby Engineering Sdn Bhd (SDE) filed a Statement of Claim at the Qatar Court against Qatar Petroleum (QP) for the sum of QAR1,005,353,061 (equivalent to RM877.5 million) comprising outstanding invoices, compensation, performance bonds and additional costs in relation to an offshore engineering project in Qatar undertaken by SDE pursuant to a contract dated 27 September 2006. However, the contract came into effect much earlier on 15 April 2006 and SDE had commenced work since then.

At the first hearing/case management before the Court on 9 October 2012, QP did not appear and the Court subsequently fixed another hearing on 28 November 2012.

On 28 November 2012, QP filed its Statement of Defence together with supporting documents (which were mostly in English). The Court fixed another hearing date on 10 January 2013 for QP to submit translations of the said documents. On 10 January 2013, QP filed its supporting documents in Arabic and the Court granted SDE a further extension of time until 28 February 2013 for SDE to file its reply.

On 28 February 2013, in its reply to QP's Defence, SDE made an upward revision to the amount claimed in respect of the performance bond. The total claim currently stands at QAR1,008.1 million (equivalent to RM879.9 million). The Court fixed another hearing date on 19 March 2013 for QP to file its reply, which reply has been filed. SDE then applied for an extension of time to file its reply. The Court adjourned the case until 30 April 2013 to give its decision on whether:

- i. to allow SDE to file its reply; or
- ii. to proceed with the appointment of experts; or
- iii. to order that the case be transferred to the Administrative Court.

On 30 April 2013, the Court ordered the case to be transferred to the Administrative Court. The Administrative Court fixed 11 June 2013 for hearing.

On 18 June 2013, the Administrative Court issued a preliminary judgment to appoint a panel of 3 experts (an engineer, accountant and technician) and fixed experts' fees of QAR90,000 to be paid by SDE by 9 July 2013, which SDE duly paid. The Administrative Court informed SDE's counsel that the Administrative Court's list did not have an expert who specialised in the installation of offshore platforms and pipelines.

The Judge asked SDE and QP to recommend experts and adjourned the case until 30 July 2013 for the parties to submit their suggestions. The matter was further adjourned to 5 November 2013 for the parties to nominate their experts.

g. Tenaga Nasional Berhad (TNB) Notice of Arbitration

On 26 March 2013, Port Dickson Power Berhad (PDP) filed a Notice of Arbitration against Tenaga Nasional Berhad (TNB) for the adjustments of:

- i. claim for Fixed Operating Rate and Variable Operating Rate amounting RM56.6 million from February 1999 to November 2011 with interest thereon; or
- ii. alternatively, a claim of RM76.1 million from February 1999 to October 2012 with interest thereon.

TNB submitted its response to PDP's Notice of Arbitration on 29 April 2013. The parties deliberated on the appointment of arbitrators in accordance with the Kuala Lumpur Regional Centre for Arbitration (KLRCA) Arbitration Rules. KLRCA has confirmed the appointment of arbitrators proposed by PDP and TNB and on 3 July 2013 has officiated the appointment of the Chairman of the arbitration tribunal.

The arbitration tribunal has issued its fees structure and it has been agreed by both parties. The arbitration tribunal has proposed for a preliminary meeting with the parties on 9 or 10 December 2013.

Notes to the Financial Statements
For the financial year ended 30 June 2013 (continued)

Amounts in RM million unless otherwise stated

47. Acquisitions

a. Acquisition of subsidiaries and a business

- i. Subsidiaries acquired by the Group during the financial year ended 30 June 2013 are as follows:

Name of subsidiary	Purchase consideration	Group's effective interest acquired %	Effective acquisition date
Sime Darby Motors Retail (Australia) Pty Limited (SDMRA)	AUD 2	100.0	3 July 2012
Sime Darby Property Selatan Sdn Bhd	RM 2	100.0	1 October 2012
Sime Darby Auto Britannia Sdn Bhd (formerly known as Timeless Diamond Sdn Bhd)	RM 2	100.0	1 March 2013

In addition to the above acquisitions:

- i. On 6 July 2012, SDMRA completed the acquisition of Porsche Centre Parramatta, Sydney for a cash consideration of AUD4.3 million (equivalent to RM14.0 million).
- ii. On 29 November 2012, Sime Darby Overseas (HK) Limited acquired the remaining 51% equity interest in its jointly controlled entities, Weifang Weigang Dredging Project Co Ltd (WWDP) and Weifang Weigang Tugboat Services Co Ltd from Beijing Yintong Guoji Investment Advisory Co Ltd for a cash consideration of RMB36.7 million and RMB15.3 million respectively (equivalent to RM18.4 million and RM7.7 million respectively). Consequently, both entities and Weifang Binhai Haiwei Dredging Project Co Ltd, subsidiary of WWDP, became subsidiaries of the Group.
- ii. Details of the assets, liabilities and net cash outflow arising from the acquisition of subsidiaries and business by the Group during the financial year ended 30 June 2013 are as follows:

	Book value	Fair value
Property, plant and equipment [Note 17]	75.0	75.0
Cash and cash equivalents	6.7	6.7
Non-controlling interests	(11.3)	(11.3)
Other net current assets	(11.3)	(11.3)
Net assets acquired	<u>59.1</u>	59.1
Less: Net assets equity accounted previously		(25.4)
Add: Goodwill		6.4
Less: Balance consideration		(26.1)
Cash and cash equivalents of subsidiaries acquired		(6.7)
Net cash outflow on acquisition of subsidiaries and business		<u>7.3</u>

Notes to the Financial Statements
For the financial year ended 30 June 2013 (continued)

Amounts in RM million unless otherwise stated

47. Acquisitions (continued)

b. Acquisition of additional interests in existing subsidiaries

The additional interests acquired by the Group during the financial year ended 30 June 2013 are as follows:

Name of subsidiary	Purchase consideration	Group's effective interest acquired %	Effective acquisition date
Chubb Malaysia Sendirian Berhad	RM8.8 million	30.0	6 November 2012
Sime Darby Packaging Sdn Bhd (formerly known as Sime Rengo Packaging (M) Sdn Bhd)	RM14.2 million	30.0	3 December 2012

c. Acquisition of an associate

Associate acquired by the Group during the financial year ended 30 June 2013 is as follows:

Name of associate	Purchase consideration	Group's effective interest acquired %	Effective acquisition date
Nova Power Pty Ltd	AUD1.9 million (equivalent to RM5.6 million)	31.7	9 July 2012

48. Disposals

a. Disposal of subsidiaries

i. Subsidiaries disposed by the Group during the financial year ended 30 June 2013 are as follows:

Name of subsidiary	Disposal consideration	Group's effective interest disposed %	Effective disposal date
Sime-SIRIM Technologies Sdn Bhd	RM9.9 million	50.0	2 January 2013

In addition to the above disposal, on 26 March 2013, Sime Darby Holdings Berhad (SDH) entered into an arrangement with AH Holdings Health Care Pty Ltd (AHHC), a wholly owned subsidiary of Ramsay Health Care Ltd, to establish a joint venture, whereby SDH will divest its healthcare and education business (held under Sime Darby Healthcare Sdn Bhd), and AHHC will also divest its Indonesian healthcare business into Sime Darby Global Healthcare Sdn Bhd (SDGH). Arising from the divestments, both SDH and AHHC, as joint venturers will each have an equal shareholding in SDGH and, in addition, SDH will also receive a cash consideration of RM390.0 million from AHHC. SDGH was renamed Ramsay Sime Darby Health Care Sdn Bhd on 12 April 2013.

The arrangement was completed on 30 June 2013 and the Group received a partial payment of RM187.3 million of the total cash consideration of RM390.0 million on 1 July 2013. The balance of RM202.7 million shall be paid over a three-year period. Consequent to the completion of the arrangement, the Group recognised a gain of RM340.6 million.

Notes to the Financial Statements
For the financial year ended 30 June 2013 (continued)

Amounts in RM million unless otherwise stated

48. Disposals (continued)

a. Disposal of subsidiaries (continued)

- ii. Details of the assets, liabilities and net cash outflow arising from the disposal of subsidiaries by the Group during the financial year ended 30 June 2013 are as follows:

	Group
Property, plant and equipment [Note 17]	713.3
Deferred tax assets and liabilities [Note 25]	(9.1)
Other non-current liabilities	(100.6)
Net current assets	20.1
Non-controlling interest	(4.7)
Net assets disposed	619.0
Gain on disposal of subsidiary	345.8
Proceeds from disposal of subsidiary	964.8
Less: Fair value of retained portion of the investment	(592.5)
Cash and cash equivalent in subsidiary disposed	(30.0)
Balance consideration	(362.5)
Net cash outflow on disposal of subsidiaries during the year	(20.2)
Add: Proceeds from disposal in previous year [Note 27(e)(ii)]	9.8
Net cash outflow on disposal of subsidiaries	(10.4)

b. Disposal of a jointly controlled entity

Jointly controlled entity disposed by the Group during the financial year ended 30 June 2013 is as follows:

Name of jointly controlled entity	Disposal consideration	Group's effective interest disposed %	Effective disposal date
Halani Sime Offshore (L) Inc	HKD17.4 million (equivalent to RM7.0 million)	50.0	17 October 2012

c. Disposal of associates

Associates disposed by the Group during the financial year ended 30 June 2013 are as follows:

Name of associates	Disposal consideration	Group's effective interest disposed %	Effective disposal date
Tenom Crumb Sdn Bhd	RM3.0 million	49.0	17 December 2012
Mustang Sime Darby Sdn Bhd	RM0.5 million	40.0	14 May 2013
Bluefields Investments Pte Ltd	SGD3.5 million (equivalent to RM8.7 million)	49.0	27 May 2013

Notes to the Financial Statements**For the financial year ended 30 June 2013 (continued)****Amounts in RM million unless otherwise stated****49. Segment Information - Group**

The Group has five reportable segments, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately. For each of the strategic business units, the President and Group Chief Executive reviews the management reports on a monthly basis and conducts performance dialogues with the business units on a regular basis.

Segments comprise:

Segment	Products and services
Plantation	Production and marketing of fresh fruit bunch, crude palm oil, palm kernel, rubber and refining and marketing of palm oil related products.
Property	Developing and marketing residential, commercial and industrial properties and development land and management and provision of golf and other recreational facilities and services.
Industrial	Sales, rental and servicing of heavy equipment.
Motors	Assembly and distribution of vehicles and the provision of after-sale services.
Energy & Utilities	Engineering, power generation, treatment and distribution of treated water, and ownership and management of port facilities.

Healthcare, insurance broking and other general investments are classified under Others.

The Healthcare's results is presented as discontinued operations following the disposal of Sime Darby Healthcare Sdn Bhd pursuant to a joint venture arrangement (see Note 48). The Group's interest in the jointly controlled entity, Ramsay Sime Darby Health Care Sdn Bhd (formerly known as Sime Darby Global Healthcare Sdn Bhd), is presented in Others segment.

Transactions between segments are carried out on agreed terms between both parties. The effects of such intersegment transactions are eliminated on consolidation. The measurement basis and classification are consistent with those adopted in the previous financial year.

Notes to the Financial Statements
For the financial year ended 30 June 2013 (continued)

Amounts in RM million unless otherwise stated

49. Segment Information - Group (continued)

a. Segment results

2013	Plantation	Property	Industrial
Segment revenue:			
External	11,672.1	2,366.6	14,058.9
Inter-segment	0.5	33.7	55.8
	11,672.6	2,400.3	14,114.7
Segment results:			
Operating profit/(loss)	1,978.0	522.6	1,283.5
Share of results of jointly controlled entities and associates	28.5	48.9	16.7
Profit/(loss) before interest and tax	2,006.5	571.5	1,300.2
Included in operating profit/(loss) are:			
Amortisation of prepaid lease rentals	(39.5)	(0.4)	(0.2)
Depreciation and amortisation	(483.6)	(60.5)	(391.2)
Impairment losses:			
- property, plant and equipment	(16.6)	-	(0.6)
- receivables	(5.1)	(15.7)	(35.9)
- others	(0.5)	(2.5)	(2.3)
Reversal of impairment losses:			
- property, plant and equipment	54.5	-	0.7
- receivables	9.1	18.4	38.4
- others	0.5	-	-
Gain on sale of discontinued operations	-	-	-
Other non-cash items	37.5	22.3	31.4

There is no impairment/reversal of impairment of jointly controlled entities and associates during the financial year.

Continuing operations

Continuing operations					Discontinued operations	Total
Motors	Energy & Utilities	Others	Corporate and elimination	Total	[Note 13]	
17,265.6	1,378.2	70.9	-	46,812.3	373.3	47,185.6
39.3	2.8	10.1	(154.4)	(12.2)	12.2	-
17,304.9	1,381.0	81.0	(154.4)	46,800.1	385.5	47,185.6
699.1	209.9	24.1	(76.1)	4,641.1	364.0	5,005.1
12.3	20.0	14.7	-	141.1	-	141.1
711.4	229.9	38.8	(76.1)	4,782.2	364.0	5,146.2
(1.2)	(7.0)	-	-	(48.3)	-	(48.3)
(197.3)	(91.8)	(0.6)	(16.3)	(1,241.3)	(28.2)	(1,269.5)
(1.5)	(0.8)	-	-	(19.5)	-	(19.5)
(2.9)	(33.3)	-	(1.8)	(94.7)	(0.1)	(94.8)
(1.0)	-	-	-	(6.3)	-	(6.3)
12.6	-	-	-	67.8	-	67.8
0.7	0.5	0.1	1.7	68.9	0.5	69.4
-	-	-	-	0.5	-	0.5
-	-	-	-	-	340.6	340.6
(13.2)	63.0	-	(8.6)	132.4	0.6	133.0

Notes to the Financial Statements
For the financial year ended 30 June 2013 (continued)

Amounts in RM million unless otherwise stated

49. Segment Information - Group (continued)

a. Segment results (continued)

2012	Plantation	Property	Industrial
Segment revenue:			
External	14,126.4	2,042.9	13,168.5
Inter-segment	0.8	62.0	48.7
	14,127.2	2,104.9	13,217.2
Segment results:			
Operating profit/(loss)	3,214.9	431.0	1,325.7
Share of results of jointly controlled entities and associates	(11.7)	36.2	25.7
Profit/(loss) before interest and tax	3,203.2	467.2	1,351.4
Included in operating profit/(loss) are:			
Amortisation of prepaid lease rentals	(43.0)	(1.0)	(0.1)
Depreciation and amortisation	(447.5)	(56.6)	(344.7)
Impairment losses:			
- property, plant and equipment	(2.6)	(20.5)	(4.7)
- receivables	(16.9)	(25.8)	(38.3)
- others	(0.1)	(9.3)	-
Reversal of impairment losses:			
- receivables	0.8	2.3	27.1
- others	20.3	-	13.5
Loss on sale of discontinued operations	-	-	-
Other non-cash items	74.8	39.1	62.3
Included in the share of results of jointly controlled entities and associates are:			
Impairment of associates	-	-	-
Reversal of impairment of associates	-	-	1.0

Continuing operations

Continuing operations					Discontinued operations	Total
Motors	Energy & Utilities	Others	Corporate and elimination	Total	[Note 13]	
16,597.0	1,178.7	141.0	-	47,254.5	1,063.1	48,317.6
43.7	6.9	9.6	(182.2)	(10.5)	10.5	-
16,640.7	1,185.6	150.6	(182.2)	47,244.0	1,073.6	48,317.6
693.7	297.2	51.0	(226.7)	5,786.8	(28.1)	5,758.7
8.4	38.2	17.8	-	114.6	-	114.6
702.1	335.4	68.8	(226.7)	5,901.4	(28.1)	5,873.3
(1.1)	(0.8)	(0.1)	-	(46.1)	-	(46.1)
(174.4)	(91.5)	(1.8)	(19.0)	(1,135.5)	(25.4)	(1,160.9)
(2.1)	-	-	-	(29.9)	-	(29.9)
(4.4)	(1.5)	(1.3)	(0.8)	(89.0)	(1.1)	(90.1)
(0.2)	-	(0.8)	(4.9)	(15.3)	-	(15.3)
0.8	39.9	0.2	0.2	71.3	57.5	128.8
-	-	-	-	33.8	-	33.8
-	-	-	-	-	(15.1)	(15.1)
(112.6)	167.6	26.9	(34.6)	223.5	(4.5)	219.0
-	(2.0)	-	-	(2.0)	-	(2.0)
-	-	-	-	1.0	-	1.0

Notes to the Financial Statements
For the financial year ended 30 June 2013 (continued)

Amounts in RM million unless otherwise stated

49. Segment Information - Group (continued)

b. Segment assets and liabilities and additions to non-current assets

2013	Plantation	Property	Industrial
Segment assets			
Operating assets	14,952.1	6,753.8	10,598.8
Jointly controlled entities and associates	475.6	1,644.4	128.9
Non-current assets held for sale	-	126.8	-
	15,427.7	8,525.0	10,727.7
Segment liabilities			
Liabilities	1,696.0	1,132.6	2,982.5
Liabilities associated with assets held for sale	-	90.3	-
	1,696.0	1,222.9	2,982.5
Additions to non-current assets, other than financial instruments and deferred tax assets, are as follows:			
Capital expenditure	1,224.8	57.1	1,111.4
Additions to interest in jointly controlled entities and associates	25.3	441.1	14.8
	1,250.1	498.2	1,126.2
2012			
Segment assets			
Operating assets	15,121.2	6,607.6	11,164.9
Jointly controlled entities and associates	462.0	1,189.8	113.4
Non-current assets held for sale	2.0	33.5	-
	15,585.2	7,830.9	11,278.3
Segment liabilities			
Liabilities	1,771.0	1,016.9	3,511.8
Additions to non-current assets, other than financial instruments and deferred tax assets, are as follows:			
Capital expenditure	987.0	59.2	1,044.9
Additions to interest in jointly controlled entities and associates	-	774.8	23.6
	987.0	834.0	1,068.5

Continuing operations

Continuing operations					Discontinued operations	Total
Motors	Energy & Utilities	Others	Corporate and elimination	Total	[Note13]	
6,348.9	2,998.5	135.1	2,056.8	43,844.0	-	43,844.0
76.8	(111.5)	667.4	-	2,881.6	-	2,881.6
-	-	3.6	-	130.4	-	130.4
6,425.7	2,887.0	806.1	2,056.8	46,856.0	-	46,856.0
2,393.2	890.4	105.8	64.8	9,265.3	-	9,265.3
-	-	-	-	90.3	-	90.3
2,393.2	890.4	105.8	64.8	9,355.6	-	9,355.6
297.3	258.9	0.1	8.2	2,957.8	338.0	3,295.8
-	-	2.1	-	483.3	-	483.3
297.3	258.9	2.2	8.2	3,441.1	338.0	3,779.1
6,219.1	3,926.4	153.6	1,373.2	44,566.0	486.4	45,052.4
64.8	(111.2)	57.7	-	1,776.5	-	1,776.5
3.1	-	3.6	-	42.2	-	42.2
6,287.0	3,815.2	214.9	1,373.2	46,384.7	486.4	46,871.1
2,548.9	1,307.2	105.6	170.3	10,431.7	57.4	10,489.1
383.3	69.5	0.8	10.5	2,555.2	87.5	2,642.7
-	10.3	-	-	808.7	-	808.7
383.3	79.8	0.8	10.5	3,363.9	87.5	3,451.4

Notes to the Financial Statements
For the financial year ended 30 June 2013 (continued)

Amounts in RM million unless otherwise stated

49. Segment Information - Group (continued)

b. Segment assets and liabilities and additions to non-current assets (continued)

Capital expenditure consists of the following:

	2013	2012
Property, plant and equipment	2,889.4	2,462.9
Biological assets	174.3	70.1
Prepaid lease rentals	101.0	98.9
Investment properties	15.6	1.3
Land held for property development	41.6	5.2
Intangible assets other than goodwill	73.9	4.3
	3,295.8	2,642.7

Reconciliation of segment assets and liabilities to total assets and total liabilities are as follows:

	Assets		Liabilities	
	2013	2012	2013	2012
Segment total	46,856.0	46,871.1	9,355.6	10,489.1
Tax assets/liabilities	1,602.1	1,280.1	871.5	968.8
Borrowings	-	-	10,085.6	9,803.4
Finance lease obligation	-	-	164.3	-
	48,458.1	48,151.2	20,477.0	21,261.3

c. Segment by location

Revenue by location of customers are analysed as follows:

	2013	2012
Malaysia	11,062.3	11,784.0
Indonesia	2,446.2	2,733.0
Singapore	4,622.9	4,925.5
Other countries in South East Asia	2,427.4	2,397.1
China	9,637.8	9,533.8
Australasia *	12,113.0	11,403.5
Europe	1,591.2	2,063.0
Other countries	2,911.5	2,414.6
	46,812.3	47,254.5

Notes to the Financial Statements
For the financial year ended 30 June 2013 (continued)

Amounts in RM million unless otherwise stated

49. Segment Information - Group (continued)

c. Segment by location (continued)

Revenue, profit/(loss) before interest and tax and non-current assets, other than financial instruments and deferred tax assets, by location of the Group's operations are analysed as follows:

	Revenue		Profit/(loss) before interest and tax		Non-current assets	
	2013	2012	2013	2012	2013	2012
Malaysia	13,821.6	14,306.6	2,394.8	3,271.5	12,614.0	11,980.4
Indonesia	2,436.2	2,717.4	761.6	1,045.2	2,941.2	2,829.7
Singapore	4,528.6	4,760.9	280.9	335.6	760.6	759.8
Other countries in South East Asia	2,297.3	2,280.7	96.0	44.3	531.7	520.0
China	9,525.0	9,073.6	336.1	379.0	2,146.6	1,840.4
Australasia *	12,093.0	11,409.5	986.2	961.0	3,017.4	2,916.5
Europe	1,454.8	1,997.0	(55.6)	(110.5)	806.6	391.9
Other countries	655.8	708.8	(17.8)	(24.7)	212.1	149.0
	46,812.3	47,254.5	4,782.2	5,901.4	23,030.2	21,387.7

* Australasia consists of Australia, New Caledonia, New Zealand, Papua New Guinea and Solomon Islands

Reconciliation of non-current assets, other than financial instruments and deferred tax assets to the total non-current assets are as follows:

	2013	2012
Non-current assets other than financial instruments and deferred tax assets	23,030.2	21,387.7
Available-for-sale investments	118.7	111.8
Deferred tax assets	924.0	819.6
Tax recoverable	391.0	331.8
Derivatives	136.9	3.2
Receivables	656.5	442.2
	25,257.3	23,096.3

The Group's operations are diverse in terms of the range of products and services it offers and the geographical coverage. There is no single customer that contributed 10% or more to the Group's revenue.

Notes to the Financial Statements
For the financial year ended 30 June 2013 (continued)

Amounts in RM million unless otherwise stated

50. Related Parties

Significant related party transactions and balances other than as disclosed in Notes 22, 27 and 40 are as follows:

	Group		Company	
	2013	2012	2013	2012
a. Transactions with jointly controlled entities				
Tolling fees and sales to Emery Oleochemicals (M) Sdn Bhd group	78.6	117.5	-	-
Sale of terminal trucks to Terberg Tractors Malaysia Sdn Bhd	53.2	33.0	-	-
Sale of land to Capitamalls Asia (Melawati Mall) Sdn Bhd (formerly known as Prized Corridor Sdn Bhd)	64.8	-	-	-
Sale of land to PJ Midtown Development Sdn Bhd (formerly known as Sime Darby Brunfield Darby Hills Sdn Bhd)	-	17.2	-	-
b. Transaction with an associate				
Sale of land to Tesco Stores (Malaysia) Sdn Bhd	-	35.7	-	-
c. Transactions between subsidiaries and their significant owners of non-controlling interests				
Turnkey works rendered by Brunfield Engineering Sdn Bhd to Sime Darby Brunfield Holding Sdn Bhd (SDBH) group, companies in which Dato' Ir Gan Thian Leong (Dato' Gan) and Encik Mohamad Hassan Zakaria (Encik Hassan) are substantial shareholders	146.6	156.1	-	-
Sales of properties by SDBH to Brunfield OASIS Square Sdn Bhd, companies in which Dato' Gan and Encik Hassan are substantial shareholders	207.0	-	-	-
Purchase of agricultural tractors, engines and parts by Sime Kubota Sdn Bhd from Kubota Corporation	48.9	61.7	-	-
Sale of goods and provision of services by Chubb Malaysia Sendirian Berhad to Gunnebo Holdings APS and its related companies	2.0	12.9	-	-
Royalty payment to and procurement of cars and ancillary services by Inokom Corporation Sdn Bhd (ICSB) from Hyundai Motor Company and its related companies	226.5	123.1	-	-
Contract assembly service provided by ICSB to Berjaya Corporation Berhad group	10.5	14.3	-	-

Notes to the Financial Statements
For the financial year ended 30 June 2013 (continued)

Amounts in RM million unless otherwise stated

50. Related Parties (continued)

Significant related party transactions and balances other than as disclosed in Notes 22, 27 and 40 are as follows:
(continued)

	Group		Company	
	2013	2012	2013	2012
d. Transactions with firms in which Directors of the Company is a partner				
Provision of legal services by Kadir, Andri & Partners, a firm in which Dato' Sreesanthan Eliathamby is a partner (Dato' Sreesanthan has since retired from the Board of Directors on 8 November 2012)	0.6	0.5	-	-
Provision of legal services by Azmi & Associates, a firm in which Dato' Azmi Mohd Ali is a partner	0.7	0.1	-	-
e. Transactions with Directors and their close family members				
Sales of properties and cars	2.5	6.7	-	-
Sales of properties by Battersea Project Phase 1 Company Limited, a jointly controlled entity	12.8	-	-	-
f. Transactions with key management personnel and their close family members				
Sales of properties and cars	10.4	13.9	-	-
Sales of properties by Battersea Project Phase 1 Company Limited, a jointly controlled entity	14.7	-	-	-

g. Transactions with shareholders and Government

Permodalan Nasional Berhad (PNB) and the funds managed by its subsidiary, Amanah Saham Nasional Berhad, together owns 51.8% as at 28 June 2013 of the issued share capital of the Company (as at 25 June 2012: 47.5%). PNB is an entity controlled by the Malaysian Government through Yayasan Pelaburan Bumiputra (YPB). The Group considers that, for the purpose of FRS 124 – Related Party Disclosures, YPB and the Malaysian Government are in the position to exercise significant influence over it. As a result, the Malaysian Government and Malaysian Government's controlled bodies (collectively referred to as government-related entities) are related parties of the Group and the Company.

Transactions entered into during the financial year with government-related entities include the sales and purchases of goods and services. These related party transactions were entered into in the ordinary course of business on normal trade terms and conditions and do not require the approval of shareholders except for the purchase of chemicals and fertilisers from Chemical Company of Malaysia Berhad and its subsidiaries, companies in which YPB has substantial indirect interest, amounting to RM138.1 million (2012: RM131.2 million). Shareholders' mandate was obtained for this recurrent related party transaction during the last annual general meeting.

Notes to the Financial Statements
For the financial year ended 30 June 2013 (continued)

Amounts in RM million unless otherwise stated

50. Related Parties (continued)

Significant related party transactions and balances other than as disclosed in Notes 22, 27 and 40 are as follows:
(continued)

g. Transactions with shareholders and Government (continued)

In addition to the above, the Group has entered into the following transactions/arrangement during the financial year ended 30 June 2013:

- i. a joint venture arrangement with S P Setia Berhad group and Kwasa Global (Jersey) Limited group (Kwasa) for the development of the Battersea project as disclosed in Note 8(b)(i). YPB has a substantial indirect interest in S P Setia Berhad while Kwasa is a wholly owned subsidiary of the Employees Provident Fund Board, a substantial shareholder of the Company.
- ii. concession agreements with the Malaysian Government and universities funded by the Malaysian Government for the development of the Pagoh Education Hub. Under the concession agreements, the Group will construct the campuses over a period of 3 years, maintain the facilities and infrastructure for a period of 20 years and provide the agreed teaching equipment for consideration totaling approximately RM3,539.3 million. The consideration for the provision of teaching equipment is receivable over a period of 5 years while the other considerations are receivable over a period of 20 years, both commencing after the completion of the construction of the campuses.
- iii. disposal of a piece of land to the Malaysian Government for RM50.6 million for the development of the Pagoh Education Hub.

In 2012, the Group disposed its fabrication yards to Petronas Assets Sdn Bhd and Malaysia Marine and Heavy Engineering Sdn Bhd for a total consideration of RM689.4 million. Both companies are government-related entities.

	Group		Company	
	2013	2012	2013	2012
h. Remuneration of Directors and key management personnel				
Salaries, fees and other emoluments	38.3	37.6	3.2	3.2
Defined contribution pension plan	3.8	4.0	-	-
Estimated monetary value of benefits by way of usage of the Group's and Company's assets	0.7	1.0	0.3	0.4

Notes to the Financial Statements
For the financial year ended 30 June 2013 (continued)

Amounts in RM million unless otherwise stated

50. Related Parties (continued)

Significant related party transactions and balances other than as disclosed in Notes 22, 27 and 40 are as follows:
(continued)

i. Outstanding balances with related parties

The significant outstanding balances between the Group and other related parties as at 30 June are as follows:

	Group	
	2013	2012
i. <u>Amounts due from jointly controlled entities and associates</u>		
Malaysia - China Hydro Joint Venture	49.2	42.3
Seriemas Development Sdn Bhd	21.1	21.1
Ramsay Sime Darby Health Care Sdn Bhd (formerly known as Sime Darby Global Healthcare Sdn Bhd)	100.0	-
Sime Darby Capitamalls Asia (Melawati Mall) Sdn Bhd (formerly known as Prized Corridor Sdn Bhd)	72.5	-
Sime Darby Marine Puteri Offshore I (L) Inc	24.1	24.2
Sime Darby Sunrise Development Sdn Bhd	92.0	108.9
ii. <u>Amounts due to owner of non-controlling interests of Sime Darby Brunsfield Holding Sdn Bhd</u>		
Brunsfield Metropolitan Sdn Bhd	175.5	183.1
Brunsfield Engineering Sdn Bhd	18.7	24.4
iii. <u>Amounts due from YPB group and government-related entities</u>		
Prolintas Expressway Sdn Bhd [Note 27(d)]	248.4	232.2
Petronas Assets Sdn Bhd [Note 50(g)]	-	281.2
Malaysia Marine and Heavy Engineering Sdn Bhd [Note 50(g)]	-	373.7

All outstanding balances are unsecured and repayable in accordance with agreed terms.

Other than as disclosed above, there were no material contracts subsisting as at 30 June 2013 or if not then subsisting, entered into since the end of the previous financial year by the Company or its subsidiaries which involved the interests of Directors or substantial shareholders.

Notes to the Financial Statements
For the financial year ended 30 June 2013 (continued)

Amounts in RM million unless otherwise stated

51. Financial Instruments

a. Financial instruments by category

Financial assets and financial liabilities are categorised as follows:

Group 2013	Derivatives used for hedging	Fair value through profit or loss – held for trading	Loans and receivables	Available- for-sale financial assets	Total
Non-current assets					
Available-for-sale investments	-	-	-	118.7	118.7
Derivatives	124.7	12.2	-	-	136.9
Receivables	-	-	656.5	-	656.5
Current assets					
Receivables	-	-	6,057.2	-	6,057.2
Derivatives	24.2	21.1	-	-	45.3
Cash held under Housing Development Accounts	-	-	560.3	-	560.3
Bank balances, deposits and cash	-	-	4,093.5	-	4,093.5
Total financial assets	148.9	33.3	11,367.5	118.7	11,668.4

	Derivatives used for hedging	Fair value through profit or loss – held for trading	Financial guarantee contracts	Financial liabilities at amortised cost	Total
Non-current liabilities					
Borrowings	-	-	-	7,993.4	7,993.4
Finance lease obligation	-	-	-	157.8	157.8
Derivatives	0.5	1.4	-	-	1.9
Current liabilities					
Payables	-	-	1.2	8,234.6	8,235.8
Borrowings	-	-	-	2,092.2	2,092.2
Finance lease obligation	-	-	-	6.5	6.5
Derivatives	107.5	7.5	-	-	115.0
Total financial liabilities	108.0	8.9	1.2	18,484.5	18,602.6

Notes to the Financial Statements
For the financial year ended 30 June 2013 (continued)

Amounts in RM million unless otherwise stated

51. Financial Instruments (continued)

b. Income, expense, gains and losses on financial instruments

Income, expense, gains and losses on financial instruments recognised in the statements of profit or loss and comprehensive income are as follows:

Group	Derivatives used for hedging			Forward foreign exchange contract
	Forward foreign exchange contract	Interest rate swap contract	Cross currency swap contract	
2013				
Revenue	-	-	-	-
Operating expenses				
- impairment	-	-	-	-
- fair value/ineffective hedge	(2.6)	-	-	(1.4)
- realised foreign exchange losses	-	-	-	-
Other operating income				
- income	-	-	-	-
- gain on disposal	-	-	-	-
- reversal of impairment	-	-	-	-
- fair value/ineffective hedge	13.7	-	-	-
- realised foreign exchange gains	-	-	-	-
Finance income	-	-	-	-
Finance costs	-	-	(40.1)	-
Other comprehensive income				
- net change in fair value	(73.3)	13.6	116.7	-
- transfer to profit or loss	-	-	-	-
	(62.2)	13.6	76.6	(1.4)
2012				
Revenue	-	-	-	-
Operating expenses				
- impairment	-	-	-	-
- fair value/ineffective hedge	(16.7)	-	-	(11.6)
Other operating income				
- income	-	-	-	-
- gain on disposal	-	-	-	-
- reversal of impairment	-	-	-	-
- fair value/ineffective hedge	-	-	6.4	0.6
Finance income	-	-	-	-
Finance costs	-	-	(23.3)	-
Other comprehensive income				
- net change in fair value	(126.9)	24.5	(46.7)	-
- transfer to profit or loss	-	-	-	-
	(143.6)	24.5	(63.6)	(11.0)

Fair value through profit or loss – held for trading

Interest rate swap contract	Commodity future contract	Loans and receivables	Available-for-sale financial assets	Financial guarantee contracts	Financial liabilities at amortised cost	Reclassification	Total
-	-	-	-	-	-	(3.5)	(3.5)
-	-	(94.7)	-	-	-	-	(94.7)
-	-	-	-	-	-	-	(4.0)
-	-	-	-	-	-	(121.4)	(121.4)
-	-	-	64.4	-	-	-	64.4
-	-	-	-	-	-	0.2	0.2
-	-	68.9	-	-	-	-	68.9
-	0.7	-	-	-	-	117.5	131.9
-	-	-	-	-	-	103.7	103.7
-	-	127.2	-	0.1	-	-	127.3
7.6	-	-	-	-	(414.8)	-	(447.3)
-	-	-	17.1	-	-	-	74.1
-	-	-	-	-	-	(96.5)	(96.5)
7.6	0.7	101.4	81.5	0.1	(414.8)	-	(196.9)
-	-	-	-	-	-	4.8	4.8
-	-	(89.0)	-	-	-	-	(89.0)
-	-	-	-	-	-	-	(28.3)
-	-	-	53.9	-	-	-	53.9
-	-	-	29.7	-	-	36.7	66.4
-	-	71.3	-	-	-	-	71.3
-	1.9	-	-	-	-	-	8.9
-	-	178.2	-	0.4	-	-	178.6
34.0	-	-	-	-	(396.2)	-	(385.5)
-	-	-	33.9	-	-	-	(115.2)
-	-	-	-	-	-	(41.5)	(41.5)
34.0	1.9	160.5	117.5	0.4	(396.2)	-	(275.6)

Notes to the Financial Statements
For the financial year ended 30 June 2013 (continued)

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51. Financial Instruments (continued)

b. Income, expense, gains and losses on financial instruments (continued)

Income, expense, gains and losses on financial instruments recognised in the statements of profit or loss and comprehensive income are as follows: (continued)

Company 2013	Loans and receivables	Financial guarantee contracts	Financial liabilities at amortised cost	Total
Finance income	172.2	25.0	-	197.2
Finance costs	-	-	(162.0)	(162.0)
	172.2	25.0	(162.0)	35.2
2012				
Finance income	143.7	16.6	-	160.3
Finance costs	-	(84.9)	(142.8)	(227.7)
	143.7	(68.3)	(142.8)	(67.4)

c. Measurement of financial instruments

i. Measured at fair value

In estimating the financial instruments carried at fair value, there are, in general, three different levels which can be defined as follows:

- Level 1 - Quoted prices in active markets for identical assets or liabilities
- Level 2 - Valuation inputs (other than level 1 input) that are observable for the asset or liability, either directly or indirectly
- Level 3 - Valuation inputs that are not based on observable market data

Available-for-sale investments

If there are quoted market prices in active markets, these are considered Level 1. If such quoted market prices are not available, fair value are determined using market prices for similar assets or present value techniques, applying an appropriate risk-free interest rate adjusted for non-performance risk. The inputs used in present value techniques are observable and fall into the Level 2 category. It is classified into the Level 3 category if significant unobservable inputs are used.

Derivatives

The fair values of derivative are determined using quoted price of identical instruments from an active market, if available (Level 1). If quoted prices are not available, price quoted for similar instruments, appropriately adjusted, or present value techniques, based on available market data, or option pricing models are used. The fair values obtained using price quotes for similar instruments or valuation techniques represent a Level 2 input unless significant unobservable inputs are used, which would result in Level 3 valuation methods.

Notes to the Financial Statements
For the financial year ended 30 June 2013 (continued)

Amounts in RM million unless otherwise stated

51. Financial Instruments (continued)

c. Measurement of financial instruments (continued)

i. Measured at fair values (continued)

The following table presents the Group's financial assets and liabilities that are measured at fair value as at 30 June into three different levels as defined above:

Group 2013	Level 1	Level 2	Level 3	Total
Financial assets				
Available-for-sale investments	33.1	30.9	54.7	118.7
Derivatives				
- forward foreign exchange contracts	-	55.6	-	55.6
- interest rate swap contracts	-	13.7	-	13.7
- cross currency swap contract	-	110.0	-	110.0
- commodity futures contracts	-	2.9	-	2.9
	33.1	213.1	54.7	300.9
Financial liabilities				
Derivatives				
- forward foreign exchange contracts	-	(77.1)	-	(77.1)
- cross currency swap contract	-	(38.1)	-	(38.1)
- commodity futures contracts	-	(1.7)	-	(1.7)
	-	(116.9)	-	(116.9)
2012				
Financial assets				
Available-for-sale investments	37.1	20.0	54.7	111.8
Derivatives				
- forward foreign exchange contracts	-	29.9	-	29.9
- commodity futures contracts	-	1.9	-	1.9
	37.1	51.8	54.7	143.6
Financial liabilities				
Derivatives				
- forward foreign exchange contracts	-	(97.2)	-	(97.2)
- interest rate swap contracts	-	(19.8)	-	(19.8)
- cross currency swap contract	-	(48.4)	-	(48.4)
	-	(165.4)	-	(165.4)

The Company does not have any financial assets and liabilities measured at fair value as at 30 June 2013 (2012: Nil).

There is no movement during the financial year for financial instruments measured using Level 3 valuation methods.

Notes to the Financial Statements
For the financial year ended 30 June 2013 (continued)

Amounts in RM million unless otherwise stated

51. Financial Instruments (continued)

c. Measurement of financial instruments (continued)

ii. Measured at amortised cost

The carrying amounts and fair values of non-current financial assets and liabilities measured at amortised cost at 30 June are as follows:

	Group		Company	
	Carrying amount	Fair value	Carrying Amount	Fair Value
Financial assets				
2013				
Receivables				
- trade and other receivables	333.8	333.8	-	-
- amount due from a subsidiary	-	-	4,942.2	4,942.2
- advances for plasma plantation projects	74.3	74.3	-	-
- redeemable loan stocks	248.4	202.6	-	-
2012				
Receivables				
- trade and other receivables	132.0	132.0	-	-
- amount due from a subsidiary	-	-	1,700.0	1,700.0
- advances for plasma plantation projects	78.0	78.0	-	-
-redeemable loan stocks	232.2	219.7	-	-
Financial liabilities				
2013				
Borrowings				
- term loans	3,063.9	3,063.9	-	-
- Islamic Medium Term Notes	2,400.0	2,440.8	2,400.0	2,440.8
- Sukuk	2,529.5	2,529.5	-	-
Finance lease obligation	157.8	158.8	-	-
Payables				
- amount due to a subsidiary	-	-	2,529.5	2,529.5
2012				
Borrowings				
- term loans	2,230.8	2,230.8	-	-
- Islamic Medium Term Notes	1,700.0	1,759.7	1,700.0	1,759.7

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.

The Company's financial assets and liabilities as at the reporting date are measured at amortised cost.

Notes to the Financial Statements
For the financial year ended 30 June 2013 (continued)

Amounts in RM million unless otherwise stated

52. Financial Risk and Capital Management

a. Financial Risk Management

The Group's activities expose it to a variety of financial risks, including foreign currency risk, interest rate risk, credit risk, liquidity and cash flow risk. The Group's financial risk management policies are designed to manage and minimise the Group's financial risk and to ensure that the Group creates value for its shareholders.

Financial risk management is carried out through risk reviews, internal control systems, insurance/takaful programs and adherence to Group Policies and Authorities. The Board regularly reviews these risks and approves the policies covering the management of these risks.

The Group's financial risk management policies are implemented on a group-wide basis. The Group uses derivative financial instruments, principally interest rate swaps, cross currency swaps, forward foreign exchange contracts, commodity futures contracts and foreign currency options as appropriate for hedging transactions and managing the Group's assets and liabilities in accordance with the Group's financial risk management policies.

Whilst all derivatives entered provide economic hedges to the Group, certain derivatives do not qualify for the application of hedge accounting under the specific rules in FRS 139. Changes in the fair value of these derivatives are recognised in profit or loss, while changes in the fair value of those derivatives that qualify for cash flow hedge accounting are recognised in other comprehensive income. It is the Group's policy not to enter into derivative transactions for speculative purposes. The notional amounts and fair values of derivative financial instruments at 30 June are disclosed in Note 26.

Details of each financial risk are as follows:

i. Foreign currency risk

The Group is exposed to foreign exchange risk as a result of the foreign currency transactions entered into by subsidiaries. During the financial year, the Group's revenue was transacted in the following currencies:

	Functional currency	Other than functional currency	Total revenue
2013			
Transacted currency			
Ringgit Malaysia	10,672.4	-	10,672.4
United States dollar	10.8	5,012.1	5,022.9
Indonesian rupiah	2,434.0	-	2,434.0
Singapore dollar	4,080.2	0.1	4,080.3
Chinese renminbi	6,936.7	-	6,936.7
Hong Kong dollar	2,581.0	0.1	2,581.1
Australian dollar	8,357.7	4.8	8,362.5
Other currencies	6,606.4	116.0	6,722.4
	41,679.2	5,133.1	46,812.3
2012			
Transacted currency			
Ringgit Malaysia	11,309.8	-	11,309.8
United States dollar	17.5	5,340.0	5,357.5
Indonesian rupiah	2,714.4	-	2,714.4
Singapore dollar	4,100.0	0.4	4,100.4
Chinese renminbi	6,863.9	-	6,863.9
Hong Kong dollar	2,198.8	-	2,198.8
Australian dollar	7,819.6	0.3	7,819.9
Other currencies	6,664.2	225.6	6,889.8
	41,688.2	5,566.3	47,254.5

Notes to the Financial Statements
For the financial year ended 30 June 2013 (continued)

Amounts in RM million unless otherwise stated

52. Financial Risk and Capital Management (continued)

a. Financial Risk Management (continued)

Details of each financial risk are as follows: (continued)

i. Foreign currency risk (continued)

Where the transacted currencies differ from the subsidiaries' functional currency, the Group is exposed to foreign exchange risk. The risk also extends to purchases denominated in currency other than the subsidiaries' functional currency.

Where possible, the Group will apply natural hedging by selling and purchasing in the same currency. Otherwise, the Group enters into forward foreign exchange contracts to limit its exposure on foreign currency receivables and payables, and on cash flows generated from anticipated transactions denominated in foreign currencies. Centralised treasury practised by the Group provide the benefits of foreign currency netting within the Group and manage the cost of hedging effectively.

The Group also entered into a cross currency swap contract to exchange the principal payments of a USD400.0 million (2012: USD400.0 million) loan into AUD, the functional currency of the subsidiary, to reduce the Group's exposure from adverse fluctuations in foreign currency.

The percentages of receivables and payables denominated in currency other than functional currency covered by forward foreign exchange contracts as at 30 June are as follows:

	Group		Company	
	2013	2012	2013	2012
Monetary items denominated in currency other than functional currency				
- receivables	774.1	1,349.4	2,581.4	-
- payables	663.9	1,124.5	2,570.8	-
Forward foreign exchange contracts				
- receivables	527.5	1,155.5	-	-
- payables	474.0	829.3	-	-
Percentage covered (%)				
- receivables	68.1	85.6	-	-
- payables	71.4	73.7	-	-

The Company's receivables and payables above are denominated in USD. There is minimal foreign currency risk due to the natural hedge between the receivables and payables, therefore, there is no forward contract entered into.

Notes to the Financial Statements
For the financial year ended 30 June 2013 (continued)

Amounts in RM million unless otherwise stated

52. Financial Risk and Capital Management (continued)

a. Financial Risk Management (continued)

Details of each financial risk are as follows: (continued)

i. Foreign currency risk (continued)

Currency profile of monetary financial assets and financial liabilities are as follows:

Group 2013	Denominated in other than functional currencies							Denomi- nated in functional currencies	Total
	United States dollar	Aus- tralian dollar	Chin- ese ren- minbi	Euro- pean Union euro	India rupee	Singa- pore dollar	Others		
Available- for-sale investments (debt instruments)	-	-	-	-	-	-	-	4.1	4.1
Receivables (net)	572.1	0.2	0.2	2.6	172.7	17.2	9.1	5,939.6	6,713.7
Cash held under Housing Development Accounts	-	-	-	-	-	-	-	560.3	560.3
Bank balances, deposits and cash	193.7	104.3	175.4	1.6	-	19.8	5.8	3,592.9	4,093.5
Borrowings	(1,761.7)	-	-	-	-	-	-	(8,323.9)	(10,085.6)
Finance lease obligation	-	-	-	-	-	-	-	(164.3)	(164.3)
Payables	(445.7)	(0.9)	(29.2)	(129.3)	-	(15.8)	(43.0)	(7,571.9)	(8,235.8)
	(1,441.6)	103.6	146.4	(125.1)	172.7	21.2	(28.1)	(5,963.2)	(7,114.1)
2012									
Available- for-sale investments (debt instruments)	-	-	-	-	-	-	-	4.0	4.0
Receivables (net)	1,185.1	-	-	146.4	-	0.3	17.6	6,024.8	7,374.2
Cash held under Housing Development Accounts	-	-	-	-	-	-	-	540.9	540.9
Bank balances, deposits and cash	326.8	45.4	70.7	2.7	-	3.7	2.1	4,113.3	4,564.7
Borrowings	(2,232.3)	-	-	-	-	-	-	(7,571.1)	(9,803.4)
Payables	(746.8)	(0.5)	(0.2)	(319.7)	-	(3.8)	(53.5)	(8,307.9)	(9,432.4)
	(1,467.2)	44.9	70.5	(170.6)	-	0.2	(33.8)	(5,196.0)	(6,752.0)

Notes to the Financial Statements
For the financial year ended 30 June 2013 (continued)

Amounts in RM million unless otherwise stated

52. Financial Risk and Capital Management (continued)

a. Financial Risk Management (continued)

Details of each financial risk are as follows: (continued)

i. Foreign currency risk (continued)

Currency profile of monetary financial assets and financial liabilities are as follows: (continued)

Company 2013	Denominated in United States dollar	Denominated in functional currency	Total
Receivables (net)	2,581.4	9,115.7	11,697.1
Bank balances, deposits and cash	-	317.5	317.5
Borrowings	-	(2,900.0)	(2,900.0)
Payables	(2,570.8)	(71.5)	(2,642.3)
	10.6	6,461.7	6,472.3

For the financial year ended 30 June 2012, all monetary items of the Company are denominated in Ringgit Malaysia, the functional currency of the Company.

The following table illustrates the effect of changes in exchange rate on the translation of foreign currency monetary items against the functional currency at 30 June, both before and after taking into account the hedge instruments. If the major currencies strengthened by the following percentage at 30 June, the Group's profit before tax will improve/(decline) by:

2013	Strengthened by	Net monetary items	Hedged	Open position	Impact on profit before tax	
					Before hedge	After hedge
Major currency						
United States dollar	5%	(1,441.6)	1,082.7	(358.9)	(72.1)	(17.9)
Chinese renminbi	5%	146.4	-	146.4	7.3	7.3
European Union euro	5%	(125.1)	119.1	(6.0)	(6.3)	(0.3)
<hr/>						
2012						
Major currency						
United States dollar	5%	(1,467.2)	840.4	(626.8)	(73.4)	(31.3)
Chinese renminbi	5%	70.5	-	70.5	3.5	3.5
European Union euro	5%	(170.6)	102.0	(68.6)	(8.5)	(3.4)

A similar percentage decrease in the exchange rate would have an equal but opposite effect. Changes in exchange rate will also result in changes to the fair value of forward foreign exchange contracts used to hedge forecast transactions. No sensitivity is performed as the Group's exposure in those contracts is limited.

Included in the net monetary items are foreign currency denominated bank balances, deposits and cash and borrowings. The Group does not hedge these items except for term loans amounting to USD400.0 million (2012: USD400.0 million).

Notes to the Financial Statements
For the financial year ended 30 June 2013 (continued)

Amounts in RM million unless otherwise stated

52. Financial Risk and Capital Management (continued)

a. Financial Risk Management (continued)

Details of each financial risk are as follows: (continued)

ii. Interest rate risk

The Group is exposed to interest rate risk through the impact of rate changes on interest bearing financial assets and financial liabilities. Interest rate exposure which arises from the Group's long-term borrowings is managed through the use of fixed rate debt and derivatives. Derivatives are used, where appropriate, to generate the desired interest rate profile.

The percentages of fixed rate borrowings, both before and after taking into account the interest rate swap (IRS) contracts, to the total borrowings as at 30 June are as follows:

	Group		Company	
	2013	2012	2013	2012
Total borrowings	10,085.6	9,803.4	2,900.0	3,350.0
Fixed rate borrowings	5,034.8	2,650.0	2,400.0	2,650.0
Floating rate borrowings (swapped to fixed)	953.3	1,674.2	-	-
Total fixed rate borrowings after swap	5,988.1	4,324.2	2,400.0	2,650.0
Percentage of fixed rate borrowings over total borrowings				
- before swap (%)	49.9	27.0	82.8	79.1
- after swap (%)	59.4	44.1	82.8	79.1

As at 30 June 2013, the Group's and the Company's floating rate borrowings stood at RM5,050.8 million (2012: RM7,153.4 million) and RM500.0 million (2012: RM700.0 million) respectively. The following table demonstrates the effect of changes in interest rate of floating rate borrowings, both before and after taking into account the interest rate swap contracts mentioned in the preceding paragraph. If the interest rate increased by 1% in the following currencies of borrowings, the Group's and Company's profit before tax and hedging reserve will be higher/(lower) by:

	Group		Company	
	Before IRS	After IRS	Before IRS	After IRS
2013				
Profit before tax				
- Ringgit Malaysia	(27.7)	(27.7)	(5.0)	(5.0)
- Australian dollar	(1.1)	(1.1)	-	-
- United States dollar	(17.6)	(8.1)	-	-
Hedging reserve				
- United States dollar	-	18.2	-	-
2012				
Profit before tax				
- Ringgit Malaysia	(21.7)	(21.7)	(7.0)	(7.0)
- Australian dollar	(9.3)	(9.3)	-	-
- United States dollar	(33.1)	(16.4)	-	-
Hedging reserve				
- United States dollar	-	3.2	-	-

A 1% decrease in interest rate would have an equal but opposite effect.

Notes to the Financial Statements
For the financial year ended 30 June 2013 (continued)

Amounts in RM million unless otherwise stated

52. Financial Risk and Capital Management (continued)

a. Financial Risk Management (continued)

Details of each financial risk are as follows: (continued)

iii. Credit risk

Credit risk arises on sales made on credit terms, derivatives with positive fair value, deposits with banks, guarantees and performance guarantees given on behalf of others and risk sharing arrangement.

The Group seeks to control credit risk by dealing with counterparties with appropriate credit histories and deposit with banks and financial institutions with good credit ratings. Third party agencies' ratings are considered, if available. In addition, customers' most recent financial statements, payment history and other relevant information are considered in the determination of credit risk. Counterparties are assessed at least annually and more frequently when information on significant changes in their financial position becomes known. Credit terms and limit are set based on this assessment. Where appropriate, guarantees or securities are obtained to limit credit risk. Sales to trade customers are usually suspended when earlier amounts are overdue exceeding 180 days.

The maximum exposure and collateral and credit enhancements as at 30 June are as follows:

	Group		Company	
	Maximum exposure	Collateral and credit enhancement	Maximum exposure	Collateral and credit enhancement
2013				
Receivables	7,053.0	1,043.1	11,697.1	-
Derivatives	182.2	-	-	-
Cash held under Housing Development Accounts	560.3	-	-	-
Bank balances, deposits and cash	4,093.5	-	317.5	-
Guarantees in respect of credit facilities granted to:				
- certain subsidiaries	-	-	1,569.6	-
- a jointly controlled entity, associates and others	111.2	-	-	-
Risk sharing arrangement	155.7	-	-	-
	12,155.9	1,043.1	13,584.2	-
2012				
Receivables	7,739.9	838.1	10,093.5	-
Derivatives	31.8	-	-	-
Cash held under Housing Development Accounts	540.9	-	-	-
Bank balances, deposits and cash	4,564.7	-	315.1	-
Guarantees in respect of credit facilities granted to:				
- certain subsidiaries	-	-	3,621.6	-
- a jointly controlled entity, associates and others	144.7	-	-	-
Risk sharing arrangement	89.8	-	-	-
	13,111.8	838.1	14,030.2	-

Notes to the Financial Statements
For the financial year ended 30 June 2013 (continued)

Amounts in RM million unless otherwise stated

52. Financial Risk and Capital Management (continued)

a. Financial Risk Management (continued)

Details of each financial risk are as follows: (continued)

iii. Credit risk (continued)

The Group has a risk sharing arrangement with a third party leasing company which is a member of our principal vendor, in connection with the sale of its equipment whereby the Group guarantees the payment from its customers under the lease agreement up to a pre-determined amount. As at 30 June 2013, the total outstanding risk sharing amount on which the Group has an obligation to pay the leasing company should the customers default, amounted to RM155.7 million (2012: RM89.8 million), of which RM22.1 million (2012: RM23.6 million) has been provided for based on the average default rate from the Group's past experience.

The credit risks concentration profile of the Group's net trade receivables analysed by country where the Group operates and by reportable segment at 30 June are as follows:

Group 2013	Plantation	Property	Industrial	Motors	Energy & Utilities	Health- care	Others	Total
Malaysia	486.9	758.0	275.5	273.1	197.2	-	31.8	2,022.5
Indonesia	17.1	-	-	-	-	-	-	17.1
Singapore	23.5	1.5	189.9	41.5	40.6	-	4.2	301.2
Other countries in South East Asia	104.1	0.4	3.3	24.0	81.9	-	-	213.7
China	-	-	239.7	79.5	19.9	-	10.5	349.6
Australasia	-	0.6	888.9	178.4	-	-	-	1,067.9
Europe	196.0	0.2	-	-	-	-	-	196.2
Other countries	71.1	-	-	-	-	-	-	71.1
	898.7	760.7	1,597.3	596.5	339.6	-	46.5	4,239.3
In percentage								
Malaysia	11.5	17.9	6.5	6.4	4.6	-	0.8	47.7
Indonesia	0.4	-	-	-	-	-	-	0.4
Singapore	0.5	-	4.5	1.0	1.0	-	0.1	7.1
Other countries in South East Asia	2.5	-	-	0.6	1.9	-	-	5.0
China	-	-	5.7	1.9	0.5	-	0.2	8.3
Australasia	-	-	21.0	4.2	-	-	-	25.2
Europe	4.6	-	-	-	-	-	-	4.6
Other countries	1.7	-	-	-	-	-	-	1.7
	21.2	17.9	37.7	14.1	8.0	-	1.1	100.0

Notes to the Financial Statements
For the financial year ended 30 June 2013 (continued)

Amounts in RM million unless otherwise stated

52. Financial Risk and Capital Management (continued)

a. Financial Risk Management (continued)

Details of each financial risk are as follows: (continued)

iii. Credit risk (continued)

The credit risks concentration profile of the Group's net trade receivables analysed by country where the Group operates and by reportable segment at 30 June are as follows: (continued)

Group 2012	Plantation	Property	Industrial	Motors	Energy & Utilities	Health- care	Others	Total
Malaysia	546.0	669.8	203.4	168.2	422.9	33.4	29.0	2,072.7
Indonesia	14.6	-	-	-	-	-	-	14.6
Singapore	27.8	1.0	184.9	34.0	37.2	-	8.2	293.1
Other countries in South East Asia	128.3	0.3	6.8	28.3	55.5	-	-	219.2
China	-	-	237.8	70.7	12.8	-	11.5	332.8
Australasia	-	1.3	1,493.2	148.0	-	-	-	1,642.5
Europe	294.2	0.3	-	-	-	-	-	294.5
Other countries	86.0	-	-	-	-	-	-	86.0
	1,096.9	672.7	2,126.1	449.2	528.4	33.4	48.7	4,955.4
In percentage								
Malaysia	11.0	13.5	4.1	3.4	8.5	0.7	0.6	41.8
Indonesia	0.3	-	-	-	-	-	-	0.3
Singapore	0.6	-	3.8	0.7	0.8	-	0.1	6.0
Other countries in South East Asia	2.6	-	0.1	0.6	1.1	-	-	4.4
China	-	-	4.8	1.4	0.3	-	0.2	6.7
Australasia	-	0.1	30.1	3.0	-	-	-	33.2
Europe	5.9	-	-	-	-	-	-	5.9
Other countries	1.7	-	-	-	-	-	-	1.7
	22.1	13.6	42.9	9.1	10.7	0.7	0.9	100.0

The highest percentage of concentration of Group's net trade receivables as at 30 June 2013 was 21.0% (2012: 30.1%) in the Industrial segment in Australasia. The customer base in this sector comprised a few large customers involved in the mining sector.

The Company has no significant concentration of credit risks except for loans to its subsidiaries where risk of default has been assessed to be low.

Notes to the Financial Statements
For the financial year ended 30 June 2013 (continued)

Amounts in RM million unless otherwise stated

52. Financial Risk and Capital Management (continued)

a. Financial Risk Management (continued)

Details of each financial risk are as follows: (continued)

iv. Liquidity and cash flow risk

Liquidity risk refers to the risk that the Group or the Company will encounter difficulty in meeting financial obligations when it falls due. The Group maintains a prudent borrowing policy which is aimed towards maintaining sufficient cash for all cash flow requirements, managing debt and investment portfolio within the relevant time buckets to maturity, obtaining a diverse range of funding sources, and keeping an adequate amount of credit facilities to provide an ample liquidity cushion.

The Group maintains centralised treasury functions where all strategic funding requirements are managed. The main source of financing for the Group is internally generated cash flows from operations under the respective group companies. The centralised treasury also manages cash for the Group at corporate level and invests surplus cash in highly liquid investment instruments such as interest bearing current account, time deposits, money market deposits and unit trust funds with money market base. The Group assesses various funding options when there is a need for financing, including monitoring funding options available in the capital markets, and will tap the market at the appropriate time under its existing RM4.5 billion Islamic Medium Term Notes and Islamic Commercial Papers Programme and its USD1,500.0 million Multi-Currency Sukuk Programme which was recently launched in January 2013.

Cash projections is another key element for effective management of liquidity risk to ensure requirements are identified as early as possible and net liability exposures are appropriately managed. Group companies performed quarterly 12 month rolling cash flow projections which are aggregated at centralised treasury to ensure the Group has sufficient cash to meet operational needs. Such projections take into consideration the Group's financing plans and is also used for monitoring of covenant compliance and credit metrics.

As at 30 June 2013, the Group has total cash and cash equivalents of RM4,603.6 million (2012: RM5,077.8 million) which include cash in hand, deposits held at call with banks and cash held under Housing Development Accounts, net of bank overdrafts.

The undiscounted contractual cash flows of the Group's and the Company's financial liabilities at 30 June are as follows:

Group 2013	On demand or within 1 year	Between 1 and 2 years	Between 2 and 5 years	Above 5 years	Total contractual cash flows	Total carrying amount
Payables	8,235.8	-	-	-	8,235.8	8,235.8
Borrowings						
- principal	2,092.2	1,052.2	3,924.3	3,016.9	10,085.6	10,085.6
- interest	314.0	249.8	575.9	684.9	1,824.6	-
Finance lease obligation	12.2	12.3	36.7	161.3	222.5	164.3
Derivatives						
- net settled	38.1	-	-	-	38.1	38.1
- gross settled	76.9	1.9	-	-	78.8	78.8
	10,769.2	1,316.2	4,536.9	3,863.1	20,485.4	18,602.6
2012						
Payables	9,432.4	-	-	-	9,432.4	9,432.4
Borrowings						
- principal	5,872.6	180.0	2,620.7	1,130.1	9,803.4	9,803.4
- interest	308.7	139.1	284.7	46.9	779.4	-
Derivatives						
- net settled	19.8	48.4	-	-	68.2	68.2
- gross settled	92.9	4.3	-	-	97.2	97.2
	15,726.4	371.8	2,905.4	1,177.0	20,180.6	19,401.2

Notes to the Financial Statements
For the financial year ended 30 June 2013 (continued)

Amounts in RM million unless otherwise stated

52. Financial Risk and Capital Management (continued)

a. Financial Risk Management (continued)

Details of each financial risk are as follows: (continued)

iv Liquidity and cash flow risk (continued)

The undiscounted contractual cash flows of the Group's and the Company's financial liabilities at 30 June are as follows: (continued)

Company 2013	On demand or within 1 year	Between 1 and 2 years	Between 2 and 5 years	Above 5 years	Total contractual cash flows	Total carrying amount
Payables	180.7	67.9	1,457.5	1,456.3	3,162.4	2,529.5
Borrowings						
- principal	500.0	700.0	1,000.0	700.0	2,900.0	2,900.0
- interest	97.2	92.0	159.4	210.3	558.9	-
	777.9	859.9	2,616.9	2,366.6	6,621.3	5,429.5
2012						
Payables	127.9	-	-	-	127.9	127.9
Borrowings						
- principal	1,650.0	-	1,700.0	-	3,350.0	3,350.0
- interest	107.4	78.2	127.6	-	313.2	-
	1,885.3	78.2	1,827.6	-	3,791.1	3,477.9

v. Price risk

The Group through its subsidiaries is exposed to securities price risk on its available-for-sale investments and commodity price risk due to fluctuations in crude palm oil futures prices.

The performance of available-for-sale investments are monitored regularly taking into account their relevance to the Group's long term strategic plans. If the price of available-for-sale investments increased by 10%, the available-for-sale reserves would have been higher by RM11.9 million (2012: RM11.2 million) and correspondingly, a 10% decrease would result in lower available-for-sale reserves by RM11.9 million (2012: RM11.2 million).

The Group enters into commodity futures contract to minimise exposure to adverse movements in crude palm oil prices. Certain contracts are entered into and continue to be held for the purpose of the receipt or delivery of the physical commodity in accordance with the Group's expected purchase, sale or usage requirements.

Other contracts that are not held for the purpose of physical delivery are shown in Note 26. If the price of the commodity increased by 10%, the Group's profit before tax will be lower by RM2.5 million (2012: higher by RM0.3 million) due to changes in fair value of those contracts not held for purpose of physical delivery. A 10% decrease in the price of the commodity would have an equal but opposite effect.

Notes to the Financial Statements
For the financial year ended 30 June 2013 (continued)

Amounts in RM million unless otherwise stated

52. Financial Risk and Capital Management (continued)

b. Capital Management

The Group's capital management policy and objectives are as follows:

i. Policy and objectives

Capital management refers to implementing measures to maintain sufficient capital to support its businesses. The Group's capital management objectives are to ensure the Group's ability to continue as a going concern and maximise shareholders' value. The Group is committed towards optimising its capital structure, to ensure competitive cost of capital. Implementation of optimal capital structure includes balancing between debt and equity by putting in place appropriate dividend and financing policies which influence the level of debt and equity.

One of the key considerations in this regard is to maintain ready access to capital markets and to preserve the Group's ability to repay and service debt obligations over time. In this respect, the Group has a strong commitment to preserve its current ratings. The Group is currently rated MARC-1_{ID}/AAA_{ID} by the Malaysian Rating Corporation Berhad (MARC), which is the highest local rating in the agency's debt ratings category. In the international market, the Group is rated A/A/A3 by Standard & Poor's Ratings Services, Fitch Ratings and Moody's Investors Service respectively.

ii. Gearing ratios

The Group uses the gearing ratio to assess the appropriateness of its debt level, hence determining its capital structure. The ratio is calculated as Total Debt divided by Total Equity. The Group's gearing ratio as at 30 June are as follows :

	Group	
	2013	2012
Borrowings	10,085.6	9,803.4
Interest payable	54.3	29.2
Total debt	10,139.9	9,832.6
Debt/Equity ratio	0.36	0.37

Given the relatively low gearing level, the Group still has the capacity to borrow for expansion, provided an acceptable level of gearing ratio is maintained in order to retain its strong credit ratings. The appropriate capital structure of the Group is an important factor towards maximising shareholders' value.

iii. Externally imposed financial covenants and capital structure

The Group maintains a debt to equity ratio that complies with debt covenants and regulatory requirements in countries where the Group operates. This includes minimum capital requirements and the requirement to maintain legal reserves which are non-distributable.

53. Holding Companies

The Directors regard Permodalan Nasional Berhad as its immediate holding company and Yayasan Pelaburan Bumiputra as its ultimate holding company. Both companies are incorporated in Malaysia.

Notes to the Financial Statements
For the financial year ended 30 June 2013 (continued)

Amounts in RM million unless otherwise stated

54. List of Subsidiaries, Jointly Controlled Entities and Associates

Subsidiaries, jointly controlled entities and associates which are active as at 30 June 2013 are as follows:

Name of company	Country of incorporation	Group's effective interest (%)		Auditors	Principal activities
		2013	2012		
Plantation – Subsidiaries					
Chartquest Sdn Bhd	Malaysia	61.1	61.1	1	Cultivation of oil palm
Chermang Development (Malaya) Sdn Bhd	Malaysia	83.9	83.9	1))
Consolidated Plantations Berhad	Malaysia	100.0	100.0	1)) Investment holding
Eminent Platform Sdn Bhd	Malaysia	100.0	100.0	1))
Golden Hope Overseas Sdn Bhd	Malaysia	100.0	100.0	1))
Guthrie Industries Malaysia Sendirian Berhad	Malaysia	100.0	100.0	1	Cultivation of oil palm and processing of palm oil and palm kernel
Guthrie International Investments (L) Limited	Malaysia	100.0	100.0	1))
Kumpulan Jelei Sendirian Berhad	Malaysia	100.0	100.0	1)) Investment holding
Mostyn Palm Processing Sdn Bhd	Malaysia	100.0	100.0	1))
Sanguine (Malaysia) Sdn Bhd	Malaysia	100.0	100.0	1	Cultivation of oil palm
Sime Darby Agri-Bio Sdn Bhd	Malaysia	100.0	100.0	1	Manufacturing of rat baits and trading of cover crop seeds, fertilisers, agrochemicals and agricultural equipment
Sime Darby Alif Food Industries Sdn Bhd	Malaysia	48.0	48.0	1	Manufacturing of food products
Sime Darby Alif Retort Pack Products Sdn Bhd	Malaysia	60.0	60.0	1	Retail and distribution of pre-packed products
Sime Darby Austral Holdings Berhad	Malaysia	100.0	100.0	1	Investment holding
Sime Darby Austral Sdn Bhd	Malaysia	60.0	60.0	1	Processing of palm oil products
Sime Darby Beverages Sdn Bhd	Malaysia	100.0	100.0	1	Fruit cultivation, processing and sales of pink guava puree and juices
Sime Darby Biodiesel Sdn Bhd	Malaysia	100.0	100.0	1	Production of biodiesel and its related products
Sime Darby Biotech Laboratories Sdn Bhd	Malaysia	100.0	100.0	1	Provision of research and cloning of oil palm tissue culture services
Sime Darby Bukit Talang Sdn Bhd	Malaysia	100.0	100.0	1	Processing and sale of palm oil and palm kernel

Notes to the Financial Statements
For the financial year ended 30 June 2013 (continued)

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54. List of Subsidiaries, Jointly Controlled Entities and Associates (continued)

Subsidiaries, jointly controlled entities and associates which are active as at 30 June 2013 are as follows: (continued)

Name of company	Country of incorporation	Group's effective interest (%)		Auditors	Principal activities
		2013	2012		
Plantation – Subsidiaries (continued)					
Sime Darby Consulting Sdn Bhd	Malaysia	100.0	100.0	1	Investment holding
Sime Darby Foods & Beverages Marketing Sdn Bhd	Malaysia	100.0	100.0	1	Distribution and marketing of Halal food products for both retail and food service
Sime Darby Futures Trading Sdn Bhd	Malaysia	100.0	100.0	1	Trading of crude palm oil and palm oil products
Sime Darby Jomalina Sdn Bhd	Malaysia	100.0	100.0	1	Palm oil refining, trading and tolling services
Sime Darby Kempas Sdn Bhd	Malaysia	100.0	100.0	1	Palm oil and palm kernel oil refining and fractionation; and manufacturing and marketing of specialty and end user fats
Sime Darby Latex Sdn Bhd	Malaysia	100.0	100.0	1	Processing and sale of latex and other rubber related products
Sime Darby Oils & Fats Sdn Bhd	Malaysia	100.0	100.0	1	Distribution and marketing of palm oil related products
Sime Darby Pecconina Sdn Bhd	Malaysia	100.0	100.0	1	Investment holding
Sime Darby Plantation (Sabah) Sdn Bhd	Malaysia	100.0	100.0	1)	Cultivation of oil palm and processing of palm oil and palm kernel
Sime Darby Plantation (Sarawak) Sdn Bhd	Malaysia	100.0	100.0	1)	
Sime Darby Plantation Indonesia Sdn Bhd	Malaysia	100.0	100.0	1)	Investment holding
Sime Darby Plantation Investment (Cameroon) Sdn Bhd	Malaysia	100.0	100.0	1)	
Sime Darby Plantation Sdn Bhd	Malaysia	100.0	100.0	1)	
Sime Darby Plantation Thailand Sdn Bhd	Malaysia	100.0	100.0	1	Production, processing and sale of palm oil, palm kernel, rubber and other palm oil and rubber related products and investment holding
Sime Darby Plantation Thailand Sdn Bhd	Malaysia	100.0	100.0	1	Investment holding
Sime Darby Research Sdn Bhd	Malaysia	100.0	100.0	1	Provision of research and development services in relation to tropical agriculture

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For the financial year ended 30 June 2013 (continued)

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54. List of Subsidiaries, Jointly Controlled Entities and Associates (continued)

Subsidiaries, jointly controlled entities and associates which are active as at 30 June 2013 are as follows: (continued)

Name of company	Country of incorporation	Group's effective interest (%)		Auditors	Principal activities
		2013	2012		
Plantation – Subsidiaries (continued)					
Sime Darby Seeds & Agricultural Services Sdn Bhd	Malaysia	100.0	100.0	1	Provision of agricultural research and advisory services, production and sale of oil palm seeds and polybag seedlings
Sime Darby Technology Centre Sdn Bhd	Malaysia	100.0	100.0	1	Provision of research and development services in biotechnology and agriculture
The China Engineers (Malaysia) Sdn Bhd	Malaysia	100.0	100.0	1	Cultivation of oil palm and processing of palm oil and palm kernel
Vertical Drive Sdn Bhd	Malaysia	100.0	100.0	1	Investment holding
Wangsa Mujur Sdn Bhd	Malaysia	72.5	72.5	1	Cultivation of oil palm and processing of palm oil and palm kernel
PT Aneka Intipersada	Indonesia	100.0	100.0	2	
PT Aneka Sawit Lestari	Indonesia	100.0	100.0	2	
PT Anugerah Sumbermakmur	Indonesia	100.0	100.0	2	Investment holding
PT Asricipta Indah	Indonesia	90.0	90.0	2	
PT Bahari Gembira Ria	Indonesia	99.0	99.0	2	Cultivation of oil palm and processing of palm oil and palm kernel
PT Bersama Sejahtera Sakti	Indonesia	91.1	91.1	2	
PT Bhumireksa Nusasejati	Indonesia	100.0	100.0	2	
PT Bina Sains Cemerlang	Indonesia	100.0	100.0	2	Cultivation of oil palm
PT Budidaya Agro Lestari	Indonesia	100.0	100.0	2	
PT Golden Hope Nusantara	Indonesia	100.0	100.0	2	
PT Guthrie Pecconina Indonesia	Indonesia	100.0	100.0	2	Cultivation of oil palm and processing of palm oil and palm kernel
PT Indo Sukses Lestari Makmur	Indonesia	95.0	95.0	2	Forestry business and development of industrial plant forest and rubber tapping
PT Indotruba Tengah	Indonesia	50.0	50.0	2	Cultivation of oil palm and processing of palm oil and palm kernel
PT Kartika Inti Perkasa	Indonesia	60.0	60.0	2	Investment holding
PT Kridatama Lancar	Indonesia	100.0	100.0	2	Cultivation of oil palm and processing of palm oil and palm kernel
PT Ladangrumpun Suburabadi	Indonesia	100.0	100.0	2	
PT Laguna Mandiri	Indonesia	88.6	88.6	2	
PT Lahan Tani Sakti	Indonesia	100.0	100.0	2	Cultivation of oil palm and processing of palm oil and palm kernel
PT Langgung Muaramakmur	Indonesia	100.0	100.0	2	

Notes to the Financial Statements
For the financial year ended 30 June 2013 (continued)

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54. List of Subsidiaries, Jointly Controlled Entities and Associates (continued)

Subsidiaries, jointly controlled entities and associates which are active as at 30 June 2013 are as follows: (continued)

Name of company	Country of incorporation	Group's effective interest (%)		Auditors	Principal activities
		2013	2012		
Plantation – Subsidiaries (continued)					
PT Minamas Gemilang	Indonesia	100.0	100.0	2	Investment holding
PT Mitra Austral Sejahtera	Indonesia	65.0	65.0	2	Cultivation of oil palm and processing of palm oil and palm kernel
PT Muda Perkasa Sakti	Indonesia	100.0	100.0	2	Investment holding
PT Padang Palma Permai	Indonesia	75.5	75.5	2	Cultivation of oil palm and processing of palm oil and palm kernel
PT Paripurna Swakarsa	Indonesia	93.5	93.5	2	Cultivation of oil palm
PT Perkasa Subur Sakti	Indonesia	100.0	100.0	2	Processing of palm oil and palm kernel
PT Perusahaan Perkebunan Industri dan Niaga Sri Kuala	Indonesia	75.5	75.5	2	Cultivation of oil palm
PT Sajang Heulang	Indonesia	100.0	100.0	2	Cultivation of oil palm and processing of palm oil and palm kernel
PT Sandika Natapalma	Indonesia	100.0	100.0	2	
PT Sime Agri Bio	Indonesia	100.0	100.0	2	Import and wholesale trading of agricultural equipment and other agricultural products
PT Sime Indo Agro	Indonesia	100.0	100.0	2	Cultivation of oil palm and processing of palm oil and palm kernel
PT Sritijaya Abaditama	Indonesia	60.0	60.0	2	Investment holding
PT Swadaya Andika	Indonesia	100.0	100.0	2	Cultivation of oil palm and processing of palm oil and palm kernel
PT Tamaco Graha Krida	Indonesia	90.0	90.0	2	
PT Teguh Sempurna	Indonesia	100.0	100.0	2	Cultivation of oil palm and processing of palm oil and palm kernel
PT Tunggal Mitra Plantations	Indonesia	60.0	60.0	2	
Kwang Joo Seng (Malaysia) Private Limited	Singapore	100.0	100.0	2	Royalty and rental income
Sime Darby Edible Products Limited	Singapore	100.0	100.0	2	Refining, manufacturing and marketing of edible oils and palm oil related products and surfactant
Sime Darby Plantation Europe Ltd	Singapore	100.0	100.0	2	Investment holding
Sime Darby Plantation Investment (Liberia) Private Limited	Singapore	100.0	100.0	2	
Rizhao Sime Darby Oils & Fats Co Ltd	China	100.0	100.0	2	Refining, storage and marketing of palm oil related products
Sime Darby China Oils & Fats Company Limited	Hong Kong SAR	100.0	100.0	2	Investment holding

Notes to the Financial Statements**For the financial year ended 30 June 2013 (continued)****Amounts in RM million unless otherwise stated****54. List of Subsidiaries, Jointly Controlled Entities and Associates (continued)**

Subsidiaries, jointly controlled entities and associates which are active as at 30 June 2013 are as follows: (continued)

Name of company	Country of incorporation	Group's effective interest (%)		Auditors	Principal activities
		2013	2012		
Plantation – Subsidiaries (continued)					
Sime Darby Hong Kong Nominees Limited	Hong Kong SAR	100.0	100.0	2	Holding investments as a nominee
Sime Darby International Investments Limited	Cayman Islands	100.0	100.0	5)	Investment holding
Sime Darby Plantation Holdings (Asia Pacific)	Cayman Islands	100.0	100.0	5)	
Sime Darby Plantation Holdings (Cayman Islands)	Cayman Islands	100.0	100.0	5)	
Sime Darby Edible Products India Private Limited	India	100.0	100.0	3	
Sime Darby Plantations (Deutschland) Gmbh	Germany	100.0	100.0	3	Investment holding
Sime Darby Plantation (Liberia) Inc	Liberia	100.0	100.0	3	Cultivation of oil palm and rubber and processing of rubber
Sime Darby Investments (Europe) S.à.r.l	Luxembourg	100.0	100.0	3)	Investment holding
Golden Hope Overseas Capital	Mauritius	100.0	100.0	2)	
Mulligan International BV	Netherlands	100.0	100.0	2)	
Sime Darby Netherlands BV	Netherlands	100.0	100.0	2)	
Sime Darby Unimills BV	Netherlands	100.0	100.0	2	Refining and modification of vegetable oils
Sime Darby Hudson And Knight (Proprietary) Limited	South Africa	100.0	100.0	2	Refining and marketing of edible oils and fats
Morakot Industries Public Company Limited	Thailand	99.9	99.9	2	Manufacturing and distribution of vegetable oils
Sime-Morakot Holdings (Thailand) Limited	Thailand	100.0	100.0	2)	Investment holding
The China Engineers (Thailand) Limited	Thailand	99.9	99.9	2)	
Golden Hope-Nha Be Edible Oils Co Ltd	Vietnam	51.0	51.0	2	Refining of edible oil
Plantation – Jointly controlled entities					
Emery Aekyung Sdn Bhd	Malaysia	50.0	35.0	3	Production and trading in oleochemicals
Emery Oleochemicals (M) Sdn Bhd	Malaysia	50.0	50.0	3	Production of oleochemicals and derivatives

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For the financial year ended 30 June 2013 (continued)

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54. List of Subsidiaries, Jointly Controlled Entities and Associates (continued)

Subsidiaries, jointly controlled entities and associates which are active as at 30 June 2013 are as follows: (continued)

Name of company	Country of incorporation	Group's effective interest (%)		Auditors	Principal activities
		2013	2012		
Plantation – Jointly controlled entities (continued)					
Emery Oleochemicals Rika (M) Sdn Bhd	Malaysia	27.5	27.5	3	Production and trading in oleochemicals or other chemicals products
Emery Specialty Chemicals Sdn Bhd	Malaysia	50.0	–	3	Develop, manufacture and marketing of green technology based specialty chemicals
Emery Oleochemicals Trading (Shanghai) Co Limited	China	50.0	50.0	3	Production and trading in oleochemicals
Guangzhou Keylink Chemicals Co Ltd	China	43.5	43.5	3	Manufacture and distribution of surface active agents
Emery Oleochemicals (HK) Limited	Hong Kong SAR	50.0	50.0	3)	
Emery Importacao eComercio Oleoquimica Ltda	Brazil	50.0	50.0	3)	
Emery Oleochemicals Canada Ltd	Canada	50.0	50.0	3)	Production and trading in oleochemicals
Emery Oleochemicals GmbH	Germany	50.0	50.0	3)	
Emery Oleochemicals Japan Ltd	Japan	50.0	50.0	3)	
Erca Emery Surfactants BV	Netherlands	50.0	–	3)	
Amril AG	Switzerland	50.0	–	3	Managing intellectual properties
Emery Oleochemicals UK Limited	United Kingdom	50.0	50.0	3)	
Emery Oleochemicals LLC	United States of America	50.0	50.0	3)	Production and trading in oleochemicals
Plantation – Associates					
Barlow Bulking Sdn Bhd	Malaysia	32.0	32.0	3	Provision of bulking and marketing facilities for edible oil producers and millers
Nescaya Maluri Sdn Bhd	Malaysia	40.0	40.0	3	Investment holding and licensing
Tenom Crumb Sdn Bhd	Malaysia	–	49.0	3	Processing of latex
Muang Mai Guthrie Public Co Ltd	Thailand	49.0	49.0	3	Processing and distribution of rubber

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For the financial year ended 30 June 2013 (continued)

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54. List of Subsidiaries, Jointly Controlled Entities and Associates (continued)

Subsidiaries, jointly controlled entities and associates which are active as at 30 June 2013 are as follows: (continued)

Name of company	Country of incorporation	Group's effective interest (%)		Auditors	Principal activities
		2013	2012		
Property – Subsidiaries					
Genting View Resort Development Sdn Bhd	Malaysia	30.4	30.4	1	Property development and provision of management services
Golfhome Development Sdn Bhd	Malaysia	100.0	100.0	1)	Property investment and development
Golftek Development Sdn Bhd	Malaysia	100.0	100.0	1)	
Harvard Golf Resort (Jerai) Berhad	Malaysia	99.0	99.0	1	
Harvard Hotel (Jerai) Sdn Bhd	Malaysia	100.0	100.0	1	Operation of a hotel
Harvard Jerai Development Sdn Bhd	Malaysia	100.0	100.0	1	Property investment and development
Impian Golf Resort Berhad	Malaysia	100.0	100.0	1	Provision of golfing and sporting services
Ironwood Development Sdn Bhd	Malaysia	100.0	100.0	1	Property investment and development
Kuala Lumpur Golf & Country Club Berhad	Malaysia	100.0	100.0	1	Provision of golfing and sporting services and property development
Malaysia Land Development Company Berhad	Malaysia	50.7	50.7	1	Property investment, management and investment holding
Sime Darby Ainsdale Development Sdn Bhd	Malaysia	100.0	100.0	1	Property development
Sime Darby Ampar Tenang Sdn Bhd	Malaysia	100.0	100.0	1	Property investment
Sime Darby Ara Damansara Development Sdn Bhd	Malaysia	100.0	100.0	1	Property investment and development
Sime Darby Augsburg (M) Sdn Bhd	Malaysia	100.0	100.0	1)	Property development
Sime Darby Brunfield Damansara Sdn Bhd	Malaysia	60.0	60.0	1)	
Sime Darby Brunfield Holding Sdn Bhd	Malaysia	60.0	60.0	1	Investment holding and property development
Sime Darby Brunfield Kenny Hills Sdn Bhd	Malaysia	60.0	60.0	1)	Property development
Sime Darby Brunfield Motorworld Sdn Bhd	Malaysia	60.0	60.0	1)	
Sime Darby Brunfield Properties Holding Sdn Bhd	Malaysia	60.0	60.0	1	
Sime Darby Brunfield Property Sdn Bhd	Malaysia	70.0	70.0	1	Property development
Sime Darby Builders Sdn Bhd	Malaysia	100.0	100.0	1	Property development and construction

Notes to the Financial Statements
For the financial year ended 30 June 2013 (continued)

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54. List of Subsidiaries, Jointly Controlled Entities and Associates (continued)

Subsidiaries, jointly controlled entities and associates which are active as at 30 June 2013 are as follows: (continued)

Name of company	Country of incorporation	Group's effective interest (%)		Auditors	Principal activities
		2013	2012		
Property – Subsidiaries (continued)					
Sime Darby Building Management Services Sdn Bhd	Malaysia	100.0	100.0	1	Provision of property management services
Sime Darby Chemara Sdn Bhd	Malaysia	100.0	100.0	1)	Property development
Sime Darby Constant Skyline Sdn Bhd	Malaysia	100.0	100.0	1)	
Sime Darby Elmina Development Sdn Bhd	Malaysia	100.0	100.0	1)	
Sime Darby GVR Management Sdn Bhd	Malaysia	50.7	50.7	1	Resort management
Sime Darby Homes Sdn Bhd	Malaysia	100.0	100.0	1)	Property investment and development
Sime Darby Industrial Park Sdn Bhd	Malaysia	100.0	100.0	1)	
Sime Darby Johor Development Sdn Bhd	Malaysia	100.0	100.0	1	Property development, asset management and investment holding
Sime Darby KLGCC Development Sdn Bhd	Malaysia	100.0	100.0	1	Property development
Sime Darby Landscaping Sdn Bhd	Malaysia	100.0	100.0	1	Horticultural supplies, landscaping and design consultancy and civil works
Sime Darby Lukut Development Sdn Bhd	Malaysia	100.0	100.0	1	Property investment and development
Sime Darby Melawati Development Sdn Bhd	Malaysia	100.0	100.0	1	Property investment, development and management
Sime Darby Nilai Utama Sdn Bhd	Malaysia	70.0	70.0	1	Property development
Sime Darby Nominees Sendirian Berhad	Malaysia	100.0	100.0	1	Investment holding
Sime Darby Pagoh Development Sdn Bhd	Malaysia	100.0	100.0	1	Property investment and development
Sime Darby Paralimni Sdn Bhd	Malaysia	100.0	100.0	1	Property development
Sime Darby Properties (Sabah) Sdn Bhd	Malaysia	100.0	100.0	1	Property development and investment holding
Sime Darby Properties (Selangor) Sdn Bhd	Malaysia	100.0	100.0	1	Property development
Sime Darby Properties Builders Sdn Bhd	Malaysia	100.0	100.0	1	General construction
Sime Darby Properties Harta Sdn Bhd	Malaysia	100.0	100.0	1	Property investment and management

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For the financial year ended 30 June 2013 (continued)

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54. List of Subsidiaries, Jointly Controlled Entities and Associates (continued)

Subsidiaries, jointly controlled entities and associates which are active as at 30 June 2013 are as follows: (continued)

Name of company	Country of incorporation	Group's effective interest (%)		Auditors	Principal activities
		2013	2012		
Property – Subsidiaries (continued)					
Sime Darby Properties Realty Sdn Bhd	Malaysia	100.0	100.0	1	Property development, management and provision of related consultancy services
Sime Darby Property (Bestari Jaya) Sdn Bhd	Malaysia	100.0	100.0	1	Property investment
Sime Darby Property (Bukit Selarong) Sdn Bhd	Malaysia	100.0	100.0	1	Property development
Sime Darby Property (Bukit Tunku) Sdn Bhd	Malaysia	100.0	100.0	1	Property investment
Sime Darby Property (Klang) Sdn Bhd	Malaysia	100.0	100.0	1	Property development
Sime Darby Property (Lembah Acob) Sdn Bhd	Malaysia	100.0	100.0	1	Property investment and development
Sime Darby Property (Nilai) Sdn Bhd	Malaysia	100.0	100.0	1	Property development, investment and project management
Sime Darby Property (Subang) Sdn Bhd	Malaysia	100.0	100.0	1	Property investment and development
Sime Darby Property (Sungai Kapar) Sdn Bhd	Malaysia	100.0	100.0	1	Investment holding, property investment and development
Sime Darby Property Berhad	Malaysia	100.0	100.0	1	Investment holding, property development and provision of management and advisory services
Sime Darby Property Holdings Sdn Bhd	Malaysia	100.0	100.0	1	Property investment and management
Sime Darby Property Management Sdn Bhd	Malaysia	100.0	100.0	1	Real estate and property management
Sime Darby Property Selatan Dua Sdn Bhd (formerly known as Simfoni Giro Sdn Bhd)	Malaysia	60.0	–	1)	Construction, and asset management services under concession arrangement
Sime Darby Property Selatan Empat Sdn Bhd (formerly known as Data Inisiatif Sdn Bhd)	Malaysia	60.0	–	1)	
Sime Darby Property Selatan Satu Sdn Bhd (formerly known as Meridian Integrasi Sdn Bhd)	Malaysia	60.0	–	1)	
Sime Darby Property Selatan Tiga Sdn Bhd (formerly known as Pelangi Motivasi Sdn Bhd)	Malaysia	60.0	–	1)	
)	

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54. List of Subsidiaries, Jointly Controlled Entities and Associates (continued)

Subsidiaries, jointly controlled entities and associates which are active as at 30 June 2013 are as follows: (continued)

Name of company	Country of incorporation	Group's effective interest (%)		Auditors	Principal activities
		2013	2012		
Property – Subsidiaries (continued)					
Sime Darby Property Selatan Sdn Bhd (formerly known as Intrisik Klasik Sdn Bhd)	Malaysia	60.0	–	1	Investment holding and construction
Sime Darby Sungai Kantan Development Sdn Bhd	Malaysia	100.0	100.0	1	Property development and management
Sime Darby Urus Harta Sdn Bhd	Malaysia	100.0	100.0	1	Property management services
Sime Darby USJ Development Sdn Bhd	Malaysia	100.0	100.0	1	Property investment, development and construction
Sime Healthcare Sdn Bhd	Malaysia	100.0	100.0	1	Property investment
Sime Wood Industries Sdn Bhd	Malaysia	100.0	100.0	1	Property investment and management
Stableford Development Sdn Bhd	Malaysia	100.0	100.0	1	Property investment and operation of a convention centre
Syarikat Malacca Straits Inn Sdn Bhd	Malaysia	55.0	55.0	1	Operation of hotel
Syarikat Perumahan Guthrie Sdn Bhd	Malaysia	100.0	100.0	1	Property development
The Glengowrie Rubber Company Sdn Berhad	Malaysia	93.4	93.4	1	Property investment and development
Wisma Sime Darby Sdn Berhad	Malaysia	100.0	100.0	1	Property management
Darby Park (Management) Pte Ltd	Singapore	100.0	100.0	2	Property investment, management and investment holding
Darby Park (Singapore) Pte Ltd	Singapore	100.0	100.0	2) Property investment and management
Sime Darby Property (Alexandra) Limited	Singapore	100.0	100.0	2	
Sime Darby Property (Amston) Pte Ltd	Singapore	100.0	100.0	2) Investment holding and property investment
Sime Darby Property (Dunearn) Limited	Singapore	100.0	100.0	2	
Sime Darby Property (Kilang) Limited	Singapore	100.0	100.0	2) Property investment and management
Sime Darby Property (Vietnam) Pte Ltd	Singapore	100.0	100.0	2	
Sime Darby Property Singapore Limited	Singapore	100.0	100.0	2) Investment holding and property management
Sime Darby Property (Hong Kong) Limited	Hong Kong SAR	100.0	100.0	2	
OCI Management Pty Ltd	Australia	60.0	60.0	2	Security and landcare services

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54. List of Subsidiaries, Jointly Controlled Entities and Associates (continued)

Subsidiaries, jointly controlled entities and associates which are active as at 30 June 2013 are as follows: (continued)

Name of company	Country of incorporation	Group's effective interest (%)		Auditors	Principal activities
		2013	2012		
Property – Subsidiaries (continued)					
Sime Darby Australia Limited	Australia	100.0	100.0	2	Investment holding and operation of service apartments
Sime Darby Hotels Pty Ltd	Australia	100.0	100.0	2	Operation of service apartments
Sime Darby Investments Pty Limited	Australia	100.0	100.0	2	Investment holding
Sime Darby Resorts Pty Ltd	Australia	100.0	100.0	2	Management of a resort
Sime Darby Serenity Cove Pty Ltd (formerly known as Sime Darby Eagles Cove Development Pty Ltd)	Australia	60.0	60.0	2	Property development
Key Access Holdings Limited	British Virgin Islands	100.0	100.0	5)	Investment holding
Sime Darby Brunfield Australia Pte Ltd	British Virgin Islands	60.0	60.0	5)	
Vibernum Limited	Guernsey	100.0	100.0	2)	Property investment
Sime Darby London Limited	United Kingdom	100.0	100.0	2)	
Sime Darby Management Services Limited	United Kingdom	100.0	100.0	2	Property management
Darby Park (Vietnam) Limited	Vietnam	65.0	65.0	2	Development and operation of serviced residences
Property – Jointly controlled entities					
Sime Darby Capitamalls Asia (Melawati Mall) Sdn Bhd (formerly known as Prized Corridor Sdn Bhd)	Malaysia	50.0	50.0	3	Property development and investment
Sime Darby Sunrise Development Sdn Bhd	Malaysia	50.0	50.0	1	Property development
Battersea Power Station Malaysia Sdn Bhd	Malaysia	40.0	–	4	Provision of promotion advertising services, sales and marketing
Sime Darby Brunfield International Limited	British Virgin Islands	50.0	50.0	5	Investment holding
Battersea Power Station Development Company Limited	United Kingdom	40.0	–	2	Development management services
Battersea Project Holding Company Limited	Jersey	40.0	–	2	Investment holding
Battersea Project Land Company Limited	Jersey	40.0	–	2	Land owner
Battersea Project Phase 1 Company Limited	Jersey	40.0	–	2	Property development

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54. List of Subsidiaries, Jointly Controlled Entities and Associates (continued)

Subsidiaries, jointly controlled entities and associates which are active as at 30 June 2013 are as follows: (continued)

Name of company	Country of incorporation	Group's effective interest (%)		Auditors	Principal activities
		2013	2012		
Property – Jointly controlled entities (continued)					
Battersea Project Phase 1 GP Limited	Jersey	40.0	–	2)	Investment holding
Battersea Project Phase 1 LP Limited	Jersey	40.0	–	2)	
Battersea Project Phase 1 Management Company Limited	Jersey	40.0	–	2	Property management
Battersea Project Phase 2 Refurbishment Company Limited (formerly known as Battersea Project RS1B Company Limited)	Jersey	40.0	–	2	Provision of refurbishment and redevelopment services
Property – Associates					
Bitaria Sdn Bhd	Malaysia	24.0	24.0	3	Property development
Brunfield Embassyview Sdn Bhd	Malaysia	30.0	30.0	3	Property development and project management
Eastern & Oriental Berhad	Malaysia	31.2	29.8	3	Investment holding, hotel ownership and management, property investment and development and café and restaurant operations
Seriemas Development Sdn Bhd	Malaysia	40.0	40.0	3	Investment holding and property development
Seriemas Resort Sdn Bhd	Malaysia	28.0	28.0	3	Property development
Shaw Brothers (M) Sdn Bhd	Malaysia	36.0	36.0	3	Property investment
Bluefields Investments Pte Ltd	Singapore	–	49.0	2	Property investment and development
China Property Development (Holdings) Limited	Cayman Islands	30.4	30.4	3	Investment holding
Industrial – Subsidiaries					
Shandong Equipment Malaysia Sdn Bhd	Malaysia	100.0	100.0	1	Sales and service support for Shandong Engineering Machinery business
Sime Darby Electropack Sdn Bhd	Malaysia	100.0	100.0	1	Manufacturing and assembly of generators, agricultural and industrial machinery
Sime Darby Industrial Academy Sdn Bhd	Malaysia	100.0	100.0	1	Training services

Notes to the Financial Statements
For the financial year ended 30 June 2013 (continued)

Amounts in RM million unless otherwise stated

54. List of Subsidiaries, Jointly Controlled Entities and Associates (continued)

Subsidiaries, jointly controlled entities and associates which are active as at 30 June 2013 are as follows: (continued)

Name of company	Country of incorporation	Group's effective interest (%)		Auditors	Principal activities
		2013	2012		
Industrial – Subsidiaries (continued)					
Sime Darby Industrial Holdings Sdn Bhd	Malaysia	100.0	100.0	1	Investment holding
Sime Darby Industrial Power Sdn Bhd	Malaysia	91.2	91.2	1	Sale of generators, agricultural and industrial machinery
Sime Darby Industrial Power Systems Sdn Bhd	Malaysia	100.0	100.0	1	Assembly and packaging of generators
Sime Darby Industrial Sdn Bhd	Malaysia	100.0	100.0	1	Sale of equipment and spare parts and service support for Caterpillar business, other material handling equipment and industrial cleaners, and supply and installation of co-generation systems
Sime Darby Joy Industries Sdn Bhd	Malaysia	55.0	55.0	1	Designing and manufacturing of heat exchangers, radiators, process equipment modules, filters and separators
Sime Darby TMA Sdn Bhd	Malaysia	100.0	100.0	1	Manufacturing and assembly of tractor implements and parts, and other products
Sime Darby TMR Sdn Bhd	Malaysia	100.0	100.0	1	Reconditioning of used equipment and machinery
Sime Kubota Sdn Bhd	Malaysia	90.0	90.0	1	Assembly and distribution of Kubota range of agricultural machinery and other machinery and equipment
Site Technology Asia Pacific Sdn Bhd	Malaysia	100.0	100.0	1	Supplying Global Positioning System (GPS)/digital work site positioning and machine control for heavy and highway construction applications under SITECH brand

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For the financial year ended 30 June 2013 (continued)

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54. List of Subsidiaries, Jointly Controlled Entities and Associates (continued)

Subsidiaries, jointly controlled entities and associates which are active as at 30 June 2013 are as follows: (continued)

Name of company	Country of incorporation	Group's effective interest (%)		Auditors	Principal activities
		2013	2012		
Industrial – Subsidiaries (continued)					
Tractors Material Handling Sdn Bhd	Malaysia	100.0	100.0	1	Sale and distribution of lift trucks and spare parts, and the rental and servicing of other material handling equipment
Tractors Petroleum Services Sdn Bhd	Malaysia	100.0	100.0	1	Supply, repair and maintenance of Caterpillar engines and other equipment for the oil and gas industry, refurbishment of gas turbines and the sale and installation of pressure vessels
Sime Darby Eastern Investments Private Limited	Singapore	100.0	100.0	2)	Investment holding
Sime Darby Eastern Limited	Singapore	100.0	100.0	2)	
Sime Darby Industrial Singapore Pte Ltd	Singapore	100.0	100.0	2)	
Tractors Singapore Limited	Singapore	100.0	100.0	2)	
Foshan Shunde CEL Machinery Company Limited	China	100.0	100.0	2	Sale of equipment and spare parts and service support for Caterpillar business
Foshan Sime Darby Elco Power Equipment Limited	China	100.0	100.0	2	Wholesale of diesel generators and spare parts
Guangzhou Sime Darby SITECH Dealers Company Limited	China	100.0	100.0	3	Sale, hire and servicing of survey equipment
Sime Darby CEL Machinery (Hunan) Company Limited	China	100.0	100.0	2)	Sale of equipment and spare parts and service support for Caterpillar business
Sime Darby CEL Machinery (Jiangxi) Company Limited	China	100.0	100.0	2)	
Sime Darby CEL Machinery (Xinjiang) Company Limited	China	100.0	100.0	2)	

Notes to the Financial Statements
For the financial year ended 30 June 2013 (continued)

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54. List of Subsidiaries, Jointly Controlled Entities and Associates (continued)

Subsidiaries, jointly controlled entities and associates which are active as at 30 June 2013 are as follows: (continued)

Name of company	Country of incorporation	Group's effective interest (%)		Auditors	Principal activities
		2013	2012		
Industrial – Subsidiaries (continued)					
Sime Darby Elco Power Equipment (Shenzhen) Limited	China	100.0	100.0	2	Distribution of Perkins engine products and spare parts and provision of after-sales services
Sime Darby Joy (Shanghai) Company Limited	China	55.0	55.0	2	Supply of process equipment and heat exchangers
Sime Darby SEM Dealer (Fujian) Limited	China	100.0	100.0	2	Sale of equipment and spare parts and service support for SEM products
Xiamen Sime Darby CEL Machinery Co Ltd	China	100.0	100.0	2	Sale of equipment and spare parts and service support for Caterpillar business
Sime Darby CEL (South China) Limited	Hong Kong SAR	100.0	100.0	2	Investment holding
Sime Darby Elco Power Systems Limited	Hong Kong SAR	100.0	100.0	2	Distribution of Perkins engine products and spare parts and provision of after-sales services
The China Engineers Limited	Hong Kong SAR	100.0	100.0	2	Sale of equipment and spare parts and service support for Caterpillar business
AC Haynes Investments Pty Ltd	Australia	100.0	100.0	2	Crane hire
Austchrome Pty Ltd	Australia	100.0	100.0	2	Chroming and hydraulic repairs
DG Nominees Pty Ltd	Australia	100.0	100.0	2	Auto glass supplier/ installer
Hastings Deering (Australia) Limited	Australia	100.0	100.0	2	Sale, rental and servicing for Caterpillar products, hardchroming and hydraulic repair
Haynes Mechanical Pty Ltd	Australia	100.0	100.0	2	Labour hire/ contracting, sale of mining machinery parts, service and repair as well as crane hire
Sime Darby Industrial Australia Pty Ltd	Australia	100.0	100.0	2	Investment holding

Notes to the Financial Statements
For the financial year ended 30 June 2013 (continued)

Amounts in RM million unless otherwise stated

54. List of Subsidiaries, Jointly Controlled Entities and Associates (continued)

Subsidiaries, jointly controlled entities and associates which are active as at 30 June 2013 are as follows: (continued)

Name of company	Country of incorporation	Group's effective interest (%)		Auditors	Principal activities
		2013	2012		
Industrial – Subsidiaries (continued)					
Sime Darby Industrial (B) Sdn Bhd	Brunei	70.0	70.0	3	Assembly, marketing and distribution of agricultural and industrial equipment
CICA Limited	Channel Islands	100.0	100.0	3	Supply of industrial equipment and machinery and after-sales services
Caltrac SAS	New Caledonia	100.0	100.0	2	Sale of equipment and spare parts and service support for Caterpillar business
SCI Sime Darby Invest NC	New Caledonia	100.0	100.0	2	Property investment
Hastings Deering (PNG) Limited	Papua New Guinea	100.0	100.0	2)	Sale of equipment and spare parts and service support for Caterpillar business
Hastings Deering (Solomon Islands) Limited	Solomon Islands	100.0	100.0	3)	
CICA Vietnam Company Limited	Vietnam	100.0	100.0	2	Provision of consultancy and services for installation, operation, repair and maintenance of industrial machines, equipment and vehicles
Industrial – Jointly controlled entities					
Terberg Tractors Malaysia Sdn Bhd	Malaysia	50.0	50.0	1	Marketing, distributing and servicing Terberg terminal tractors
Wilpena Pty Ltd	Australia	50.0	50.0	5	Sale of Caterpillar equipment and spare parts and service support for projects
Industrial – Associates					
APac Energy Rental Pte Ltd	Singapore	20.0	20.0	3	Rental of industrial machines and equipment
FG Wilson Asia Pte Ltd	Singapore	50.0	50.0	2	Sale and servicing of diesel generator sets
Energy Power Systems Australia Pty Ltd	Australia	20.0	20.0	2	Distribution and rental of Caterpillar engine and associated products

Notes to the Financial Statements
For the financial year ended 30 June 2013 (continued)

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54. List of Subsidiaries, Jointly Controlled Entities and Associates (continued)

Subsidiaries, jointly controlled entities and associates which are active as at 30 June 2013 are as follows: (continued)

Name of company	Country of incorporation	Group's effective interest (%)		Auditors	Principal activities
		2013	2012		
Industrial – Associates (continued)					
Nova Power Pty Ltd	Australia	33.7	–	2	Provision of low emission power to support electricity distribution networks
Sitech Construction Systems Pty Ltd	Australia	30.6	30.6	2	Sale and servicing of Trimble Technology construction products
Ultimate Positioning Group Pty Ltd	Australia	29.4	29.4	2	Sale, hire and servicing of Trimble surveying equipment
Motors – Subsidiaries					
Auto Bavaria Sdn Bhd	Malaysia	100.0	100.0	1)	
Ford Malaysia Sdn Bhd	Malaysia	51.0	51.0	1)	Investment holding
Hyundai-Sime Darby Berhad	Malaysia	99.9	99.9	1)	
Hyundai-Sime Darby Motors Sdn Bhd	Malaysia	100.0	100.0	1	Sales and distribution of passenger and light commercial vehicles and spare parts
Inokom Corporation Sdn Bhd	Malaysia	53.5	53.5	1	Manufacture and assembly of light commercial and passenger vehicles, and contract assembly of motor vehicles
Land Rover (Malaysia) Sdn Bhd	Malaysia	60.0	60.0	1	Importation and distribution of motor vehicles and spare parts
Sime Darby Auto Bavaria Sdn Bhd (formerly known as Sime Darby Motor Division Sdn Bhd)	Malaysia	100.0	100.0	1	Provision of management services and retail of motor vehicles, spare parts, accessories and provision of after-sales services and assembler of motor vehicles
Sime Darby Auto Britannia Sdn Bhd (formerly known as Timeless Diamond Sdn Bhd)	Malaysia	75.0	–	1	Motor vehicles dealership
Sime Darby Auto ConneXion Sdn Bhd	Malaysia	100.0	100.0	1	Distribution and retail of motor vehicles and spare parts and provision of after-sales services

Notes to the Financial Statements
For the financial year ended 30 June 2013 (continued)

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54. List of Subsidiaries, Jointly Controlled Entities and Associates (continued)

Subsidiaries, jointly controlled entities and associates which are active as at 30 June 2013 are as follows: (continued)

Name of company	Country of incorporation	Group's effective interest (%)		Auditors	Principal activities
		2013	2012		
Motors – Subsidiaries (continued)					
Sime Darby Auto Hyundai Sdn Bhd	Malaysia	51.0	51.0	1	Sale of motor vehicles, related spare parts and provision of after-sales services
Sime Darby Auto Imports Sdn Bhd	Malaysia	100.0	100.0	1	Importation of motor vehicles and spare parts
Sime Darby Auto Italia Sdn Bhd	Malaysia	100.0	100.0	1	Importation and distribution of motor vehicles and spare parts
Sime Darby Auto Performance Sdn Bhd	Malaysia	70.0	70.0	1	Distribution and retail of motor vehicles, spare parts, accessories and provision of after-sales services
Sime Darby Hyundai Integrated Sdn Bhd	Malaysia	51.0	51.0	1	Distribution of motor vehicles
Sime Darby Hyundai Sdn Bhd	Malaysia	51.0	51.0	1	Investment holding and importation of motor vehicles
Sime Darby Motor Group (Taiwan) Sdn Bhd (formerly known as Hyundai-Sime Darby Engine Manufacturing Sdn Bhd)	Malaysia	100.0	100.0	1)))))	Investment holding
Sime Darby Motors Sdn Bhd	Malaysia	100.0	100.0	1)	
Sime Darby Rent-A-Car Sdn Bhd	Malaysia	100.0	100.0	1	Vehicles rental
Performance Motors Limited	Singapore	100.0	100.0	2	Motor vehicles dealership
Performance Premium Selection Limited	Singapore	60.0	60.0	2	Retailer, wholesaler and exporter of used cars
Sime Darby Motor Holdings Limited	Singapore	100.0	100.0	2	Investment holding and provision of management and auxiliary services
Sime Darby Services Private Limited	Singapore	100.0	100.0	2	Vehicle rental
Sime Singapore Limited	Singapore	100.0	100.0	2	Investment holding
Vantage Automotive Limited	Singapore	100.0	100.0	2	Motor vehicles dealership
Changsha Bow Yue Vehicle Services Co Ltd	China	100.0	100.0	2	Retail of motor vehicles and related spare parts and provision of after-sales services

Notes to the Financial Statements
For the financial year ended 30 June 2013 (continued)

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54. List of Subsidiaries, Jointly Controlled Entities and Associates (continued)

Subsidiaries, jointly controlled entities and associates which are active as at 30 June 2013 are as follows: (continued)

Name of company	Country of incorporation	Group's effective interest (%)		Auditors	Principal activities
		2013	2012		
Motors – Subsidiaries (continued)					
Chengdu Bow Yue Vehicle Co Ltd	China	100.0	100.0	2	Retail of motor vehicles and related spare parts, provision of after-sales services and investment holding
Guangdong Deda Bow Ma Motor Service Co Ltd	China	65.0	65.0	2	Retail of related spare parts and provision of after-sales services for motor vehicles
Guangzhou Bow Yue Vehicle Trading Co Ltd	China	100.0	100.0	2))) Retail of motor vehicles and related spare parts
Hainan Bao Yue Vehicle Trading Co Ltd	China	100.0	100.0	2	
Hainan Bow Yue Vehicles Trading and Services Limited	China	100.0	100.0	2	
Hangzhou Sime Darby Motors Sales and Services Co Ltd	China	60.0	60.0	2	Retail of motor vehicles and related spare parts and provision of after-sales services
Hangzhou Sime Darby Trading Company Limited	China	60.0	–	2	Wholesale, retail, import and export of vehicle parts and accessories, vehicles technology consultancy services and management and investment consultancy services
Shanghai Sime Darby Motor Commerce Co Ltd	China	60.0	60.0	2	Retail of motor vehicles and related spare parts, provision of after-sales services and investment holding
Shanghai Sime Darby Motor Sales and Services Company Limited	China	60.0	60.0	2	Retail of motor vehicles and related spare parts and provision of after-sales services
Shantou Bow Yue Vehicle Trading Co Ltd	China	100.0	100.0	2	Retail of motor vehicles and related spare parts
Shantou Dehong Bow Ma Motors Co Ltd	China	60.0	60.0	2	Provision of after-sales services for motor vehicles and retail of related spare parts
Shenzhen Bow Chuang Vehicle Trading Co Ltd	China	100.0	100.0	2	Retail of motor vehicles and related spare parts

Notes to the Financial Statements
For the financial year ended 30 June 2013 (continued)

Amounts in RM million unless otherwise stated

54. List of Subsidiaries, Jointly Controlled Entities and Associates (continued)

Subsidiaries, jointly controlled entities and associates which are active as at 30 June 2013 are as follows: (continued)

Name of company	Country of incorporation	Group's effective interest (%)		Auditors	Principal activities
		2013	2012		
Motors – Subsidiaries (continued)					
Shenzhen Sime Darby Motor Enterprises Co Ltd	China	100.0	100.0	2	Retail of spare parts and provision of after-sales services for motor vehicles
Yunnan Bow Yue Vehicle Trading Co Ltd	China	65.0	65.0	2)	Retail of motor vehicles and related spare parts and provision of after-sales services
Yunnan Dekai Bow Ma Motors Technology & Service Co Ltd	China	65.0	65.0	3)	
)	
Auto Technology Engineering Company Limited	Hong Kong SAR	100.0	100.0	2	Distribution of spare parts and provision of after-sales services
AutoFrance Hong Kong Limited	Hong Kong SAR	100.0	100.0	2	Distribution and retail of motor vehicles
BMW Concessionaires (HK) Limited	Hong Kong SAR	100.0	100.0	2	Distribution and retail of motor vehicles, provision of after-sales services and investment holding
Bow Ma Motors (South China) Limited	Hong Kong SAR	100.0	100.0	2	Investment holding
Goodwood Motors Limited	Hong Kong SAR	100.0	100.0	2)	Distribution and retail of motor vehicles
Island Motors Limited	Hong Kong SAR	100.0	100.0	2)	
)	
Marksworth Limited	Hong Kong SAR	100.0	100.0	2	Investment holding
Sime Darby Management Services Limited	Hong Kong SAR	100.0	100.0	2	Provision of management services and property holding
Sime Darby Motor Group (HK) Limited	Hong Kong SAR	100.0	100.0	2)	Investment holding
Sime Darby Motor Group (PRC) Limited	Hong Kong SAR	100.0	100.0	2)	
)	
Sime Darby Motor Service Centre Limited	Hong Kong SAR	100.0	100.0	2	Holder of Car Testing Centre License
Sime Darby Motor Services Limited	Hong Kong SAR	100.0	100.0	2	Distribution and retail of motor vehicles and provision of after-sales services
Universal Cars (Importers) Limited	Hong Kong SAR	100.0	100.0	2)	Distribution and retail of motor vehicles
Universal Cars Limited	Hong Kong SAR	100.0	100.0	2)	

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For the financial year ended 30 June 2013 (continued)

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54. List of Subsidiaries, Jointly Controlled Entities and Associates (continued)

Subsidiaries, jointly controlled entities and associates which are active as at 30 June 2013 are as follows: (continued)

Name of company	Country of incorporation	Group's effective interest (%)		Auditors	Principal activities
		2013	2012		
Motors – Subsidiaries (continued)					
BMW Concessionaires (Macau) Limited	Macau SAR	100.0	100.0	2)	Retail of motor vehicles and provision of after-sales services
Harper Engineering (Macau) Limited	Macau SAR	100.0	100.0	2)	
Sime Darby Automobiles Pty Ltd	Australia	100.0	100.0	2	Distribution of motor vehicles
Sime Darby Fleet Services Pty Ltd	Australia	100.0	100.0	2	Vehicle rental and related mechanical services
Sime Darby Motors Group (Australia) Pty Limited	Australia	100.0	100.0	2	Provision of management services and investment holding
Sime Darby Motors Retail (Australia) Pty Limited	Australia	100.0	–	2	Retail of motor vehicles and provision of after-sales services
Sime Darby Motors Wholesale Australia Pty Limited (formerly known as Sime Darby SsangYong (Australia) Pty Limited)	Australia	100.0	100.0	2	Distribution of motor vehicles
Sime Darby Hong Kong Group Company Limited	Bermuda	100.0	100.0	5	Investment holding
Continental Car Services Limited	New Zealand	100.0	100.0	2	Retail of new and used passenger cars and light commercial vehicles, spare parts and accessories and the provision of related services
Hino Distributors NZ Limited	New Zealand	100.0	100.0	2	Distribution and retail of trucks
Infinity Automotive Limited	New Zealand	100.0	100.0	2	Retail of new and used passenger cars and light commercial vehicles, spare parts and accessories and the provision of related services
Motor Truck Distributors (NZ) Limited	New Zealand	100.0	100.0	2	Distribution and retail of trucks and buses
North Shore Motor Holdings Limited	New Zealand	100.0	100.0	2	Retail of new and used passenger cars, spare parts and accessories and the provision of related services

Notes to the Financial Statements
For the financial year ended 30 June 2013 (continued)

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54. List of Subsidiaries, Jointly Controlled Entities and Associates (continued)

Subsidiaries, jointly controlled entities and associates which are active as at 30 June 2013 are as follows: (continued)

Name of company	Country of incorporation	Group's effective interest (%)		Auditors	Principal activities
		2013	2012		
Motors – Subsidiaries (continued)					
Sime Darby Automobiles NZ Limited	New Zealand	100.0	100.0	2	Distribution of motor vehicles and spare parts
Sime Darby Commercial (NZ) Limited (formerly known as Truck Investments Limited)	New Zealand	100.0	100.0	2)	Investment holding
Sime Darby Motor Group (NZ) Limited	New Zealand	100.0	100.0	2)	
Truck Stops (NZ) Limited	New Zealand	100.0	100.0	2)	
					Provision of spare parts and services for medium and heavy trucks, and repair and servicing of truck trailers
UD Truck Distributors (NZ) Limited	New Zealand	100.0	100.0	2	Distribution and retail of diesel trucks, spare parts and accessories and the provision of related services
Performance Motors (Thailand) Limited	Thailand	100.0	100.0	2	Motor dealership
Sime Darby (Thailand) Limited	Thailand	100.0	100.0	2	Investment holding and provision of management and auxiliary services
Sime Darby Mazda (Thailand) Limited	Thailand	100.0	100.0	2)	Motor dealership
Sime Darby Vantage (Thailand) Limited (formerly known as Sime Darby Mitsu (Thailand) Limited)	Thailand	100.0	100.0	2)	
Viking Motors Limited	Thailand	100.0	100.0	2)	
					Leasing of properties
Motors – Associates					
BMW Malaysia Sdn Bhd	Malaysia	49.0*	49.0*	3	Sale and distribution of motor vehicles and motorcycles
Sime Kansai Paints Sdn Bhd	Malaysia	40.0	40.0	3	Manufacturing, selling and marketing of automotive and industrial paints
Munich Automobiles Pte Ltd	Singapore	40.0	40.0	3	Sale and distribution of motor vehicles and after-sales service
BMW Financial Services Hong Kong Limited	Hong Kong SAR	49.0	49.0	3	Provision of financing and hire purchase facilities

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For the financial year ended 30 June 2013 (continued)

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54. List of Subsidiaries, Jointly Controlled Entities and Associates (continued)

Subsidiaries, jointly controlled entities and associates which are active as at 30 June 2013 are as follows: (continued)

Name of company	Country of incorporation	Group's effective interest (%)		Auditors	Principal activities
		2013	2012		
Energy & Utilities – Subsidiaries					
Chubb Malaysia Sendirian Berhad	Malaysia	100.0	70.0	1	Manufacturing, marketing, installation, rental and servicing of security products
Malaysian Oriental Holdings Berhad	Malaysia	100.0	100.0	1	Investment holding
Mecomb Malaysia Sdn Berhad	Malaysia	100.0	100.0	1	System integration, marketing and installation of advanced electronic and electro-mechanical equipment, instruments and systems
Port Dickson Power Berhad	Malaysia	75.0	75.0	1	Independent power producer
Sime Darby Energy Sdn Bhd	Malaysia	100.0	100.0	1	Investment holding and provision of operating and maintenance services to an independent power producer
Sime Darby Engineering Sdn Bhd	Malaysia	100.0	100.0	1	Engineering, procurement, fabrication, construction, installation, hook-up and commissioning works relating to oil and gas industry
Sime Darby Offshore Engineering Sdn Bhd	Malaysia	100.0	100.0	1	Systems integration and marketing of products and services in oil and gas/petrochemical industry
Sime Darby Petroleum Sdn Bhd	Malaysia	100.0	100.0	1	Exploration of oil and gas
Sime Darby Utilities Sdn Bhd	Malaysia	100.0	100.0	1	Investment holding
Sime Darby Water Resources Sdn Bhd	Malaysia	100.0	100.0	1	
Sime Engineering Sdn Bhd	Malaysia	100.0	100.0	1	

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For the financial year ended 30 June 2013 (continued)

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54. List of Subsidiaries, Jointly Controlled Entities and Associates (continued)

Subsidiaries, jointly controlled entities and associates which are active as at 30 June 2013 are as follows: (continued)

Name of company	Country of incorporation	Group's effective interest (%)		Auditors	Principal activities
		2013	2012		
Energy & Utilities – Subsidiaries (continued)					
Sime Surveillance Sdn Bhd	Malaysia	100.0	100.0	1	Provision of security services
Sime-SIRIM Technologies Sdn Bhd	Malaysia	–	50.0	1	Establishing and operating commercial laboratories and provision of calibration, measurement and other related services
Mecomb Singapore Limited	Singapore	100.0	100.0	2	Manufacture and installation of industrial equipment and the import and sale of technical, nautical and scientific instruments and mechanical, electrical and electronic equipment
Sime Darby Energy Pte Ltd	Singapore	100.0	100.0	2	Investment holding
Jining Sime Darby Guozhuang Port Co Ltd	China	70.0	70.0	2)
Jining Sime Darby Longgong Port Co Ltd	China	70.0	70.0	2)
Jining Sime Darby Port Co Ltd	China	70.0	70.0	2)
Jining Sime Darby Taiping Port Co Ltd	China	70.0	70.0	2	Operation of port and warehousing
Weifang Binhai Haiwei Dredging Project Co Ltd	China	50.8	24.7	2	Dredging of ports and channels, fencing and filling of foundation, leasing of vessels and related facilities
Weifang Sime Darby General Terminal Co Ltd	China	99.9	–	3	Port construction, management and operation
Weifang Sime Darby Liquid Terminal Co Ltd	China	99.9	–	3	Construction, management and operation of liquid terminal
Weifang Sime Darby Port Co Ltd	China	99.0	99.0	2	Operation of port
Weifang Sime Darby Water Management Co Ltd (formerly known as Weifang Sime Darby Water Co Ltd)	China	100.0	100.0	2	Treatment and supply of water

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For the financial year ended 30 June 2013 (continued)

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54. List of Subsidiaries, Jointly Controlled Entities and Associates (continued)

Subsidiaries, jointly controlled entities and associates which are active as at 30 June 2013 are as follows: (continued)

Name of company	Country of incorporation	Group's effective interest (%)		Auditors	Principal activities
		2013	2012		
Energy & Utilities – Subsidiaries (continued)					
Weifang Sime Darby West Port Co Ltd	China	99.9	–	3	Port construction, management and operation
Weifang Wei Gang Dredging Project Co Ltd	China	99.5	48.5	3	Provision of dredging and marine services, land reclamation works and related services
Weifang Wei Gang Tugboat Services Co Ltd	China	99.5	48.5	3	Provision of tugboat pilot services and related services
Sime Darby Marine (Hong Kong) Private Limited	Hong Kong SAR	100.0	100.0	2)	Investment holding
Sime Darby Overseas (HK) Limited	Hong Kong SAR	100.0	100.0	2)	
Mecomb (Thailand) Limited	Thailand	100.0	100.0	2)	
Sime Darby LCP Power Co Limited	Thailand	100.0	100.0	2	Sale of electrical and mechanical equipment components and instruments
Sime Darby O&M (Thailand) Co Ltd	Thailand	100.0	100.0	2	Independent power producer
Sime Darby Power Co Ltd	Thailand	100.0	100.0	2	Operation and maintenance services to power plants
Sime Darby Power Co Ltd	Thailand	100.0	100.0	2	Independent power producer
Energy & Utilities – Jointly controlled entities					
Halani Sime Offshore (L) Inc	Malaysia	–	50.0	1	Owning and leasing of marine vessel and all related activities
Malaysia – China Hydro Joint Venture	Malaysia	35.7	35.7	1	Engineering, procurement and construction work
Weifang Wei Gang Shipyard Co Ltd	Malaysia	48.5	48.5	3	Provision of ship repair, ship building and related services
Energy & Utilities – Associates					
Mustang Sime Darby Sdn Bhd	Malaysia	–	40.0	1	Provision of project management, procurement and other consultancy services
Chubb Singapore Private Limited	Singapore	30.0	30.0	2	Marketing of security and fire protection products and services

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For the financial year ended 30 June 2013 (continued)

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54. List of Subsidiaries, Jointly Controlled Entities and Associates (continued)

Subsidiaries, jointly controlled entities and associates which are active as at 30 June 2013 are as follows: (continued)

Name of company	Country of incorporation	Group's effective interest (%)		Auditors	Principal activities
		2013	2012		
Others – Subsidiaries					
Sime Darby Allied Products Berhad	Malaysia	100.0	100.0	1	Investment holding
Sime Darby Global Berhad	Malaysia	100.0	–	1	Special purpose vehicle for the issue of multi-currency Islamic securities programme
Sime Darby Global Services Centre Sdn Bhd	Malaysia	100.0	100.0	1	Provision of support services to group companies
Sime Darby Holdings Berhad	Malaysia	100.0	100.0	1	Investment holding, marketing of and agents for commodities and provision of management services to group companies
Sime Darby Insurance Pte Ltd	Malaysia	100.0	100.0	1	Onshore and offshore captive insurer
Sime Darby Lockton Insurance Brokers Sdn Bhd	Malaysia	60.0	60.0	1	Insurance and reinsurance brokers, insurance advisory and consultancy services
Sime Darby Malaysia Berhad	Malaysia	100.0	100.0	1	Investment holding and holding of trademarks
Sime Darby Packaging Sdn Bhd (formerly known as Sime Rengo Packaging (M) Sdn Bhd)	Malaysia	100.0	70.0	1	Property investment and management
Sime Darby Technologies Holdings Pte Ltd	Malaysia	100.0	100.0	1))
Sime Darby Ventures Sdn Bhd	Malaysia	100.0	100.0	1)) Investment holding
Tractors Malaysia Holdings Berhad	Malaysia	100.0	100.0	1))
Yayasan Sime Darby	Malaysia	@	@	1	Receive and administer funds to award scholarships or loans for educational purposes, undertake sports, environmental conservation and sustainability projects; and other related activities for the benefit of the community

Notes to the Financial Statements
For the financial year ended 30 June 2013 (continued)

Amounts in RM million unless otherwise stated

54. List of Subsidiaries, Jointly Controlled Entities and Associates (continued)

Subsidiaries, jointly controlled entities and associates which are active as at 30 June 2013 are as follows: (continued)

Name of company	Country of incorporation	Group's effective interest (%)		Auditors	Principal activities
		2013	2012		
Others – Subsidiaries (continued)					
Sime Darby Eastern International Limited	Singapore	100.0	100.0	2	Investment holding
Sime Darby Insurance Brokers (Singapore) Pte Ltd	Singapore	100.0	100.0	2	Insurance brokers
Sime Darby Investments Pte Ltd	Singapore	100.0	100.0	2))
Sime Darby Management Services (Singapore) Private Limited	Singapore	100.0	100.0	2)) Investment holding
Sime Darby Singapore Limited	Singapore	100.0	100.0	2))
Sime Darby (China) Enterprise Management Company Limited	China	100.0	100.0	2	Provision of services to group companies established in China
Sime Darby Far East (1991) Limited	Hong Kong SAR	100.0	100.0	2	Investment holding
Sime Darby Hongkong Finance Limited	Hong Kong SAR	100.0	100.0	2	Investment holding and provision of intra-group financial services
Sime Darby Hong Kong Limited	Hong Kong SAR	100.0	100.0	2	Investment holding
Sime Darby Insurance Brokers (Hong Kong)	Hong Kong SAR	100.0	100.0	2	Insurance brokers
Sime Darby Managing Agency (Hong Kong) Limited	Hong Kong SAR	100.0	100.0	2	Insurance agency
Sime Darby Investments (BVI) Limited	British Virgin Islands	100.0	100.0	5	Investment holding

Notes to the Financial Statements
For the financial year ended 30 June 2013 (continued)

Amounts in RM million unless otherwise stated

54. List of Subsidiaries, Jointly Controlled Entities and Associates (continued)

Subsidiaries, jointly controlled entities and associates which are active as at 30 June 2013 are as follows: (continued)

Name of company	Country of incorporation	Group's effective interest (%)		Auditors	Principal activities
		2013	2012		
Others – Jointly controlled entities					
Ara Damansara Medical Centre Sdn Bhd (formerly known as Sime Darby Medical Centre Ara Damansara Sdn Bhd)	Malaysia	50.0	100.0	1)	Operation of healthcare facilities and provision of related healthcare services
ParkCity Medical Centre Sdn Bhd (formerly known as Sime Darby Medical Centre ParkCity Sdn Bhd)	Malaysia	50.0	100.0	1)	
Ramsay Sime Darby Health Care Sdn Bhd (formerly known as Sime Darby Global Healthcare Sdn Bhd)	Malaysia	50.0	–	1)	Investment holding
Sime Darby Healthcare Educational Services Sdn Bhd	Malaysia	50.0	100.0	1)	Operating healthcare education
Sime Darby Healthcare Sdn Bhd	Malaysia	50.0	100.0	1)	Investment holding and provision of healthcare management and consultancy services
Sime Darby Mediplex Sdn Bhd (formerly known as Sime Darby Healthcare Staff Agency Sdn Bhd)	Malaysia	50.0	100.0	1)	Operating a healthcare related employment agency services
Subang Jaya Medical Centre Sdn Bhd (formerly known as Sime Darby Medical Centre Subang Jaya Sdn Bhd)	Malaysia	50.0	100.0	1)	Operation of healthcare facilities and provision of related healthcare services
PT Affinity Health Indonesia	Indonesia	46.0	–	2)	
Affinity Health Care Holdings Pty Limited	Australia	50.0	–	3)	Investment holding
Others – Associates					
Tesco Stores (Malaysia) Sdn Bhd	Malaysia	30.0	30.0	1)	Operation of retail outlets
Union Sime Darby (Thailand) Ltd	Thailand	49.0	49.0	2)	Insurance brokers

Notes to the Financial Statements
For the financial year ended 30 June 2013 (continued)

Amounts in RM million unless otherwise stated

54. List of Subsidiaries, Jointly Controlled Entities and Associates (continued)

Subsidiaries, jointly controlled entities and associates which are dormant/inactive as at 30 June 2013 are as follows:

Name of company	Country of incorporation	Group's effective interest (%)		Auditors
		2013	2012	
Plantation – Subsidiaries				
Derawan Sdn Bhd	Malaysia	100.0	100.0	1
Kumpulan Jerai Sendirian Berhad	Malaysia	100.0	100.0	1
Kumpulan Kamuning Sendirian Berhad	Malaysia	100.0	100.0	1
Kumpulan Linggi Sendirian Berhad	Malaysia	100.0	100.0	1
Kumpulan Sua Betong Sendirian Berhad	Malaysia	100.0	100.0	1
Kumpulan Tebong Sendirian Berhad	Malaysia	100.0	100.0	1
Kumpulan Temiang Sendirian Berhad	Malaysia	100.0	100.0	1
Nature Ambience Sdn Bhd	Malaysia	100.0	100.0	1
Sahua Enterprise Sdn Bhd	Malaysia	100.0	100.0	1
Sime Darby Bioganic Sdn Bhd	Malaysia	100.0	100.0	1
Sime Darby Fresh Sdn Bhd	Malaysia	100.0	100.0	1
Sime Darby Genomics Sdn Bhd	Malaysia	100.0	100.0	1
Sime Darby Green Sdn Bhd	Malaysia	100.0	100.0	1
Sime Darby Livestock Sdn Bhd	Malaysia	100.0	100.0	1
Sime Darby Pelita Julau Sdn Bhd	Malaysia	100.0	100.0	1
Sime Darby Plantation (Peninsular) Sdn Bhd	Malaysia	100.0	100.0	1
Sime Darby Turf Sdn Bhd	Malaysia	100.0	100.0	1
Sincere Outlook Sdn Bhd	Malaysia	100.0	100.0	1
PT Guthrie Abdinusa Industri	Indonesia	70.0	70.0	2
PT Sime Darby Commodities Trading	Indonesia	100.0	100.0	2
Golden Hope–Nhabe (Cambodia) Import & Export Co Ltd	Cambodia	51.0	51.0	5
Sime Darby Plantation Cameroon Ltd	Cameroon	100.0	100.0	5
Sime Darby CleanerG BV	Netherlands	100.0	100.0	2
Trolak Estates Limited	Scotland	100.0	100.0	3
Sime Darby Edible Products Tanzania Limited	Tanzania	100.0	100.0	5
Castlefield (Klang) Rubber Estates Plc	United Kingdom	100.0	100.0	3
Dusun Durian Plantations Limited	United Kingdom	100.0	100.0	3
Holyrood Rubber Plc	United Kingdom	100.0	100.0	3
Hoscote Rubber Estate Limited	United Kingdom	100.0	100.0	3
Kinta Kellas Rubber Estates Plc	United Kingdom	100.0	100.0	3
Malaysian Estates Plc	United Kingdom	100.0	100.0	3
Nalek Rubber Estate Limited	United Kingdom	100.0	100.0	3
Sabah Plantations Limited	United Kingdom	100.0	100.0	3
The Kuala Selangor Rubber Plc	United Kingdom	100.0	100.0	3
The London Asiatic Rubber and Produce Company Limited	United Kingdom	100.0	100.0	3
The Pataling Rubber Estates Limited	United Kingdom	100.0	100.0	3
The Straits Plantations Limited	United Kingdom	100.0	100.0	3
The Sungei Bahru Rubber Estates Plc	United Kingdom	100.0	100.0	3

Notes to the Financial Statements
For the financial year ended 30 June 2013 (continued)

Amounts in RM million unless otherwise stated

54. List of Subsidiaries, Jointly Controlled Entities and Associates (continued)

Subsidiaries, jointly controlled entities and associates which are dormant/inactive as at 30 June 2013 are as follows:
(continued)

Name of company	Country of incorporation	Group's effective interest (%)		Auditors
		2013	2012	
Plantation – Jointly controlled entities				
Emery Advanced Materials Sdn Bhd	Malaysia	50.0	–	4
Emery Oleochemicals Marketing (M) Sdn Bhd	Malaysia	50.0	50.0	3
Emeryoleo Specialties (M) Sdn Bhd	Malaysia	50.0	50.0	3
Property – Subsidiaries				
Puchong Quarry Sdn Bhd	Malaysia	100.0	100.0	1
R&W Management Sdn Bhd	Malaysia	100.0	100.0	1
Sime Darby Brunfield Project Management Sdn Bhd	Malaysia	60.0	60.0	1
Sime Darby Brunfield Property Management Sdn Bhd	Malaysia	60.0	60.0	1
Sime Darby Brunfield Resort Sdn Bhd	Malaysia	60.0	60.0	1
Sime Darby Brunfield Taipan City Sdn Bhd	Malaysia	60.0	60.0	1
Sime Darby Land (Johor) Sdn Bhd	Malaysia	100.0	100.0	1
Sime Darby Property (USJ) Sdn Bhd	Malaysia	100.0	100.0	1
Sime Darby Putra Heights Development Sdn Bhd	Malaysia	100.0	100.0	1
Sime Darby SJCC Development Sdn Bhd	Malaysia	100.0	100.0	1
Sime Darby Property (Orange Grove) Pte Ltd	Singapore	100.0	100.0	2
Xinjiang Sime Darby Property Co Ltd	China	100.0	100.0	2
Green East Prime Ventures Inc	Philippines	63.2	63.2	3
Property – Jointly controlled entities				
PJ Midtown Development Sdn Bhd (formerly known as Sime Darby Brunfield Darby Hills Sdn Bhd)	Malaysia	30.0	30.0	1
Sime Darby Brunfield Properties Australia Pty Ltd	Australia	50.0	50.0	3
Battersea Project Phase 1 Nominee Company Limited	Jersey	40.0	–	2
Battersea Project Phase 2 Company Limited (formerly known as Battersea Project Phase 1 Holding Company)	Jersey	40.0	–	2
Battersea Project Phase 3 Company Limited (formerly known as Battersea Project RS1B Management Company Limited)	Jersey	40.0	–	2
Battersea Project Phase 1 Commercial Limited Partnership	United Kingdom	40.0	–	2
Property – Associates				
Mostyn Development Sdn Bhd	Malaysia	30.0	30.0	3
NSB Venture Holding Sdn Bhd	Malaysia	–	40.0	1
Siltown Realty Philippines Inc	Philippines	39.5	39.5	3

Notes to the Financial Statements
For the financial year ended 30 June 2013 (continued)

Amounts in RM million unless otherwise stated

54. List of Subsidiaries, Jointly Controlled Entities and Associates (continued)

Subsidiaries, jointly controlled entities and associates which are dormant/inactive as at 30 June 2013 are as follows:
(continued)

Name of company	Country of incorporation	Group's effective interest (%)		Auditors
		2013	2012	
Industrial – Subsidiaries				
Associated Tractors Sendirian Berhad	Malaysia	100.0	100.0	1
Tractors Malaysia Motor Holdings Sdn Bhd	Malaysia	100.0	100.0	1
Tractors Machinery International Pte Ltd	Singapore	100.0	100.0	2
Sime Darby Yangon Limited	Myanmar	100.0	100.0	3
Motors – Subsidiaries				
Associated Motor Industries Malaysia Sdn Bhd	Malaysia	51.0	51.0	1
Sime Darby System Integrators Sdn Bhd	Malaysia	99.9	99.9	1
Chengdu Bow Yue Used Cars Centre Company Limited	China	100.0	100.0	2
Chongqing Bow Chuang Motor Sales & Services Co Ltd	China	100.0	100.0	2
Nanjing Sime Darby Motors Sales & Services Company Limited	China	60.0	60.0	2
Tianjin Sime Winner Motors Trading Company Limited	China	60.0	60.0	2
AutoFrance China Limited	Hong Kong SAR	100.0	100.0	2
Sime Darby Prestige Motors Company Limited	Hong Kong SAR	100.0	100.0	2
Sime Darby Motors (Nissan China) Holdings Limited	Hong Kong SAR	100.0	100.0	2
Sime Winner Holdings Limited	Hong Kong SAR	60.0	60.0	2
SimeWinner Nissan Autocrafts Limited	Hong Kong SAR	60.0	60.0	2
Vermont International Limited	Hong Kong SAR	60.0	60.0	2
Wallace Harper & Company Limited	Hong Kong SAR	100.0	100.0	2
Warwick Motors Limited	Hong Kong SAR	100.0	100.0	2
Continental Cars Limited	New Zealand	100.0	100.0	2
ERF Man and Western Star (NZ) Limited	New Zealand	100.0	100.0	2
Palmerston North Motors Wholesale Limited	New Zealand	100.0	100.0	2
Sime Darby Auto Services Limited (formerly known as Sime Darby Regent Motors Limited)	Thailand	100.0	100.0	2
Energy & Utilities – Subsidiaries				
Balui Hydro Sdn Bhd	Malaysia	100.0	100.0	1
Malaysia-China Hydro Sdn Bhd	Malaysia	100.0	100.0	1
Pesida Equipment Sdn Bhd	Malaysia	100.0	100.0	1
Sime Darby Drilling Services Sdn Bhd	Malaysia	100.0	100.0	1
Sime Darby Marine Sdn Bhd	Malaysia	100.0	100.0	1
Sime Darby Power Sdn Bhd	Malaysia	100.0	100.0	1
Sime Darby T&I Sdn Bhd	Malaysia	51.0	51.0	1
Sime Darby Water Resources (Perak) Sdn Bhd	Malaysia	75.0	75.0	1
Sime Darby Water Resources (Selangor) Sdn Bhd	Malaysia	100.0	100.0	1

Notes to the Financial Statements
For the financial year ended 30 June 2013 (continued)

Amounts in RM million unless otherwise stated

54. List of Subsidiaries, Jointly Controlled Entities and Associates (continued)

Subsidiaries, jointly controlled entities and associates which are dormant/inactive as at 30 June 2013 are as follows:
(continued)

Name of company	Country of incorporation	Group's effective interest (%)		Auditors
		2013	2012	
Energy & Utilities – Jointly controlled entities				
Sime Darby Marine Puteri Offshore I (L) Inc	Malaysia	50.0	50.0	1
Sime Engineering Sdn Bhd – Edwards & Sons Joint Venture	Malaysia	51.0	51.0	1
Energy & Utilities – Associates				
Guardfire (Malaysia) Sdn Bhd	Malaysia	30.0	30.0	1
Sime Darby Almanah WLL	Qatar	49.0	49.0	4
Others – Subsidiaries				
Golden Hope Plantations Berhad	Malaysia	100.0	100.0	1
Guthrie Ropel Berhad	Malaysia	100.0	100.0	1
Highlands & Lowlands Berhad	Malaysia	100.0	100.0	1
Kumpulan Guthrie Berhad	Malaysia	100.0	100.0	1
Kumpulan Sime Darby Berhad	Malaysia	100.0	100.0	1
Mentakab Rubber Company (Malaya) Berhad	Malaysia	100.0	100.0	1
Sime Darby NET Sdn Bhd	Malaysia	100.0	100.0	1
Sime Darby Specialist Centre Megah Sdn Bhd	Malaysia	100.0	100.0	1
Sime Engineering Services Berhad	Malaysia	100.0	100.0	1
Sime UEP Properties Berhad	Malaysia	100.0	100.0	1
SRIB (Far East) Pte Ltd	Singapore	100.0	100.0	2
Xinjiang Sime Darby Heavy Equipment Co Ltd	China	100.0	100.0	2
Sime Travel Holdings Limited	Hong Kong SAR	100.0	100.0	2
East West Insurance Company Limited	United Kingdom	81.0	81.0	2
Robt Bradford & Co Ltd	United Kingdom	100.0	100.0	2
Robt Bradford Hobbs Savill Ltd	United Kingdom	98.6	98.6	2
Others – Jointly controlled entity				
RSDH Asia (Labuan) Sdn Bhd	Malaysia	50.0	–	4

Notes to the Financial Statements**For the financial year ended 30 June 2013 (continued)****Amounts in RM million unless otherwise stated****54. List of Subsidiaries, Jointly Controlled Entities and Associates (continued)**

Subsidiaries, jointly controlled entities and associates placed under members' voluntary liquidation/deregistered during the financial year are as follows:

Name of company	Country of incorporation	Group's effective interest (%)		Auditors
		2013	2012	
Plantation – Subsidiaries				
Perkhidmatan Komputer Perladangan Sdn Bhd	Malaysia	–	100.0	1
Sime Darby Biofuels Sdn Bhd	Malaysia	–	100.0	1
Sime Darby Plantation Academy Sdn Bhd	Malaysia	–	100.0	1
Plantation – Jointly controlled entity				
Emery Oleochemicals Kimianika (M) Sdn Bhd	Malaysia	–	50.0	3
Property – Subsidiaries				
GVR Construction Sdn Bhd	Malaysia	–	30.4	1
Pulau Carey Properties Sdn Bhd	Malaysia	–	100.0	1
Sime Darby Construction Sdn Bhd	Malaysia	–	100.0	1
Sime Darby Properties Landscaping Sdn Bhd	Malaysia	–	100.0	1
Sime Darby Property (Langkawi) Sdn Bhd	Malaysia	–	100.0	1
Solarvest Sdn Bhd	Malaysia	–	100.0	1
Tegas Setia Sdn Bhd	Malaysia	–	100.0	1
Property – Associate				
Artesian Investments Pte Ltd	Singapore	–	49.0	2
Energy & Utilities – Jointly controlled entities				
Sime Darby Marine Puteri Offshore II (L) Inc	Malaysia	–	50.0	1
Sime Darby Marine Puteri Offshore III (L) Inc	Malaysia	–	50.0	1
Others – Subsidiaries				
Sime Darby Nominees Private Limited	Singapore	–	100.0	2
Sime Darby Property Investments Pte Ltd	Singapore	–	100.0	2
Guthrie Overseas Limited	United Kingdom	–	100.0	3
Guthrie Symington Limited	United Kingdom	–	100.0	3

Notes to the Financial Statements
For the financial year ended 30 June 2013 (continued)

Amounts in RM million unless otherwise stated

54. List of Subsidiaries, Jointly Controlled Entities and Associates (continued)

Notes:

- 1 – Subsidiaries, jointly controlled entities and associates which are audited by PricewaterhouseCoopers, Malaysia
- 2 – Subsidiaries, jointly controlled entities 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, jointly controlled entities 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 cost of investment in BMW Malaysia Sdn Bhd has been classified as available-for-sale investments (and not associate) due to the restricted influence pursuant to the shareholders' agreement
- @ – Yayasan Sime Darby is a company without share capital, limited by guarantee

55. Comparatives

The comparatives of the Group's results and cash flows for the financial year ended 30 June 2012 have been restated following the re-presentation of the Healthcare business under discontinued operations (see Note 13).

56. Approval of Financial Statements

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 24 September 2013.

Notes to the Financial Statements
For the financial year ended 30 June 2013 (continued)

Amounts in RM million unless otherwise stated

57. Supplementary Information

The breakdowns of realised and unrealised retained profits set out below of the Group and Company as at 30 June 2013 have been prepared pursuant to the directive issued by Bursa Malaysia Securities Berhad and have been prepared in accordance with the Guidance on Special Matter No. 1 (GSM1), Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	Group		Company	
	2013	2012	2013	2012
Total retained profits of the Company and its subsidiaries				
- realised	22,470.6	20,899.6	4,014.3	4,269.5
- unrealised	5,597.8	5,656.7	(50.2)	(92.1)
	28,068.4	26,556.3	3,964.1	4,177.4
Total share of retained profits from jointly controlled entities				
- realised	34.5	38.6	-	-
- unrealised	(10.1)	(21.2)	-	-
	24.4	17.4	-	-
Total share of retained profits from associates				
- realised	311.4	261.3	-	-
- unrealised	(3.8)	(17.5)	-	-
	307.6	243.8	-	-
Less: consolidation adjustments	(11,638.3)	(11,762.1)	-	-
Total retained profits	16,762.1	15,055.4	3,964.1	4,177.4

In arriving at the unrealised profits, the following which are deemed in the GSM1 as unrealised, are included:

- a. credits or charges relating to the recognition of deferred tax;
- b. cumulative net gains (but not net losses) from the remeasurement of assets or liabilities at fair value through profit or loss;
- c. provision of liabilities in respect of present obligations where resources are only consumed upon settlement of the obligation; and
- d. translation gains or losses of monetary items denominated in a currency other than the functional currency.

ANALYSIS OF SHAREHOLDINGS

As at 19 September 2013

- Authorised Share Capital : RM4,072,500,000.00 divided into 8,000,000,000 ordinary shares of RM0.50 each, 7,000,000,000 Series A redeemable convertible preference shares of RM0.01 each and 25,000,000 Series B redeemable convertible preference shares of RM0.10 each
- Issued and Paid-up Share Capital : RM3,004,731,915.50 comprising 6,009,463,831 ordinary shares of RM0.50 each
- Class of Shares : Ordinary shares of RM0.50 each
- Voting Rights : One vote per ordinary share in the case of a poll and one vote per person on a show of hand

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Issued Capital
Less than 100	2,070	7.10	66,279	0.00
100 to 1,000	7,596	26.04	5,223,246	0.09
1,001 to 10,000	14,242	48.82	50,382,039	0.84
10,001 to 100,000	4,223	14.48	122,250,756	2.03
100,001 to less than 5% of issued capital	1,037	3.55	2,268,607,145	37.75
5% and above of issued capital	3	0.01	3,562,934,366	59.29
Total	29,171	100.00	6,009,463,831	100.00

Classification of Shareholders	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Issued Capital
Individuals	22,486	77.08	150,291,242	2.50
Banks/Finance Companies	108	0.37	3,509,298,615	58.40
Investment Trusts/Foundations/Charities	19	0.07	3,454,723	0.06
Industrial and Commercial Companies	699	2.40	83,353,029	1.39
Government Agencies/Institutions	9	0.03	105,216,113	1.75
Nominees	5,849	20.05	2,157,751,275	35.90
Others	1	0.00	98,834	0.00
Total	29,171	100.00	6,009,463,831	100.00

Directors' Interests as per the Register of Directors' Shareholdings

Name of Director	No. of Shares Held		% of Issued Capital
	Direct Interest	Deemed Interest	
In the Company Ordinary shares of RM0.50 each			
Ir Dr Muhamad Fuad Abdullah	1,060	Nil	Negligible
Kuala Lumpur Golf & Country Club Berhad Participatory interest	Type of membership		
Dato' Abdul Ghani Othman	Honorary		
Tan Sri Samsudin Osman	Honorary		
Tan Sri Dato' Dr Wan Mohd Zahid Mohd Noordin	Honorary		
Tan Sri Datuk Amar (Dr) Tommy Bugo @ Hamid Bugo	Honorary		
Tan Sri Datuk Dr Yusof Basiran	Honorary		
Tan Sri Dato' Mohd Bakke Salleh	Honorary		
Dato Sri Lim Haw Kuang	Honorary		
Dato' Henry Sackville Barlow	Honorary		
Dato' Azmi Mohd Ali	Honorary		
Ir Dr Muhamad Fuad Abdullah	Honorary		

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

30 LARGEST SHAREHOLDERS AS PER THE RECORD OF DEPOSITORS

	Name of Shareholder	No. of Shares Held	% of Issued Capital
1.	AmanahRaya Trustees Berhad Qualifier: Skim Amanah Saham Bumiputera	2,115,768,004	35.21
2.	Citigroup Nominees (Tempatan) Sdn Bhd Qualifier: Employees Provident Fund Board	789,067,753	13.13
3.	Permodalan Nasional Berhad	658,098,609	10.95
4.	Kumpulan Wang Persaraan (DIPERBADANKAN)	172,301,561	2.87
5.	Cartaban Nominees (Asing) Sdn Bhd Qualifier: SSBT Fund GB01 for Harbor International Fund	125,299,947	2.08
6.	AmanahRaya Trustees Berhad Qualifier: Amanah Saham Wawasan 2020	115,109,786	1.91
7.	AmanahRaya Trustees Berhad Qualifier: Amanah Saham Malaysia	106,843,300	1.78
8.	Lembaga Tabung Haji	99,506,600	1.66
9.	Cartaban Nominees (Asing) Sdn Bhd Qualifier: Exempt AN for State Street Bank & Trust Company (West CLT OD67)	83,901,342	1.40
10.	AmanahRaya Trustees Berhad Qualifier: AS 1Malaysia	65,000,000	1.08
11.	HSBC Nominees (Asing) Sdn Bhd Qualifier: BBH and Co Boston for Vanguard Emerging Markets Stock Index Fund	64,661,913	1.08
12.	Lembaga Kemajuan Tanah Persekutuan (FELDA)	58,949,426	0.98
13.	Cartaban Nominees (Asing) Sdn Bhd Qualifier: GIC Private Limited for Government of Singapore (C)	52,748,884	0.88
14.	Cartaban Nominees (Tempatan) Sdn Bhd Qualifier: Exempt AN for Eastspring Investments Berhad	51,349,535	0.85
15.	AmanahRaya Trustees Berhad Qualifier: Amanah Saham Didik	40,984,094	0.68
16.	Malaysia Nominees (Tempatan) Sendirian Berhad Qualifier: Great Eastern Life Assurance (Malaysia) Berhad (Par 1)	38,434,400	0.64
17.	HSBC Nominees (Asing) Sdn Bhd Qualifier: Exempt AN for JPMorgan Chase Bank, National Association (Norges BK Lend)	33,433,600	0.56
18.	HSBC Nominees (Asing) Sdn Bhd Qualifier: Exempt AN for JPMorgan Chase Bank, National Association (U.A.E.)	31,501,029	0.52
19.	HSBC Nominees (Asing) Sdn Bhd Qualifier: Exempt AN for JPMorgan Chase Bank, National Association (U.S.A.)	30,470,689	0.51
20.	Citigroup Nominees (Tempatan) Sdn Bhd Qualifier: Employees Provident Fund Board (NOMURA)	27,734,702	0.46
21.	Citigroup Nominees (Asing) Sdn Bhd Qualifier: Exempt AN for OCBC Securities Private Limited (Client A/C-NR)	27,024,083	0.45
22.	HSBC Nominees (Asing) Sdn Bhd Qualifier: Exempt AN for the Bank of New York Mellon (Mellon ACCT)	24,337,561	0.40
23.	AmanahRaya Trustees Berhad Qualifier: Public Islamic Dividend Fund	21,387,216	0.36

ANALYSIS OF SHAREHOLDINGS

	Name of Shareholder	No. of Shares Held	% of Issued Capital
24.	Citigroup Nominees (Tempatan) Sdn Bhd Qualifier: Exempt AN for AIA Bhd	20,747,222	0.35
25.	HSBC Nominees (Asing) Sdn Bhd Qualifier: Exempt AN for J.P. Morgan Bank Luxembourg S.A.	19,774,000	0.33
26.	Lembaga Tabung Angkatan Tentera	18,231,400	0.30
27.	Citigroup Nominees (Asing) Sdn Bhd Qualifier: Legal & General Assurance (Pensions Management) Limited (A/C 1125250001)	16,746,596	0.28
28.	AmanahRaya Trustees Berhad Qualifier: Public Islamic Select Enterprises Fund	15,818,000	0.26
29.	HSBC Nominees (Asing) Sdn Bhd Qualifier: TNTC for Saudi Arabian Monetary Agency	15,698,301	0.26
30.	Maybank Nominees (Tempatan) Sdn Bhd Qualifier: Maybank Trustees Berhad for Public Ittikal Fund (N14011970240)	14,350,000	0.24
	Total	4,955,279,553	82.46

Substantial Shareholders as per the Register of Substantial Shareholders

	Name of Substantial Shareholder	No. of Shares Held (Direct Interest)	% of Issued Capital	No. of Shares Held (Indirect/ Deemed Interest)	% of Issued Capital
1.	AmanahRaya Trustees Berhad -Skim Amanah Saham Bumiputera	2,112,268,004	35.15	-	-
2.	Employees Provident Fund Board	785,248,153	13.07	56,638,802	0.94
3.	Permodalan Nasional Berhad	661,098,609	11.00	-	-
4.	Yayasan Pelaburan Bumiputra	-	-	661,098,609 ¹	11.00

¹ Deemed interest by virtue of its interest in Permodalan Nasional Berhad pursuant to Section 6A of the Companies Act, 1965

ADDITIONAL COMPLIANCE INFORMATION

In compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the following information is provided:

UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSALS

The Company had on 11 January 2013 through its wholly owned subsidiary, Sime Darby Global Berhad, established a Multi-Currency Sukuk Programme (Programme) with a programme limit of up to USD1,500,000,000 (or its equivalent in other currencies). The proceeds raised from the issuance of Sukuk under the Programme are utilised to finance the Sime Darby Berhad (SDB or the Company) Group's capital expenditure/investments, working capital requirements and general corporate purposes, and also to refinance debt obligations as appropriate.

On 22 January 2013, Sime Darby Global Berhad successfully priced its first issuance of USD800.0 million Sukuk under the Programme. The Sukuk was issued in two tranches of USD400.0 million each at a 5-year tenure and a 10-year tenure, respectively.

SHARE BUY-BACK

The Company did not propose any share buy-back during the financial year ended 30 June 2013.

OPTIONS OR CONVERTIBLE SECURITIES

There were no options or convertible securities issued by the Company during the financial year ended 30 June 2013.

DEPOSITORY RECEIPT PROGRAMME

The Company did not sponsor any depository receipt programme during the financial year ended 30 June 2013.

MATERIAL SANCTIONS AND/OR PENALTIES

There were no material sanctions and/or penalties imposed on the Company, its subsidiaries, Directors or Management by the relevant regulatory bodies during the financial year ended 30 June 2013.

NON-AUDIT FEES

The amount of non-audit fees incurred for services rendered to the Group and Company by its external auditors, Messrs PricewaterhouseCoopers, and their affiliated companies for the financial year ended 30 June 2013 amounted to RM8.1 million and RM0.03 million respectively.

VARIATION IN RESULTS

There were no profit estimation, forecasts or projections made or released by the Company during the financial year ended 30 June 2013.

PROFIT GUARANTEE

There was no profit guarantee given by the Company during the financial year ended 30 June 2013.

MATERIAL CONTRACTS INVOLVING INTERESTS OF DIRECTORS AND MAJOR SHAREHOLDERS

Save as disclosed below, there were no material contracts entered into by the Company and its subsidiaries involving Directors' and Major Shareholders' interests since the end of the previous financial year:

1. Joint Venture in relation to the Acquisition of the Battersea Power Station Site in London, United Kingdom

On 4 July 2012, Sime Darby Berhad (SDB or the Company), S P Setia Berhad (S P Setia) and Kwasa Global (Jersey) Limited (Kwasa Jersey), a wholly owned company of the Employees Provident Fund Board (EPF), entered into a Subscription and Shareholders' Agreement together with the following parties to regulate their participation in a joint venture on a 40:40:20 basis, in relation to the acquisition of the Battersea Power Station Site in London, United Kingdom (Property), for a consideration of GBP400 million (approximately RM1,972 million) (JV):

- i. Sime Darby Property (Hong Kong) Limited, an indirect wholly owned subsidiary of SDB;
- ii. Setia International Limited, a wholly owned subsidiary of S P Setia;
- iii. Kwasa Global Development Limited, a wholly owned company of Kwasa Jersey; and
- iv. Battersea Project Holding Company Limited (JVCo).

JVCo was incorporated in Jersey on 22 June 2012 as the joint venture vehicle for the purpose of investing in Battersea Project Land Company Limited, a company incorporated in Jersey to acquire the Property (Project), and any of the subsidiaries or entities established by the JVCo to implement the Project.

The Company's portion of the subscription and any other future capital contribution to the JVCo will be funded via internally generated funds of the Company and its subsidiaries and/or external borrowings.

Save as disclosed below, none of the Directors, Major Shareholders of the Company and/or persons connected to them has any interest, direct or indirect, in the JV:

Permodalan Nasional Berhad (PNB) is a Major Shareholder of the Company with 10.2% of direct shareholding as at 25 June 2012. In addition, PNB is also a Major Shareholder of S P Setia. Accordingly, PNB is deemed interested in the JV.

Yayasan Pelaburan Bumiputra (YPB) is a Major Shareholder of the Company with 10.2% of indirect shareholding through PNB as at 25 June 2012. In addition, YPB is also a Major Shareholder of S P Setia through its indirect shareholding. Accordingly, YPB is deemed interested in the JV.

ADDITIONAL COMPLIANCE INFORMATION

AmanahRaya Trustees Berhad – Skim Amanah Saham Bumiputera (AmanahRaya) is a Major Shareholder of the Company with 37.3% of direct shareholding as at 25 June 2012. In addition, AmanahRaya is also a Major Shareholder of S P Setia. Accordingly, AmanahRaya is deemed interested in the JV.

EPF is a Major Shareholder of the Company with 10.7% of direct shareholding and 1.3% of indirect shareholding as at 25 June 2012. In addition, EPF is also a party to the JV and is a substantial shareholder of S P Setia as at 25 June 2012. Accordingly, EPF is interested in the JV.

Tan Sri Dato' Sri Hamad Kama Piah Che Othman is a Non-Independent Non-Executive Director and Deputy Chairman of the Company, and Chairman and Non-Independent Non-Executive Director of Sime Darby Property Berhad. He is a representative of PNB on the Board of the Company. He is also the President & Group Chief Executive and a Director of PNB.

Tan Sri Dato' Dr Wan Mohd Zahid Mohd Noordin is a Non-Independent Non-Executive Director of the Company and S P Setia, and a representative of PNB on the Board of the Company. He resigned as a Director of PNB on 9 April 2012.

Tan Sri Datuk Dr Yusof Basiran is a Non-Independent Non-Executive Director of the Company and a representative of PNB on the Board of the Company.

Dato' Azmi Mohd Ali is a Non-Independent Non-Executive Director of the Company and a representative of PNB on the Board of the Company.

Datuk Zaiton Mohd Hassan is a Non-Independent Non-Executive Director of the Company and a representative of PNB on the Board of the Company.

Tan Sri Samsudin Osman is a Non-Independent Non-Executive Director of the Company and a representative of EPF on the Board of the Company. He is also the Chairman and a Director of EPF.

2. Sale of Fifteen (15) Units of Centre Piazza Double Storey Kiosk with Center Stage and Water Features Pool (Kiosks) and a Retail Mall consisting of Sixty One (61) Units of Retail Shops over Two (2) Levels (Oasis Retail Mall)

On 14 September 2012, Sime Darby Ara Damansara Development Sdn Bhd (SDAD), an indirect wholly owned subsidiary of Sime Darby Berhad (SDB), and Sime Darby Brunsfield Holding Sdn Bhd (SDBH), an indirect subsidiary of SDB, entered into seventeen (17) separate Sale and Purchase Agreements (SPA) with Brunsfield Oasis Square Sdn Bhd (BOSSB) for the sale of the Kiosks and the Oasis Retail Mall by SDBH to BOSSB, at a total cash consideration of RM82,535,297.00 (Sale).

SDBH is principally involved in property development activities and the transactions comprised in the SPAs were in the ordinary course of business of SDBH. The proceeds from the sale will be used for the working capital requirements of SDBH.

Save as disclosed below, none of the Directors and/or Major Shareholders of SDB or SDBH or SDAD and/or persons connected to them has any interest, direct or indirect, in the Sale:

- i. Dato' Dr Ir Gan Thian Leong, a Director of SDBH, is also a Major Shareholder of SDBH and BOSSB;
- ii. Encik Mohamad Hassan Zakaria is a Director and a Major Shareholder of SDBH and BOSSB; and
- iii. Encik Gan Tien Chie, a Director of BOSSB, is the brother of Dato' Dr Ir Gan Thian Leong.

3. Awarding of Tender for the Construction of a Ten (10)-Storey Commercial Building on Lot PT 4955, Taman Melawati, Seksyen 1, Mukim Setapak, Daerah Gombak, Selangor Darul Ehsan

Sime Darby Property Berhad (SDPB), a wholly owned subsidiary of Sime Darby Berhad (SDB), had on 15 May 2013 awarded a contract to Zecon Berhad to construct a ten (10)-storey commercial building on Lot PT 4955, Taman Melawati, Seksyen 1, Mukim Setapak, Daerah Gombak, Selangor Darul Ehsan, at a total contract sum of RM82,970,279.31.

Based on the recommendation of the Quantity Surveyor Consultant and the members of the Property Divisional Tender Committee 2 of SDPB, the contract was awarded to the lowest tenderer, Zecon Berhad, at a total contract sum of RM82,970,279.31 with a completion period of 28 months.

Save as disclosed below, none of the Directors and/or Major Shareholders of SDB or SDPB and/or persons connected to them have any interest, direct or indirect, in the tender:

Tan Sri Datuk Amar (Dr) Tommy Bugo @ Hamid Bugo, a Director of SDB and SDPB, is also a Director and a shareholder of Zecon Berhad through his direct equity interest of 3.79% in Zecon Berhad as at 15 May 2013.

4. Sale of One (1) Block of Twelve (12)-Storey Commercial Office Building known as Block H, Oasis Square

Sime Darby Ara Damansara Development Sdn Bhd (SDAD) and Sime Darby Brunsfield Holding Sdn Bhd (SDBH), the indirect subsidiaries of Sime Darby Berhad (SDB), had on 15 May 2013 entered into a Sale and Purchase Agreement (SPA) with Brunsfield Oasis Tower Sdn Bhd (BOTSB) for the sale of one Block of twelve (12)-storey commercial office building known as Block H, Oasis Square by SDBH to BOTSB, at a total cash consideration of RM124,500,000.00 (Sale).

SDBH is principally involved in property development activities and the transaction comprised in the SPA was in the ordinary course of business of SDBH. The proceeds from the Sale will be used for the working capital requirements of SDBH.

Save as disclosed below, none of the Directors and/or Major Shareholders of SDB or SDBH or SDAD and/or persons connected to them have any interest, direct or indirect, in the Sale:

Encik Mohamad Hassan Zakaria is a Director and a Major Shareholder of SDBH and BOTSB.

CONTRACTS RELATING TO LOANS

There were no contracts relating to loans by the Company involving Directors' and Major Shareholders' interests during the financial year ended 30 June 2013.

RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

At the Sixth Annual General Meeting (AGM) held on 8 November 2012, Sime Darby Berhad (SDB or the Company) had obtained a general mandate from its shareholders for recurrent related party transactions of a revenue or trading nature, to be entered into by the Company and/or its subsidiaries (RRPT Mandate).

The RRPT Mandate is valid until the conclusion of the forthcoming Seventh AGM of the Company to be held on 21 November 2013.

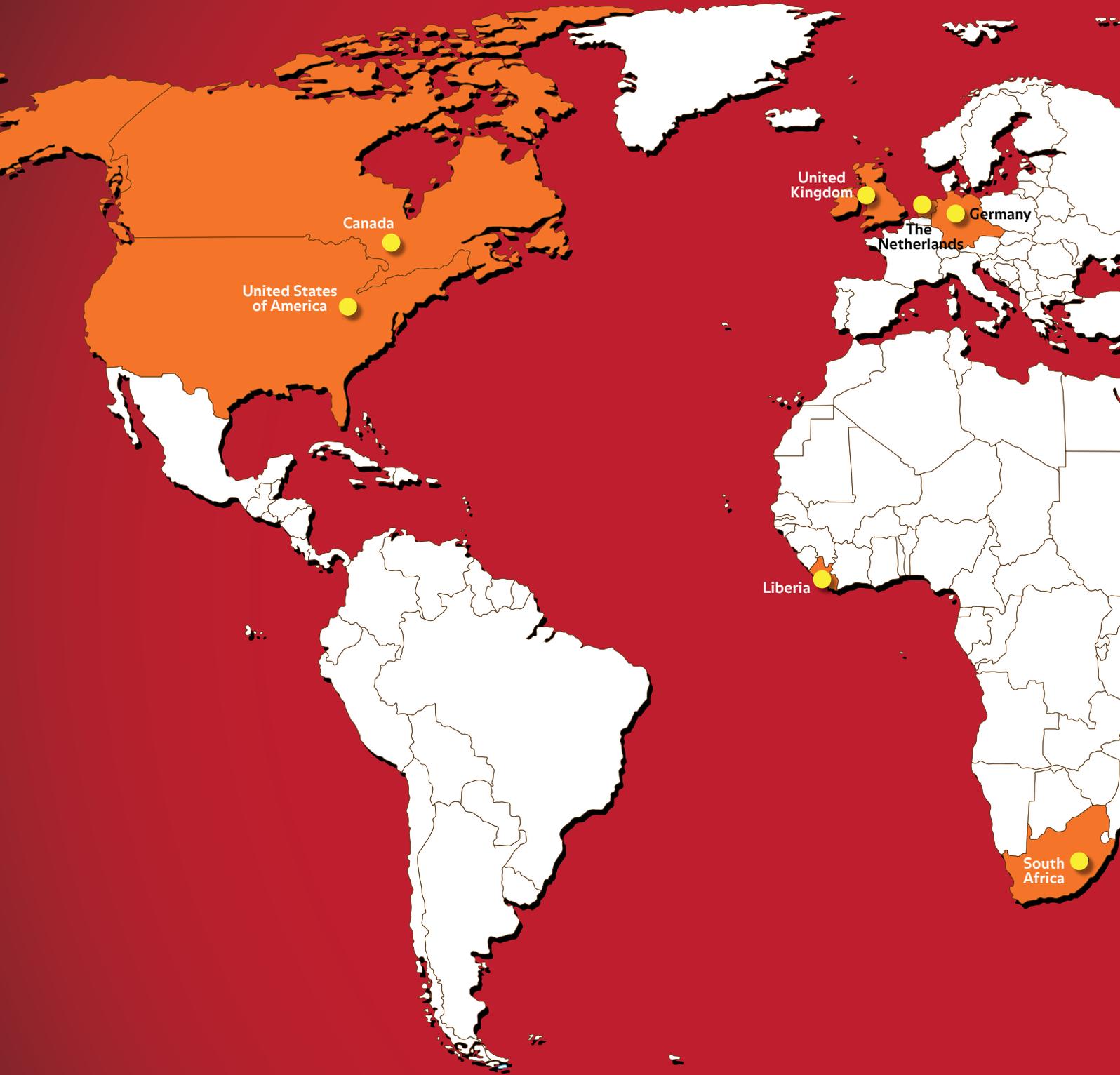
The Company proposes to seek a renewal of the existing RRPT Mandate and a new RRPT Mandate at its forthcoming Seventh AGM. The renewal of the existing RRPT Mandate and the new RRPT Mandate, if approved by the shareholders, will be valid until the conclusion of the Company's next AGM. Details of the RRPT Mandate being sought is provided in the Circular to Shareholders dated 30 October 2013 sent together with the Annual Report.

Pursuant to paragraph 10.09(2)(b) and paragraph 3.1.5 of Practice Note 12 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, details of the recurrent related party transactions of a revenue or trading nature entered into during the financial year ended 30 June 2013 by the subsidiaries of SDB are as follows:

Company	Transacting Party	Nature of Transaction	Related Party	Value of Transaction RM'million
Sime Darby Plantation Sdn Bhd and its subsidiary, namely PT Minamas Gemilang (Sime Darby Plantation and Group)	Chemical Company of Malaysia Berhad and its following subsidiaries: <ul style="list-style-type: none"> • CCM Agri-Max Sdn Bhd • CCM Fertilizers Sdn Bhd • CCM Chemicals Sdn Bhd • PT CCM Agripharma (CCM and Group)	Purchase of chemicals and fertilisers by Sime Darby Plantation and Group from CCM and Group	<u>Interested Directors</u> Tan Sri Dato' Sri Hamad Kama Piah Che Othman ¹ Dato' Azmi Mohd Ali ¹ <u>Interested Major Shareholder</u> Permodalan Nasional Berhad ²	138.1
Subsidiaries of Sime Darby Brunfield Holding Sdn Bhd (SDBH), namely Sime Darby Brunfield Damansara Sdn Bhd and Sime Darby Brunfield Resort Sdn Bhd	Brunfield Engineering Sdn Bhd	Building Contract for the design and build as well as certain service provider components of SDBH's property development projects	<u>Interested Directors and Major Shareholders</u> Dato' Dr Ir Gan Thian Leong ³ Encik Mohamad Hassan Zakaria ⁴	144.3
TOTAL				282.4

Notes:

- ¹ Tan Sri Dato' Sri Hamad Kama Piah Che Othman and Dato' Azmi Mohd Ali are Directors of Chemical Company of Malaysia Berhad (CCM) and SDB.
- ² Permodalan Nasional Berhad, a Major Shareholder of SDB, is also a Major Shareholder of CCM by holding 71.35% direct interest in CCM as at 30 June 2013.
- ³ Dato' Dr Ir Gan Thian Leong is a Director and deemed Major Shareholder of Sime Darby Brunfield Holding Sdn Bhd (SDBH), holding an effective interest of 19.2% in SDBH by virtue of his effective interest of 48% shareholding in Brunfield Metropolitan Sdn Bhd (BMSB), a Major Shareholder of SDBH pursuant to Section 6A of the Companies Act, 1965. He also holds an effective interest of 43.2% in Brunfield Engineering Sdn Bhd (BESB).
- ⁴ Encik Mohamad Hassan Zakaria is a Director and deemed Major Shareholder of SDBH, holding an effective interest of 20.8% in SDBH by virtue of his effective interest of 52% shareholding in BMSB, a Major Shareholder of SDBH pursuant to Section 6A of the Companies Act, 1965. He also holds an effective interest of 41.6% in BESB.





Global Business Presence

● Countries with Sime Darby operations

PROPERTIES OF THE GROUP

Location	Tenure	Land area (Hectares)	Year of Acquisition	Age of building (Years)*	Description	Net book value (RM million)
PLANTATION PROPERTIES UPSTREAM						
Malaysia						
<u>Kedah Darul Aman</u>						
Anak Kulim, Bukit Hijau, Bukit Selarong, Jentayu, Padang Buluh, Somme, Sungai Dingin	Freehold	18,908	1978-2006	9	Oil palm estates, seeds centre facility and a palm oil mill	340.2
<u>Perak Darul Ridzuan</u>						
Bagan Datoh, Bagan Serai, Bikam, Chersonese, Cluny, Elphil, Flemington, Holyrood, Kalumpong, Kamuning, Kinta Kellas, Sabrang, Selaba, Seri Intan, Sogomana, Sungei Samak, Sungei Wangi, Tali Ayer	Freehold	37,615	1978-2001	5-17	Oil palm estates, 5 palm oil mills, a research centre and a pink guava farm	759.0
Chersonese, Cluny, Kalumpong, Kamuning, Kinta Kellas, Sogomana, Sungai Samak, Sungei Wangi, Tali Ayer	Leasehold expiring 2013 -2897	5,223	1978-1990	-	Oil palm estates	33.5
<u>Pahang Darul Makmur</u>						
Bukit Puteri, Chenor, Jabor, Kerdau, Mentakab, Sungai Mai	Freehold	9,338	1985-1990	1-18	Oil palm estates and a palm oil mill	96.7
Bukit Puteri, Chenor, Jentar, Kerdau, Sungai Mai	Leasehold expiring 2016 -2086	10,621	1985-1990	1-19	Oil palm estates and 2 palm oil mills	191.2
<u>Selangor Darul Ehsan</u>						
Banting, Bukit Cheraka, Bukit Kerayong, Bukit Lagong, Bukit Rajah, Bukit Rotan, Bukit Talang, Dusun Durian, East Carey Island, Elmina, Sabak Bernam, Sepang, Sungai Buloh, Tennamaram, West Carey Island	Freehold	37,978	1978-2005	1-21	Oil palm estates, 6 palm oil mills, rat bait factory, laboratories, research centres, warehouse and a training centre	764.4
East Carey Island, Port Klang, Sungai Buloh, Tennamaram	Leasehold expiring 2013-2109	294	1978-1990	1-38	Oil palm estates and a bulking plant	30.5

Location	Tenure	Land area (Hectares)	Year of Acquisition	Age of building (Years)*	Description	Net book value (RM million)
PLANTATION PROPERTIES (continued)						
UPSTREAM (continued)						
Malaysia (continued)						
<u>Negeri Sembilan Darul Khusus</u>						
Ampar Tenang, Bradwall, Bukit Pelandok, Bukit Pilah, Kok Foh, Labu, Muar River, New Labu, P.D. Lukut, Pertang, Rantau, Salak, Sengkang, Siliu, Sungai Gemas, Sungai Sabaling, St Helier, Sua Betong, Sungai Baru, Sungai Senarut, Tampin Linggi, Tanah Merah	Freehold	40,991	1978-1991	2-21	Oil palm estates, rubber estates, 4 palm oil mills and a research laboratory	590.3
Kok Foh, Muar River, Sungai Baru, Sungai Senarut	Leasehold expiring 2027- 2908	3,203	1982-1993	-	Oil palm estates	43.3
<u>Melaka</u>						
Bukit Asahan, Diamond Jubilee, Kempas, Kemuning, Pagoh, Serkam	Freehold	17,333	1978-1992	7-18	Oil palm estates, rubber estates and 2 palm oil mills	216.6
Bukit Asahan, Diamond Jubilee, Kempas, Kemuning, Serkam,	Leasehold expiring 2025-2071	470	1982-1992	-	Oil palm estates	8.5
<u>Johor Darul Takzim</u>						
Batu Anam, Bukit Badak, Bukit Benut, Bukit Paloh, Cenas, CEP Nyior, CEP Renggam, Cha'ah, Gunung Mas, Hadapan, Kempas Klebang, Kulai, Lambak, Lanadron, Layang, New Pagoh, Nordanal, North Labis, Pekan, Pengkalan Bukit, Sembrong, Seri Pulai, Sungai Simpang Kiri, Tangkah, Tun Dr. Ismail, Ulu Remis, Welch, Yong Peng	Freehold	50,885	1978-2008	1-20	Oil palm estates, rubber estates, 8 palm oil mills, research centre and 2 rubber factories	962.0
Cenas, CEP Nyior, Cha'ah, Lanadron, Layang, Pekan, Sembrong, Sungai Simpang Kiri, Ulu Remis	Leasehold expiring 2013-2918	15,566	1978-1991	-	Oil palm estates and rubber estates	160.7

PROPERTIES OF THE GROUP

Location	Tenure	Land area (Hectares)	Year of Acquisition	Age of building (Years)*	Description	Net book value (RM million)
PLANTATION PROPERTIES (continued)						
UPSTREAM (continued)						
Malaysia (continued)						
Sabah						
Binuang, Giram, Imam, Jeleta Bumi, Kunak, Melalap, Merotai, Mostyn, Sandakan Bay, Sapong, Segaliud, Sentosa, Sungang, Table, Tiger, Tigowis, Tingkayu, Tun Tan Siew Sin, Tunku	Leasehold expiring 2038-2940	53,839	1978-1990	0-28	Oil palm estates, 6 palm oil mills, a bulking plant and research centre	878.4
Sarawak						
Bayu, Belian, Chartquest, Damai, Derawan, Dulang, Kelida, Lavang, Paroh, Pekaka, Rajawali, Rasan, Ruai, Saha, Samudera, Semarak, Takau	Leasehold expiring 2025-2060	47,331	1990-2005	1-19	Oil palm estates and 4 palm oil mills	816.3
Plantation Properties - Upstream Malaysia		349,595				5,891.6
Indonesia						
Kalimantan - West						
Awatan, Beturus, East, Kelampai, Lembiru, Pelanjau, Mas 1 - 4, Sei Mawang, Sungai Putih, West	Leasehold expiring 2030-2035	59,721	1996-2013	1-16	Oil palm estates, 3 palm oil mills and a bulking plant	225.4
Kalimantan - Central						
Baras Danum, Batang Garing, Hatan Tiring, Kawan Batu, Kuala Kuayan, Pemantang, Sapiri, Sekunyir, Seruyan, Sukamandang	Leasehold expiring 2033-2034	39,117	2001-2008	1-15	Oil palm estates, 3 palm oil mills and a bulking plant	333.7
Kalimantan - South						
Angsana, Bakau, Bebunga, Betung, Binturung, Gunung Aru, Gunung Kemas, Gunung Sari, Lanting, Laut Timur, Matalok, Mustika, Pantai Bonati, Pantai Timur, Pondok Labu, Rampa, Randi, Rantau, Sangkoh, Sekayu, Selabak, Sesulung, Sungai Cengal	Leasehold expiring 2022-2039	86,921	2001-2012	1-17	Oil palm estates, 8 palm oil mills, 2 bulking plants and a refinery	877.4
Sulawesi - Central						
Ungkaya	Leasehold expiring 2024	8,303	2001-2011	1-19	Oil palm estate, a palm oil mill and a bulking plant	42.0

Location	Tenure	Land area (Hectares)	Year of Acquisition	Age of building (Years)*	Description	Net book value (RM million)
PLANTATION PROPERTIES (continued)						
UPSTREAM (continued)						
Indonesia (continued)						
Sumatera - Jambi						
Panjang	Leasehold expiring 2038	4,000	2001-2005	8	Oil palm estate and a palm oil mill	32.9
Sumatera - South						
Bumi Ayu, Bukit Pinang, Karang Ringin, Mangun Jaya, Napal, Rantau Panjang, Sungai Jernih, Sungai Pinang	Leasehold expiring 2033-2034	23,182	1995-2013	1-14	Oil palm estates and 2 palm oil mills	212.5
Bangka Belitung	Leasehold expiring 2035	10,000	2012	-	Rubber land	18.9
Sumatera - East Aceh						
Batang Ara, Blang Simpo 1 & 2, Tamiang	Leasehold expiring 2022-2037	8,813	2001-2008	3-31	Oil palm estates and 2 palm oil mills	65.3
Sumatera - Riau						
Alur Damai, Aneka Persada, Mandah, Menggala 1 - 3, Nusa Lestari, Nusa Persada, Pinang Sebatang, Rotan Semelur, Teluk Bakau, Teluk Siak	Leasehold expiring 2031-2036	54,888	2001	1-17	Oil palm estates, 5 palm oil mills and a research centre	473.6
Plantation Properties - Upstream Indonesia		294,945				2,281.7
Liberia						
Bomi, Bong 1 & 2, Grand Cape Mount, Gbarpolu, Lofa	Leasehold expiring 2072	220,000	2010-2013	-	Rubber and oil palm estates	158.9
Plantation Properties - Upstream		864,540				8,332.2
DOWNSTREAM AND OTHERS						
Malaysia						
Selangor Darul Ehsan						
North Port Edible Oil Refinery Complex, Teluk Panglima Garang	Leasehold expiring 2100-2106	12	2005-2008	5	Refinery and biodiesel plant	118.4
Negeri Sembilan Darul Khusus						
Senawang New Industrial Park, Seremban	Freehold	*	2011	19	Food processing centre	0.7

* Less than one hectare

PROPERTIES OF THE GROUP

Location	Tenure	Land area (Hectares)	Year of Acquisition	Age of building (Years)*	Description	Net book value (RM million)
DOWNSTREAM AND OTHERS (continued)						
Malaysia (continued)						
Johor Darul Takzim						
Pasir Gudang	Leasehold expiring 2035-2043	6	1974-1980	38	Refinery	9.5
Sarawak						
Kawasan Perindustrian Kidurong, Bintulu	Leasehold expiring 2072	14	2002	1-7	Refinery	30.1
Plantation Properties - Downstream and Others Malaysia		32				158.7
Overseas						
Singapore						
Boon Lay Road	Leasehold expiring 2014-2029	3	1970	42	Refinery and office building	6.3
Thailand						
Sukhumvit Road, Bangkok	Freehold	3	1991-2011	7-25	Refinery and office building	47.0
Vietnam						
Ho Chi Minh City	Freehold	3	1992	20	Refinery	2.0
China						
Rizhao Province	Leasehold expiring 2059	13	2011	2	Bulking facilities	60.5
Netherlands						
Lindtsedijk, Zwijndrecht	Freehold	6	2002	1-83	Refinery, biodiesel plant and a research centre	162.3
South Africa						
Boksburg	Leasehold expiring 2015	2	2004	3	Refinery	0.2
Plantation Properties - Downstream and Others Overseas		30				278.3
Plantation Properties - Downstream and Others		62				437.0

* Less than one hectare

Location	Tenure	Land area (Hectares)	Year of Acquisition	Age of building (Years) ⁺	Description	Net book value (RM million)
GENERAL						
Malaysia						
Selangor Darul Ehsan						
Plantation Tower, Oasis, Ara Damansara	Freehold	2	2012	1	Office complex	220.3
Telok Panglima Garang	Freehold	1	2009	-	Industrial land	3.4
Indonesia						
The Plaza Office Tower Lt 36, Jakarta	Leasehold expiring 2033	-	2004-2008	1-8	3-floors of a 45-storey office building	4.8
Plantation Properties - General		3				228.5
Total Plantation Properties		864,605				8,997.7

+ The age of building is in respect of the office building, mills, and bulking plant

PROPERTIES OF THE GROUP

Location	Tenure	Remaining land area (Hectares)	Year of Acquisition	Description	Net book value (RM million)
DEVELOPMENT PROPERTIES					
Malaysia					
<u>Kedah Darul Aman</u>					
Jerai, Bukit Selarong, Taman Sg. Dingin	Freehold	439	2007	Land held for property development	36.6
<u>Selangor Darul Ehsan</u>					
Bandar Bukit Raja, Kapar, Klang	Freehold	1,142	2008	Township development	51.1
Bukit Lagong and Lagong Mas, Rawang	Freehold	629	2009	Land held for property development	37.2
Bukit Subang 1, Shah Alam	Freehold	1	2008	Residential development	2.6
Elmina Estate, Sungai Buloh	Freehold	635	2007	Land held for property development	37.2
Glengowrie, Jalan Acob, New Lunderston and Semenyih	Freehold	661	2008	Land held for property development	18.4
Melawati Development, Hulu Kelang	Freehold	76	1978	Township development	39.0
Sungai Kapar Indah, Klang	Freehold	3	1990	Commercial land	2.5
Subang Jaya City Centre, Subang Jaya	Freehold	8	1995-2011	Mixed development	70.2
Taman Subang Ria	Leasehold expiring 2087	29	2007	Development land	3.4
<u>Kuala Lumpur</u>					
KLGCC, Bukit Kiara	Leasehold expiring 2111	22	2010	Land held for property development	425.5
<u>Negeri Sembilan Darul Khusus</u>					
Hamilton, New Labu, and Sungai Sekah, Nilai	Freehold	224	2008	Property development	21.5
Labu, Rasah, Sua Betong, Taman Sengkang	Freehold	395	1995-2012	Land held for property development	28.8
Rasah, Seremban	Leasehold expiring 2065	3	1995	Land held for property development	0.3
Nilai Impian / Utama, Nilai	Freehold	390	1992-1996	Enterprise Park	37.3
<u>Johor Darul Takzim</u>					
Taman Pasir Putih, Pasir Gudang	Freehold	8	2008	Property development	1.6
Lanadron Estate, Muar	Leasehold expiring 2111	1,212	1994	Land held for property development	36.2
<u>Sabah</u>					
Imam and Mostyn Estate, Tawau	Leasehold expiring 2050-2058	16	2006	Land held for property development	0.3
Development Properties - Malaysia		5,893			849.7
Overseas					
<u>United Kingdom</u>					
Bognor Regis	Freehold	18	1994	Land held for property development	0.6
Total Development Properties		5,911			850.3

Location	Tenure	Land area (Hectares)	Year of Acquisition	Age of building (Years)	Description	Net book value (RM million)
INVESTMENT AND HOSPITALITY PROPERTIES						
Malaysia						
<u>Kedah Darul Aman</u>						
Harvard Golf & Country Club and Hotel, Bedong	Freehold	1,559	2008-2012	15-17	Golf course, club house and hotel	26.6
<u>Pulau Pinang</u>						
Penang House	Freehold	*	2007	92	Holiday bungalow	2.0
<u>Pahang Darul Makmur</u>						
Genting View Resort, Genting Highlands	Freehold	22	1999-2007	18-22	Hotel resort and apartments	18.9
Frasers' Hill Bungalow, Raub	Leasehold expiring 2026-2082	2	2007	27-84	Holiday bungalow	0.8
Golden Hope Villa, Cameron Highlands	Leasehold expiring 2075	*	2007	26	Holiday bungalow	0.3
<u>Selangor Darul Ehsan</u>						
Block F and G Oasis, Ara Damansara, Petaling Jaya	Freehold	*	2012	2	10-floor office building and 2-storey carpark	243.9
Bayuemas Oval and Akademi Tunku Jaafar, Kota Bayuemas	Freehold	18	2007	6-9	Cricket club and lawn bowl stadium	31.2
Impian Golf & Country Club, Kajang	Freehold	60	2007-2009	18	18-hole golf course and resort	57.4
Kompleks Sime Darby, Jalan Kewajipan	Freehold	10	1992	21	4 1/2-storey office building	16.1
Sime Darby Pavillion, Shah Alam	Freehold	*	2007	6	3-storey office building	14.4
Jalan Astaka, Shah Alam	Freehold	*	2005	8	6 units shoplots	3.8
Subang Avenue, Subang Jaya	Freehold	-	2009	3	Shopping complex	87.6
Tropika Paradise, Subang Jaya	Freehold	-	2012	13	Apartments	0.9
Wisma Zuellig, Jalan Bersatu, Petaling Jaya	Leasehold expiring 2059	1	2000	20	Office building	15.9
Wisma LJT, Pusat Bandar Melawati	Freehold	-	1993-2007	6-16	7-floor office building and 2-storey carpark	7.3

* Less than one hectare

PROPERTIES OF THE GROUP

Location	Tenure	Land area (Hectares)	Year of Acquisition	Age of building (Years)	Description	Net book value (RM million)
INVESTMENT AND HOSPITALITY PROPERTIES (continued)						
Malaysia (continued)						
<u>Kuala Lumpur</u>						
Kuala Lumpur Golf & Country Club, Bukit Kiara	Leasehold expiring 2111	114	2010	3-20	Two 18-hole golf courses and clubhouse	287.3
Mahsuri and Puteri Apartment, Setiawangsa	Freehold	3	2008	27	Apartments	0.1
Sime Darby Convention Centre, Bukit Kiara	Leasehold expiring 2090	4	2006	8	Convention centre	151.5
Wisma Guthrie, Jalan Gelenggang, Damansara Heights	Freehold	*	2007	27	4-storey office building	9.1
<u>Negeri Sembilan Darul Khusus</u>						
KLIA Staff Quarters and Commercial Complex, Port Dickson	Freehold	3	2008	14	Club house, commercial complex, holiday bungalows and commercial land	2.6
Sri Bayu, Sri Fajar, Sri Menyising, Sinaran Selat, Port Dickson	Freehold	2	2007	19-55	Holiday bungalows	1.5
Sri Fajar and Sinaran Selat, Port Dickson	Leasehold expiring 2072	*	2007	19-55	Holiday bungalows	0.6
<u>Melaka</u>						
Hotel Equatorial, Bandar Hilir	Leasehold expiring 2072-2075	*	1998	15	5-star 22-storey international business hotel	85.3
Investment and Hospitality Properties – Malaysia		1,798				1,065.1
Overseas						
<u>Singapore</u>						
Sime Darby Centre, Dunearn Road	Freehold	1	1984	28	5-storey commercial building	122.0
Darby Park Executive Suites, Orange Grove Road	Leasehold expiring 2092	*	1992-1993	20	75-units luxury apartments	67.2
Orion, Orange Grove Road	Freehold	–	2008	5	2 apartments	9.8
Sime Darby Business Centre, Alexandra Road	Leasehold expiring 2055	*	1991	20	5-storey light industrial building	55.5

* Less than one hectare

Location	Tenure	Land area (Hectares)	Year of Acquisition	Age of building (Years)	Description	Net book value (RM million)
INVESTMENT AND HOSPITALITY PROPERTIES (continued)						
Overseas (continued)						
Singapore (continued)						
Sime Darby Centre, Dunearn Road	Leasehold expiring 2878	*	1984	-	Commercial land	11.9
Sime Darby Enterprise Centre, Jalan Kilang	Leasehold expiring 2061	*	2002	7	8-storey light industrial building	19.4
Vietnam						
Rangdong Orange Court, Le Quy Don, Vung Tau	Leasehold expiring 2030	*	1995	16	69 units luxury serviced apartments	8.2
United Kingdom						
Dundee Street, Edinburgh	Freehold	-	2010	18	Office building	49.1
Widdowson Building, Bognor Regis	Freehold	1	1994	32	Land and industrial building	0.1
St Johns Wood Court, Wynnstay Gardens	Leasehold expiring 2109-2966	-	1996-2009	94-105	2 units residential apartments	3.6
Australia						
Darby Park Serviced Residences, Margeret River, Western Australia	Freehold	1	2003	9	8 units serviced apartment	3.5
Darby Park Serviced Residences Subiaco, Western Australia	Freehold	*	2001	19	Serviced apartment	1.6
Edgewater Place, Serenity Shores, Queensland	Freehold	*	2009	3	Residential properties	14.1
Karri Valley Resort, Vasse Highway, Pemberton, Western Australia	Freehold	116	2000	26	Chalet and lakeside residential units	10.2
Investment and Hospitality Properties - Overseas		119				376.2
Total Investment and Hospitality Properties		1,917				1,441.3

* Less than one hectare

PROPERTIES OF THE GROUP

Location	Tenure	Land area (Hectares)	Year of Acquisition	Age of building (Years)	Description	Net book value (RM million)
INDUSTRIAL PROPERTIES						
Malaysia						
<u>Perak Darul Ridzuan</u>						
Jalan Lahat, Bukit Merah, Ipoh	Leasehold expiring 2036-2056	3	1982-1996	33	2-storey office building, factory, workshop and warehouse	0.5
<u>Pulau Pinang</u>						
Reef Apartment, Batu Ferringhi	Freehold	-	1989	24	2 apartments	0.1
<u>Pahang Darul Makmur</u>						
Semambu Industrial Estate, Kuantan	Leasehold expiring 2041	3	1982	33	2 blocks of single-storey office building with detached factory, workshop and warehouse	0.4
<u>Selangor Darul Ehsan</u>						
Kompleks Kejuruteraan, Jalan Puchong, Taman Perindustrian Puchong Utama, Puchong	Freehold	14	1993	15	5-storey commercial office, training centre, workshop and warehouse	67.7
<u>Johor Darul Takzim</u>						
Senai Kulai, Johor Bahru	Freehold	1	2003	-	Vacant land	2.0
Jalan Gangsa, Pasir Gudang Industrial Estate	Leasehold expiring 2038	4	1982	33	2-storey office building, factory and building storage	0.5
<u>Sabah</u>						
Marina Court, Kota Kinabalu	Freehold	-	2006	7	Apartment	0.3
Jalan Apas, Tawau, Jalan Labuk, Sandakan, Tuaran Road, Kota Kinabalu	Leasehold expiring 2025-2925	4	1982	33	2-storey office building, training centres, workshop and warehouse	1.7
<u>Sarawak</u>						
Jalan Piasau, Miri, Kidurong Light Industrial Estate, Bintulu, Lorong Then Kung Suk, Sibu	Leasehold expiring 2028-2060	4	1982-1986	13-33	Office buildings detached with factory, workshop and warehouse	6.6
Industrial Properties – Malaysia		33				79.8

Location	Tenure	Land area (Hectares)	Year of Acquisition	Age of building (Years)	Description	Net book value (RM million)
INDUSTRIAL PROPERTIES (continued)						
Overseas						
Singapore						
Benoit Sector	Leasehold expiring 2032	7	2004	42	3-storey office building, warehouse and workshop	16.2
Brunei						
Beribi Industrial Estate, Bandar Seri Begawan	Leasehold expiring 2019	–	2003	10	Office, service centre and warehouse	0.1
China						
Nanchang Town, Jiang Xi, China	Leasehold expiring 2059	1	2008-2009	3	3-storey office building, warehouse and workshop	7.1
Shunde, Foshan, Guangdong	Leasehold expiring 2045	2	1996-2011	3-16	2 blocks of 4-storey and 2-storey office buildings, warehouse and workshop	12.8
Urumqi, Xinjiang	Leasehold expiring 2052-2061	4	2010-2012	1	Office building, warehouse and workshop	16.5
Ji Mei District, Xiamen, Fujian	Leasehold expiring 2062	1	2012	–	Industrial land	2.0
Changsha Economic Technological Development Area, Changsha	Leasehold expiring 2063	2	2013	–	Industrial land	7.4
Hong Kong						
Yuen Long Industrial Estate	Leasehold expiring 2047	2	1993-1995	19	2-storey office building, warehouse and workshop	9.3
Australia						
Alice Springs and Darwin Facility, Northern Territory	Freehold	6	1992-2003	9-46	Single-storey office buildings, warehouse and workshops	12.5
Archer Drive, Alstonia Drive, Buckland Street, Emerald Facility, Queensland	Freehold	13	1992-1996	16-39	Single-storey commercial offices and staff hostels	8.7
Archerfield Facility, Kerry Road, Archerfield, Queensland	Freehold	17	1992-2012	67	Single-storey commercial office, warehouse and workshops	147.3

PROPERTIES OF THE GROUP

Location	Tenure	Land area (Hectares)	Year of Acquisition	Age of building (Years)	Description	Net book value (RM million)
INDUSTRIAL PROPERTIES (continued)						
Overseas (continued)						
Australia (continued)						
Bellrick Street, Acacia Ridge	Freehold	1	2009	4	2-storey commercial office, training facilities and workshop	24.8
Cairns Facility, Corner Kenny St & Fearnley St, Comport St, Portsmith, Cairns, Queensland	Freehold/ Perpetual lease	1	1992-2008	33	Single-storey commercial office, workshop and warehouse	16.7
Fairfield Road, Queensland	Leasehold expiring 2014	2	2011	27-32	8-storey commercial office and warehouse	2.0
Gladstone Facility, Gladstone, Gove Facility, Traeger Close, Gove, Northern Territory	Leasehold expiring 2014	6	2006	7	Single-storey commercial offices, workshop and warehouse	0.5
Hundred of Bagot, Darwin, Northern Territory	Leasehold expiring 2014	2	2011	-	Vacant land	9.8
Kimberley Street, Richlands, Brisbane	Freehold	1	2010	3	2 blocks of 2-storey and single-storey office buildings, warehouse and workshop	17.8
Mackay Facility, Commercial Avenue, Mackay, Queensland	Freehold	2	1995-2011	3-16	2-storey commercial office, training facilities, workshop and warehouse	60.4
Mackay Facility, Farrellys Lane, Queensland	Freehold	8	2007-2008	5	2-storey commercial office, training facilities, workshop and warehouse	128.6
Mackay Facility Cnr Connors Rd & Commercial Avenue Paget, Mackay, Queensland	Freehold/ Perpetual lease	3	1992	27	2-storey commercial office, training facilities, workshop and warehouse	26.3
Mt Isa Facility 5, 8-9 Kolongo Crescent Kalkadoon, Mt Isa, Queensland	Freehold	5	1992-2011	35	Single-storey commercial office, workshop and warehouse	21.3

Location	Tenure	Land area (Hectares)	Year of Acquisition	Age of building (Years)	Description	Net book value (RM million)
INDUSTRIAL PROPERTIES (continued)						
Overseas (continued)						
Australia (continued)						
Rockhampton Facility, Port Curtis Road, Rockhampton, Queensland	Freehold	35	1992	39	13 blocks of single-storey commercial office, workshop and warehouse	68.2
Salmet Building, Beaudesert Road, Acacia Ridge, Queensland	Freehold	3	2008-2012	5	Single-storey commercial office, workshop and warehouse	59.9
Southgate Drive, Paget, Queensland	Freehold	1	2011	3-9	2-storey and single-storey commercial offices, wash bays, workshop and warehouse	17.2
Toowoomba Facility, Carrington Road, Torrington, Queensland	Freehold	4	1992	41	Single-storey commercial offices, workshop and warehouse	29.6
Townsville Facility, Corner Woolcock St Blakey & St Garbutt, Townsville, Queensland	Freehold	2	1992	39	2-storey commercial offices, workshop and warehouse	25.1
Richardson Road, St Parkhurst, Rockhampton, Queensland	Leasehold expiring 2015	2	2012	31	Training facility, office and workshop	1.1
Fienta Place Darra, Queensland	Leasehold expiring 2015	*	2012	17	Warehouse	0.5
Bowhill Road, Willawong, Queensland	Freehold	21	2012	-	Industrial land	58.1
New Caledonia						
Canala, Kouaoua	Freehold	2	2000-2004	19	Commercial office, workshop and warehouse and residential dwelling	0.1
Lot 1 & 2 Lotissement ZICO II, Païta	Freehold	2	2010	-	Vacant land	14.6
Paagoumene, Koumac	Freehold	*	2012	2	Workshop and warehouse	0.1

* Less than one hectare

PROPERTIES OF THE GROUP

Location	Tenure	Land area (Hectares)	Year of Acquisition	Age of building (Years)	Description	Net book value (RM million)
INDUSTRIAL PROPERTIES (continued)						
Overseas (continued)						
New Caledonia (continued)						
Rue Gervolino, Nepoui	Leasehold expiring 2017-2019	*	2005-2007	6-8	Commercial office, workshop and warehouse	0.4
Papua New Guinea						
Port Moresby Facility, Spring Garden Road, Moresby, Lae Facility, Cnr Milford & Malaita St, Lae, Batch St, Tabubil	Leasehold expiring 2057-2094	5	1992-2010	21-61	2-storey and single-storey office buildings, sales service and parts facility, and staff hostels	33.8
Solomon Islands						
Honiara Facility, Guadalcanal Island, Panatina Village, Honiara	Leasehold expiring 2030-2049	3	1992	29	Office, industrial building, warehouse and 2-storey staff hostels	0.2
Industrial Properties Overseas		166				857.0
Total Industrial Properties		199				936.8
MOTORS PROPERTIES						
Malaysia						
<u>Kedah Darul Ehsan</u>						
Padang Meha, Kulim	Freehold	78	2004	16	Assembly plant	74.0
<u>Selangor Darul Ehsan</u>						
Jalan Pelukis U1/46, Temasya Industrial Park, Shah Alam	Freehold	*	2006	10	3-storey office building and showroom	12.0
Jalan Pemberita U1/49, Temasya Industrial Park, Shah Alam	Freehold	*	2004	12	3-storey semi detached light industrial office building and showroom	3.1
<u>Kuala Lumpur</u>						
362, Jalan Tun Razak	Freehold	*	2010	6	4-storey BMW & Mini 4S service centre and workshop	49.8
<u>Sabah</u>						
Sedco Industrial Estate, Jalan Limau Manis, Off Jalan Lintas, Kota Kinabalu	Leasehold expiring 2034	2	2003	10	Single-storey showroom and service centre	3.4
Motors Properties - Malaysia		80				142.3

* Less than one hectare

Location	Tenure	Land area (Hectares)	Year of Acquisition	Age of building (Years)	Description	Net book value (RM million)
MOTORS PROPERTIES (continued)						
Overseas						
Singapore						
303 Alexandra Road	Leasehold expiring 2047	8	2005	5	6-storey BMW 4S showroom, service centre and workshop	127.1
305 Alexandra Road	Leasehold expiring 2057	*	2002	7	6-storey 4S showroom, service centre for Ford, Peugeot and Land Rover and workshop	89.7
Benoi Sector	Leasehold expiring 2032	1	1983	29	Pre-delivery inspection centre, workshop and office	-
Kampung Arang Road	Leasehold expiring 2034	*	1982	44	2-storey service centre and workshop	11.6
Ubi Road 4	Leasehold expiring 2020	*	1997	21	4-storey 3S showrooms, offices, pre-delivery inspection centre, workshop and rent to external tenants	16.4
Thailand						
Anusawaree, Charan Sanit Wong Road, Charoen Nakhon Road, Ladkrabang Road, Minburi, Paknam, Phetkasem Road, Saphansoong, Srinakarin Road, Suksawat Road	Leasehold expiring 2015-2025	4	2002-2007	6-11	3S showroom, workshops and offices for Mazda and BMW	18.0
China						
Dashiduan, Yingbin Road, Panyu, Guangzhou	Leasehold expiring 2032	*	1999	15	2-storey BMW 4S centre	2.6
Hai Yu Zhong Xian Road, Haikou District, Hainan	Leasehold expiring 2070	*	2000	18	2-storey BMW 4S centre	2.1
Tianshan Road, Shantou, Guangdong	Leasehold expiring 2022	*	2002	9	2-storey BMW 4S centre	3.5

* Less than one hectare

PROPERTIES OF THE GROUP

Location	Tenure	Land area (Hectares)	Year of Acquisition	Age of building (Years)	Description	Net book value (RM million)
MOTORS PROPERTIES (continued)						
Overseas (continued)						
China (continued)						
Yue Liang Wan Road, Nanshan District, Shenzhen	Leasehold expiring 2014	*	2004	9	2-storey BMW 4S centre	0.6
DaGuang Nan Road, Tianhe, Guangyuan Expressway, Xintang Town, Guangzhou	Leasehold expiring 2014-2023	2	2004-2010	3-7	Single-storey and 2-storey BMW 4S centre	1.8
Hongqiao land, East 3rd Ring, Yanjiadi, Xiyuan Road, Yunnan	Leasehold expiring 2023-2027	2	2003-2010	3-10	2-storey and 3-storey BMW 4S centre	14.4
Jinke Nan Road, Jin Niu District, Chengdu, Sichuan Province	Leasehold expiring 2052	1	2008	2-4	7-storey BMW 4S showrooms, service centres and workshops	72.2
Ma Que Ling Industry Zone, Shen Nan Road, Nan Shan District, Shenzhen	Leasehold expiring 2022	*	1994	18	8-storey BMW 4S showroom service centre	14.5
Nanghai Road, Haikou Province, Hainan	Leasehold expiring 2059	2	2004	7	2-storey BMW 4S centre	9.8
West of Houzishi Bridge, Yue Lu District, Changsha	Leasehold expiring 2028	2	2011	2	2-storey BMW 4S centre	14.0
Hong Kong and Macau						
2 - 4 Floor, Kailey Industrial Centre, Fung Yip Street, Chai Wan	Leasehold expiring 2047	-	1989	22	3-floors of a 20-storey office building and BMW service centre	11.2
3 & 4 Floor, Topsail Plaza, 11 on Sum Street, Shatin	Leasehold expiring 2047	-	1992	18	2-floors of a 16-storey office building and service centre	50.3
Castle Peak Road, Tsuen Wan, New Territory	Leasehold expiring 2047	*	1972	41	6-storey BMW and Mini 4S service centre	6.0
Matauwei Road, Tokwawan, Kowloon	Leasehold expiring 2035	*	1978	50	11-storey service centre, showroom and petrol filling station	17.0
Oriental Centre 67 - 71 Chatnam Road, Kowloon	Leasehold expiring 2038	-	1993	37	2-floors of an 18-storey building with BMW showroom and service centre	5.4

* Less than one hectare

Location	Tenure	Land area (Hectares)	Year of Acquisition	Age of building (Years)	Description	Net book value (RM million)
MOTORS PROPERTIES (continued)						
Overseas (continued)						
Hong Kong and Macau (continued)						
3719D, 3719E, 3719F6, 3719I & 3723F, Yuen Long	Leasehold expiring 2047	4	1984	107	5 agricultural lots divided into 4 separate plots of land for pre-delivery inspection/ commercial repair/storage	2.3
120-158 Rua dos Pescadores, Macau	Leasehold expiring 2016	*	1977	37	5 storey building with BMW showroom and service centre	0.2
Australia						
Littlefield St, Orkney Rd	Freehold	*	2007-2008	19-29	Single-storey offices, workshop and wash bay for Corefleet	4.4
New Zealand						
Great South Road, Malden Street, Maranui Avenue, Silverfield	Freehold	5	1999-2008	1-48	2-storey BMW workshop and a single-storey Volkswagen workshop, office and central parts warehouse	28.6
Great South Road, Maranui Avenue,	Leasehold expiring 2012-2026	16	1998-2005	12-52	Workshop, central parts warehouse and Volkswagen workshop and warranty processing centre	13.4
Motors Properties Overseas		47				537.1
Total Motors Properties		127				679.4

* Less than one hectare

PROPERTIES OF THE GROUP

Location	Tenure	Land area (Hectares)	Year of Acquisition	Age of building (Years)	Description	Net book value (RM million)
ENERGY & UTILITIES PROPERTIES						
Malaysia						
Selangor Darul Ehsan						
Jalan Kenyalang, Kuala Kubu Baru	Freehold	*	2005	-	Vacant homestead land	0.1
Jalan 225, Petaling Jaya	Leasehold expiring 2074	*	1983	31	Industrial land and building	1.7
Jalan Tandang, Petaling Jaya	Leasehold expiring 2065-2066	15	1994	20-50	Industrial land and building	61.9
Negeri Sembilan Darul Khusus						
Jalan Seremban, Port Dickson	Freehold	22	2000	17	Power plant, office building and training centre	13.9
Energy & Utilities Properties - Malaysia		37				77.6
Overseas						
Singapore						
Jurong Pier	Leasehold expiring 2025	2	1978	5	Workshop and office	3.1
Thailand						
Sukhumvit Road, Toong Sukhla, Chonburi	Leasehold expiring 2018	9	2002-2006	6-12	Power plant and office	11.7
China						
North of Yuejin Bridge, West Station Road, Jining City, Shandong Province	Leasehold expiring 2058	22	2009-2011	2-14	City Port wharf, warehouse and office	11.7
North of Yuejin Gou Bridge, Chang Gou Town, Rencheng District, Jining City, Shandong Province	Leasehold expiring 2059	46	2009	4	North Port wharf and office	97.1
Zoucheng Industrial Park, Jining City, Shandong Province	Leasehold expiring 2059	12	2012-2013	-	Land use rights and reservoir	18.2
500 Meters East of Jiahe Village, Jining Shizhong District, Jining City	Leasehold expiring 2059	18	2009-2012	1-3	South Port wharf and office	46.9
1 Binhai Economic Development Zone, Shandong Province	Leasehold expiring 2035-2060	32	2005-2011	2-11	Reservoir, water treatment plant and office building	74.8

* Less than one hectare

Location	Tenure	Land area (Hectares)	Year of Acquisition	Age of building (Years)	Description	Net book value (RM million)
ENERGY & UTILITIES PROPERTIES (continued)						
Overseas (continued)						
China (continued)						
Weifang City, Shandong Province	Leasehold expiring 2055	-	2005-2008	9	6 units of apartments	1.7
Yanzi Town, Weifang Port, Shandong Province	Leasehold expiring 2055	324	2005-2013	0-8	Port, warehouse and office	619.9
Energy & Utilities Properties Overseas		465				885.1
Total Energy & Utilities Properties		502				962.7
OTHERS PROPERTIES						
Malaysia						
Selangor Darul Ehsan						
Lot 2026, Jalan Kewajipan, Subang Jaya	Freehold	4	1992	21	Industrial land and building	1.9
Negeri Sembilan Darul Khusus						
Senawang Industrial Estate, Seremban	Leasehold expiring 2074	2	2011	29	Industrial land and building	4.7
Total Others - Malaysia		6				6.6
TOTAL GROUP PROPERTIES		873,267				13,874.8

FORM OF PROXY

Number of ordinary shares held	CDS Account No.										

I/We
(FULL NAME OF SHAREHOLDER AS PER NRIC/CERTIFICATE OF INCORPORATION IN CAPITAL LETTERS)

(NRIC/Passport/Company No.) of
(ADDRESS)

.....
(ADDRESS)

Tel. No. being a member/members of SIME DARBY BERHAD hereby appoint

..... (NRIC/Passport No.)
(FULL NAME OF PROXY AS PER NRIC IN CAPITAL LETTERS)

of
(ADDRESS)

*and/or (NRIC/Passport No.)
(FULL NAME OF PROXY AS PER NRIC IN CAPITAL LETTERS)

of
(ADDRESS)

or failing him/her, **the Chairman of the Meeting, as my/our proxy/proxies to attend and vote for me/us and on my/our behalf at the Seventh Annual General Meeting of the Company to be held at the Grand Ballroom, First Floor, Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, 60000 Kuala Lumpur, Malaysia, on Thursday, 21 November 2013 at 10.00 a.m. and at any adjournment thereof.

No.	Agenda	Resolution	For	Against
1.	To receive the Audited Financial Statements for the financial year ended 30 June 2013 together with the Reports of the Directors and the Auditors thereon			
2.	To declare a final single tier dividend for the financial year ended 30 June 2013	1		
3.	To approve the annual remuneration for the Non-Executive Directors	2		
4.	To re-appoint Tan Sri Dato' Dr Wan Mohd Zahid Mohd Noordin as Director pursuant to Section 129(6) of the Companies Act, 1965 (Act)	3		
5 i.	To re-elect Dato' Abdul Ghani Othman who retires in accordance with Article 104 of the Articles of Association of the Company	4		
5 ii.	To re-elect Tan Sri Dato' Sri Dr Wan Abdul Aziz Wan Abdullah who retires in accordance with Article 104 of the Articles of Association of the Company	5		
5 iii.	To re-elect Ir Dr Muhamad Fuad Abdullah who retires in accordance with Article 104 of the Articles of Association of the Company	6		
6 i.	To re-elect Tan Sri Dato' Sri Hamad Kama Piah Che Othman who retires by rotation in accordance with Article 99 of the Articles of Association of the Company	7		
6 ii.	To re-elect Tan Sri Datuk Dr Yusof Basiran who retires by rotation in accordance with Article 99 of the Articles of Association of the Company	8		
6 iii.	To re-elect Datuk Zaiton Mohd Hassan who retires by rotation in accordance with Article 99 of the Articles of Association of the Company	9		
7.	To re-appoint PricewaterhouseCoopers as Auditors of the Company and to authorise the Directors to fix their remuneration	10		
8 i.	To authorise the Directors to allot and issue shares pursuant to Section 132D of the Act	11		
8 ii.	To approve the Renewal of Shareholders' Mandate for Existing Recurrent Related Party Transactions and the New Shareholders' Mandate for Additional Recurrent Related Party Transactions of a Revenue or Trading Nature	12		
8 iii.	To approve the Performance-based Employee Share Scheme Grant to Muhammad Ali Nuruddin	13		

My/Our proxy is to vote on the resolutions as indicated by an "X" in the appropriate space above. If no indication is given, my/our proxy shall vote or abstain from voting as he/she thinks fit.

For appointment of two (2) proxies, percentage of shareholdings to be represented by the proxies must be indicated below:	
	Percentage (%)
First proxy	
Second proxy	

Dated this day of 2013

.....
Signature/Common Seal of Member(s)

* Please delete as applicable.

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

Notes:

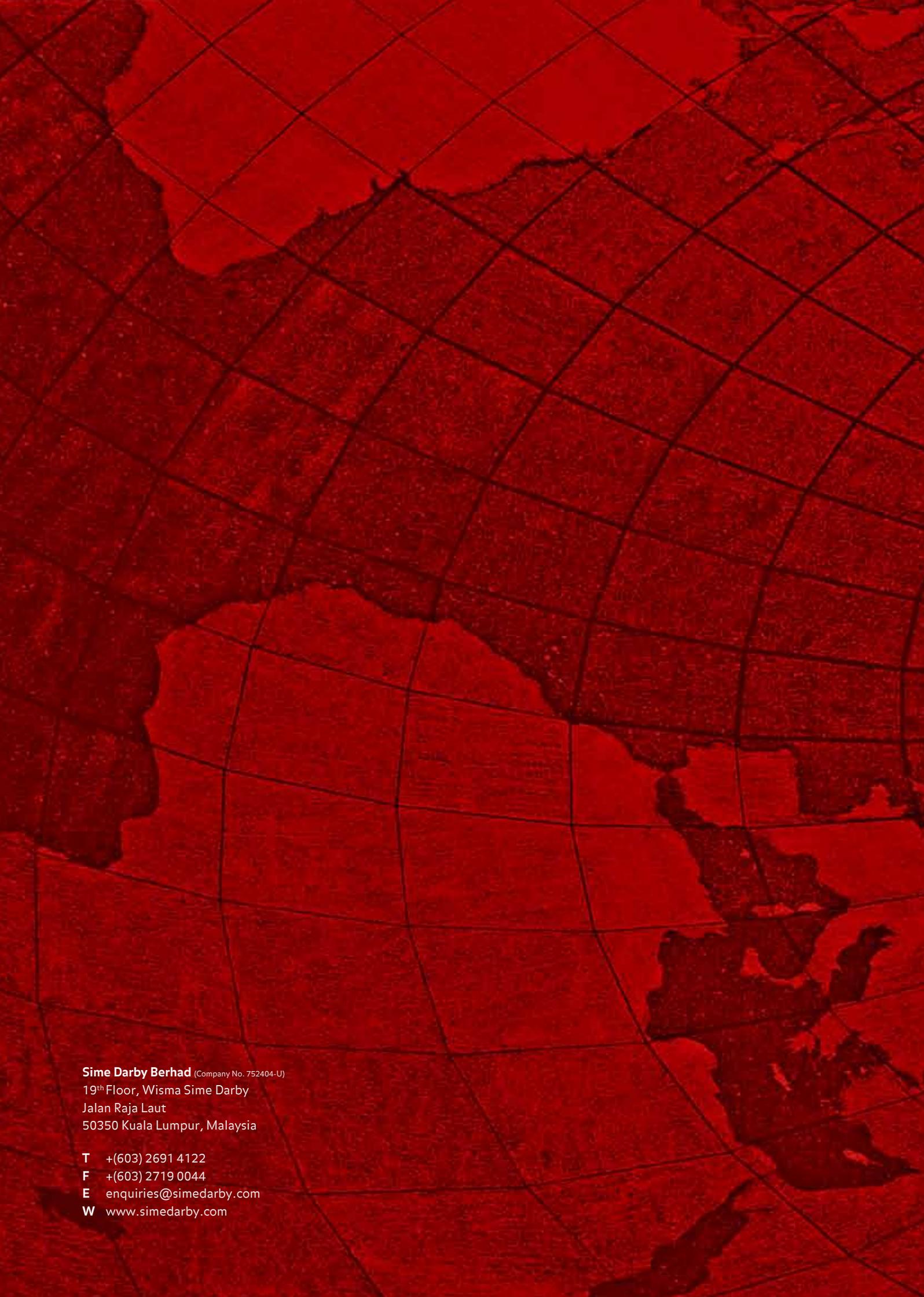
1. A Member entitled to attend and vote at the Meeting is entitled to appoint not more than two (2) proxies to attend and vote on his/her behalf. Where a Member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportion of his/her shareholdings to be represented by each proxy. A proxy may, but need not, be a Member. A Member may appoint any person to be his/her proxy without any restriction as to the qualification of such person and the provisions of Sections 149(1)(a) and 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
2. Where a Member of the Company is an Authorised Nominee as defined under the Securities Industry (Central Depositories) Act 1991, he/she may appoint not more than two (2) proxies in respect of each Securities Account he/she holds with ordinary shares of the Company standing to the credit of the said Securities Account.
3. Where a Member of the Company is an Exempt Authorised Nominee as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one (1) Securities Account (Omnibus Account), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds PROVIDED THAT each beneficial owner of ordinary shares, or where the ordinary shares are held on behalf of joint beneficial owners, such joint beneficial owners, shall only be entitled to instruct the Exempt Authorised Nominee to appoint not more than two (2) proxies to attend and vote at a general meeting of the Company instead of the beneficial owner or joint beneficial owners.
4. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.
5. The instrument appointing a proxy shall be in writing signed by the appointor or his/her attorney duly authorised in writing or, if the appointor is a corporation, either under its common seal or signed by an officer or attorney so authorised.
6. The Form of Proxy and the Power of Attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, must be deposited at the office of the Share Registrar of the Company, Tricor Investor Services Sdn Bhd at Level 17, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time fixed for the Meeting or any adjournment thereof.
7. Only members registered in the Record of Depositors as at 12 November 2013 shall be eligible to attend, speak and vote at the Annual General Meeting or appoint proxy(ies) to attend, speak and/or vote on their behalf.

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stamp

THE SHARE REGISTRAR
SIME DARBY BERHAD (752404-U)
c/o Tricor Investor Services Sdn Bhd (118401-V)
Level 17, The Gardens North Tower
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