



## Reports And Financial Statements

For The Year Ended 30th June 2005

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# Directors' Report



The Directors present their Report together with the audited financial statements of the Group and of the Company for the year ended 30th June 2005.

## PRINCIPAL ACTIVITIES AND TRADING RESULTS

The principal activities of the Group are plantations, property, heavy equipment and motor vehicle distribution, energy and general trading and services.

The Company is a limited liability company, incorporated and domiciled in Malaysia. The Company is principally an investment holding company. It also engages in trading and marketing of commodities and provides management services to its subsidiary companies.

There has been no significant change in the principal activities of the Group and of the Company during the year. An analysis of the results for the year is shown in Note 35 on the financial statements.

## FINANCIAL RESULTS

The audited financial statements for the year ended 30th June 2005 submitted with this Report show:-

	Group RM million	Company RM million
Profit after taxation	933.4	493.4
Minority interests	(132.2)	-
Net profit for the year attributable to shareholders	801.2	493.4

## DIVIDENDS

The dividends paid and proposed by the Company since 30th June 2004 were as follows:-

	RM million
In respect of the year ended 30th June 2004	
Final dividend of 16.0 sen gross per share less Malaysian tax at 28% and 5.0 sen per share tax exempt, paid on 17th December 2004	391.0
In respect of the year ended 30th June 2005	
Interim dividend of 5.0 sen gross per share less Malaysian tax at 28%, paid on 20th May 2005	86.0
Final dividend of 16.0 sen gross per share less Malaysian tax at 28% and 5.0 sen per share tax exempt, proposed	394.9
	480.9

The Directors recommend the payment of a final dividend of 16.0 sen gross per share less Malaysian tax at 28% and 5.0 sen per share tax exempt which, subject to the approval of members at the forthcoming Annual General Meeting of the Company, will be paid on 16th December 2005. The entitlement date for the dividend payment is 18th November 2005.

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

- shares transferred into the depositor's securities account before 4.00 p.m. on 18th November 2005 in respect of transfers;
- shares deposited into the depositor's securities account before 12.30 p.m. on 16th November 2005 in respect of shares which are exempted from mandatory deposit; and
- shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

The proposed final dividend and the interim dividend paid on 20th May 2005 amount to a total distribution of 26.0 sen gross per share for the year.

## RESERVES AND PROVISIONS

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

## SHARE CAPITAL

During the year, the issued and paid-up share capital of the Company was increased from 2,355,734,074 ordinary shares of RM0.50 each to 2,390,227,074 ordinary shares of RM0.50 each by the issue of 22,356,000 new ordinary shares at RM4.90 per share, 7,164,000 new ordinary shares at RM5.08 per share, 968,000 new ordinary shares at RM5.09 per share, 3,997,000 new ordinary shares at RM5.47 per share and 8,000 new ordinary shares at RM5.28 per share pursuant to the exercise of options under the Sime Darby Employees' Share Option Scheme. These new shares were issued for cash as fully paid and rank pari passu in all respects with the then existing issued shares of the Company.

There was no change in the authorised capital of the Company during the year.

The shareholders of the Company had, at the Annual General Meeting held on 4th November 2004, granted a mandate for the Company to purchase, upon such terms and conditions as the Directors may deem fit, up to ten percent (10%) of the issued and paid-up capital of the Company. The mandate will expire at the conclusion of the forthcoming Annual General Meeting and renewal of the mandate will be sought at the said Annual General Meeting. The Company has not made any purchase of Sime Darby Berhad shares during the year.

**SIME DARBY EMPLOYEES' SHARE OPTION SCHEME**

During the year, 27,746,000 new options were granted to eligible employees to take up unissued shares of the Company pursuant to the Sime Darby Employees' Share Option Scheme ("the Scheme").

The salient features and other terms of the Scheme are disclosed in Note 9 (b) on the financial statements:-

The Company has been granted an exemption by the Companies Commission of Malaysia from having to disclose the names of option holders granted less than 50,000 options each during the year pursuant to the Scheme. The names of option holders and the number of options granted to them during the year, being 50,000 or more, are set out below:-

<u>Names of option holders</u>	<u>At 1st July 2004</u>	<u>Granted*</u>	<u>Exercised</u>	<u>At 30th June 2005</u>
Dato' Ahmad Zubair @ Ahmad Zubir bin Haji Murshid	162,000	70,000	-	232,000
Martin Giles Manen	162,000	54,000	108,000	108,000
Md Ja'far bin Abdul Carrim	162,000	54,000	108,000	108,000
Mohamed Nor bin Abdul Hamid	162,000	54,000	-	216,000
Datuk Syed Tamim Ansari bin Syed Mohamed	162,000	54,000	-	216,000
Yip Jon Khiam	142,000	54,000	-	196,000
	<b>952,000</b>	<b>340,000</b>	<b>216,000</b>	<b>1,076,000</b>

\* at an exercise price of RM5.28 per share

During the year, none of the non-executive Directors were granted any options as they are not eligible to participate in the Scheme under the Bye-Laws of the Scheme.

**AMERICAN DEPOSITORY RECEIPTS**

A Sponsored Level 1 American Depository Receipts ("ADR") Programme for shares of the Company ("ADR Programme") was registered with the Securities and Exchange Commission of the United States of America on 27th August 1999.

Under the ADR Programme, a maximum of 20 million ordinary shares of the Company, representing approximately 0.84% of its total issued and paid-up capital, will be traded in ADRs in the United States of America, in the ratio of 1 (one) share to 1 (one) ADR. The Company's trading symbol on the over-the-counter market in the United States of America is SIDGY and its CUSIP number is 828617 308.

The Depository Bank for the ADR Programme is The Bank of New York and the sole Custodian of the Company's shares for the ADR Programme is Malayan Banking Berhad, Kuala Lumpur.

As at 29th August 2005, there were 1,118,772 shares of the Company deposited with Malayan Banking Berhad for the ADR Programme and there were 1,118,772 ADRs outstanding.

**CHANGES IN GROUP ASSETS**

The following significant acquisitions and disposals were made during the year:-

- On 30th July 2004, Sime Darby Berhad ("SDB") completed the acquisition of additional equity interest of 15% in Port Dickson Power Berhad and additional equity interest of 20% in JanaUrus PDP Sdn. Bhd., resulting in SDB holding 75% and 100% equity interest in Port Dickson Power Berhad and JanaUrus PDP Sdn. Bhd., respectively for a total cash consideration of RM105.5 million.
- On 15th September 2004, SDB completed the acquisition of 29.9% equity interest in Jaya Holdings Limited through its wholly-owned subsidiary, Sime Darby Eastern Limited for a cash consideration of S\$223,019,640.
- On 6th December 2004, Sime Darby Motors Sdn. Bhd. (formerly known as Space Tracks Sdn. Bhd.) ("SDM") acquired the following :
  - 51% of the issued and paid-up share capital and warrants of Hyundai-Sime Darby Berhad (formerly known as Hyundai-Berjaya Corporation Berhad) ("HSD") and its following subsidiary companies :
    - Sime Darby System Integrators Sdn. Bhd. (formerly known as Berjaya Systems Integrators Sdn. Bhd.)
    - Hyundai-Sime Darby Motors Sdn. Bhd. (formerly known as Hyundai-Berjaya Sdn. Bhd.)
  - 51% of the issued and paid-up share capital of Hyumal Motor Sdn. Bhd. and its following companies :
    - Hyumal Trading Sdn. Bhd. (subsidiary)
    - Oriental-Hyundai Sdn. Bhd. (associate company)
  - 36% of the issued and paid-up share capital of Inokom Corporation Sdn. Bhd. ("Inokom").

4. Pursuant to the unconditional take-over by SDM under a Mandatory General Offer for the remaining HSD shares not already owned by SDM, SDM acquired additional 46.5% interest in the issued and paid-up share capital and 45% interest in the warrants of HSD during the period from 5th January 2005 to 1st April 2005. With the acquisition, SDM's equity interest in the issued and paid up share capital of HSD increased from 51% to 97.5%. The total consideration paid for the shares and warrants acquired was RM384.2 million. As at 30th June 2005, SDM holds 98.87% equity interest in HSD.
5. During the year, Sime Darby (Thailand) Limited disposed of its entire equity interest of 15.52% in AAPICO Hitech Public Company Limited for a cash consideration of THB1,058,045,692.
6. On 7th January 2005, Pesida Equipment Sdn. Bhd. completed the acquisition of 30% equity interest in Sime Darby Engineering Sdn Bhd (formerly known as Sime SembCorp Engineering Sdn. Bhd) for a cash consideration of RM65.0 million.
7. On 8th February 2005, SDM acquired additional 15,000,000 shares, representing 15% equity interest in Inokom, for a cash consideration of RM22.5 million resulting in SDM holding 51% equity interest in Inokom.
8. On 28th February 2005, Sime Darby Pilipinas Inc. and Sime Darby London Limited disposed of their entire equity interests of 51.38% and 48.62% respectively in Lec Refrigeration plc for an aggregate cash consideration of £3.3 million.
9. On 17th May 2005, Sime Malaysia Region Berhad, a wholly-owned subsidiary of Sime Darby Berhad, completed the disposal of 3,000,001 ordinary shares of RM1.00 each, representing 50% equity interest plus one (1) share in Sime Integrated Logistics Sdn. Bhd. to Kontena Nasional Berhad for a cash consideration of RM3.9 million.
10. On 19th May 2005, Sime Darby Motor Group (HK) Limited disposed of its entire shareholding of 4,000,000 shares in the capital of DCS AsiaPac Limited to DCS Automotive (UK) Limited for a cash consideration of HKD1.00.
11. On 15th June 2005, Sime Power Pte. Ltd. disposed of its entire 50% equity interest in Island Power Holdings Pte. Ltd., comprising 50 ordinary shares of S\$1.00 each to IG Island Power BV for a cash consideration of S\$50.00

#### DIRECTORS

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

Tan Sri Dato' Seri (Dr.) Ahmad Sarji bin Abdul Hamid (Chairman)  
 Tunku Tan Sri Dato' Seri Ahmad bin Tunku Yahaya (Deputy Chairman)  
 Dato' Ahmad Zubair @ Ahmad Zubir bin Haji Murshid (Group Chief Executive)  
 Tan Sri Abu Talib bin Othman  
 Tan Sri Datuk Dr. Ahmad Tajuddin bin Ali  
 Datuk Khatijah binti Ahmad  
 Dr. David Li Kwok Po  
 Raja Tan Sri Muhammad Alias bin Raja Muhammad Ali  
 Michael Wong Pakshong  
 Martin Giles Manen (resigned as Group Finance Director on 10th January 2005)  
 Michael Wong Kuan Lee (resigned on 1st April 2005)

YM Tunku Tan Sri Dato' Seri Ahmad bin Tunku Yahaya, Mr. Michael Wong Pakshong and YM Raja Tan Sri Muhammad Alias bin Raja Muhammad Ali, being over seventy years of age, retire in accordance with Section 129 of the Companies Act, 1965 and offer themselves for re-appointment in accordance with Section 129(6) of the Act to hold office until the conclusion of the next Annual General Meeting of the Company.

The Directors retiring by rotation this year are YBhg. Tan Sri Abu Talib bin Othman and Dr. David Li Kwok Po. YBhg. Tan Sri Abu Talib bin Othman, being eligible, offers himself for re-election. Dr. David Li Kwok Po will not be offering himself for re-election.

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

#### DIRECTORS' BENEFITS

During and at the end of the 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 except for options over shares granted by the Company pursuant to the Sime Darby Employees' Share Option Scheme.

Since the end of the previous 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 2 on the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

**DIRECTORS' INTERESTS IN SHARES**

According to the Register of Directors' Shareholdings, particulars of interests of Directors who held office at the end of the financial year in shares and options over shares in the Company during the year covered by the financial statements were as follows:-

<u>Sime Darby Berhad</u>	<b>Number of ordinary shares of RM0.50 each</b>			
	<u>At 1st July 2004</u>	<u>Acquired</u>	<u>Disposed</u>	<u>At 30th June 2005</u>
Tan Sri Abu Talib bin Othman	30,000	–	30,000	–
Datuk Khatijah binti Ahmad	20,000	–	10,000	10,000
Michael Wong Pakshong	65,000	–	–	65,000
Dr.David Li Kwok Po	–	250,000	–	250,000

<u>Sime Darby Berhad</u>	<b>Options over ordinary shares of RM0.50 each</b>			
	<u>At 1st July 2004</u>	<u>Acquired</u>	<u>Disposed</u>	<u>At 30th June 2005</u>
Dato' Ahmad Zubair @ Ahmad Zubir bin Haji Murshid	162,000	70,000	–	232,000

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

<u>Sime Engineering Services Berhad</u>	<b>Number of ordinary shares of RM0.50 each</b>			
	<u>At 1st July 2004</u>	<u>Acquired</u>	<u>Disposed</u>	<u>At 30th June 2005</u>
Michael Wong Pakshong	10,000	–	–	10,000

Kuala Lumpur Golf & Country Club Berhad  
Participatory interest

	<b>Type of membership</b>
Tan Sri Dato' Seri (Dr.) Ahmad Sarji bin Abdul Hamid	Honorary
Tunku Tan Sri Dato' Seri Ahmad bin Tunku Yahaya	Honorary
Tan Sri Abu Talib bin Othman	Honorary
Tan Sri Datuk Dr. Ahmad Tajuddin bin Ali	Honorary
Datuk Khatijah binti Ahmad	Honorary
Raja Tan Sri Muhammad Alias bin Raja Muhammad Ali	Honorary

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

**STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS**

(a) Before the Income Statement and Balance Sheet of the Group and of the Company were made out, the Directors took reasonable steps:-

- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
- (ii) to ensure that any current assets, other than debts, which were unlikely to realise in the ordinary course of business, their values as shown in the accounting records of the Group and of the Company, have been written down to amounts which they might be expected to so realise.

(b) At the date of this Report, the Directors are not aware of any circumstances:-

- (i) which would render the amount written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
- (iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

- (c) As at the date of this Report:-
- (i) there are no charges on the assets of the Group and of the Company which have arisen since the end of the 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 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 year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

#### OTHER STATUTORY INFORMATION

In the opinion of the Directors:-

- (a) the results of the operations of the Group and of the Company during the year were not substantially affected by any item, transaction or event of a material and unusual nature except as disclosed in Note 4 on the financial statements; and
- (b) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the 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 year in which this Report is made except as disclosed in Note 38 on the financial statements.

#### AUDITORS

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

In accordance with a resolution of the Board of Directors dated 29th August 2005



Tan Sri Dato' Seri (Dr.) Ahmad Sarji bin Abdul Hamid  
Chairman



Dato' Ahmad Zubair @ Ahmad Zubir bin Haji Murshid  
Group Chief Executive

Kuala Lumpur  
29th August 2005



# Principal Accounting Policies

For The Year Ended 30th June 2005

The principal accounting policies of the Group are summarised below:

## 1 Basis of preparation

The financial statements are prepared under the historical cost convention except as disclosed in this summary of principal accounting policies and comply with the provisions of the Companies Act, 1965.

The financial statements have been prepared in accordance with the Malaysian Accounting Standards Board ("MASB") approved accounting standards in Malaysia, which include Standards issued by MASB as well as International Accounting Standards adopted by MASB.

The new accounting standards adopted in the financial statements are as follows:-

- FRS No. 120 (MASB Standard No. 31) : Accounting for Government Grants and Disclosure of Government Assistance
- FRS No. 201 (MASB Standard No. 32) : Property Development Activities

The adoption of FRS No. 120 and FRS No. 201 has not given rise to any adjustments to the opening balance of retained profits of the prior and current year or significant changes to the comparatives except as disclosed in Note 39 to the financial statements.

## 2 Basis of consolidation

### (a) Subsidiary companies

The consolidated financial statements include the financial statements of the Company and all its subsidiary companies made up to the end of the year. Subsidiary companies are entities in which the Group has the power to exercise control over the financial and operating policies so as to obtain benefits from their activities.

Subsidiary companies are consolidated using the acquisition method of accounting. The results of subsidiary companies acquired or disposed of during the year are included in the consolidated income statement from the date of their acquisition or up to the date of their disposal. External cost directly attributable to an acquisition, is included as part of the cost of acquisition.

All intercompany transactions, balances and unrealised gains on transactions with and between Group companies are eliminated. Unrealised losses are also eliminated unless cost cannot be recovered. Where necessary, adjustments are made to the financial statements of subsidiary companies to ensure consistency of accounting policies with those of the Group.

Minority interests in the consolidated balance sheet consist of the minorities' share of the net tangible assets of the subsidiary companies. Separate disclosure is made of minority interests.

### (b) Associated companies

Associated companies 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 associated companies are accounted for in the consolidated financial statements using the equity method of accounting. The consolidated income statement and consolidated statement of changes in equity includes the Group's share of profits and gains less losses of associated companies based on the management accounts of the companies concerned. In the consolidated balance sheet, the Group's interest in associated companies is recorded at cost and adjusted thereafter for the post acquisition change in the Group's share of net assets of the associated companies.

Unrealised gains on transactions between the Group and the associated companies are eliminated to the extent of the Group's interest in the associated companies. Unrealised losses are eliminated unless cost cannot be recovered.

### (c) Jointly controlled entities

Jointly controlled entities are corporations, partnerships or other entities over which there is contractually agreed sharing of control by the Group with one or more parties. The Group's interests in jointly controlled entities are accounted for in the consolidated financial statements using the equity method of accounting.

Equity accounting involves recognising in the consolidated income statement the Group's share of the results of jointly controlled entities for the period. The Group's investments in jointly controlled entities are carried in the consolidated balance sheet at an amount that reflects its share of the net assets of the jointly controlled entities.

Unrealised gains on transactions between the Group and its jointly controlled entities are eliminated to the extent of the Group's interest in the jointly controlled entities. Unrealised losses are also eliminated unless cost cannot be recovered.

### (d) Goodwill

Goodwill/(negative goodwill) arising on consolidation represents the excess/(deficit) of the purchase price over the fair value of the identifiable assets and liabilities of the subsidiary companies, associated companies and jointly controlled entities at the date of acquisition and is written off against retained profits in the year of acquisition.

**3 Currency translation**

The financial statements are stated in Ringgit Malaysia (RM).

Foreign currency transactions in Group companies are accounted for at exchange rates prevailing at the transaction dates, unless hedged by forward foreign exchange contracts, in which case the rates specified in such forward contracts are used. Foreign currency monetary items are translated into Ringgit Malaysia at exchange rates prevailing at the balance sheet date, unless hedged by forward foreign exchange contracts, in which case the rates specified in such forward contracts are used. Exchange differences arising from the settlement of foreign currency transactions and from the translation of foreign currency monetary items are included in the income statement.

Income statements of foreign subsidiary and associated companies are translated into Ringgit Malaysia at average exchange rates for the year and assets and liabilities, both monetary and non-monetary, at exchange rates ruling at the year end. All resulting translation differences are taken to reserve. On disposal of the foreign entity, such translation differences are recognised in the income statement as part of the gain or loss on disposal.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the Company and translated accordingly at the exchange rate ruling at the date of the transaction.

The principal exchange rates used for each respective unit of foreign currency in the Group are:

The principal exchange rates used for each respective unit of foreign currency in the Group are:				
	Year end rates		Average rates	
	2005	2004	2005	2004
Australia (A\$)	<b>2.90</b>	2.62	<b>2.85</b>	2.69
Hong Kong (HK\$)	<b>0.49</b>	0.49	<b>0.49</b>	0.49
Singapore (S\$)	<b>2.25</b>	2.21	<b>2.28</b>	2.21
Thailand (Baht)	<b>0.09</b>	0.09	<b>0.09</b>	0.09
Chinese Renminbi	<b>0.46</b>	0.46	<b>0.46</b>	0.46
United States (US\$)	<b>3.80</b>	3.80	<b>3.80</b>	3.80
Euro	<b>4.59</b>	4.59	<b>4.81</b>	4.51

**4 Property, plant and equipment**

Property, plant and equipment are stated at cost modified by the revaluation of certain land and buildings less accumulated depreciation and impairment losses. Property, plant and equipment stated at valuation relate mainly to revaluations made in 1978 on a continuing agricultural use basis of the land and buildings of the Group's plantations in Malaysia based on valuations by professional firms of surveyors and valuers. In accordance with the transitional provisions issued by MASB on adoption of FRS No. 116 (MASB Standard No. 15) Property, Plant and Equipment, the valuation of these assets has not been updated, and they continue to be stated at their existing carrying amounts less depreciation and impairment losses.

Surpluses arising on revaluation are credited to revaluation reserve. Any deficit arising from revaluation is charged against the revaluation reserve to the extent of a previous surplus held in the revaluation reserve for the same asset. In all other cases, a decrease in carrying amount is charged to income statement. On the disposal of revalued assets, amounts in revaluation reserve relating to those assets are transferred to retained profits.

Freehold land is not depreciated. Leasehold land is depreciated on a straight line basis, over the period of the respective leases ranging from 30 years to 999 years. Other property, plant and equipment are depreciated on a straight line basis to write off the cost or valuation of each asset to their residual values over their estimated useful lives. The principal annual depreciation rates are:

Buildings	2% to 5%
Machinery, equipment and vehicles	5% to 33 1/3%

Interest incurred on external borrowings related to property under construction is capitalised until the assets are ready for their intended use.

**5 Intangible assets**

Expenditure on acquired rights and trademarks with finite useful life is capitalised and amortised using the straight line method over their estimated useful lives not exceeding 20 years whilst those with indefinite useful life are capitalised and subject to annual impairment review.

**6 Research expenditure**

Research expenditure relating to agricultural studies is charged to the income statement in the year in which the expenditure is incurred.



### 7 New planting expenditure and replanting expenditure

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

### 8 Land held for property development

Land held for property development consists 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 any accumulated impairment losses.

Land held for property development is transferred to property development costs (under current assets) when development activities have commenced and is expected to be completed within the normal operating cycle.

### 9 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost includes, where relevant, an appropriate proportion of overheads and is determined on a weighted average or first-in first-out basis or by specific identification. Net realisable value is the estimate of the selling price in the ordinary course of business, less costs of completion and selling expenses.

### 10 Property development costs

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

Where revenue recognised on the development units sold exceed the billings to purchasers, the balance is shown as accrued billings, under trade and other receivables. Where the billings to purchasers exceed revenue recognised on the development units sold, the balance is shown as progress billings, under trade and other payables.

### 11 Trade and other receivables

Trade and other receivables are carried at anticipated realisable value. Specific allowances are made for debts which have been identified as bad or doubtful. In addition, estimates are made for doubtful debts based on a review of all outstanding amounts at year end.

When assets are sold under a finance lease, the present value of the lease payments is recognised as receivables. The difference between the gross receivables and the present value of the receivables is recognised as unearned finance income.

### 12 Investments

The Company's investments in subsidiary companies, associated companies and jointly controlled entities are shown at cost less accumulated impairment losses. Quoted investments and marketable securities that are held for long term, are stated at cost (adjusted for amortisation of premium or accretion of discounts to maturity, where appropriate) less accumulated impairment losses. Unquoted investments that are held for long term are stated at cost less accumulated impairment losses.

Short term investments are stated at lower of cost and market value determined on an individual investment basis. Market value is calculated by reference to quoted selling prices at the close of business on the balance sheet date.

Profits and losses from disposal of investments, impairment losses of investments held for long term and any reductions to market value of short term investments as well as any reversals of such reductions are included in the income statement.

### 13 Taxation

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

Deferred taxation is provided for, using the "liability method", on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred taxation assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and unused tax losses can be utilised.

Deferred taxation is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is recognised in the income statement, except when it arises from a transaction which is recognised directly in reserve, in which case the deferred tax is also recognised directly in reserve.

### 14 Operating leases

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

**15 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.

**(a) Maintenance and warranty**

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

**(b) Property development**

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

**(c) Reorganisation**

Reorganisation provisions are recognised on implementation of the plan for costs to be incurred following sale or closure of a business operation or management reorganisation. Costs related to the on-going activities of the Group are not provided in advance.

**(d) Provision for future obligations**

Provision for future obligations is recognised in respect of the Group's commitments in a joint venture project.

**16 Cash and cash equivalents**

For the purpose of the cash flow statement, cash and cash equivalents comprise cash in hand, deposits held at call with banks, investment in money market instruments and demand deposits, net of bank overdrafts. In the balance sheet, investment in money market instruments held for short term and bank overdrafts are included in short term investments and short term borrowings respectively.

**17 Construction contracts**

The profit on a construction contract is recognised as soon as 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, by reference to the proportion of costs incurred to date to the total estimated costs to be incurred by completion 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.

The aggregate costs incurred and the profits or losses recognised on a contract are compared against the progress billings up to the year end. Where costs incurred and recognised profits/(losses) exceed progress billings, the balance is shown as amounts due from customers on construction contracts, under trade and other receivables. Where progress billings exceed costs incurred and recognised profits/(losses), the balance is shown as amount due to customers on construction contracts, under trade and other payables.

**18 Revenue recognition**

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

Other revenues earned by the Group are recognised on the following basis:

- (a) Finance charges from leasing and hire purchase financing - recognised on an accrual basis over the period of the leasing and hire purchase contracts using the "sum-of-digits" method.
- (b) Interest income - recognised as it accrues.
- (c) Dividend income - recognised when the right to receive payment is established. In this respect the Group policy is to recognise interim dividends from subsidiary when they are declared and final dividends when they are approved by shareholders in general meeting.

### 19 Impairment of assets

At each balance sheet date, the Group reviews the carrying amounts of its assets to determine whether there is any indication of impairment. If any such indication exists, impairment is measured by comparing the carrying values of the assets with their recoverable amounts. Recoverable amount is the higher of net selling price and value in use, which is measured by reference to discounted future cash flows.

The impairment loss is charged to the income statement unless it reverses a previous revaluation in which case it is charged to the revaluation surplus. Any subsequent increase in recoverable amount is recognised in the income statement unless it reverses an impairment loss on a revalued asset in which case it is taken to revaluation surplus.

### 20 Employee benefits

#### (a) Short term employee benefits

Wages, salaries, paid annual leave and sick leave, bonuses and non-monetary benefits are accrued in the period in which the associated services are rendered by employees of the Group.

#### (b) Defined contribution plans

The Group has various defined contribution plans in accordance with local conditions and practices in the countries in which it operates. The Group's contributions to defined contribution plans are charged to the income statement in the year in which they relate. Once the contributions have been paid, the Group has no further payment obligations.

#### (c) 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 an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after balance sheet date are discounted to present value.

#### (d) Equity compensation benefits

Details of the Group's Employee Share Option Scheme are set out in Note 9 to the financial statements. The Group does not make a charge to the income statement in connection with share options granted. When the share options are exercised, the proceeds received net of any transaction costs, are credited to share capital and share premium.

### 21 Financial instruments

#### (a) Financial instruments recognised on the balance sheet

The particular recognition method adopted for the financial instruments recognised on the balance sheet is disclosed in the individual policy statements associated with each item.

#### (b) Financial instruments not recognised on the balance sheet

The Group is a party to financial instruments which comprise forward foreign exchange contracts, interest rate and currency swap contracts. These instruments are not recognised in the financial statements on inception.

#### Forward foreign exchange contracts

The Group enters into forward foreign exchange contracts to protect the Group from movements in exchange rates by establishing the rate at which a foreign currency asset or liability will be settled. Exchange gains and losses arising on contracts entered into as hedges of anticipated future transactions are deferred until the date of such transaction, at which time they are included in the measurement of such transactions. All other exchange gains and losses relating to hedge instruments are recognised in the income statement in the same period as the exchange differences on the underlying hedged items.

#### Interest rate and currency swap contracts

Interest rate and currency swaps, collars and caps contracts are designed to protect the Group from movements in interest rates. The notional principal of these contracts are recorded off balance sheet. Any differential to be paid or received on an interest rate and currency swap contract is recognised as a component of interest income or expense over the period of the contract. Gains and losses on early termination of interest rate and currency swaps or on repayment of the borrowing are taken to the income statement.

### 22 Segment Reporting

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 intra-group balances and intra-group transactions are eliminated as part of the consolidation process, except to the extent that such intra-group balances and transactions are between group enterprises within a single segment.

# Income Statements

For The Year Ended 30th June 2005



	Note	Group		Company	
		2005	2004	2005	2004
Revenue	1	18,645.7	14,903.5	726.4	487.6
Operating expenses	2	(17,648.8)	(13,813.3)	(86.6)	(87.8)
Other operating income	3	409.2	299.1	20.0	106.5
Operating profit		1,406.1	1,389.3	659.8	506.3
Share of results of jointly controlled entities		(74.4)	(75.6)	-	-
Share of results of associated companies		40.0	24.6	-	-
Profit before interest		1,371.7	1,338.3	659.8	506.3
Investment and interest income	5	88.3	93.1	26.9	35.0
Finance costs		(95.2)	(87.8)	(21.9)	(22.0)
Profit before taxation		1,364.8	1,343.6	664.8	519.3
Taxation:	6				
Company and subsidiary companies		(423.9)	(319.8)	(171.4)	(69.1)
Associated companies		(7.5)	(8.4)	-	-
		<u>(431.4)</u>	<u>(328.2)</u>	<u>(171.4)</u>	<u>(69.1)</u>
Profit after taxation		933.4	1,015.4	493.4	450.2
Minority interests		(132.2)	(96.7)	-	-
Net profit for the year		801.2	918.7	493.4	450.2
		Sen	Sen		
Earnings per share	7				
- Basic		33.7	39.4		
- Diluted		33.6	39.3		
Earnings per share excluding unusual items	7				
- Basic		40.5	35.8		
- Diluted		40.4	35.7		

The accounting policies set out on pages 54 to 58 and the notes on pages 63 to 106 are to be read as part of these financial statements.



# Balance Sheets

As at 30th June 2005

Amounts in RM million unless otherwise stated

	Note	Group		Company	
		2005	2004	2005	2004
SHARE CAPITAL	<b>9</b>	<b>1,195.1</b>	1,177.9	<b>1,195.1</b>	1,177.9
RESERVES	<b>10</b>	<b>6,810.0</b>	7,246.8	<b>3,980.3</b>	3,808.4
SHAREHOLDERS' FUNDS		<b>8,005.1</b>	8,424.7	<b>5,175.4</b>	4,986.3
MINORITY INTERESTS		<b>1,179.1</b>	1,209.9	-	-
		<b>9,184.2</b>	9,634.6	<b>5,175.4</b>	4,986.3
NON-CURRENT LIABILITIES					
Loans and financing	<b>11</b>	<b>1,854.0</b>	1,733.2	<b>500.0</b>	500.0
Deferred taxation liabilities	<b>13</b>	<b>233.0</b>	243.7	-	0.4
		<b>2,087.0</b>	1,976.9	<b>500.0</b>	500.4
		<b>11,271.2</b>	11,611.5	<b>5,675.4</b>	5,486.7
CURRENT ASSETS					
Inventories	<b>14</b>	<b>3,306.1</b>	2,374.7	<b>1.9</b>	0.9
Property development costs	<b>15</b>	<b>765.4</b>	726.1	-	-
Trade and other receivables	<b>16</b>	<b>2,856.0</b>	2,591.3	<b>19.6</b>	81.2
Tax recoverable		<b>105.6</b>	63.6	-	-
Short term investments	<b>22</b>	<b>26.8</b>	-	-	-
Cash held under Housing Development Accounts	<b>18</b>	<b>409.7</b>	288.8	-	-
Bank balances, deposits and cash	<b>19</b>	<b>2,181.5</b>	2,574.1	<b>162.5</b>	298.6
		<b>9,651.1</b>	8,618.6	<b>184.0</b>	380.7
CURRENT LIABILITIES					
Trade and other payables	<b>20</b>	<b>3,752.7</b>	2,962.3	<b>28.8</b>	30.2
Provisions	<b>21</b>	<b>130.6</b>	153.9	-	-
Short term borrowings	<b>11</b>	<b>837.0</b>	637.6	-	-
Current taxation		<b>243.5</b>	172.6	<b>4.9</b>	2.1
		<b>4,963.8</b>	3,926.4	<b>33.7</b>	32.3
NET CURRENT ASSETS		<b>4,687.3</b>	4,692.2	<b>150.3</b>	348.4
NON-CURRENT ASSETS					
Trade and other receivables	<b>16</b>	<b>465.7</b>	417.4	-	-
Deferred taxation assets	<b>13</b>	<b>368.0</b>	331.0	<b>1.1</b>	-
Investments	<b>22</b>	<b>155.8</b>	886.3	<b>2.9</b>	7.3
Associated companies	<b>23</b>	<b>815.7</b>	615.3	<b>193.3</b>	193.3
Jointly controlled entities	<b>24</b>	<b>(0.3)</b>	4.5	-	-
Subsidiary companies	<b>25</b>	-	-	<b>5,314.8</b>	4,928.7
Land held for property development	<b>26</b>	<b>309.6</b>	251.5	-	-
Property, plant and equipment	<b>27</b>	<b>4,396.8</b>	4,343.4	<b>13.0</b>	9.0
Intangible assets	<b>28</b>	<b>72.6</b>	69.9	-	-
		<b>6,583.9</b>	6,919.3	<b>5,525.1</b>	5,138.3
		<b>11,271.2</b>	11,611.5	<b>5,675.4</b>	5,486.7
NET TANGIBLE ASSETS PER SHARE	<b>7</b>	<b>332</b>	Sen	Sen	355

The accounting policies set out on pages 54 to 58 and the notes on pages 63 to 106 are to be read as part of these financial statements.

# Statements Of Changes In Equity

For The Year Ended 30th June 2005

Amounts in RM million unless otherwise stated

	Group			Company		
	Share capital	Reserve	Total	Share capital	Reserve	Total
<b>2005</b>						
At 1st July 2004:	<b>1,177.9</b>	<b>7,246.8</b>	<b>8,424.7</b>	<b>1,177.9</b>	<b>3,808.4</b>	<b>4,986.3</b>
Currency translation differences	-	<b>128.6</b>	<b>128.6</b>	-	-	-
Effect of dilution of interest in an associated company	-	<b>1.2</b>	<b>1.2</b>	-	-	-
Goodwill written off	-	<b>(1,046.3)</b>	<b>(1,046.3)</b>	-	-	-
Net loss not recognised in income statement	-	<b>(916.5)</b>	<b>(916.5)</b>	-	-	-
Net profit for the year	-	<b>801.2</b>	<b>801.2</b>	-	<b>493.4</b>	<b>493.4</b>
Dividends for year ended						
- Final dividend (30th June 2004)	-	<b>(391.0)</b>	<b>(391.0)</b>	-	<b>(391.0)</b>	<b>(391.0)</b>
- Interim dividend (30th June 2005)	-	<b>(86.0)</b>	<b>(86.0)</b>	-	<b>(86.0)</b>	<b>(86.0)</b>
Issue of shares	<b>17.2</b>	<b>155.5</b>	<b>172.7</b>	<b>17.2</b>	<b>155.5</b>	<b>172.7</b>
At 30th June 2005	<b>1,195.1</b>	<b>6,810.0</b>	<b>8,005.1</b>	<b>1,195.1</b>	<b>3,980.3</b>	<b>5,175.4</b>
<b>2004</b>						
At 1st July 2003:	1,163.1	6,806.1	7,969.2	1,163.1	3,672.6	4,835.7
Currency translation differences	-	42.4	42.4	-	-	-
Goodwill written off	-	(206.0)	(206.0)	-	-	-
Net loss not recognised in income statement	-	(163.6)	(163.6)	-	-	-
Net profit for the year	-	918.7	918.7	-	450.2	450.2
Dividends for year ended						
- Final dividend (30th June 2003)	-	(361.1)	(361.1)	-	(361.1)	(361.1)
- Interim dividend (30th June 2004)	-	(84.5)	(84.5)	-	(84.5)	(84.5)
Issue of shares	14.8	131.2	146.0	14.8	131.2	146.0
At 30th June 2004	1,177.9	7,246.8	8,424.7	1,177.9	3,808.4	4,986.3

An analysis of the movements in each category within reserves is set out in Note 10.

The accounting policies set out on pages 54 to 58 and the notes on pages 63 to 106 are to be read as part of these financial statements.



# Cash Flow Statements

For The Year Ended 30th June 2005

Amounts in RM million unless otherwise stated

	Note	Group		Company	
		2005	2004	2005	2004
Profit after taxation		933.4	1,015.4	493.4	450.2
Adjustments for :					
Dividends from subsidiary and associated companies		-	-	(637.1)	(402.8)
Unusual items	4	122.0	(127.3)	(15.9)	(105.7)
Surplus on disposal of machinery, equipment and vehicles		(13.1)	(88.9)	(0.3)	(0.8)
Share of profits less losses of jointly controlled entities and associated companies		34.4	51.0	-	-
Unrealised exchange (gain)/loss		3.3	(4.7)	0.8	0.5
Investment income		(19.7)	(32.5)	(0.9)	(0.6)
Interest income		(68.6)	(60.6)	(26.0)	(34.4)
Interest expense		95.2	87.8	21.9	22.0
Depreciation		360.6	333.9	3.9	4.0
Taxation		431.4	328.2	171.4	69.1
Other non-cash items	30	86.8	9.6	(0.2)	0.1
		<b>1,965.7</b>	1,511.9	<b>11.0</b>	1.6
Changes in working capital					
Inventories		(797.0)	79.0	(0.9)	2.0
Property development costs		(13.4)	(108.9)	-	-
Trade and other receivables		(346.9)	(649.8)	64.2	(70.7)
Cash held under Housing Development Accounts		(120.9)	(151.4)	-	-
Trade and other payables and provisions		431.2	265.0	(1.5)	(4.5)
<b>Cash generated from operations</b>		<b>1,118.7</b>	945.8	<b>72.8</b>	(71.6)
Taxation paid		(439.9)	(347.5)	(5.5)	(4.4)
Dividends from subsidiary companies		-	-	461.8	351.6
Dividends from associated companies		44.2	23.4	10.7	6.5
<b>Net cash inflow from operating activities</b>		<b>723.0</b>	621.7	<b>539.8</b>	282.1
<b>Net cash (outflow)/inflow from investing activities</b>	31	<b>(817.3)</b>	(322.2)	<b>(349.7)</b>	207.4
<b>Net cash outflow from financing activities</b>	32	<b>(308.4)</b>	(183.6)	<b>(326.2)</b>	(321.6)
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(402.7)</b>	115.9	<b>(136.1)</b>	167.9
Foreign exchange differences		14.1	13.2	-	-
Cash and cash equivalents at beginning of the year		2,542.0	2,412.9	298.6	130.7
<b>Cash and cash equivalents at end of the year</b>	19	<b>2,153.4</b>	2,542.0	<b>162.5</b>	298.6

The accounting policies set out on pages 54 to 58 and the notes on pages 63 to 106 are to be read as part of these financial statements.

# Notes On The Financial Statements

For The Year Ended 30th June 2005



Amounts in RM million unless otherwise stated

## INCOME STATEMENTS

### 1 REVENUE

Revenue for the Group represents sales of goods and services, income from construction contracts and commissions earned outside the Group, net of discounts, allowances and sales and service taxes.

Revenue for the Company represents commissions and commodity trading activities, fees from management services rendered, and income from shares held in subsidiary and associated companies.

	Group		Company	
	2005	2004	2005	2004
<b>Analysis of revenue</b>				
Sales of goods	<b>14,213.5</b>	11,185.1	<b>34.2</b>	39.2
Performance of services	<b>2,695.2</b>	2,533.8	<b>55.1</b>	45.6
Construction contracts	<b>992.6</b>	573.4	-	-
Property development revenue	<b>744.4</b>	611.2	-	-
Income from shares held in subsidiary companies				
Quoted	-	-	<b>78.3</b>	78.3
Unquoted	-	-	<b>548.1</b>	318.0
Income from shares held in associated companies				
Unquoted	-	-	<b>10.7</b>	6.5
	<b>18,645.7</b>	14,903.5	<b>726.4</b>	487.6

Performance of services for the Company include commissions and management fees from subsidiary companies of RM39.9 million (2004 : RM44.7 million).

### 2 OPERATING EXPENSES

	Group		Company	
	2005	2004	2005	2004
Changes in inventories of finished goods and work in progress	<b>(815.5)</b>	(83.5)	-	-
Finished goods and work in progress purchased	<b>12,319.0</b>	8,945.1	<b>24.2</b>	30.0
Raw materials and consumables used	<b>1,202.9</b>	1,229.1	<b>2.9</b>	2.7
Staff costs	<b>1,299.7</b>	1,142.4	<b>28.9</b>	31.8
Depreciation	<b>360.6</b>	333.9	<b>3.9</b>	4.0
Amortisation of intangible assets	<b>2.7</b>	2.3	-	-
Construction contract cost	<b>793.3</b>	441.3	-	-
Property development expenses (Note 15)	<b>604.7</b>	410.0	-	-
Other operating expenses	<b>1,881.4</b>	1,392.7	<b>26.7</b>	19.3
	<b>17,648.8</b>	13,813.3	<b>86.6</b>	87.8

The number of persons employed, at the end of the year	<b>24,916</b>	24,405	<b>284</b>	306
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	Group		Company	
	2005	2004	2005	2004
Staff costs include:				
Defined contribution plans	<b>91.3</b>	84.1	<b>2.7</b>	2.8
Termination benefits	<b>2.0</b>	3.5	-	-

Included in construction contract cost of the Group is hire of plant and machinery amounting to RM31.9 million (2004: RM14.1 million).



2 OPERATING EXPENSES (continued)

	Group		Company	
	2005	2004	2005	2004
Other operating expenses include:				
Auditors' remuneration:				
Fees for statutory audits				
- current year	8.7	7.4	0.3	0.3
- under provision in prior year	0.4	-	-	-
Fees for other services	3.1	2.4	0.2	0.2
Directors' remuneration:				
Fees	1.1	1.2	0.9	1.0
Other emoluments	1.5	3.1	1.4	2.8
Hire of plant and machinery	9.1	5.3	0.2	0.2
Operating lease payments for land and buildings to:				
Subsidiary companies	-	-	2.9	3.4
Companies external to the Group	113.0	96.2	0.1	0.1
Replanting expenditure	24.1	23.1	-	-
Research expenditure	6.3	6.6	-	-
Allowance for doubtful debts :				
Vehicle sales receivables in China (Note 4)	163.7	-	-	-
Others	58.2	16.9	-	-
Writeback of allowance for doubtful debts	(24.2)	(23.2)	-	(0.1)
Realised exchange gain	(9.8)	(3.6)	(0.1)	-
Unrealised exchange loss/(gain)	3.3	(4.7)	0.8	0.5
Provision for reorganisation expenses and severance costs (Note 4)	-	0.3	-	-
Impairment made on inter company loan	-	-	2.3	-
Loss on disposal of subsidiary, associated companies and jointly controlled entity	98.3	-	-	-
Impairment losses on investment in an associated company (Note 4)	20.4	-	-	-
Provision/(writeback) of impairment losses on long term investments (Note 4)	8.5	(1.8)	3.6	-
Write off of property, plant and equipment	50.1	6.9	-	0.1
Impairment losses on property, plant and equipment (Notes 4 and 27)	19.8	5.4	-	-

The estimated monetary value of benefits provided to Directors during the year by way of usage of the Group's and Company's assets and the provision of accommodation and other benefits amounted to RM0.1 million (2004 : RM0.2 million).

Group

The remuneration paid to the Directors for the year ended 30th June 2005 is categorised as follows:-

	Salary	Fees	Bonus	Benefits-in-kind	Allowances	Defined contribution plans	Total
<i>(in RM thousand)</i>							
Executive Directors	820	-	336	74	-	185	1,415
Non-Executive Directors	-	1,148	-	-	120	-	1,268
Total	820	1,148	336	74	120	185	2,683

The remuneration paid to the Directors, analysed into bands of RM50,000, are as follows:

No of Directors	> RM50,000 to RM100,000	> RM100,000 to RM150,000	> RM150,000 to RM200,000	> RM300,000 to RM350,000	> RM1,050,000 to RM1,100,000
Executive Directors	-	-	-	1	1
Non-executive Directors	1	4	4	-	-

**3 OTHER OPERATING INCOME**

	Group		Company	
	2005	2004	2005	2004
Other operating income includes:				
Rental income for land and buildings	<b>46.1</b>	44.4	–	–
Surplus on disposal of machinery, equipment and vehicles	<b>13.1</b>	88.9	<b>0.3</b>	0.8
Surplus on disposal of investments (Note 4)	<b>86.3</b>	7.9	<b>19.7</b>	–
Surplus on disposal of properties (Note 4)	<b>10.6</b>	49.2	–	–
Surplus on disposal of subsidiary, associated companies and jointly controlled entity	<b>89.4</b>	92.1	–	105.7

**4 UNUSUAL ITEMS**

The following income and allowances are classified as unusual items for the purpose of disclosure of segment results in Note 35.

	Group		Company	
	2005	2004	2005	2004
Surplus on disposal of investments	<b>86.3</b>	7.9	<b>19.7</b>	–
(Loss)/surplus on disposal of subsidiary, associated companies and jointly controlled entity	<b>(8.9)</b>	92.1	–	105.7
Surplus on disposal of properties	<b>10.6</b>	49.2	–	–
Provision for reorganisation expenses and severance costs	–	(0.3)	–	–
Impairment losses on investment in an associated company	<b>(20.4)</b>	–	–	–
Impairment losses on property, plant and equipment	<b>(19.8)</b>	(5.4)	–	–
Provision for claim in a subsidiary company	–	(20.0)	–	–
Provision for vehicles sales receivables in China	<b>(163.7)</b>	–	–	–
(Provisions)/writeback of impairment losses on long term investments	<b>(8.5)</b>	1.8	<b>(3.6)</b>	–
Others	<b>2.4</b>	2.0	<b>(0.2)</b>	–
Sub total	<b>(122.0)</b>	127.3	<b>15.9</b>	105.7
Provision for foreseeable contract losses of a jointly controlled entity	<b>(55.0)</b>	(77.1)	–	–
	<b>(177.0)</b>	50.2	<b>15.9</b>	105.7

**5 INVESTMENT AND INTEREST INCOME**

	Group		Company	
	2005	2004	2005	2004
Income from marketable securities	<b>5.3</b>	18.8	–	–
Income from shares (gross):				
Quoted in Malaysia	<b>0.6</b>	0.4	<b>0.5</b>	0.4
Quoted outside Malaysia	<b>3.2</b>	5.2	<b>0.4</b>	0.2
Unquoted	<b>10.6</b>	8.1	–	–
Total investment income	<b>19.7</b>	32.5	<b>0.9</b>	0.6
Interest income from:				
Subsidiary companies	–	–	<b>15.4</b>	17.6
Banks and other financial institutions	<b>68.6</b>	60.6	<b>10.6</b>	16.8
Total interest income	<b>68.6</b>	60.6	<b>26.0</b>	34.4
Total investment and interest income	<b>88.3</b>	93.1	<b>26.9</b>	35.0

6 TAXATION

	Group		Company	
	2005	2004	2005	2004
Current taxation				
In respect of current year:				
- Malaysian income tax	<b>262.9</b>	227.0	<b>171.7</b>	68.1
- Foreign income tax	<b>218.2</b>	104.8	<b>1.2</b>	1.0
In respect of prior year:				
- Malaysian income tax	<b>(4.6)</b>	1.0	-	-
- Foreign income tax	<b>(26.4)</b>	(9.4)	-	-
Deferred taxation (Note 13)	<b>(26.2)</b>	(3.6)	<b>(1.5)</b>	-
	<b>423.9</b>	319.8	<b>171.4</b>	69.1
Share of taxation of associated companies	<b>7.5</b>	8.4	-	-
	<b>431.4</b>	328.2	<b>171.4</b>	69.1

**Tax losses**

Tax losses for which the related tax credit has not been recognised in the financial statements	<b>795.0</b>	636.8	-	-
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**Tax reconciliation**

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

	Group		Company	
	2005	2004	2005	2004
Profit before taxation	<b>1,364.8</b>	1,343.6	<b>664.8</b>	519.3
Taxation at Malaysian statutory tax rate of 28% (2004: 28%)	<b>382.1</b>	376.2	<b>186.1</b>	145.4
Effect of different tax rates in other countries	<b>14.8</b>	(39.2)	<b>(1.0)</b>	(0.8)
Effect of income not subject to tax	<b>(150.4)</b>	(102.3)	<b>(16.6)</b>	(76.7)
Effect of expenses not deductible for tax purposes	<b>121.8</b>	106.7	<b>2.6</b>	1.0
Effect of utilisation of previously unrecognised tax losses and unabsorbed capital allowances	<b>(6.4)</b>	(2.3)	-	(0.5)
Tax incentives available to the Group	<b>(9.4)</b>	(11.4)	-	-
Writeback of provision for taxation in respect of prior years	<b>(31.0)</b>	(8.4)	-	-
Deferred tax assets not recognised in respect of current year's tax losses and unabsorbed capital allowances	<b>119.1</b>	18.1	-	-
Others	<b>(9.2)</b>	(9.2)	<b>0.3</b>	0.7
Tax expense for the year	<b>431.4</b>	328.2	<b>171.4</b>	69.1
Effective tax rate (%)	<b>31.6</b>	24.4	<b>25.8</b>	13.3

**7 EARNINGS AND NET TANGIBLE ASSETS PER SHARE - GROUP**

The basic earnings per share is calculated by dividing the Group's net profit of RM801.2 million (2004 : RM918.7 million) by the 2,374.6 million (2004 : 2,334.2 million) weighted average number of shares of the Company in issue during the year.

Using the same weighted average number of shares of the Company in issue during the year of 2,374.6 million, the supplementary information presented for basic earnings per share is calculated as follows:

	<b>2005</b>	2004	<b>2005</b>	2004
	<b>RM million</b>		<b>Sen per share</b>	
Net profit for the year	<b>801.2</b>	918.7	<b>33.7</b>	39.4
Unusual items (Note 4) less taxation and minority interests	<b>161.9</b>	(82.2)	<b>6.8</b>	(3.6)
<b>Net profit excluding unusual items</b>	<b>963.1</b>	836.5	<b>40.5</b>	35.8

The diluted earnings per share and earnings excluding unusual items per share were calculated using an enlarged weighted average number of shares of 2,381.5 million (2004 : 2,340.4 million) after the inclusion of the bonus element of number of unexercised options outstanding as at 30th June 2005 of 6.9 million (2004 : 6.2 million). The terms of the unexercised options are set out in Note 9.

The net tangible assets per share is calculated by dividing the Group's net tangible assets of RM7,932.5 million (2004 : RM8,354.8 million) by the 2,390.2 million (2004 : 2,355.7 million) number of shares of the Company in issue at year end.

**8 DIVIDENDS**

	<b>2005</b>	2004
<i>Interim:</i>		
Paid on 20th May 2005		
- 5.0 sen gross per share less Malaysian tax at 28% (2004 : 5.0 sen gross per share less Malaysian tax at 28%)	<b>86.0</b>	84.5
<i>Proposed final:</i>		
Payable on 16th December 2005		
- 16.0 sen gross per share less Malaysian tax at 28% and 5.0 sen per share tax exempt (2004 : 16.0 sen gross per share less Malaysian tax at 28% and 5.0 sen per share tax exempt)	<b>394.9</b>	391.0
	<b>480.9</b>	475.5

At the forthcoming Annual General Meeting on 25th October 2005, a final dividend of 16.0 sen gross per share less Malaysian tax at 28% and 5.0 sen per share tax exempt (2004 : 16.0 sen gross per share less Malaysian tax at 28% and 5.0 sen per share tax exempt) amounting to RM394.9 million (2004 : RM391.0 million) will be proposed for shareholders' approval. These financial statements do not reflect this final dividend which will be accrued as a liability in the year ending 30th June 2006 when approved by shareholders.

**BALANCE SHEETS**

**9 SHARE CAPITAL**

(a) Share capital

	<b>2005</b>	2004
<i>Authorised:</i>		
3,000.0 million (2004 : 3,000.0 million) ordinary shares of RM0.50 each	<b>1,500.0</b>	1,500.0
<i>Issued and fully paid:</i>		
At 1st July - 2,355.7 million (2003 : 2,326.2 million) ordinary shares of RM0.50 each	<b>1,177.9</b>	1,163.1
34.5 million (2004 : 29.5 million) new shares issued pursuant to the exercise of options under the Sime Darby Employees' Share Option Scheme	<b>17.2</b>	14.8
At 30th June – 2,390.2 million (2004 : 2,355.7 million) ordinary shares of RM0.50 each	<b>1,195.1</b>	1,177.9

(b) Employees' Share Option Scheme

The Company implemented an Employees' Share Option Scheme ("Scheme") which came into effect on 10th December 2001 for a period of five (5) years to 9th December 2006 but may be renewed for another five (5) years or such longer period as allowed under the Companies Act, 1965. The Scheme is governed by the By-Laws which were approved by the shareholders on 6th November 2001.

The main features of the Scheme are as follows:

- Eligible employees are, in the case of Malaysian citizens, full time employees of the Company or of an eligible subsidiary company, who have been in the service of the Group for at least one (1) continuous year including employees serving a fixed term contract of employment, the duration of which (including any period of employment that they have already served) should be at least three (3) years and in the case of non-Malaysian citizens, full time executives of the Company or an eligible subsidiary company, who have been in the service of the Group for at least three (3) continuous years.
- The options granted may be exercised at any time before the expiry of the Scheme in full or in such lesser number of ordinary shares provided that the number shall be in multiples of 1,000 shares.
- The price at which the grantees are entitled to subscribe for shares under the Scheme is the weighted average market price of the shares as shown in the daily official list issued by Bursa Malaysia Securities Berhad for the five (5) market days immediately preceding the respective dates of offer of the options, with a discount of not more than 10% (or such other higher percentage as may be allowed by the Securities Commission, Bursa Malaysia Securities Berhad and/or other relevant authorities).
- The grantees have no right to participate, by virtue of these options, in any share issue of any other company within the Group.
- Options granted under the Scheme carry no dividend or voting rights. Upon exercise of the options, the shares issued rank pari passu in all respects with the then existing ordinary shares of the Company.

## 9 SHARE CAPITAL (continued)

The movements during the year in the number of share options over the ordinary shares of the Company are as follows :

Date granted	Exercise price RM/share	Number of shares under options				At 30th June '000
		At 1st July '000	Granted '000	Exercised '000	Lapsed '000	
<b>2005</b>						
28th February 2002	4.90	32,735	–	(22,356)	(107)	10,272
12th May 2002	5.09	1,887	–	(968)	(88)	831
6th June 2003	5.08	16,108	–	(7,164)	(588)	8,356
28th May 2004	5.47	24,043	–	(3,997)	(1,245)	18,801
20th May 2005	5.28	–	27,746	(8)	(289)	27,449
		<b>74,773</b>	<b>27,746</b>	<b>(34,493)</b>	<b>(2,317)</b>	<b>65,709</b>
<b>2004</b>						
28th February 2002	4.90	59,480	–	(23,436)	(3,309)	32,735
12th May 2002	5.09	3,031	–	(685)	(459)	1,887
6th June 2003	5.08	23,378	–	(5,433)	(1,837)	16,108
28th May 2004	5.47	–	24,374	–	(331)	24,043
		<b>85,889</b>	<b>24,374</b>	<b>(29,554)</b>	<b>(5,936)</b>	<b>74,773</b>
					<b>2005</b>	<b>2004</b>
					<b>'000</b>	<b>'000</b>
Number of share options vested at balance sheet date ('000)					–	–

Details of share options exercised during the year are as follows :

Date exercised	Exercise price RM/share	Number of share options exercised '000	Considerations received RM Million
<b>2005</b>			
July – September 2004	4.90	2,715	13.3
	5.08	801	4.1
	5.09	128	0.7
	5.47	37	0.2
October – December 2004	4.90	12,704	62.2
	5.08	3,010	15.3
	5.09	500	2.5
	5.47	321	1.8
January – March 2005	4.90	5,673	27.8
	5.08	2,934	14.9
	5.09	309	1.5
	5.47	3,445	18.8

9 SHARE CAPITAL (continued)

Details of share options exercised during the year are as follows :

Date exercised	Exercise price RM/share	Number of share options exercised '000	Considerations received RM Million
<b>2005</b>			
April – June 2005	4.90	1,264	6.2
	5.08	419	2.1
	5.09	31	0.1
	5.47	194	1.1
	5.28	8	0.1
		<b>34,493</b>	<b>172.7</b>
Less : Par value of ordinary shares			<b>(17.2)</b>
Share premium			<b>155.5</b>
<b>2004</b>			
July – September 2003	4.90	46	0.2
	5.08	5	0.1
October – December 2003	4.90	990	4.8
	5.08	196	1.0
	5.09	6	0.1
January – March 2004	4.90	12,863	63.0
	5.08	2,680	13.6
	5.09	238	1.2
April – June 2004	4.90	9,537	46.8
	5.08	2,552	13.0
	5.09	441	2.2
		<b>29,554</b>	<b>146.0</b>
Less : Par value of ordinary shares			<b>(14.8)</b>
Share premium			<b>131.2</b>

The fair value of shares of the Company at the exercise dates ranged from RM5.40 to RM6.65 per share (2004 : RM5.00 to RM6.20 per share).

## 10 RESERVES

Group	Non – distributable				Distributable	Total
	Share premium	Revaluation reserves	Capital reserves	Exchange reserves	Retained profits	
<b>2005</b>						
At 1st July 2004	2,515.4	76.0	209.2	620.6	3,825.6	7,246.8
Currency translation differences	-	-	-	128.6	-	128.6
Effect of dilution of interest in an associated company	-	-	2.6	-	(1.4)	1.2
Goodwill written off	-	-	-	-	(1,046.3)	(1,046.3)
Transfers within reserves on realisation	-	(3.8)	-	-	3.8	-
Net profit for the year	-	-	-	-	801.2	801.2
Dividends for year ended						
- Final dividend (30th June 2004)	-	-	-	-	(391.0)	(391.0)
- Interim dividend (30th June 2005)	-	-	-	-	(86.0)	(86.0)
Issue of shares	155.5	-	-	-	-	155.5
At 30th June 2005	2,670.9	72.2	211.8	749.2	3,105.9	6,810.0
2004						
At 1st July 2003	2,384.2	78.2	209.2	578.2	3,556.3	6,806.1
Currency translation differences	-	-	-	42.4	-	42.4
Goodwill written off	-	-	-	-	(206.0)	(206.0)
Transfers within reserves on realisation	-	(2.2)	-	-	2.2	-
Net profit for the year	-	-	-	-	918.7	918.7
Dividends for year ended						
- Final dividend (30th June 2003)	-	-	-	-	(361.1)	(361.1)
- Interim dividend (30th June 2004)	-	-	-	-	(84.5)	(84.5)
Issue of shares	131.2	-	-	-	-	131.2
At 30th June 2004	2,515.4	76.0	209.2	620.6	3,825.6	7,246.8
<b>Company</b>						
<b>2005</b>						
At 1st July 2004	2,515.4	-	316.7	-	976.3	3,808.4
Transfers within reserves on realisation	-	-	(1.7)	-	1.7	-
Net profit for the year	-	-	-	-	493.4	493.4
Dividends for year ended						
- Final dividend (30th June 2004)	-	-	-	-	(391.0)	(391.0)
- Interim dividend (30th June 2005)	-	-	-	-	(86.0)	(86.0)
Issue of shares	155.5	-	-	-	-	155.5
At 30th June 2005	2,670.9	-	315.0	-	994.4	3,980.3
2004						
At 1st July 2003	2,384.2	-	363.7	-	924.7	3,672.6
Transfers within reserves on realisation	-	-	(47.0)	-	47.0	-
Net profit for the year	-	-	-	-	450.2	450.2
Dividends for year ended						
- Final dividend (30th June 2003)	-	-	-	-	(361.1)	(361.1)
- Interim dividend (30th June 2004)	-	-	-	-	(84.5)	(84.5)
Issue of shares	131.2	-	-	-	-	131.2
At 30th June 2004	2,515.4	-	316.7	-	976.3	3,808.4

The Group's revaluation reserves relate mainly to revaluation made in 1978 of the land and buildings of the Group's plantations in Malaysia. Capital reserves represent retained profits capitalised by subsidiary companies.

There are sufficient Malaysian and Singaporean tax credits available to frank approximately RM2,507.9 million (2004 : RM2,308.9 million) and RM565.8 million (2004 : RM592.8 million) of the retained profits of the Group and the Company respectively if paid out as dividends. In addition, the Group and the Company have tax exempt accounts available to frank tax exempt dividends amounting to approximately RM564.5 million (2004 : RM698.2 million) and RM392.0 million (2004 : RM466.6 million) respectively.



11 LOANS AND FINANCING

	Group		Company	
	2005	2004	2005	2004
<b>Non current</b>				
Term loans – secured	132.6	25.3	-	-
Term loans – unsecured	1,221.4	1,207.9	-	-
Al Murabahah Medium Term Notes – unsecured (Note 12)	500.0	500.0	500.0	500.0
	<b>1,854.0</b>	1,733.2	<b>500.0</b>	500.0
<b>Current</b>				
Bank overdrafts				
- secured (Note 19)	2.8	-	-	-
- unsecured (Note 19)	25.3	32.1	-	-
Portion of term loans due within one year				
- secured	24.1	18.4	-	-
- unsecured	11.7	54.1	-	-
Other short term borrowings				
- secured	47.6	-	-	-
- unsecured	725.5	533.0	-	-
	<b>837.0</b>	637.6	-	-
	<b>2,691.0</b>	2,370.8	<b>500.0</b>	500.0

Included in unsecured term loans is an amount of RM37.4 million (2004 – RM59.9 million) in respect of the 12% cumulative subordinated unconvertible redeemable unsecured loan stocks issued by one of the Group's subsidiary companies in Malaysia. The repayment of the loan stocks is subordinated to all unsecured facilities of the subsidiary company. The loan stocks are redeemable at par at any date determined by the subsidiary company's directors up to 31st December 2023.

The secured term loans, bank overdrafts and other short term borrowings are secured by fixed and floating charges over property, plant and equipment, property development project and other assets of certain subsidiary companies.

	Group		Company	
	2005	2004	2005	2004
The average effective interest rates/profit margin are as follows:				
Term loans:		%		%
- before interest rate swaps	4.63	3.33	-	-
- after interest rate swaps	4.47	3.34	-	-
Al Murabahah Medium Term Notes	4.38	4.38	4.38	4.38
Bank overdrafts	7.28	6.29	-	-
Other short term borrowings	3.97	3.13	-	-

Term loans and Al Murabahah Medium Term Notes are subject to the following maturity periods:

	Group		Company	
	2005	2004	2005	2004
Within 1 year	35.8	72.5	-	-
Between 1 and 2 years	257.9	46.9	-	-
Between 2 and 5 years	1,439.3	300.0	500.0	-
After 5 years	156.8	1,386.3	-	500.0
	<b>1,889.8</b>	1,805.7	<b>500.0</b>	500.0

Conventional term loans that are subject to contractual interest rates repricing within 1 year amounted to RM1,187.8 million (2004 : RM1,150.8 million).

**12 AL MURABAHAH MEDIUM TERM NOTES - UNSECURED**

On 6th February 2003, the Company issued RM500 million Al Murabahah Medium Term Notes under the RM1,500 million Al Murabahah Commercial Paper ('MCP') and Medium Term Notes ('MMTN') Programme ('Programme') at par with a profit rate of 4.38% per annum.

Salient features of the Programme are as follows:

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

As at 30th June 2005, the proceeds of the MMTN have been utilised to fund capital expenditure and investments of the Group.

**13 DEFERRED TAXATION**

The following amounts, determined after appropriate offsetting, are shown in the balance sheet :

	<b>Group</b>		<b>Company</b>	
	<b>2005</b>	2004	<b>2005</b>	2004
Deferred taxation assets	<b>368.0</b>	331.0	<b>1.1</b>	-
Deferred taxation liabilities	<b>(233.0)</b>	(243.7)	<b>-</b>	(0.4)
	<b>135.0</b>	87.3	<b>1.1</b>	(0.4)

The movements during the year relating to deferred tax are as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2005</b>	2004	<b>2005</b>	2004
At 1st July	<b>87.3</b>	25.7	<b>(0.4)</b>	(0.4)
Credited to income statement	<b>26.2</b>	3.6	<b>1.5</b>	-
Acquisition of subsidiary companies	<b>16.7</b>	4.1	<b>-</b>	-
Disposal of subsidiary companies	<b>-</b>	57.5	<b>-</b>	-
Exchange differences	<b>4.8</b>	(3.6)	<b>-</b>	-
At 30th June	<b>135.0</b>	87.3	<b>1.1</b>	(0.4)

13 DEFERRED TAXATION (continued)

The components and movements of deferred taxation liabilities and assets during the year comprise the following:

Group

Deferred taxation liabilities

	Property, plant And equipment	Land held for property development	Others	Total
<b>2005</b>				
At 1st July 2004	186.8	59.1	22.5	268.4
Credited to income statement	(12.9)	–	(11.8)	(24.7)
Acquisition of subsidiary companies	1.9	–	1.9	3.8
Exchange differences	0.1	–	1.0	1.1
	<b>175.9</b>	<b>59.1</b>	<b>13.6</b>	<b>248.6</b>
Offsetting				(15.6)
At 30th June 2005				<b>233.0</b>
<b>2004</b>				
At 1st July 2003	261.1	59.1	20.1	340.3
(Credited)/charged to income statement	(8.1)	–	1.6	(6.5)
Disposal of subsidiary companies	(67.2)	–	(0.6)	(67.8)
Exchange differences	1.0	–	1.4	2.4
	<b>186.8</b>	<b>59.1</b>	<b>22.5</b>	<b>268.4</b>
Offsetting				(24.7)
At 30th June 2004				<b>243.7</b>

Deferred taxation assets

	Provisions	Land held for development	Property, plant and equipment	Property development cost	Tax losses	Others	Total
<b>2005</b>							
At 1st July 2004	83.2	146.7	12.5	51.9	22.7	38.7	355.7
Credited/(charged) to income statement	22.9	(6.8)	(1.0)	(10.0)	(1.0)	(2.6)	1.5
Acquisition of subsidiary companies	9.1	–	–	–	5.6	5.8	20.5
Exchange differences	5.9	–	–	–	0.4	(0.4)	5.9
	<b>121.1</b>	<b>139.9</b>	<b>11.5</b>	<b>41.9</b>	<b>27.7</b>	<b>41.5</b>	<b>383.6</b>
Offsetting							(15.6)
At 30th June 2005							<b>368.0</b>
<b>2004</b>							
At 1st July 2003	84.2	160.2	12.5	67.0	10.1	32.0	366.0
Credited/(charged) to income statement	2.1	(13.5)	–	(15.1)	15.1	8.5	(2.9)
Acquisition of subsidiary companies	4.1	–	–	–	–	–	4.1
Disposal of subsidiary companies	(9.2)	–	–	–	(0.4)	(0.7)	(10.3)
Exchange differences	2.0	–	–	–	(2.1)	(1.1)	(1.2)
	<b>83.2</b>	<b>146.7</b>	<b>12.5</b>	<b>51.9</b>	<b>22.7</b>	<b>38.7</b>	<b>355.7</b>
Offsetting							(24.7)
At 30th June 2004							<b>331.0</b>

Company

Deferred taxation assets/(liabilities)

	Property, plant and equipment	Others	2005 Total	2004 Property, plant and equipment
At 1st July	(0.4)	–	(0.4)	(0.4)
Credited to income statement	–	1.5	1.5	–
At 30th June	<b>(0.4)</b>	<b>1.5</b>	<b>1.1</b>	<b>(0.4)</b>

## 14 INVENTORIES

	Group		Company	
	2005	2004	2005	2004
Produce stocks	39.1	25.9	-	-
Trading inventories:				
Heavy equipment	1,233.5	744.6	-	-
Motor vehicles	1,441.8	1,114.9	-	-
Commodities and others	316.9	276.0	-	-
Completed development units	100.0	107.8	-	-
Materials and consumable stores	174.8	105.5	1.9	0.9
	<b>3,306.1</b>	<b>2,374.7</b>	<b>1.9</b>	<b>0.9</b>

The carrying value of trading inventories includes RM301.4 million (2004 : RM131.5 million) stated at net realisable values.

## 15 PROPERTY DEVELOPMENT COSTS - GROUP

	2005	2004
Development costs		
At 1st July	1,736.5	1,442.0
Development costs incurred during the year	618.1	518.9
Transfer from property, plant and equipment (Note 27)	4.1	-
Transfer from land held for property development (Note 26)	23.9	31.6
Units transferred to inventories	(2.1)	(8.9)
Completed development units and land sold	(400.2)	(247.1)
At 30th June	<b>1,980.3</b>	<b>1,736.5</b>
Costs recognised in income statement		
At 1st July	(1,010.4)	(847.5)
Recognised during the year	(604.7)	(410.0)
Completed development units and land sold	400.2	247.1
At 30th June	<b>(1,214.9)</b>	<b>(1,010.4)</b>
At 30th June	<b>765.4</b>	<b>726.1</b>

Development costs is analysed as follows:

	2005	2004
Freehold land at cost	164.2	161.4
Long leasehold land at cost	4.1	-
Development costs	1,812.0	1,575.1
Costs recognised in income statement	(1,214.9)	(1,010.4)
At 30th June	<b>765.4</b>	<b>726.1</b>

Property development project of a subsidiary company with net book value of RM82.5 million (2004 : RM NIL million) is charged to a bank as security for borrowings (Note 11).

16 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2005	2004	2005	2004
Trade receivables less allowance for doubtful debts of RM283.6 million (2004 : RM79.4 million) for the Group and RM0.1 million (2004 : RM0.1 million) for the Company	<b>1,813.7</b>	1,774.7	<b>5.2</b>	4.7
Accrued billings	<b>126.7</b>	63.1	-	-
Amounts due from customers on construction contracts (Note 17)	<b>287.6</b>	96.0	-	-
Amounts due from associated companies	<b>48.8</b>	68.7	<b>0.2</b>	1.2
Amounts due from jointly controlled entities	<b>0.5</b>	-	-	-
Other receivables less allowance for doubtful debts of RM12.0 million (2004 : RM4.8 million) for the Group and RM0.1 million (2004 : RM NIL million) for the Company	<b>239.7</b>	253.6	<b>12.4</b>	73.4
Deposits	<b>43.3</b>	37.2	<b>1.5</b>	1.5
Prepayments	<b>45.4</b>	62.7	<b>0.3</b>	0.4
Net investments in finance lease after deducting unearned finance income of RM38.8 million (2004 : RM37.3 million) and allowance for doubtful debts of RM8.7 million (2004 : RM8.1 million)	<b>250.3</b>	235.3	-	-
	<b>2,856.0</b>	2,591.3	<b>19.6</b>	81.2

	Group	
	2005	2004
Gross investments in finance lease:		
Not later than 1 year	<b>297.8</b>	280.7
Later than 1 year and not later than 5 years	<b>483.5</b>	444.2
Later than 5 years	<b>40.8</b>	29.0
	<b>822.1</b>	753.9
Unearned finance income	<b>(81.5)</b>	(78.9)
Allowance for doubtful debts	<b>(24.6)</b>	(22.3)
Net investments in finance lease	<b>716.0</b>	652.7

The effective interest rates applicable on net investments in finance lease ranged from 4.68% to 16.70% (2004 : 7.07% to 13.11%).

*Representing:*

	Group	
	2005	2004
Current receivable	<b>250.3</b>	235.3
Non-current receivable	<b>465.7</b>	417.4
	<b>716.0</b>	652.7
Net investments in finance lease:		
Not later than 1 year	<b>250.3</b>	235.3
Later than 1 year and not later than 5 years	<b>428.2</b>	390.4
Later than 5 years	<b>37.5</b>	27.0
	<b>716.0</b>	652.7

Credit terms of trade receivables and amounts due from customers range from 7 to 180 days (2004 : 14 to 180 days).

**17 CONSTRUCTION CONTRACTS – GROUP**

	2005	2004
Aggregate costs incurred	<b>1,851.6</b>	1,304.4
Recognised profits less losses to date	<b>154.0</b>	183.4
	<b>2,005.6</b>	1,487.8
Progress billings	<b>(1,722.8)</b>	(1,448.0)
	<b>282.8</b>	39.8
<i>Represented by:</i>		
Amounts due from customers (Note 16)	<b>287.6</b>	96.0
Amounts due to customers (Note 20)	<b>(4.8)</b>	(56.2)
	<b>282.8</b>	39.8
Retention on contracts	<b>1.9</b>	1.3

**18 CASH HELD UNDER HOUSING DEVELOPMENT ACCOUNTS**

Cash held under the Housing Development Accounts represents monies received from purchasers of residential properties less payments or withdrawals in accordance with Malaysian Housing Developers (Control and Licensing) Act 1966, and Singaporean Housing Developers (Control and Licensing) Act (Cap 130). The amounts are held at call with banks.

**19 BANK BALANCES, DEPOSITS AND CASH**

	Group		Company	
	2005	2004	2005	2004
Deposits with licensed banks	<b>1,233.1</b>	1,380.1	<b>95.0</b>	195.1
Deposits with finance companies	<b>75.4</b>	310.0	–	30.3
Deposits with other corporations	<b>164.9</b>	302.2	<b>65.0</b>	70.0
Cash at bank and in hand	<b>708.1</b>	581.8	<b>2.5</b>	3.2
	<b>2,181.5</b>	2,574.1	<b>162.5</b>	298.6

Effective interest rates are as follows:	2005	2004	2005	2004
	%	%	%	%
Deposits with licensed banks	<b>0.10 – 6.65</b>	0.20 – 10.00	<b>2.62 – 2.72</b>	2.62 – 2.76
Deposits with finance companies	<b>2.70 – 2.77</b>	2.70 – 3.00	–	2.80
Deposits with other corporations	<b>2.66 – 3.00</b>	2.06 – 2.83	<b>2.66</b>	2.73
Cash at bank	<b>0.00 – 4.78</b>	0.00 – 4.78	–	–

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

For the purpose of the cash flow statement, the cash and cash equivalents at year end comprised the following:

	Group		Company	
	2005	2004	2005	2004
Bank balances, deposits and cash	<b>2,181.5</b>	2,574.1	<b>162.5</b>	298.6
Bank overdrafts – secured (Note 11)	<b>(2.8)</b>	–	–	–
Bank overdrafts – unsecured (Note 11)	<b>(25.3)</b>	(32.1)	–	–
	<b>2,153.4</b>	2,542.0	<b>162.5</b>	298.6

20 TRADE AND OTHER PAYABLES

	Group		Company	
	2005	2004	2005	2004
Trade payables	2,036.2	1,772.5	0.9	1.3
Trade accruals	1,693.8	1,131.0	27.9	28.9
Progress billings	17.9	2.6	-	-
Amount due to customers on construction contracts (Note 17)	4.8	56.2	-	-
	<b>3,752.7</b>	<b>2,962.3</b>	<b>28.8</b>	<b>30.2</b>

Credit terms of trade payables and amounts due to customers range from 1 to 180 days (2004 : 1 to 180 days).

21 PROVISIONS

Group	Maintenance and warranty	Property development	Reorganisation expenses	Provision for future obligations	Retirement benefits	Total
<b>2005</b>						
At 1st July 2004	68.3	8.5	-	77.1	-	153.9
Exchange differences	1.9	-	-	-	-	1.9
Additions	115.4	-	-	55.0	-	170.4
Unused amounts reversed	(40.7)	(1.0)	-	(2.1)	-	(43.8)
Charged/(writeback) to income statement	74.7	(1.0)	-	52.9	-	126.6
Disposal of subsidiary companies	(4.4)	-	-	-	-	(4.4)
Acquisition of subsidiary companies	37.4	-	-	-	-	37.4
Set off against jointly controlled entities	-	-	-	(129.5)	-	(129.5)
Utilised	(57.9)	-	-	-	-	(57.9)
Transfer from accruals	2.6	-	-	-	-	2.6
At 30th June 2005	<b>122.6</b>	<b>7.5</b>	<b>-</b>	<b>0.5</b>	<b>-</b>	<b>130.6</b>
<b>2004</b>						
At 1st July 2003	70.7	8.5	0.2	-	15.7	95.1
Exchange differences	0.6	-	-	-	-	0.6
Additions	65.1	-	0.4	77.1	-	142.6
Unused amounts reversed	(24.5)	-	(0.1)	-	-	(24.6)
Charged to income statement	40.6	-	0.3	77.1	-	118.0
Disposal of subsidiary companies	(7.7)	-	-	-	-	(7.7)
Utilised	(38.8)	-	(0.5)	-	-	(39.3)
Transfer from/(to) accruals	2.9	-	-	-	(15.7)	(12.8)
At 30th June 2004	<b>68.3</b>	<b>8.5</b>	<b>-</b>	<b>77.1</b>	<b>-</b>	<b>153.9</b>

Company

2005	Retirement benefits	Total
At 1st July 2004	-	-
Transfer to accruals	-	-
At 30th June 2005	-	-
<b>2004</b>		
At 1st July 2003	0.5	0.5
Transfer to accruals	(0.5)	(0.5)
At 30th June 2004	-	-

22 INVESTMENTS

	Group		Company	
	2005	2004	2005	2004
<b>Current</b>				
<b>At cost</b>				
Marketable securities – corporate bonds	26.8	–	–	–
Market value	29.3	–	–	–
<b>Non-current</b>				
<b>At Cost</b>				
Quoted shares				
In Malaysia	12.6	13.6	6.1	7.1
Outside Malaysia	0.5	116.7	0.4	0.2
Marketable securities – corporate bonds	–	609.8	–	–
Unquoted shares				
In Malaysia	113.1	111.4	–	–
Outside Malaysia	38.1	36.2	–	–
	164.3	887.7	6.5	7.3

**Accumulated impairment losses**

Quoted shares	(8.5)	–	(3.6)	–
Marketable securities – corporate bonds	–	(1.4)	–	–
<b>Carrying amount</b>	<b>155.8</b>	<b>886.3</b>	<b>2.9</b>	<b>7.3</b>

	2005		2004	
	Carrying amount	Market value	Carrying amount	Market value
<b>Group</b>				
Quoted shares				
In Malaysia	4.1	4.1	13.6	24.9
Outside Malaysia	0.5	3.0	116.7	152.6
Marketable securities – corporate bonds	4.6	7.1	130.3	177.5
	–	–	608.4	617.2
	4.6	7.1	738.7	794.7
Unquoted shares				
In Malaysia	113.1		111.4	
Outside Malaysia	38.1		36.2	
	155.8		886.3	
<b>Company</b>				
Quoted shares				
In Malaysia	2.5	2.5	7.1	16.5
Outside Malaysia	0.4	3.6	0.2	3.1
	2.9	6.1	7.3	19.6

Effective interest rates and maturity periods of the marketable securities are as follows:

	Group		Effective interest rates (%)	
	Carrying Amount		2005	2004
	2005	2004		
Within 1 year	26.8	–	1.80 – 3.40	–
Between 1 and 2 years	–	413.2	–	0.65 – 4.00
Between 2 and 5 years	–	195.2	–	4.15 – 4.55
	26.8	608.4		



23 ASSOCIATED COMPANIES

	Group		Company	
	2005	2004	2005	2004
Quoted shares	506.4	4.1	-	-
Unquoted shares	558.0	531.8	193.3	193.3
Share of post acquisition reserves	66.8	79.4	-	-
Goodwill written off	(295.1)	-	-	-
Impairment losses	(20.4)	-	-	-
Share of associated companies' net assets, excluding goodwill	815.7	615.3	193.3	193.3
Market value of quoted associated companies	552.0	100.6	-	-
Share of contingent liabilities	-	1.4	-	-

The Group's equity interest in the associated companies, their respective principal activities, countries of incorporation and principal places of business are shown in Note 40.

24 JOINTLY CONTROLLED ENTITIES - GROUP

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

	2005	2004
Current assets	90.3	58.2
Current liabilities	(90.6)	(53.7)
Net assets	(0.3)	4.5
Revenue	102.6	51.0
Expenses	(177.0)	(126.6)
	(74.4)	(75.6)
Share of capital commitments	-	-
Share of contingent liabilities	-	-

Details of the jointly controlled entities are as follows:

Name	Principal activities	Group effective interest (%)	
		2005	2004
Malaysia - China Hydro Joint Venture	Engineering, procurement and construction work	25.0	25.0
Tennamaram Biomass Sdn. Bhd.	Supply, delivery and sale of electrical energy to Tenaga Nasional Berhad	70.0	70.0
Island Power Holdings Pte. Ltd.	Generation and supply of electrical power	-	50.0
Sime Engineering Sdn. Bhd - Edwards & Sons Joint Venture	Procurement and construction work	35.7	35.7
Sime - Lum Chang Joint Venture	Engineering, procurement and construction work	35.0	35.0
Sime Engineering - SembCorp Malaysia Joint Venture	Engineering, procurement and construction for the MLNG Tiga Project	35.0	35.0
Sime Engineering - SembCorp Malaysia Joint Venture	Engineering, procurement and construction for the Janamanjung Project	35.0	35.0

**25 SUBSIDIARY COMPANIES - COMPANY**

	2005		2004	
	Carrying amount	Market value	Carrying amount	Market value
Shares at cost:				
Quoted in Malaysia	<b>782.1</b>	<b>1,949.3</b>	782.1	1,927.5
Unquoted	<b>2,003.9</b>		1,922.5	
	<b>2,786.0</b>		2,704.6	
Amounts owing by subsidiary companies	<b>2,580.0</b>		2,271.3	
Amounts owing to subsidiary companies	<b>(51.2)</b>		(47.2)	
	<b>5,314.8</b>		4,928.7	

The amounts owing to subsidiary companies were unsecured and interest free with no fixed terms of repayment.

The Group's equity interest in the subsidiary companies, their respective principal activities, countries of incorporation and principal places of business are shown in Note 40.

**26 LAND HELD FOR PROPERTY DEVELOPMENT - GROUP**

	2005	2004
At 1st July	<b>251.5</b>	234.3
Additions	<b>55.6</b>	49.0
Disposals	–	(1.9)
Transfer from property, plant and equipment (Note 27)	<b>26.4</b>	1.7
Transfer to property development costs (Note 15)	<b>(23.9)</b>	(31.6)
At 30th June	<b>309.6</b>	251.5

The land held for property development is analysed as follows:

	2005	2004
Freehold land at cost	<b>100.8</b>	79.1
Long leasehold land at cost	<b>208.8</b>	172.4
At 30th June	<b>309.6</b>	251.5

27 PROPERTY, PLANT AND EQUIPMENT

Group 2005 Cost/Valuation	Land			Buildings	Plant and machinery	Vehicles, equipment and fixtures	Capital work in progress	Total
	Freehold	Long leasehold	Short leasehold					
Net book value at beginning of year	1,063.0	509.4	153.8	1,207.4	856.2	484.4	69.2	4,343.4
Exchange rate adjustments	7.3	1.5	0.8	54.4	10.4	26.4	2.0	102.8
Disposal of subsidiary companies	-	-	-	(4.6)	-	(8.1)	-	(12.7)
Acquisition of subsidiary companies	11.4	-	-	47.3	28.9	7.6	0.5	95.7
Additions	4.3	3.7	33.8	43.5	45.7	326.4	85.9	543.3
Disposals and write offs	(46.8)	-	-	(62.5)	(12.4)	(137.5)	(5.6)	(264.8)
Impairment losses	(4.2)	-	-	(12.4)	(3.2)	-	-	(19.8)
Reclassification of assets	-	(33.1)	24.9	13.0	6.1	2.9	(13.8)	-
Reclassification to land held for property development	(0.3)	-	-	(26.1)	-	-	-	(26.4)
Reclassification to property development costs	-	-	-	(4.1)	-	-	-	(4.1)
Depreciation	-	(2.5)	(8.0)	(65.2)	(106.4)	(178.5)	-	(360.6)
Net book value at end of year	1,034.7	479.0	205.3	1,190.7	825.3	523.6	138.2	4,396.8
Cost	788.2	461.9	244.3	1,886.7	2,696.8	1,794.1	140.6	8,012.6
Valuation	253.1	42.1	5.8	140.1	-	-	-	441.1
Accumulated depreciation	-	(25.0)	(44.8)	(734.6)	(1,812.1)	(1,268.1)	-	(3,884.6)
Accumulated impairment losses	(6.6)	-	-	(101.5)	(59.4)	(2.4)	(2.4)	(172.3)
Net book value at end of year	1,034.7	479.0	205.3	1,190.7	825.3	523.6	138.2	4,396.8
2004								
Cost	812.3	489.8	184.8	1,818.5	2,618.1	1,576.4	71.6	7,571.5
Valuation	253.1	42.1	5.8	147.4	-	-	-	448.4
Accumulated depreciation	-	(22.5)	(36.8)	(669.4)	(1,705.7)	(1,089.6)	-	(3,524.0)
Accumulated impairment losses	(2.4)	-	-	(89.1)	(56.2)	(2.4)	(2.4)	(152.5)
Net book value at end of year	1,063.0	509.4	153.8	1,207.4	856.2	484.4	69.2	4,343.4

Property, plant and equipment of certain subsidiary companies with net book value of RM167.3 million (2004 : RM61.6 million) are charged to banks as security for borrowings (Note 11).

Company

	2005 Vehicles, equipment and fixtures	2004 Vehicles, equipment and fixtures
Net book value at beginning of year	9.0	7.7
Additions	9.8	6.4
Disposals	(1.9)	(1.1)
Depreciation	(3.9)	(4.0)
Net book value at end of year	13.0	9.0
Cost	39.8	34.1
Accumulated depreciation	(26.8)	(25.1)
Net book value at end of year	13.0	9.0

## 28 INTANGIBLE ASSETS - GROUP

	2005	2004
At beginning of year	69.9	37.3
Exchange difference	0.2	–
Additions	–	34.9
Acquisition of subsidiaries	5.2	–
Amortisation	(2.7)	(2.3)
Net book value	72.6	69.9
Cost	77.9	72.5
Accumulated amortisation	(5.3)	(2.6)
Net book value	72.6	69.9

## 29 CONTINGENT LIABILITIES AND COMMITMENTS

	Group		Company	
	2005	2004	2005	2004
<b>Unsecured contingencies:</b>				
Trade and performance guarantees	2,266.0	1,794.9	250.3	255.0
Claims pending against subsidiary companies	81.1	20.6	–	–
Guarantees and contingencies relating to the borrowings of subsidiary companies	–	–	929.8	971.2
	<b>2,347.1</b>	1,815.5	<b>1,180.1</b>	1,226.2
<b>Authorised capital expenditure for property, plant and equipment not provided for in the financial statements:</b>				
Contracted	132.1	156.3	–	–
Not contracted	380.1	110.8	–	–
	<b>512.2</b>	267.1	–	–
<b>Commitments under non-cancellable operating leases:</b>				
Expiring within 1 year	92.5	66.3	0.2	0.2
Expiring between 1 and 5 years	213.3	122.6	0.7	0.5
Expiring after 5 years	192.0	152.1	0.1	0.2
	<b>497.8</b>	341.0	<b>1.0</b>	0.9

- (a) Berkeley Sdn. Bhd. (“BSB”) commenced a legal suit against Consolidated Plantations Berhad (“CPB”) alleging breach of a sale and purchase agreement on the basis that CPB had failed to deliver a subdivided title in respect of 85 acres of land (the “Property”) purchased by BSB. The decree for specific performance of the agreement sought by BSB has since become a legal impossibility as the Property had been compulsorily acquired by the Selangor State Government. BSB also seeks damages for the loss of anticipated profits from the development of the land amounting to RM54,431,240.00 or alternatively RM34,152,136.00, being the respective amount of profits which BSB alleges it would have made had the subdivision been obtained by CPB during two windows of opportunity or periods in 1984 and 1990 respectively.

BSB’s claim for damages was dismissed with costs by the High Court on 9th March 2002 and BSB had appealed to the Court of Appeal on 27th March 2002. No date of hearing has been fixed by the Court of Appeal. CPB’s solicitors are optimistic of sustaining the judgement on appeal.

**29 CONTINGENT LIABILITIES AND COMMITMENTS (continued)**

- (b) Certain minority shareholders of Sime Bank Berhad ("Sime Bank") had taken legal action against Sime Darby Berhad ("SDB") for failing to make a general offer to the rest of the shareholders when 60.35% of the equity of Sime Bank was acquired. As the plaintiffs' shares in Sime Bank have since been acquired by RHB Bank Berhad, the plaintiffs have dropped their claim for the declaration of the said mandatory general offer to acquire the plaintiffs' shares and confined their claim to unspecified damages instead. On 31st March 2003, the High Court had decided in favour of the minority shareholders. However, the quantum of damages and costs to be awarded to the plaintiffs have yet to be assessed, and the assessment proceedings are now fixed for mention before the Registrar on 1st December 2005.

SDB filed notices of appeal against the decision of the High Court on 24th April 2003. These appeals came up for hearing on 28th July 2004 and the Court of Appeal directed the parties to put in written submissions. The Court of Appeal has now fixed the appeals for oral submissions on 7th and 8th September 2005. Meanwhile, two other former shareholders of Sime Bank have initiated actions of a similar nature against SDB.

- (c) Sime Bank had financed certain transactions of Teras Cemerlang Sdn. Bhd. ("TCSB"), which securities were pledged to Sime Bank. Sime Bank sued TCSB for failing to repay the facility granted to it and TCSB filed a counterclaim against Sime Bank, Sime Securities Sdn. Bhd. ("SS"), SDB and Shafiq Sit Abdullah ("SSA"), alleging that SDB as the ultimate owners of SS and the employer of SSA, are vicariously responsible for the transactions allegedly carried out by SSA in dealings between SS and TCSB.

SDB filed an application to strike out TCSB's claim against it. On 9th October 2002, TCSB filed an application for stay of the striking out proceedings on the grounds that as TCSB was in Special Administration, then there ought to be a moratorium and the Court had granted a stay of these applications. SDB had filed an appeal to the Court of Appeal against this decision. No hearing date has been fixed by the Court of Appeal as yet. Meanwhile, the Court has now fixed the main action (i.e. Sime Bank claim and TCSB's counterclaim) for mention on 1st September 2005 to enable the provisional liquidator to consider whether to proceed with the matter.

SDB's solicitors are of the opinion that the moratorium imposed by virtue of the Danaharta Act cannot possibly apply in relation to the application to strike out. SDB's solicitors are of the view that there is no reasonable cause of action against SDB.

## CASH FLOW STATEMENTS

## 30 OTHER NON-CASH ITEMS

	Group		Company	
	2005	2004	2005	2004
Other non cash items include:				
Amortisation of intangible assets	2.7	2.3	-	-
Allowance for doubtful debts	58.2	16.9	-	-
Writeback of allowance for doubtful debts	(24.2)	(23.2)	-	-
Writeoff of property, plant and equipment	50.1	6.9	-	0.1
Others	-	6.7	(0.2)	-
	<b>86.8</b>	9.6	<b>(0.2)</b>	0.1

## 31 NET CASH (OUTFLOW)/INFLOW FROM INVESTING ACTIVITIES

	Group		Company	
	2005	2004	2005	2004
Interest received	70.8	63.4	26.0	34.5
Investment income received	23.1	38.4	0.9	0.6
Purchase of investments	(4.0)	(487.8)	(0.3)	(1.3)
Increase in amounts owing by subsidiary companies	-	-	(308.1)	487.8
Purchase of subsidiary companies (Note 33)	(762.9)	(233.8)	-	-
Purchase of additional shares in existing subsidiary companies	(200.0)	-	(81.4)	(190.3)
Purchase of associated companies	(509.6)	(220.7)	-	(191.6)
Capital repayment by an associated company	5.4	-	-	-
Capital distribution to minority interests in subsidiary companies	-	(38.8)	-	-
Purchase of property, plant and equipment	(543.3)	(549.7)	(8.7)	(6.5)
Purchase of intangible assets	-	(34.9)	-	-
Purchase of land held for property development	(55.6)	(49.0)	-	-
Proceeds from sale of investments	791.1	332.1	-	-
Proceeds from sale of subsidiary companies (Note 34)	27.1	155.7	20.7	72.3
Proceeds from sale of associated companies	99.9	312.4	-	-
Proceeds from sale of property, plant and equipment	240.7	338.1	1.2	1.9
Proceeds from shares issued to minority interests	-	4.7	-	-
Proceeds from sale of land held for property development	-	47.7	-	-
	<b>(817.3)</b>	(322.2)	<b>(349.7)</b>	207.4

## 32 NET CASH OUTFLOW FROM FINANCING ACTIVITIES

	Group		Company	
	2005	2004	2005	2004
Interest paid	(96.5)	(85.2)	(21.9)	(22.0)
Proceeds from shares issued by Sime Darby Berhad	172.7	146.0	172.7	145.9
Short term borrowings drawdown	182.3	269.8	-	-
Proceeds from term loans	207.4	15.7	-	-
Term loans repaid	(176.0)	(21.2)	-	-
Dividends paid to shareholders of Sime Darby Berhad	(477.0)	(445.6)	(477.0)	(445.5)
Dividends paid to minority interests in subsidiary companies	(121.3)	(63.1)	-	-
	<b>(308.4)</b>	(183.6)	<b>(326.2)</b>	(321.6)

**33 ACQUISITION OF SUBSIDIARY COMPANIES - GROUP**

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

	2005	2004
Property, plant and equipment	<b>(95.7)</b>	(30.0)
Intangible assets	<b>(5.2)</b>	–
Minority interests	<b>65.8</b>	1.4
Deferred taxation	<b>(16.7)</b>	(4.1)
Term loans	<b>62.8</b>	48.2
Cash and cash equivalents	<b>(217.7)</b>	(8.1)
Net current assets	<b>(77.7)</b>	(105.1)
Net assets acquired	<b>(284.4)</b>	(97.7)
Goodwill	<b>(696.2)</b>	(144.2)
Total cost of acquisition	<b>(980.6)</b>	(241.9)
Represented by:		
Cash paid for shares acquired	<b>(980.6)</b>	(241.9)
Add: Cash and cash equivalents of subsidiary companies acquired	<b>217.7</b>	8.1
Net cash outflow on acquisition of subsidiary companies	<b>(762.9)</b>	(233.8)

Transactions during the year ended 30th June 2005 comprised the following acquisitions:

<b><u>Name of subsidiary companies acquired</u></b>	<b><u>Group's effective interest (%)</u></b>	<b><u>Effective acquisition date</u></b>
Hyundai – Sime Darby Berhad (formerly known as Hyundai – Berjaya Corporation Berhad) and its subsidiary companies	98.9	6th December 2004
Hyumal Motor Sdn. Bhd. and its subsidiary company	51.0	6th December 2004
Inokom Corporation Sdn. Bhd.	53.5	8th February 2005

The acquisitions had the following effects on the Group's financial results for the year:

	2005	2004
Revenue	<b>877.2</b>	48.2
Operating profits	<b>134.0</b>	2.1
Interest (net)	<b>0.5</b>	(0.4)
Profit before taxation	<b>134.5</b>	1.7
Taxation	<b>(22.5)</b>	(0.4)
Profit after taxation	<b>112.0</b>	1.3
Minority interests	<b>(37.5)</b>	–
Net profit	<b>74.5</b>	1.3

The acquisitions had the following effects on the Group's financial position at the end of the year:

	2005	2004
Property, plant and equipment	<b>90.9</b>	31.4
Intangible assets	<b>4.4</b>	1.2
Minority interests	<b>(79.4)</b>	(1.4)
Deferred taxation	<b>35.3</b>	–
Term loans	<b>(50.0)</b>	(28.0)
Net current assets	<b>160.3</b>	86.7
Cash and cash equivalents	<b>197.4</b>	9.1
Group's share of net assets	<b>358.9</b>	99.0

**34 DISPOSAL OF SUBSIDIARY COMPANIES - GROUP**

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

	2005	2004
Property, plant and equipment	12.7	406.0
Term loans	-	(61.0)
Deferred tax	-	(57.5)
Cash and cash equivalents	0.6	72.6
Other net current assets/(liabilities)	112.6	(144.9)
Net assets disposed	125.9	215.2
Reclassified as associated company	(2.6)	-
Total disposal proceeds	(27.7)	(228.3)
Loss/(gain) on disposal to the Group	95.6	(13.1)
Represented by :		
Cash received for shares disposed	27.7	228.3
Less : Cash and cash equivalents of subsidiary companies disposed	(0.6)	(72.6)
Net cash inflow on disposal of subsidiary companies	27.1	155.7

The disposals had the following effects on the Group's financial results for the year up to the date of disposal:

	2005	2004
Revenue	115.6	224.0
Operating (loss)/profit	(33.6)	17.5
Interest (net)	(0.9)	(1.4)
(Loss)/profit before taxation	(34.5)	16.1
Taxation	0.2	(1.4)
Net (loss)/profit	(34.3)	14.7

**35 SEGMENT INFORMATION - GROUP**

**(a) Primary reporting format - business segments**

Segment revenue	Year ended 30th June 2005			Year ended 30th June 2004		
	Total	Inter segment	External	Total	Inter segment	External
Plantations	1,592.3	-	1,592.3	1,577.0	-	1,577.0
Property	918.2	(29.4)	888.8	737.0	(44.8)	692.2
Heavy equipment	4,759.9	(8.8)	4,751.1	3,446.0	(10.1)	3,435.9
Motor vehicle	7,169.7	(9.0)	7,160.7	5,337.4	(10.0)	5,327.4
Energy	1,215.1	-	1,215.1	786.8	-	786.8
General trading, services and others	3,123.9	(86.2)	3,037.7	3,134.8	(50.6)	3,084.2
Group	18,779.1	(133.4)	18,645.7	15,019.0	(115.5)	14,903.5



35 SEGMENT INFORMATION – GROUP (continued)

(a) Primary reporting format – business segment (continued)

Details of the products, services and nature of activities carried out by the respective business segments are set out in the operations report on pages 26 to 45. Transactions between segments are carried out on an arm's length basis. The effects of such inter-segment transactions are eliminated on consolidation.

Segment results Year ended 30th June 2005	Segment results before unusual item	Unusual items	Segment results	Associated companies/jointly controlled entities	Profit before interest
Plantations	276.2	(2.1)	274.1	0.5	274.6
Property	314.2	16.4	330.6	14.0	344.6
Heavy equipment	448.9	4.1	453.0	8.9	461.9
Motor vehicle	298.0	(86.0)	212.0	2.9	214.9
Energy	193.9	(56.5)	137.4	(0.9)	136.5
General trading, services and others	22.3	(52.9)	(30.6)	(4.8)	(35.4)
<b>Group</b>	<b>1,553.5</b>	<b>(177.0)</b>	<b>1,376.5</b>	<b>20.6</b>	<b>1,397.1</b>
Unallocated costs					(25.4)
Investment and interest income					88.3
Finance cost					(95.2)
Profit before taxation					<b>1,364.8</b>
Taxation (including share of taxation of associated companies)					<b>(431.4)</b>
Profit after taxation					<b>933.4</b>
Minority interests					<b>(132.2)</b>
Net profit for the year					<b>801.2</b>
Year ended 30th June 2004					
Plantations	273.7	84.3	358.0	11.4	369.4
Property	343.5	–	343.5	14.6	358.1
Heavy equipment	237.2	3.0	240.2	6.4	246.6
Motor vehicle	202.4	10.2	212.6	1.6	214.2
Energy	184.4	(77.1)	107.3	1.5	108.8
General trading, services and others	43.9	29.8	73.7	(9.4)	64.3
<b>Group</b>	<b>1,285.1</b>	<b>50.2</b>	<b>1,335.3</b>	<b>26.1</b>	<b>1,361.4</b>
Unallocated costs					(23.1)
Investment and interest income					93.1
Finance cost					(87.8)
Profit before taxation					1,343.6
Taxation (including share of taxation of associated companies)					(328.2)
Profit after taxation					1,015.4
Minority interests					(96.7)
Net profit for the year					918.7

## 35 SEGMENT INFORMATION – GROUP (continued)

## (a) Primary reporting format - business segments (Continued)

## Balance sheet

At 30th June 2005	Segment assets	Segment liabilities	Capital expenditure	Depreciation	Impairment losses	Non-cash income/ (expense)
Plantations	1,411.8	(161.5)	60.8	(33.6)	(3.2)	6.1
Property	2,109.4	(325.5)	5.0	(13.2)	(2.0)	(2.6)
Heavy equipment	2,629.1	(843.7)	237.2	(106.7)	–	(6.0)
Motor vehicle	3,220.9	(1,276.7)	100.0	(58.2)	(10.2)	(33.2)
Energy	1,425.0	(399.5)	41.6	(61.5)	–	3.7
General trading, services and others	2,191.4	(876.4)	98.7	(87.4)	(4.4)	(54.8)
<b>Total</b>	<b>12,987.6</b>	<b>(3,883.3)</b>	<b>543.3</b>	<b>(360.6)</b>	<b>(19.8)</b>	<b>(86.8)</b>
Tax assets/(liabilities)	473.6	(476.5)				
Other assets/(liabilities)	2,773.8	(2,691.0)				
<b>Total assets/(liabilities)</b>	<b>16,235.0</b>	<b>(7,050.8)</b>				
At 30th June 2004						
Plantations	1,457.7	(154.8)	47.0	(35.5)	(4.6)	1.5
Property	1,862.9	(316.6)	1.3	(17.6)	–	(8.6)
Heavy equipment	1,955.0	(629.6)	251.0	(92.0)	–	(0.2)
Motor vehicle	2,834.4	(1,038.1)	64.0	(39.1)	–	(2.8)
Energy	901.8	(294.0)	39.1	(53.7)	–	6.1
General trading, services and others	2,382.6	(703.4)	147.3	(96.0)	(0.8)	(5.6)
<b>Total</b>	<b>11,394.4</b>	<b>(3,136.5)</b>	<b>549.7</b>	<b>(333.9)</b>	<b>(5.4)</b>	<b>(9.6)</b>
Tax assets/(liabilities)	394.6	(416.3)				
Other assets/(liabilities)	3,748.9	(2,350.5)				
<b>Total assets/(liabilities)</b>	<b>15,537.9</b>	<b>(5,903.3)</b>				

## (b) Secondary reporting format – geographical segments

	External Revenue		Segment assets		Capital expenditure	
	2005	2004	2005	2004	2005	2004
Malaysia	6,530.1	4,886.8	6,789.6	5,932.4	173.3	192.4
Singapore	2,198.1	1,856.5	1,311.7	1,039.6	63.3	35.9
Hong Kong	3,187.8	3,333.0	1,038.8	1,031.6	23.6	30.8
The People's Republic of China	322.4	532.7	126.9	328.6	12.0	12.2
Australia	3,632.2	2,534.1	1,678.5	1,185.7	179.6	221.2
Other countries	2,775.1	1,760.4	1,226.7	1,256.7	91.5	57.2
	<b>18,645.7</b>	<b>14,903.5</b>	<b>12,172.2</b>	<b>10,774.6</b>	<b>543.3</b>	<b>549.7</b>
Associated companies/jointly controlled entities (Notes 23 and 24)			815.4	619.8		
Tax assets			473.6	394.6		
Other assets			2,773.8	3,748.9		
<b>Total assets</b>			<b>16,235.0</b>	<b>15,537.9</b>		

35 SEGMENT INFORMATION – GROUP (continued)

(b) Secondary reporting format – geographical segments (continued)

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

Segment results	Profit before interest	
	2005	2004
Malaysia	909.5	847.5
Singapore	160.8	96.6
Hong Kong	79.0	83.3
People's Republic of China	(221.6)	17.1
Australia	343.3	157.9
Other countries	100.7	135.9
Group	1,371.7	1,338.3
Investment and interest income	88.3	93.1
Finance costs	(95.2)	(87.8)
Profit before taxation	1,364.8	1,343.6
Taxation (including share of taxation of associated companies)	(431.4)	(328.2)
Profit after taxation	933.4	1,015.4
Minority interests	(132.2)	(96.7)
Net profit for the year	801.2	918.7

**36 DISCLOSURE OF SIGNIFICANT RELATED PARTY TRANSACTIONS**

Significant related party transactions and balances which comprise transactions and balances with subsidiary and associated companies are disclosed in Notes 1, 2, 5, 16, 23, 24, 25 and 29.

At the last Annual General Meeting held on 4th November 2004, the Company obtained a shareholders' mandate to allow the Group to enter into recurrent related party transactions of a revenue or trading nature.

In accordance with Section 4.1.5 of Practice Note No. 12/2001 issued by Bursa Malaysia Securities Berhad, the details of recurrent related party transactions conducted during the year ended 30th June 2005 pursuant to the shareholders' mandate and announcement made are disclosed as follows:-

Subsidiaries of the Company	Transacting party	Nature of transaction	Related party and nature of relationship	2005	2004
Sime Alexander Forbes Insurance Brokers Sdn Bhd ('SAF')	Sime UEP Properties Berhad ('Sime UEP')	Provision of insurance brokerage services by SAF to Sime UEP	Tan Sri Nik Mohamed bin Nik Yaacob, Director of SAF and Sime UEP as well as a shareholder of Sime UEP (resigned as a Director of SAF on 28th January 2003)	-	0.7
Subang Jaya Medical Centre Sdn Bhd ('SJMC')	Sime UEP	Provision of medical services by SJMC to Sime UEP	Dato' Mohamed bin Haji Said, Director of SJMC and Sime UEP as well as a shareholder of Sime UEP	0.1	0.1
Sime Rengo Packaging (Malaysia) Sdn Bhd ('SRPM')	Rengo Co. Ltd.	Procurement of management and technical advice by SRPM from Rengo Co. Ltd.	Rengo Co. Ltd., substantial shareholder of SRPM	7.8	0.1
Sime Inax Sdn Bhd ('SI')	Inax Corporation	Procurement of technical advice and purchase of raw materials and tools by SI from Inax Corporation;	Inax Corporation, substantial shareholder of SI	0.3	0.3
Sime Kubota Sdn Bhd ('SK')	Kubota Corporation	Purchase of agricultural tractors, engines and parts by SK from Kubota Corporation	Kubota Corporation, substantial shareholder of SK	14.6	12.8
Port Dickson Power Berhad ('PDP')	Tenaga Nasional Berhad	Sale of electricity and generating capacity by PDP to Tenaga Nasional Berhad	Tenaga Nasional Berhad, substantial shareholder of PDP (ceased to be substantial shareholder as at 30th July 2004)	24.7	191.5
	JanaUrus PDP Sdn Bhd	Procurement of powerplant operation and maintenance services by PDP from JanaUrus PDP Sdn Bhd	Tenaga Nasional Berhad, substantial shareholder of PDP and JanaUrus PDP Sdn Bhd (ceased to be substantial shareholder as at 30th July 2004)	1.0	8.5
Syarikat Malacca Straits Inn Sdn Bhd ('SMSI')	Hotel Equatorial Management Sdn Bhd ('HEM')	Procurement of hotel operation management and technical advice by SMSI from HEM	Hotel Equatorial (M) Sdn Bhd which is the holding company of HEM, is a substantial shareholder of SMSI	1.2	-
Sime Rengo Packaging Singapore Limited ('SRPS')	Rengo Co. Ltd.	Purchase of goods by SRPS from Rengo Co. Ltd.	Rengo Co. Ltd, a substantial shareholder of SRPS	5.2	-

There are no material contracts subsisting as at 30th June 2005 or if not then subsisting, entered into since the end of the previous year by the Company or its subsidiaries which involved the interests of Directors or substantial shareholders.

**37 FINANCIAL INSTRUMENTS**

**A) Financial risk management objectives and policies**

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

Foreign currency exchange risk

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

Interest rate risk

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

Credit risk

Credit risk arises when derivative instruments are used or sales made on deferred credit terms. The Group seeks to invest cash assets safely and profitably. It also seeks to control credit risk by setting appropriate credit history. Furthermore, sales to customers are suspended when earlier amounts are overdue by more than 180 days. The Group considers the risk of material loss in the event of non-performance by a financial counterparty to be unlikely.

At balance sheet date, there were no significant concentrations of credit risk. The maximum exposure to credit risk for the Group and for the Company were represented by the carrying amount of each financial asset and in respect of derivative financial instruments, the maximum exposure are as disclosed in Note 37D.

Liquidity and cash flow risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities.

**B) Fair value estimation for disclosure purposes**

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate the value:

Short term financial instruments

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

Investments

The fair values of some investments are estimated based on quoted market prices for those or similar investments. For other investments for which there are no quoted market prices, a reasonable estimate of fair value could not be made without incurring excessive cost. Therefore, such investments are valued at cost subject to review for impairment. Information pertinent to the value of an unquoted investment is provided in Note 37D.

Long-term financial instruments

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

## 37 FINANCIAL INSTRUMENTS (continued)

## B) Fair value estimation for disclosure purposes (continued)

Derivative financial instruments

The fair value of interest rate and currency swaps is calculated at the present value of the estimated future cash flows. The fair value of forward foreign exchange contracts is determined using forward exchange market rates at the balance sheet date.

## C) Off balance sheet financial instruments

## (i) Forward foreign exchange contracts

The Group operates internationally and is exposed to currency risk as a result of the foreign currency transactions entered into by companies in currencies other than their functional currency. The Group maintains a natural hedge, whenever possible, by borrowing in the currency of the country in which the property investment is located or by borrowing in currencies that match the future revenue stream to be generated from its investments.

Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level. Material foreign currency transaction exposures are hedged, mainly with derivative financial instruments such as forward foreign exchange contracts.

The net unhedged financial liability of a subsidiary company whose functional currency is in Thai Baht was US\$ NIL million (2004 – US\$33.0 million). As at balance sheet date, the Group had entered into forward foreign exchange contracts with the following notional amounts and maturities:

	Maturities		Total
	Within 1 Year	1 Year or more	
<b>2005</b>			
Forward used to hedge receivables			
- United States Dollar	204.5	246.3	450.8
- Euro	24.8	-	24.8
	229.3	246.3	475.6
Forward used to hedge anticipated purchases			
- Euro	53.2	-	53.2
- Japanese Yen	11.3	-	11.3
- Pound Sterling	2.7	-	2.7
- Singapore Dollar	1.5	-	1.5
- United States Dollar	4.9	-	4.9
	73.6	-	73.6
Forward used to hedge payables			
- Euro	876.5	-	876.5
- United States Dollar	233.5	-	233.5
- Pound Sterling	28.0	-	28.0
- Australia Dollar	30.0	-	30.0
- Singapore Dollar	57.4	-	57.4
- Japanese Yen	70.5	-	70.5
- Others	0.8	-	0.8
	1,296.7	-	1,296.7
	1,599.6	246.3	1,845.9

37 FINANCIAL INSTRUMENTS (continued)

C) Off balance sheet financial instruments

	Maturities		Total
	Within 1 year	1 year or more	
2004			
Forward used to hedge trade receivables			
- United States Dollar	295.2	81.0	376.2
- New Zealand Dollar	0.1	–	0.1
	<u>295.3</u>	<u>81.0</u>	<u>376.3</u>
Forward used to hedge anticipated purchases			
- Euro	79.2	–	79.2
- Japanese Yen	10.2	–	10.2
- Thai Baht	59.3	–	59.3
- Pound Sterling	6.0	–	6.0
- Singapore Dollar	0.2	–	0.2
- United States Dollar	7.8	–	7.8
	<u>162.7</u>	<u>–</u>	<u>162.7</u>
Forward used to hedge trade payables			
- Euro	454.1	1.4	455.5
- United States Dollar	448.9	4.0	452.9
- Pound Sterling	1.7	0.8	2.5
- Australia Dollar	0.5	2.7	3.2
- Singapore Dollar	7.6	0.2	7.8
- Japanese Yen	40.3	3.3	43.6
- Thai Baht	28.4	–	28.4
- Others	0.2	0.1	0.3
	<u>981.7</u>	<u>12.5</u>	<u>994.2</u>
	<u>1,439.7</u>	<u>93.5</u>	<u>1,533.2</u>

(ii) Interest rate swaps

Interest rate swap and currency swap contracts were entered into by subsidiary companies which entitle them to receive interest at floating rates on notional principal amounts and obliges them to pay interest at fixed rates on the same amounts. The differences between fixed rate and floating rate interest amounts calculated by reference to the agreed notional principal amounts are exchanged at periodic intervals. Included in one of the swap contracts is a contract with interest rate cap and floor terms.

The remaining terms and notional principal amounts of the outstanding interest rate swap and cross currency interest rate swap contracts of the Group at the balance sheet date, which are denominated in Ringgit Malaysia and US dollars were as follows:

	2005	2004
Less than 1 year	30.0	209.6
Later than 1 and not later than 5 years	943.1	870.0
Later than 5 years	14.0	–
	<u>987.1</u>	<u>1,079.6</u>

Credit risk

The Group has no significant concentrations of credit risk and market risk in relation to the above off balance sheet financial instruments because of low risk of non-performance by counterparties.

## 37 FINANCIAL INSTRUMENTS (continued)

## D) Fair value

The carrying amounts of financial assets and liabilities of the Group and Company at the balance sheet date approximated their fair values except for the following:

	Note	Group Carrying Amount	Group Fair Value	Company Carrying amount	Company Fair value
<b>Financial Assets</b>					
<b>2005</b>					
Non-current net investments in finance lease	16	465.7	*	-	-
Investment in subsidiary companies	25	-	-	-	-
- Quoted shares		-	-	782.1	1,949.3
- Unquoted shares		-	-	2,003.9	*
Net amounts due from subsidiary companies	25	-	-	2,528.8	**
Current marketable securities	22	26.8	29.3	-	-
Non-current quoted shares	22	4.6	7.1	2.9	6.1
Unquoted shares	22	151.2	***	-	-
<hr/>					
2004					
Non-current net investments in finance lease		417.4	*	-	-
Investment in subsidiary companies		-	-	-	-
- Quoted shares		-	-	782.1	1,927.5
- Unquoted shares		-	-	1,922.5	*
Net amounts due from subsidiary companies		-	-	2,224.1	**
Non-current quoted shares		130.3	177.5	7.3	19.6
Non-current marketable securities		608.4	617.2	-	-
Unquoted shares		147.6	***	-	-
<hr/>					
<b>Financial Liabilities</b>					
<b>2005</b>					
Term loans	11	1,352.4	1,352.2	-	-
Unconvertible redeemable unsecured loan stocks	11	37.4	*	-	-
Al Murabahah Medium Term Notes	11	500.0	505.8	500.0	505.8
<hr/>					
2004					
Term loans		1,245.8	1,205.0	-	-
Unconvertible redeemable unsecured loan stocks		59.9	*	-	-
Al Murabahah Medium Term Notes		500.0	522.7	500.0	522.7

\* It is not practicable within the constraints of timeliness and cost to estimate the fair value of the Group's and Company's non-current net investments in finance lease, unquoted shares and unconvertible redeemable unsecured loan stocks.

\*\* It is not practicable to estimate the fair value of amounts due from subsidiary companies due principally to a lack of fixed repayment terms entered into by the parties involved and without incurring excessive costs.

\*\*\* It is not practicable to estimate the fair value of the Group's unquoted shares because of the lack of quoted market prices and the inability to estimate fair value without incurring excessive costs.



**37 FINANCIAL INSTRUMENTS (continued)**

**D) Fair value (continued)**

The nominal/notional amounts and net fair value of financial instruments not recognised in the balance sheets of the Group as at the end of the year are :

2005	Note	Group		Company	
		Nominal/ Notional Amount	Net Fair Value	Nominal/ Notional Amount	Net Fair Value
Forward foreign exchange contracts	37C (i)	1,845.9	(47.0)	-	-
Interest rate swaps	37C (ii)	987.1	10.2	-	-
Contingent liabilities	29	2,347.1	****	1,180.1	****

2004	Group		Company	
	Nominal/ Notional Amount	Net Fair Value	Nominal/ Notional Amount	Net Fair Value
Forward foreign exchange contracts	1,533.2	5.7	-	-
Interest rate swaps	1,079.6	19.8	-	-
Contingent liabilities	1,815.5	****	1,226.2	****

\*\*\*\* It is not practicable to estimate the fair value of contingent liabilities reliably due to the uncertainties of timing, costs and eventual outcome.

**38 SIGNIFICANT SUBSEQUENT EVENTS**

- (a) On 9th August 2005, SD Holdings Berhad, completed the disposal of 35,000 ordinary shares of RM10.00 each representing the entire equity share capital of Simex Chemical Sdn. Bhd. for a cash consideration of RM1.3 million.
- (b) On 19th August 2005, Subang Jaya Medical Centre Sdn. Bhd. completed the acquisition of 4,841,460 ordinary shares of RM1.00 each representing the entire equity share capital of Megah Medical Specialists Group Sdn. Bhd. for a cash consideration of RM10.7 million.

**39 CHANGE IN COMPARATIVES**

The Group has adopted FRS No. 201 (MASB No. 32) Property Development Activities. The adoption of FRS 201 did not affect net profit or shareholders' equity as the Group was already following the recognition and measurement principles in this Standard.

The comparative in respect of property development costs, however have been restated whereby the excess of revenue recognised in income statement over billings to purchasers is now presented as accrued billings within current assets and the excess of billings to purchasers over revenue recognised in income statement is now presented as progress billings within current liabilities. The effect of reclassification of comparatives is as follows :-

Group	As previously reported	Effect of change in policy	As restated
2004			
Property development costs	-	726.1	726.1
Inventories	3,161.3	(786.6)	2,374.7
Trade and other receivables	2,528.2	63.1	2,591.3
Trade and other payables	(2,959.7)	(2.6)	(2,962.3)

In addition, "Real property assets" is now called "Land held for property development".

40 LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES AS AT 30TH JUNE 2005

NAME OF COMPANY	PRINCIPAL ACTIVITIES	COUNTRY OF INCORPORATION/ PRINCIPAL PLACE OF BUSINESS	GROUP'S % INTEREST	
			2005	2004
<b>PLANTATIONS</b>				
Consolidated Plantations Berhad	Oil palm cultivation and palm oil production	Malaysia	100.0	100.0
Elington International Limited	Investment holding	British Virgin Islands	^50.0 <sup>2</sup>	^50.0 <sup>2</sup>
Kempas Edible Oil Sendirian Berhad	Oil palm cultivation; palm oil refining and fractionation; and manufacturing and marketing of specialty and end user fats	Malaysia	100.0	100.0
Kwang Joo Seng (Malaysia) Private Limited	Property investment	Singapore	100.0 <sup>1</sup>	100.0 <sup>1</sup>
Lattimer International Limited	Investment holding	British Virgin Islands	^50.0 <sup>2</sup>	^50.0 <sup>2</sup>
Morakot Industries Public Company Limited	Manufacture of cooking oil	Thailand	99.9 <sup>2</sup>	99.9 <sup>2</sup>
PT Sime Indo Agro	Oil palm cultivation	Indonesia	100.0 <sup>1</sup>	100.0 <sup>1</sup>
Savola Sime Egypt Company SAE #	Manufacturing and refining of edible vegetable oils	Egypt	^37.5 <sup>2</sup>	^37.5 <sup>2</sup>
Savola Sime Foods Limited	Investment holding	British Virgin Islands	^50.0 <sup>1</sup>	^50.0 <sup>1</sup>
Selatan Estates Sendirian Berhad	Oil palm cultivation	Malaysia	100.0	100.0
Sharikat Hadapan Berhad	Oil palm cultivation	Malaysia	100.0	100.0
Sime Aerogreen Technology Sdn Bhd	Production and marketing of aeroponic vegetables	Malaysia	100.0	100.0
Sime Consulting Sdn Bhd	Provision of consultancy services	Malaysia	100.0	100.0
Sime Darby Edible Products Limited	Refining, manufacturing and marketing of edible oils and palm oil related products	Singapore	100.0 <sup>1</sup>	100.0 <sup>1</sup>
Sime Darby Futures Trading Sdn Bhd	Commodity trading	Malaysia	100.0	100.0
Sime Darby Services Limited	Provision of agricultural consultancy services	Hong Kong	100.0 <sup>1</sup>	100.0 <sup>1</sup>
Sime Plantations Sdn Bhd	Oil palm cultivation and palm oil production	Malaysia	100.0	100.0
Tennamaram Biomass Sdn Bhd	Supply, delivery and sale of electrical energy to Tenaga Nasional Berhad	Malaysia	+70.0	+70.0
<b>PROPERTY</b>				
Alexandra Properties Limited	Property management and investment	Singapore	100.0 <sup>1</sup>	100.0 <sup>1</sup>
Alor Setia Sdn Bhd	Investment holding	Malaysia	100.0	100.0
Amston Properties Private Limited	Property development	Singapore	100.0 <sup>1</sup>	100.0 <sup>1</sup>
Aquila Development Private Limited	Property development and investment	Singapore	100.0 <sup>1</sup>	100.0 <sup>1</sup>
Artesian Investments Pte Ltd	Property development	Singapore	^49.0 <sup>1</sup>	^49.0 <sup>1</sup>
Avidat Sdn Bhd	Property investment	Malaysia	100.0	100.0
Bluefields Investments Pte Ltd	Property development	Singapore	^49.0 <sup>1</sup>	^49.0 <sup>1</sup>
Caring Skyline Sdn Bhd	Property development and management	Malaysia	100.0	100.0
China Property Development (Holdings) Limited	Investment holding	Cayman Islands	^30.4 <sup>2</sup>	^47.6 <sup>2</sup>
Citrus Grove Properties Private Limited	Property investment and management of service residences	Singapore	100.0 <sup>1</sup>	100.0 <sup>1</sup>
Constant Skyline Sdn Bhd	Property investment and development	Malaysia	100.0	100.0
CPB Properties Sdn Bhd	Property investment	Malaysia	100.0	100.0
Dunearn Properties Limited	Property management and investment	Singapore	100.0 <sup>1</sup>	100.0 <sup>1</sup>
Ecopuri Sdn Bhd	Investment holding	Malaysia	100.0	100.0
Golfhome Development Sdn Bhd	Property investment	Malaysia	100.0	100.0
Golftek Development Sdn Bhd	Property investment	Malaysia	100.0	100.0
Green East Prime Ventures, Inc	Property realty and land ownership	Philippines	63.2 <sup>2</sup>	63.2 <sup>2</sup>
Ironwood Development Sdn Bhd	Property investment	Malaysia	100.0	100.0
Lengkap Teratai Sdn Bhd	Property investment and plantation	Malaysia	51.2	51.2
Malaysian Ice Berhad	Property investment	Malaysia	100.0	100.0
North Road Properties Sendirian Berhad	Property investment	Malaysia	100.0	100.0
Pinar Baiduri Sdn Bhd	Investment in real properties	Malaysia	100.0	100.0
Prominent Acres Sdn Bhd	Property investment, development and plantation	Malaysia	75.6	75.6
PT Bhumyamca Sekawan	Light industrial and commercial property investment and management	Indonesia	^49.0 <sup>1</sup>	^49.0 <sup>1</sup>
Puri Bahagia Sdn Bhd	Property investment	Malaysia	100.0	100.0
R&W Management Sdn Bhd	General insurance agency and trading	Malaysia	51.2	51.2
Rangdong Orange Court Limited	Property investment and management of service residences	Vietnam	65.0 <sup>1</sup>	65.0 <sup>1</sup>
Rising Paper Products Private Limited	Property investment	Singapore	66.6 <sup>1</sup>	66.6 <sup>1</sup>
Shaw Brothers (M) Sdn Bhd	Property investment and investment holding	Malaysia	^18.4	^18.4
Siltown Realty Philippines, Inc	Investment holding	Philippines	^39.5 <sup>2</sup>	^39.5 <sup>2</sup>
Silvertown Property Development Corporation	Leasing of properties	Philippines	98.7 <sup>2</sup>	98.7 <sup>2</sup>
Sime Darby Australia Limited	Investment holding, motel operations and management	Australia	100.0 <sup>1</sup>	100.0 <sup>1</sup>
Sime Darby General Trading Sdn Bhd	Property investment	Malaysia	100.0	100.0
Sime Darby Hotels Pty Ltd	Operations of serviced apartments	Australia	100.0 <sup>1</sup>	100.0 <sup>1</sup>
Sime Darby Industrial Properties Sdn Bhd	Property investment	Malaysia	100.0	100.0
Sime Darby Land Sdn Bhd	Property development and management	Malaysia	100.0	100.0
Sime Darby Pilipinas, Inc	Distribution and servicing of Ford New Holland and Fiat agricultural machinery, Kamol agricultural equipment, general trading and leasing	Philippines	98.7 <sup>2</sup>	98.7 <sup>2</sup>
Sime Darby Property Development Sdn Berhad	Property investment	Malaysia	100.0	100.0
Sime Darby Realty Development Corporation	Property development	Philippines	98.7 <sup>2</sup>	98.7 <sup>2</sup>

## NOTES ON THE FINANCIAL STATEMENTS

### 40 LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES AS AT 30TH JUNE 2005 (CONTINUED)

NAME OF COMPANY	PRINCIPAL ACTIVITIES	COUNTRY OF INCORPORATION/ PRINCIPAL PLACE OF BUSINESS	GROUP'S % INTEREST	
			2005	2004
Sime Darby Resorts Pty Ltd	Management of a resort	Australia	100.0 <sup>1</sup>	100.0 <sup>1</sup>
Sime Darby Urus Harta Berhad	Property services and management	Malaysia	100.0	100.0
Sime Grove Apartments Pte Ltd	Property investment and management of service residences and other properties	Singapore	100.0 <sup>1</sup>	100.0 <sup>1</sup>
Sime Management Services Limited	Property management services	United Kingdom	100.0 <sup>1</sup>	100.0 <sup>1</sup>
Sime Pilmoor Development Sdn Bhd	Property investment and development	Malaysia	100.0	100.0
Sime Properties International Private Limited	Property investment and management	Singapore	75.6 <sup>1</sup>	75.6 <sup>1</sup>
Sime Properties (Vietnam) Private Limited	Investment holding	Singapore	100.0 <sup>1</sup>	100.0 <sup>1</sup>
Sime Property Holdings Sendirian Berhad	Property investment	Malaysia	100.0	100.0
Sime UEP Building Management Services Sdn Bhd	Property management	Malaysia	51.2	51.2
Sime UEP Centre Sdn Bhd	Property investment and development	Malaysia	75.6	75.6
Sime UEP Development Sdn Bhd	Property investment, construction and development	Malaysia	51.2	51.2
Sime UEP Executive Suites Sdn Bhd	Property investment and management	Malaysia	65.8	65.8
Sime UEP Heights Sdn Bhd	Property investment and development	Malaysia	51.2	51.2
Sime UEP Homes Sdn Bhd	Property investment and development	Malaysia	51.2	51.2
Sime UEP Industrial Park Sdn Bhd	Property investment and development	Malaysia	51.2	51.2
Sime UEP (Johor) Sdn Bhd	Property investment and development	Malaysia	51.2	51.2
Sime UEP Lembah Acob Sdn Bhd	Property investment and plantation	Malaysia	51.2	51.2
Sime UEP Properties Berhad #	Investment holding and management	Malaysia	51.2	51.2
Sime Way Sdn Bhd	Investment holding	Malaysia	100.0	100.0
Sime Wood Industries Sdn Bhd	Property Investment	Malaysia	100.0	100.0
Singapore Properties Limited	Property development	Singapore	100.0 <sup>1</sup>	100.0 <sup>1</sup>
Stableford Development Sdn Bhd	Property investment	Malaysia	100.0	100.0
Sungei Way Development Berhad	Property investment	Malaysia	51.2	51.2
UEP Construction Sdn Bhd	Property investment	Malaysia	51.2	51.2
Wisma Sime Darby Sdn Berhad	Property management and related services	Malaysia	100.0	100.0
<b>ENERGY</b>				
Island Power Company Pte Ltd	Generation and supply of electrical power	Singapore	-	+50.0 <sup>2</sup>
Island Power Holdings Pte Ltd	Investment holding	Singapore	-	+50.0 <sup>2</sup>
JanaUrus PDP Sdn Bhd	Provision of operating and maintenance services for an independent power producer	Malaysia	100.0	80.0
Laem Chabang Power Co Limited	Independent power producer	Thailand	100.0 <sup>2</sup>	100.0 <sup>2</sup>
Port Dickson Power Berhad	Independent power producer	Malaysia	75.0	60.0
Sime Darby Petroleum Sdn Bhd	Oil and gas exploration	Malaysia	100.0	100.0
Sime Engineering Sdn Bhd	Provision of engineering management services to the petroleum industries, power plant and infrastructure works	Malaysia	70.0	70.0
Sime Power Pte Ltd	Investment holding	Singapore	100.0 <sup>1</sup>	100.0 <sup>1</sup>
Sime Darby Engineering Sdn Bhd (formerly known as Sime SembCorp Engineering Sdn Bhd)	Engineering, fabrication and construction relating to the petroleum industry	Malaysia	79.0	49.0
<b>HEAVY EQUIPMENT</b>				
Austchrome Pty Ltd	Chroming and hydraulic repairs	Australia	100.0 <sup>1</sup>	100.0 <sup>1</sup>
Caltrac SAS	Sales of equipment and spare parts and service support for Caterpillar business	New Caledonia	100.0 <sup>1</sup>	100.0 <sup>1</sup>
Caterpillar Financial Services Malaysia Sdn Bhd	Hire purchase and leasing finance in support of sales of equipment	Malaysia	^28.7	^28.7
Columbia Chrome (Malaysia) Sdn Bhd	Manufacturing, re-manufacturing, repair and servicing of engine products, electroplating and chroming activities	Malaysia	68.2	68.2
Energy Power Systems Australia Pty Ltd	Sale of Caterpillar engines	Australia	^20.0 <sup>1</sup>	^20.0 <sup>1</sup>
FG Wilson Asia Pte Ltd	Distribution of FG Wilson generator sets	Singapore	^42.9 <sup>1</sup>	^42.9 <sup>1</sup>
Foshan Shunde CEL Machinery Company Limited	Sale of mining and construction machinery, maritime engines, electric generating systems, switch panels and container stackers	China	100.0 <sup>1</sup>	100.0 <sup>1</sup>
Hastings Deering (Australia) Ltd	Sales of equipment and spare parts and service support for Caterpillar business	Australia	100.0 <sup>1</sup>	100.0 <sup>1</sup>
Hastings Deering (PNG) Limited	Sales of equipment and spare parts and service support for Caterpillar business	Papua New Guinea	100.0 <sup>1</sup>	100.0 <sup>1</sup>
Hastings Deering (Solomon Islands) Limited	Sales of equipment and spare parts and service support for Caterpillar business	Solomon Islands	100.0 <sup>1</sup>	100.0 <sup>1</sup>
Kiong Yu Realty Sdn Bhd	Property holding company	Malaysia	71.7	71.7
Otofin Sdn Bhd	Sale and marketing of generators, agricultural and industrial machinery	Malaysia	53.8	53.8

40 LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES AS AT 30TH JUNE 2005 (CONTINUED)

NAME OF COMPANY	PRINCIPAL ACTIVITIES	COUNTRY OF INCORPORATION/ PRINCIPAL PLACE OF BUSINESS	GROUP'S % INTEREST	
			2005	2004
Otofin Industries Sdn Bhd	Manufacturing and assembly of generators, agricultural and industrial machinery	Malaysia	53.8	53.8
Sime Darby Industries, Inc	Trading	Philippines	98.7 <sup>2</sup>	98.7 <sup>2</sup>
Sime Kubota Sdn Bhd	Assembly and distribution of Kubota range of agricultural machinery and other machinery and equipment	Malaysia	90.0	90.0
The China Engineers (BVI) Limited	Distribution of Caterpillar heavy construction equipment	British Virgin Islands	100.0 <sup>1</sup>	100.0 <sup>1</sup>
The China Engineers, Limited	General trading, product distributor and Caterpillar construction equipment distributor and dealer	Hong Kong	100.0 <sup>1</sup>	100.0 <sup>1</sup>
TMA-Joy Industries Asia Pacific Sdn Bhd	Designing and manufacturing of heat exchangers, radiators, process equipment modules, filters and separators for general as well as oil and gas industries	Malaysia	39.5	39.5
Tractors (B) Sdn Bhd	Sale of equipment and spare parts and service support for Caterpillar business, assembly and marketing of agricultural and industrial equipment and implements, and distribution of quarrying and road construction equipment	Brunei	50.2 <sup>1</sup>	50.2 <sup>1</sup>
Tractors Malaysia Engineering Sdn Bhd	Commercial production and marketing of local agricultural machines	Malaysia	71.7	71.7
Tractors Malaysia Enterprise Sdn Bhd	Investment holding company	Malaysia	71.7	71.7
Tractors Malaysia Holdings Berhad #	Investment holding and provision of management and ancillary services to its subsidiary companies	Malaysia	71.7	71.7
Tractors Malaysia (Hong Kong) Limited	Investment holding company	Hong Kong	71.7 <sup>1</sup>	71.7 <sup>1</sup>
Tractors Malaysia Power Systems Sdn Bhd	Packaging of Caterpillar generator sets	Malaysia	71.7	71.7
Tractors Malaysia Rebuild Sdn Bhd	Reconditioning of used equipment and machinery	Malaysia	71.7	71.7
Tractors Malaysia Training and Development Centre Sdn Bhd	Provision of training activities	Malaysia	71.7	71.7
Tractors Manufacturing & Assembly Sdn Bhd	Manufacturing and assembly of tractor implements and tractor parts and other products	Malaysia	71.7	71.7
Tractors Petroleum Services Sdn Bhd	Supply, repair and maintenance of Caterpillar engines and other equipment for the oil and gas industry	Malaysia	71.7	71.7
Tractors Singapore Holdings Pte. Ltd.	Investment holding	Singapore	100.0 <sup>1</sup>	-
Tractors Singapore Limited	Marketing and servicing of earthmoving and construction equipment and spare parts	Singapore	100.0 <sup>1</sup>	100.0 <sup>1</sup>
Xiamen Sime Darby CEL Machinery Co Ltd	Provision of technical training, support and repair for heavy construction equipment and generator sets	China	100.0 <sup>1</sup>	100.0 <sup>1</sup>
Yaala Pembangunan Sdn Bhd	Property holding company	Malaysia	71.7	71.7
<b>MOTOR VEHICLE</b>				
AAPICO Hitech Public Company Limited #	Manufacturing of auto-components	Thailand	-	^15.5 <sup>2</sup>
Associated Motor Industries Malaysia Sdn Bhd	Assembly of motor vehicles	Malaysia	36.6	36.6
AutoFrance China Limited	Distribution for Peugeot left-hand drive motor vehicles	Hong Kong	100.0 <sup>1</sup>	100.0 <sup>1</sup>
AutoFrance Hong Kong Limited	Distributor and dealer of Peugeot motor vehicles	Hong Kong	100.0 <sup>1</sup>	100.0 <sup>1</sup>
Auto Technology Engineering Company Limited	Agent for Denso Diesel injection pump and provision of after sales services	Hong Kong	100.0 <sup>1</sup>	100.0 <sup>1</sup>
Beijing Sime Darby Consulting Services Company Limited	Provision of management and consulting services	China	100.0 <sup>1</sup>	100.0 <sup>1</sup>
Bluewater Marine Limited	Investment holding	British Virgin Islands	100.0 <sup>1</sup>	100.0 <sup>1</sup>
BMW Concessionaires (HK) Limited	Distributor and dealer for BMW motor vehicles	Hong Kong	100.0 <sup>1</sup>	100.0 <sup>1</sup>
BMW Concessionaires (Macau) Limited	Agent for sales, service and parts for BMW motor vehicles	Macau	100.0 <sup>1</sup>	100.0 <sup>1</sup>
BMW Malaysia Sdn Bhd	Import and distribution of BMW vehicles and spare parts	Malaysia	@ ^35.2	@ ^35.2
Bow Ma Motors (South China) Ltd	Investment holding	Hong Kong	100.0 <sup>1</sup>	100.0 <sup>1</sup>
CEC Finance Limited	Hire purchase and lease financing	Hong Kong	^49.0 <sup>2</sup>	^49.0 <sup>2</sup>
Continental Car Services Limited	Motor dealership	New Zealand	100.0 <sup>1</sup>	100.0 <sup>1</sup>
DCS AsiaPac Limited	Marketing, distribution, sale of software and hardware and provision of consultancy and training services for the motor vehicle industry	Hong Kong	-	^40.0 <sup>2</sup>
Ford Concessionaires Sdn Bhd	Ford motor dealership	Malaysia	71.7	71.7
Ford Malaysia Sdn Bhd	Import and distribution of Ford motor vehicles and spare parts	Malaysia	36.6	36.6
Goodwood Motors Limited	Sales and after sales service of Rolls Royce motor vehicles	Hong Kong	100.0 <sup>1</sup>	100.0 <sup>1</sup>
Guangdong Deda Bow Ma Motor Service Co Ltd	Operation of a motor vehicle service centre	China	65.0 <sup>1</sup>	65.0 <sup>1</sup>
Guangzhou Sime Darby Motor Enterprises Ltd	Investment holding	China	100.0 <sup>1</sup>	100.0 <sup>1</sup>
Hainan Bao Yue Automobiles Trading Co Ltd	Sales of motor vehicles, motorcycles and parts, car rental, provision of after sales services and consultancy services	China	100.0 <sup>1</sup>	-

## NOTES ON THE FINANCIAL STATEMENTS

### 40 LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES AS AT 30TH JUNE 2005 (CONTINUED)

NAME OF COMPANY	PRINCIPAL ACTIVITIES	COUNTRY OF INCORPORATION/ PRINCIPAL PLACE OF BUSINESS	GROUP'S % INTEREST	
			2005	2004
Hainan Dejie Motors Limited	After sales services and parts for BMW motor vehicles	China	90.0 <sup>1</sup>	–
Hainan Sime Darby Motor Service Enterprises Company Limited	Operation of a motor vehicle service centre	China	100.0 <sup>1</sup>	100.0 <sup>1</sup>
Harper Engineering (Macau) Limited	Agent for sales, service and parts for motor vehicles	Macau	100.0 <sup>1</sup>	100.0 <sup>1</sup>
Hino Distributors NZ Limited	Sale of new heavy Hino trucks and used heavy trucks of all makes and models	New Zealand	100.0 <sup>1</sup>	100.0 <sup>1</sup>
Hyundai-Sime Darby Berhad # (formerly known as Hyundai-Berjaya Corporation Berhad)	Investment holding and provision of management services	Malaysia	98.9	–
Hyundai-Sime Darby Motors Sdn Bhd (formerly known as Hyundai-Berjaya Sdn Bhd)	Management of sales and distribution of passenger and light commercial vehicles, provision of back-up services and selling and distribution of spare parts for its products range	Malaysia	98.9	–
Hyumal Motor Sdn Bhd	Investment holding, importation and distribution of certain Hyundai vehicles and related spare parts and provision of workshop services	Malaysia	51.0	–
Hyumal Trading Sdn Bhd	Sales of certain Hyundai and Inokom vehicles	Malaysia	51.0	–
Infinity Automotive Limited (formerly known as Cycle & Carriage (City) Limited)	Retailing of new and used passenger cars and light commercial vehicles, spare parts and accessories and the provision of related services	New Zealand	100.0 <sup>1</sup>	100.0 <sup>1</sup>
Island Motors Limited	Suzuki motor vehicles distributor and dealer	Hong Kong	100.0 <sup>1</sup>	100.0 <sup>1</sup>
Inokom Corporation Sdn Bhd	Manufacture and assembly of light commercial and passenger vehicles, and contract assembly of motor vehicles	Malaysia	53.5	–
Land Rover (Malaysia) Sdn Bhd	Import and distribution of Land Rover motor vehicles and spare parts	Malaysia	43.0	43.0
Mitsubishi Motors (Guangzhou) Company Limited	Distribution of Mitsubishi products	China	^20.3 <sup>1</sup>	^20.3 <sup>1</sup>
Motor Truck Distributors (NZ) Limited	Sale of new heavy Mack and Renault trucks and used heavy trucks of all makes and models	New Zealand	100.0 <sup>1</sup>	100.0 <sup>1</sup>
Neville Motors Limited (formerly known as Cycle & Carriage (Pakuranga) Limited)	Retailing of new and used passenger cars and light commercial vehicles, spare parts and accessories and the provision of related services	New Zealand	100.0 <sup>1</sup>	100.0 <sup>1</sup>
North Shore Motor Holdings Limited	Motor vehicle dealer	New Zealand	100.0 <sup>1</sup>	100.0 <sup>1</sup>
Oriental-Hyundai Sdn Bhd	Distribution of motor vehicles	Malaysia	^20.4	–
Parts Link Trading Company Limited	Wholesaler of parts and accessories	Hong Kong	100.0 <sup>1</sup>	100.0 <sup>1</sup>
Performance Motors Limited	Motor dealership	Singapore	100.0 <sup>1</sup>	100.0 <sup>1</sup>
Performance Motors (Thailand) Limited	Motor dealership	Thailand	100.0 <sup>2</sup>	100.0 <sup>2</sup>
Performance Premium Selection Limited (formerly known as Sime Darby Select Limited)	Retailer, wholesaler and exporter of used car	Singapore	100.0 <sup>1</sup>	100.0 <sup>1</sup>
Perry's Automotive Group (North Shore) Limited (formerly known as Cycle & Carriage (North Shore) Limited)	Wholesaling and retailing of new and used passenger cars and light commercial vehicles	New Zealand	100.0 <sup>1</sup>	100.0 <sup>1</sup>
Regent Motors Limited	Motor dealership	Singapore	100.0 <sup>1</sup>	100.0 <sup>1</sup>
SDHK Group Company Limited	Investment holding	Bermuda	100.0 <sup>1</sup>	100.0 <sup>1</sup>
Shanghai SimeWinner Automobile Trading Company Limited	Motor vehicles distribution and dealer	China	60.0 <sup>1</sup>	60.0 <sup>1</sup>
Shantou Dehong Bow Ma Motors Company Limited	Display, maintenance and repair of vehicles and the provision of consulting and management services	China	60.0 <sup>1</sup>	60.0 <sup>1</sup>
Shenzhen Sime Darby Motor Enterprises Co Ltd	Operation of a motor vehicle service centre	China	70.0 <sup>1</sup>	70.0 <sup>1</sup>
SimeCredit (Malaysia) Sdn Bhd	Hire purchase financing	Malaysia	100.0	100.0
Sime Darby Auto Italia Sdn Bhd (formerly known as Sime Cerah Sdn Bhd)	Distribution of Alfa Romeo vehicles and spare parts and provision of after sales service	Malaysia	100.0	100.0
Sime Darby Automobiles NZ Limited	Motor distribution	New Zealand	100.0 <sup>1</sup>	100.0 <sup>1</sup>
Sime Darby Automobiles Pty Ltd	Distributor of Peugeot motor vehicles in Australia	Australia	100.0 <sup>1</sup>	100.0 <sup>1</sup>
Sime Darby Mazda (Thailand) Limited	Motor dealership	Thailand	100.0 <sup>2</sup>	100.0 <sup>2</sup>
Sime Darby Mitsu (Thailand) Limited	Retail sale and service of Mitsubishi motor vehicles	Thailand	100.0 <sup>2</sup>	100.0 <sup>2</sup>
Sime Darby Motor Group (HK) Limited	Investment holding	Hong Kong	100.0 <sup>1</sup>	100.0 <sup>1</sup>
Sime Darby Motor Group (NZ) Limited	Investment holding	New Zealand	100.0 <sup>1</sup>	100.0 <sup>1</sup>
Sime Darby Motor Group (PRC) Limited	Investment holding	Hong Kong	100.0 <sup>1</sup>	100.0 <sup>1</sup>
Sime Darby Motor Group (Singapore) Limited	Investment holding	Singapore	100.0 <sup>1</sup>	100.0 <sup>1</sup>
Sime Darby Motor Holdings Limited	Investment holding	Singapore	100.0 <sup>1</sup>	100.0 <sup>1</sup>
Sime Darby Motors Sdn Bhd (formerly known as Space Tracks Sdn Bhd)	Investment holding	Malaysia	100.0	100.0
Sime Darby Motor Service Centre Limited	Car testing licensee	Hong Kong	100.0 <sup>1</sup>	100.0 <sup>1</sup>
Sime Darby Motor Services Limited	Sale of parts and provision of services for motor vehicles, distributor and dealer for Ford motor vehicles	Hong Kong	100.0 <sup>1</sup>	100.0 <sup>1</sup>
Sime Darby Motors (Nissan China) Holdings Limited	Investment holding	Hong Kong	100.0 <sup>1</sup>	100.0 <sup>1</sup>

40 LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES AS AT 30TH JUNE 2005 (CONTINUED)

NAME OF COMPANY	PRINCIPAL ACTIVITIES	COUNTRY OF INCORPORATION/ PRINCIPAL PLACE OF BUSINESS	GROUP'S % INTEREST	
			2005	2004
Sime Darby System Integrators Sdn Bhd (formerly known as Berjaya Systems Integrators Sdn Bhd)	Investment holding	Malaysia	98.9	-
SimeLease (Malaysia) Sdn Bhd	Lease financing	Malaysia	100.0	100.0
Sime Winner Holdings Limited	Investment holding and motor vehicles distributor and dealer	Hong Kong	60.0 <sup>1</sup>	60.0 <sup>1</sup>
SimeWinner Nissan Autocrafts Limited	Distribution and dealership of motor vehicles and investment holding	Hong Kong	60.0 <sup>1</sup>	60.0 <sup>1</sup>
Tianjin Dong Hui Technical Services Company Limited	Technical and advisory services	China	60.0 <sup>1</sup>	60.0 <sup>1</sup>
Tianjin Sime Winner Motors Trading Co Ltd	Bonded warehousing services for vehicles	China	60.0 <sup>1</sup>	60.0 <sup>1</sup>
Tractors Malaysia (1982) Sdn Bhd	Sale of equipment, spare parts and service support for Caterpillar business, marketing of BMW motor vehicles and spare parts, distribution of forklifts, other material handling equipment and industrial cleaners, and supply and installation of Kawasaki co-generation systems	Malaysia	71.7	71.7
Tractors Malaysia Motor Holdings Sdn Bhd	Investment holding company	Malaysia	71.7	71.7
Truck Investments Limited	Investment holding and arranges financing of vehicles	New Zealand	100.0 <sup>1</sup>	100.0 <sup>1</sup>
Truck Stops (NZ) Limited	Provision of spare parts and services for medium and heavy trucks and repair and servicing of trucks trailers	New Zealand	100.0 <sup>1</sup>	100.0 <sup>1</sup>
UD Truck Distributors (NZ) Limited	Nissan diesel truck distributor and retailer	New Zealand	100.0 <sup>1</sup>	100.0 <sup>1</sup>
Uniparts Limited	Sale of motor vehicle spare parts	Hong Kong	100.0 <sup>1</sup>	100.0 <sup>1</sup>
Universal Cars Holdings Limited	Agent for Mitsubishi motor vehicles distributor and dealer	Hong Kong	45.0 <sup>1</sup>	45.0 <sup>1</sup>
Universal Cars (Importers) Limited	Distributor and dealer for Mitsubishi motor vehicles	Hong Kong	100.0 <sup>1</sup>	100.0 <sup>1</sup>
Universal Cars Limited	Distributor for Mitsubishi motor vehicles	Hong Kong	100.0 <sup>1</sup>	100.0 <sup>1</sup>
Vermont International Limited	Investment holding	Hong Kong	60.0 <sup>1</sup>	60.0 <sup>1</sup>
Viking Motors Limited	Dealer for Volvo motor vehicles	Thailand	100.0 <sup>2</sup>	100.0 <sup>2</sup>
Wallace Harper & Company, Limited	Investment holding	Hong Kong	100.0 <sup>1</sup>	100.0 <sup>1</sup>
Warwick Motors Limited	Distributor and dealer for Land Rover motor vehicles	Hong Kong	100.0 <sup>1</sup>	100.0 <sup>1</sup>
Yunnan Dekai Bow Ma Motors Technology & Service Co Ltd	Operation of a motor vehicle service centre and provision of consulting and management services	China	65.0 <sup>1</sup>	65.0 <sup>1</sup>
Yunnan Sime Winner Motor Services Co, Limited	Operation of motor vehicle service centres	China	90.0 <sup>1</sup>	90.0 <sup>1</sup>
<b>GENERAL TRADING, SERVICES &amp; OTHERS</b>				
Airia Jaya Marine (S) Pte Ltd	Shipowning, shipchartering and shipmanagement	Singapore	^29.6 <sup>2</sup>	-
Asian Composites Manufacturing Sdn Bhd	Manufacture of composite parts of aircraft	Malaysia	^25.0	^25.0
Aspry Ventures Sdn Bhd	Investment holding	Malaysia	100.0	100.0
Balui Hydro Sdn Bhd	Investment holding	Malaysia	70.0	70.0
Batamindo Carriers Pte Ltd	Ship and boat chartering services	Singapore	^10.4 <sup>2</sup>	-
Business Travel International Westminster (Hong Kong) Limited	Travel agent	Hong Kong	^34.3 <sup>1</sup>	^34.3 <sup>1</sup>
Celliose Par Coatings Company Limited	Investment holding, manufacturing and trading of paints and chemical products	Hong Kong	^40.0 <sup>1</sup>	^40.0 <sup>1</sup>
Celliose PAR Coatings (Wuxi) Company Limited	Manufacturing and trading of paints and chemical products	China	^40.0 <sup>2</sup>	-
Century Automotive Products Sdn Bhd	Sale of automotive products	Malaysia	94.2	81.4
Ceres Sime Confectionery Sdn Bhd	Manufacture of finished chocolate confectionery products	Malaysia	^40.0	^40.0
Ceres Sime Marketing Sdn Bhd	Marketing of shaving associated products and chocolate confectionery products	Malaysia	^40.0	^40.0
Chubb Malaysia Sendirian Berhad	Manufacture, marketing, installation and servicing of security products in Malaysia	Malaysia	49.0	49.0
Chubb Singapore Private Limited	Marketing of security and fire protection products and services	Singapore	^30.0 <sup>1</sup>	^30.0 <sup>1</sup>
Chubb-Special Fire Hazards Protection Pte Ltd	Provision of fire protection and alarm systems and services	Singapore	^30.0 <sup>1</sup>	^30.0 <sup>1</sup>
Conquip (Private) Limited	Agency house, importing and exporting	Singapore	100.0 <sup>1</sup>	100.0 <sup>1</sup>
Continental Sime Tyre Sdn Bhd	Investment holding	Malaysia	^49.0 <sup>2</sup>	^49.0 <sup>2</sup>
Continental Sime Tyre Marketing Sdn Bhd (formerly known as Simex Marketing Sdn Bhd)	Marketing of tyres	Malaysia	^49.0 <sup>2</sup>	^49.0 <sup>2</sup>
Continental Sime Tyre Technology Centre Sdn Bhd	Research and development	Malaysia	^49.0 <sup>2</sup>	^49.0 <sup>2</sup>
Dunlopillo Holdings Sdn Bhd (formerly known as Sime Home Products Sdn Bhd)	Investment holding	Malaysia	100.0	100.0
Dunlopillo (Malaysia) Sdn Bhd (formerly known as Sime Home Products Manufacturing Sdn Bhd)	Manufacturing and trading of bedding and other related products	Malaysia	100.0	100.0

## NOTES ON THE FINANCIAL STATEMENTS

### 40 LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES AS AT 30TH JUNE 2005 (CONTINUED)

NAME OF COMPANY	PRINCIPAL ACTIVITIES	COUNTRY OF INCORPORATION/ PRINCIPAL PLACE OF BUSINESS	GROUP'S % INTEREST	
			2005	2004
Dunlopillo (Shenzhen) Pte Ltd	Manufacturing and trading of bedding and other related products	China	100.0 <sup>1</sup>	–
Dunlopillo (Vietnam) Limited (formerly known as Sime Darby Manufacturing Limited)	Manufacture and marketing of mattresses and bedding products	Vietnam	100.0 <sup>1</sup>	100.0 <sup>1</sup>
DMIB Sdn Bhd (formerly known as DMIB Berhad)	Manufacturing of tyres	Malaysia	^49.0 <sup>2</sup>	^49.0 <sup>2</sup>
DMIB (Singapore) Pte Ltd	Investment holding	Singapore	^49.0 <sup>2</sup>	^49.0 <sup>2</sup>
DMS Jaya Marine W.L.L.	Shipowning and shipchartering	Qatar	^14.5 <sup>2</sup>	–
Hidro Focus Sdn Bhd	Civil and structural contractor	Malaysia	^28.0	^28.0
Jaya Century Pte Ltd	Shipowning and shipchartering	Singapore	^29.6 <sup>2</sup>	–
Jaya Container Lines Pte Ltd	Shipowning and shipchartering	Singapore	^26.6 <sup>2</sup>	–
Jaya Holdings Limited #	Investment holding	Singapore	^29.6 <sup>2</sup>	–
Jaya DMS Marine Pte Ltd	Shipowning and shipchartering	Singapore	^14.8 <sup>2</sup>	–
Jaya International Transport Pte Ltd	Shipowning and shipchartering	Singapore	^29.6 <sup>2</sup>	–
Java Marine Lines Pte Ltd	Shipowning and shipchartering	Singapore	^29.6 <sup>2</sup>	–
Jaya Offshore Pte Ltd	Shipchartering and shipmanagement	Singapore	^29.6 <sup>2</sup>	–
Jaya Shipbuilding and Engineering Private Limited	Ownership of shipyard and the building and repairing of ships	Singapore	^29.6 <sup>2</sup>	–
Jaya-TDS Shipping Ltd	Shipowning and shipchartering	Mauritius	^14.8 <sup>2</sup>	–
Jecking Tours & Travel Limited	Travel and tour agency	Hong Kong	70.0 <sup>1</sup>	70.0 <sup>1</sup>
Kuala Lumpur Golf & Country Club Berhad	Providing golfing, sporting and other recreational activities and services as well as property development	Malaysia	100.0	100.0
Lec Refrigeration (France) SA	Distribution of refrigeration equipment and associated products	France	100.0 <sup>1</sup>	99.3 <sup>1</sup>
Lec Refrigeration Plc	Designing, manufacturing, marketing and servicing of refrigeration equipment	United Kingdom	–	99.3 <sup>1</sup>
Malaysian Oriental Holdings Berhad	Investment holding	Malaysia	70.0	70.0
Marksworth Limited	Investment holding	Hong Kong	100.0 <sup>1</sup>	100.0 <sup>1</sup>
Marsman - Westminster Travel, Inc	Tour and travel agency	Philippines	^35.0 <sup>2</sup>	^35.0 <sup>2</sup>
Mecomb Engineering Sdn Bhd	Systems integration of oil and metering skids, process controls, factory automation and intelligent transport systems	Malaysia	70.0	70.0
Mecomb Malaysia Sdn Berhad	Sales and service of industrial, mechanical, electrical and instrumentation products, computer products and systems and design and consultancy of air-conditioning systems	Malaysia	70.0	70.0
Mecomb Singapore Limited	Sales and service of industrial, mechanical, electrical and electronic products and manufacture, design and sales and service of ventilation systems and car park management systems	Singapore	70.0 <sup>1</sup>	70.0 <sup>1</sup>
Mecomb (Thailand) Limited	Sale of industrial, mechanical, electrical and electronic products	Thailand	100.0 <sup>1</sup>	100.0 <sup>1</sup>
Orchard Nominees Private Limited	Holding investments as a nominee	Singapore	100.0 <sup>1</sup>	100.0 <sup>1</sup>
PAR Resources (Holdings) Limited	Investment holding	Hong Kong	100.0 <sup>1</sup>	100.0 <sup>1</sup>
PB Packaging Systems Singapore Pte Ltd	Management and holding property for investment	Singapore	66.6 <sup>1</sup>	66.6 <sup>1</sup>
Pesida Equipment Sdn Bhd	Investment holding	Malaysia	100.0	100.0
Petra Sime Marketing Private Limited	Marketing and trading of consumer products	Singapore	^40.0 <sup>1</sup>	–
PT Jaya Asiatic Shipyard	Ownership of shipyard and the building and repairing of ships	Indonesia	^28.1 <sup>2</sup>	–
PT Guru Indonesia	Manufacture of corrugated boxes	Indonesia	75.0 <sup>2</sup>	75.0 <sup>2</sup>
PT Mecomb Tehnik	Importation, distribution and leasing of engineering products	Indonesia	70.0 <sup>1</sup>	70.0 <sup>1</sup>
Robt. Bradford & Co Ltd	Investment holding and insurance broking	United Kingdom	100.0 <sup>1</sup>	100.0 <sup>1</sup>
Robt. Bradford Hobbs Savill Ltd	Insurance broking	United Kingdom	100.0 <sup>1</sup>	100.0 <sup>1</sup>
Sanergy Jaya Marine Pte Ltd	Shipowning, shipchartering and ship management	Singapore	^14.8 <sup>2</sup>	–
SD Far East (1991) Limited	Investment holding	Hong Kong	100.0 <sup>1</sup>	100.0 <sup>1</sup>
SD Holdings Berhad	Investment holding	Malaysia	100.0	100.0
Seadex Pte Ltd	Shipowning and shipchartering	Singapore	^23.7 <sup>2</sup>	–
Sim Dar May Hong Kong Investment Company Limited	Investment holding	Hong Kong	–	100.0 <sup>1</sup>
Sime Alexander Forbes Insurance Brokers Sdn Bhd	Insurance and reinsurance brokers and consultants	Malaysia	60.0	60.0
Sime Allied Properties Limited	Investment holding	Singapore	100.0 <sup>1</sup>	–
Sime Coatings Sdn Bhd	Manufacture and marketing of decorative paints	Malaysia	100.0	100.0
Sime Conoco Energy Sdn Bhd	Investment holding	Malaysia	51.0	51.0
Sime Darby Americas Limited	Investment holding	United States of America	100.0 <sup>1</sup>	100.0 <sup>1</sup>
Sime Darby China Limited	Investment holding	Hong Kong	100.0 <sup>1</sup>	100.0 <sup>1</sup>
Sime Darby Eastern International Limited	Investment holding	Singapore	100.0 <sup>1</sup>	100.0 <sup>1</sup>
Sime Darby Eastern Investments Private Limited	Investment holding	Singapore	100.0 <sup>1</sup>	100.0 <sup>1</sup>
Sime Darby Eastern Limited	Investment holding	Singapore	100.0 <sup>1</sup>	100.0 <sup>1</sup>

40 LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES AS AT 30TH JUNE 2005 (CONTINUED)

NAME OF COMPANY	PRINCIPAL ACTIVITIES	COUNTRY OF INCORPORATION/ PRINCIPAL PLACE OF BUSINESS	GROUP'S % INTEREST	
			2005	2004
Sime Darby Financial Services Holdings Sdn Bhd	Investment holding	Malaysia	100.0	100.0
Sime Darby Hongkong Finance Limited	Provision of financial services and investment trading	Hong Kong	100.0 <sup>1</sup>	100.0 <sup>1</sup>
Sime Darby Hong Kong Nominees Limited	Holding investments as a nominee	Hong Kong	100.0 <sup>1</sup>	100.0 <sup>1</sup>
Sime Darby Information Service Pte Ltd	Provision of audit, human resources, information technology and accounting services	Singapore	100.0 <sup>1</sup>	100.0 <sup>1</sup>
Sime Darby Insurance Pte Ltd	Offshore captive insurer	Labuan	100.0	100.0
Sime Darby Investments Pty Limited	Investment holding	Australia	100.0 <sup>1</sup>	100.0 <sup>1</sup>
Sime Darby London Limited	Investment holding	United Kingdom	100.0 <sup>1</sup>	100.0 <sup>1</sup>
Sime Darby Malaysia Berhad	Investment holding	Malaysia	100.0	100.0
Sime Darby Management Services Limited	Provision of property holding and management activities	Hong Kong	100.0 <sup>1</sup>	100.0 <sup>1</sup>
Sime Darby Marketing Sdn Bhd	Marketing and distribution of pharmaceutical and consumer products	Malaysia	100.0	100.0
Sime Darby Nominees Limited	Holding investments as a nominee	United Kingdom	100.0 <sup>1</sup>	100.0 <sup>1</sup>
Sime Darby Nominees Sendirian Berhad	Holding investments as a nominee	Malaysia	100.0	100.0
Sime Darby Pension Scheme Trustees Ltd	Trustees to Pension Scheme	United Kingdom	100.0 <sup>1</sup>	100.0 <sup>1</sup>
Sime Darby Rent-A-Car Sdn Bhd	Hire of vehicles to the general public	Malaysia	100.0	100.0
Sime Darby Services Private Limited	Vehicle rental	Singapore	100.0 <sup>1</sup>	100.0 <sup>1</sup>
Sime Darby Singapore Limited	Marketing, trading and manufacturing	Singapore	100.0 <sup>1</sup>	100.0 <sup>1</sup>
Sime Darby Systems Sdn Bhd	Investment holding	Malaysia	70.0	70.0
Sime Darby Technology Centre Sdn Bhd	Research and development in non rubber products	Malaysia	100.0	100.0
Sime Darby Travel Sdn Bhd	Travel agency	Malaysia	100.0	100.0
Sime Darby (Thailand) Limited	Investment holding	Thailand	100.0 <sup>2</sup>	100.0 <sup>2</sup>
Sime Engineering Services Bhd #	Investment holding	Malaysia	70.0	70.0
Sime Footwear (Melaka) Sdn Bhd	Property investment	Malaysia	100.0	100.0
Sime Hartanah Sdn Bhd	Investment holding	Malaysia	100.0	100.0
Sime Healthcare Staff Agency Sdn Bhd	Operation of employment agency	Malaysia	100.0	100.0
Sime Holidays Sdn Bhd	Travel and tour agency	Malaysia	100.0	100.0
Sime Inax Sdn Bhd	Manufacture and marketing of sanitary wares	Malaysia	80.0	80.0
Sime Insurance Brokers (HK) Limited	Insurance brokers	Hong Kong	100.0 <sup>1</sup>	100.0 <sup>1</sup>
Sime Insurance Brokers (Singapore) Pte Ltd	Insurance and reinsurance brokers and consultants	Singapore	100.0 <sup>1</sup>	100.0 <sup>1</sup>
Sime Integrated Logistics Sdn Bhd	Provision of transportation, freight forwarding, container haulage and warehousing and distribution services	Malaysia	^50.0	100.0
Sime Investments (Mauritius) Limited	Provision of financing	Mauritius	100.0 <sup>1</sup>	100.0 <sup>1</sup>
Sime Kansai Paints Sdn Bhd	Manufacture, sale and marketing of automotive and industrial paints	Malaysia	^40.0	^40.0
Sime Link Sdn Bhd	Investment holding	Malaysia	100.0	100.0
Sime Malaysia Region Berhad	Investment holding	Malaysia	100.0	100.0
Sime Managing Agency Limited	Insurance agents	Hong Kong	100.0 <sup>1</sup>	100.0 <sup>1</sup>
Sime-Morakot Holdings (Thailand) Limited (formerly known as BDO (Thailand) Limited)	Investment holding	Thailand	100.0 <sup>2</sup>	100.0 <sup>2</sup>
Sime NET Technologies Sdn Bhd	Provider of information technology services	Malaysia	100.0	100.0
Sime Oleander Sdn Bhd	Manufacturing and distributing mineral and distilled water as well as beverage products	Malaysia	51.1	51.1
Sime Rengo Packaging (M) Sdn Bhd	Manufacture and sale of corrugated fibre board cartons and boxes	Malaysia	70.0	70.0
Sime Rengo Packaging Singapore Limited	Manufacture of corrugated boxes	Singapore	66.6 <sup>1</sup>	66.6 <sup>1</sup>
Sime Rubber Industries Sdn Bhd	Manufacturing and marketing of retreading and general rubber moulded products	Malaysia	^49.0 <sup>2</sup>	^49.0 <sup>2</sup>
Sime Singapore Investments Limited	Investment holding	Singapore	100.0 <sup>1</sup>	100.0 <sup>1</sup>
Sime Singapore Limited	Investment holding and the provision of management and ancillary services to related companies	Singapore	100.0 <sup>1</sup>	100.0 <sup>1</sup>
Sime Solution Centre Sdn Bhd	Provision of accounting and other backroom processing services	Malaysia	100.0	100.0
Sime Surveillance Sdn Bhd	Provision of security services	Malaysia	100.0	100.0
Sime Technologies Holdings Pte Ltd	Investment holding	Labuan	70.0 <sup>3</sup>	70.0 <sup>3</sup>
Sime Technology (Beijing) Company Limited	Consultancy and software	China	100.0 <sup>1</sup>	100.0 <sup>1</sup>
Sime Travel Holdings Limited	Investment holding	Hong Kong	100.0 <sup>1</sup>	100.0 <sup>1</sup>
Sime Travel (Singapore) Private Limited	Travel related services	Singapore	70.0 <sup>1</sup>	70.0 <sup>1</sup>
Sime Tyres International (M) Sdn Bhd	Manufacturing of tyres	Malaysia	^49.0	^49.0
Sime Tyres Marketing Sdn Bhd	Marketing of tyres	Malaysia	^49.0	^49.0
SimeTech (Malaysia) Sdn Bhd	Investment holding	Malaysia	70.0	70.0
SimeWest Holdings Sdn Bhd	Investment holding	Malaysia	100.0	100.0
Simex Chemical Sdn Bhd	Manufacturing of chemical products	Malaysia	100.0	100.0
Simex (Europe) Limited	Importation and distribution of tyres and tubes	United Kingdom	^49.0 <sup>2</sup>	^49.0 <sup>2</sup>



40 LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES AS AT 30TH JUNE 2005 (CONTINUED)

NAME OF COMPANY	PRINCIPAL ACTIVITIES	COUNTRY OF INCORPORATION/ PRINCIPAL PLACE OF BUSINESS	GROUP'S % INTEREST	
			2005	2004
SJMC Training and Educational Services Sdn Bhd	Organise educational programmes and establish institutions of education	Malaysia	100.0	100.0
Solarvest Sdn Bhd	Investment holding	Malaysia	100.0	100.0
South Perth Investments Pty Ltd	Rental and leasing of vehicles	Australia	100.0 <sup>1</sup>	100.0 <sup>1</sup>
SST Integrated Technologies Sdn Bhd	Provision of calibration, measurement and related services	Malaysia	35.0	35.0
Subang Jaya Medical Centre Sdn Bhd	Medical centre	Malaysia	100.0	100.0
Syarikat Malacca Straits Inn Sdn Bhd	Hotel ownership	Malaysia	55.0	55.0
Tahan Enterprise Sdn Berhad	Investment holding	Malaysia	100.0	100.0
Technochem Pte Ltd	Treatment and recycling of industrial and chemical wastes	Singapore	90.0 <sup>1</sup>	90.0 <sup>1</sup>
Tesco Stores (Malaysia) Sdn Bhd	Operator of retail outlets	Malaysia	^30.0	^30.0
The China Engineers (Malaysia) Sdn Bhd	General trading, distribution of building supplies and technical products	Malaysia	100.0	100.0
The China Engineers (South China) Limited	Investment holding	Hong Kong	100.0 <sup>1</sup>	100.0 <sup>1</sup>
The China Engineers (Thailand) Limited	Investment holding	Thailand	99.9 <sup>2</sup>	99.9 <sup>2</sup>
The China Water Company Limited	Infrastructure project development	Cayman Islands	^33.3 <sup>1</sup>	^33.3 <sup>1</sup>
Union Sime Darby (Thailand) Ltd	Insurance and reinsurance brokers and consultants	Thailand	^49.0 <sup>1</sup>	^49.0 <sup>1</sup>
Westminster Travel Limited	Travel agent	Hong Kong	70.0 <sup>1</sup>	70.0 <sup>1</sup>
Westminster Travel Limited (Taiwan)	Travel agent	Taiwan	70.0 <sup>1</sup>	70.0 <sup>1</sup>
Wincastle Travel (HK) Limited	Travel agent	Hong Kong	52.5 <sup>1</sup>	52.5 <sup>1</sup>
Wuxi PAR Resources Coatings and Chemicals Company Limited	Manufacture and distribution of industrial and decorative paints	China	100.0 <sup>1</sup>	100.0 <sup>1</sup>

40 LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES AS AT 30TH JUNE 2005 (CONTINUED)

NAME OF COMPANY	COUNTRY OF INCORPORATION/ PRINCIPAL PLACE OF BUSINESS	GROUP'S % INTEREST	
		2005	2004
<b>INACTIVE COMPANIES - ALL DIVISIONS</b>			
Agri-Bio Corporation Sdn Bhd	Malaysia	100.0	100.0
Alexander Forbes (Malaysia) Sdn Bhd	Malaysia	60.0	60.0
Arabis Pte Ltd	Singapore	100.0 <sup>1</sup>	100.0 <sup>1</sup>
Asia Power Systems Corporation	British Virgin Islands	^14.8 <sup>2</sup>	–
Associated Tractors Sdn Bhd	Malaysia	71.7	71.7
ATSB (B) Sdn Bhd	Brunei	71.7 <sup>1</sup>	71.7 <sup>1</sup>
Auto Bavaria Sdn Bhd	Malaysia	71.7	71.7
Bacini Cycles Pty Ltd	Australia	100.0 <sup>1</sup>	100.0 <sup>1</sup>
Barat Estates Sendirian Berhad	Malaysia	100.0	100.0
Calm Approach Investment, Ltd	British Virgin Islands	^6.0 <sup>2</sup>	–
Century Batteries Sales (Malaysia) Sdn Bhd	Malaysia	94.2	81.4
Continental Cars Limited	New Zealand	100.0 <sup>1</sup>	100.0 <sup>1</sup>
Contract Tyre Equipment Limited	United Kingdom	^49.0 <sup>1</sup>	^49.0 <sup>1</sup>
Crescent Shipping Pte Ltd	Singapore	^29.6 <sup>2</sup>	–
Darby Park Sdn Bhd	Malaysia	100.0	100.0
East West Insurance Company Limited	United Kingdom	79.2 <sup>2</sup>	79.2 <sup>2</sup>
Edible Products Limited	Singapore	100.0 <sup>1</sup>	100.0 <sup>1</sup>
Epic Products Berhad	Malaysia	100.0	100.0
ERF Man and Western Star (NZ) Limited	New Zealand	100.0 <sup>1</sup>	100.0 <sup>1</sup>
Esprit Aquaservices Sdn Bhd	Malaysia	51.1	51.1
Grand Seaway Ferries Inc	Philippines	^6.0 <sup>2</sup>	–
Guangzhou SimeWinner Motor Services Limited	China	60.0 <sup>1</sup>	60.0 <sup>1</sup>
Guangzhou Wallace Harper Motor Services Limited	China	100.0 <sup>1</sup>	100.0 <sup>1</sup>
Guardfire (Malaysia) Sdn Bhd	Malaysia	^30.0	^30.0
Island Power Operations Pte Ltd	Singapore	–	+50.0 <sup>2</sup>
Island Power Supply Pte Ltd	Singapore	–	+50.0 <sup>2</sup>
Jaya Logistics Pte Ltd	Singapore	^29.6 <sup>2</sup>	–
Jaya Offshore (HK) Limited	Hong Kong	^29.6 <sup>2</sup>	–
Jaya Pacific Line Pte Ltd	Singapore	^14.5 <sup>2</sup>	–
Jaya Shipmanagement Pte Ltd	Singapore	^20.7 <sup>2</sup>	–
LangFish Sdn Bhd	Malaysia	100.0	100.0
Malaysia China-Hydro Sdn Bhd	Malaysia	70.0	70.0
MarketLink (M) Sdn Bhd	Malaysia	100.0	100.0
Mecomb Technologies Sdn Bhd	Malaysia	70.0	70.0 <sup>1</sup>
Milan Motors, Limited	Hong Kong	100.0 <sup>1</sup>	100.0 <sup>1</sup>
Mortlock Distributors Pty Ltd	Australia	100.0 <sup>1</sup>	100.0 <sup>1</sup>
Motion Smith Machinery (Shanghai) Co. Ltd	China	70.0 <sup>1</sup>	–
Palmerston North Motors Wholesale Limited	New Zealand	100.0 <sup>1</sup>	100.0 <sup>1</sup>
Par Paints Sdn Bhd	Malaysia	100.0	100.0
Puchong Quarry Sdn Bhd	Malaysia	85.4	85.4
Scandinavian Truck & Bus Sdn Bhd	Malaysia	71.7	71.7
SDI (Finance) Limited	United Kingdom	^49.0 <sup>1</sup>	^49.0 <sup>1</sup>
SD Retread Systems, Inc	Philippines	^39.5 <sup>2</sup>	^39.5 <sup>2</sup>
Serapi Trading Sdn Bhd	Malaysia	51.1	51.1
Servitel Development Sdn Bhd	Malaysia	100.0	100.0
Sime Aerogreen Research Sdn Bhd	Malaysia	100.0	100.0
Sime Bow Motors (Guangzhou Free Trade Zone) Limited	China	100.0 <sup>1</sup>	60.0 <sup>1</sup>
Sime Cycle Australia Pty Ltd	Australia	100.0 <sup>1</sup>	100.0 <sup>1</sup>
Sime Darby Canada Ltd	Canada	100.0 <sup>1</sup>	100.0 <sup>1</sup>
Sime Darby Corporation (Africa) Sdn Bhd	Malaysia	100.0	100.0
Sime Darby Edible Products Tanzania Limited	Tanzania	100.0 <sup>1</sup>	100.0 <sup>1</sup>
Sime Darby Land (Johor) Sdn Bhd	Malaysia	100.0	100.0
Sime Darby Yangon Limited	Myanmar	100.0 <sup>1</sup>	100.0 <sup>1</sup>
Sime Energy Holdings Pte Ltd	Singapore	100.0 <sup>2</sup>	100.0 <sup>2</sup>
Sime Healthcare Sdn Bhd	Malaysia	100.0	100.0
Sime Health Limited	United States of America	100.0 <sup>1</sup>	100.0 <sup>1</sup>
Sime Insurance Services Sdn Bhd	Brunei	100.0 <sup>1</sup>	100.0 <sup>1</sup>
Sime Kitaran Bumi Sdn Bhd	Malaysia	^49.0 <sup>2</sup>	^49.0 <sup>2</sup>
Sime Latex Products Sdn Bhd	Malaysia	100.0	100.0
Sime Logistics Sdn Bhd	Malaysia	100.0	100.0
Sime Overseas Sdn Bhd	Malaysia	100.0	100.0
Sime Technology Ventures Sdn Bhd	Malaysia	100.0	100.0

40 LIST OF SUBSIDIARIES AND ASSOCIATED COMPANIES AS AT 30TH JUNE 2005 (CONTINUED)

NAME OF COMPANY	PRINCIPAL ACTIVITIES	COUNTRY OF INCORPORATION/ PRINCIPAL PLACE OF BUSINESS	GROUP'S % INTEREST	
			2005	2004
Simex Aircraft Tyre Company Sdn Bhd		Malaysia	100.0	51.0
Simex Engineered Rubber Products Sdn Bhd		Malaysia	^49.0	^49.0
Simex Tyres Sdn Bhd		Malaysia	^49.0	^49.0
SRIB (Far East) Pte Ltd		Singapore	100.0 <sup>1</sup>	100.0 <sup>1</sup>
Steelform Industries (Malaysia) Sdn Bhd		Malaysia	100.0	100.0
Surfactants (Malaysia) Sendirian Berhad		Malaysia	100.0	100.0
Tengah Estates Sendirian Berhad		Malaysia	100.0	100.0
TMB Niaga Sdn Bhd		Malaysia	43.0	43.0
Tractors All Parts Sdn Bhd		Malaysia	71.7	71.7
Tractors Auto Components Sdn Bhd		Malaysia	71.7	71.7
Tractors Machinery International Pte Ltd		Singapore	100.0 <sup>1</sup>	100.0 <sup>1</sup>
Trans-Port Shipping Pte Ltd		Singapore	^8.3 <sup>2</sup>	–
Universal Cars China Limited		Hong Kong	100.0 <sup>1</sup>	100.0 <sup>1</sup>
Verbena Pte Ltd		Singapore	^29.6 <sup>2</sup>	–
Westminster Travel (UK) Limited		United Kingdom	70.0 <sup>1</sup>	70.0 <sup>1</sup>
Xiamen Xiangyu Sime Darby CEL Machinery Trading Co Ltd		China	100.0 <sup>1</sup>	100.0 <sup>1</sup>
Xinet Pte Ltd		Singapore	^29.6 <sup>2</sup>	–
Zhuhai Jaya Shipbuilding Co. Ltd		China	^20.7 <sup>2</sup>	–

Notes:-

^ Associated companies of Sime Darby.

# Listed on a stock exchange.

@ Tractors, which is a subsidiary of Sime Darby, has a 49% equity interest in BMW Malaysia Sdn Bhd. Notwithstanding this, the investment in BMW Malaysia Sdn Bhd has been classified as an investment (and not as an associated company) in the accounts of the Tractors Group in view of the fact that the Tractors Group is entitled to receive an aggregate guaranteed dividend for the first five (5) years.

+ Jointly-controlled entity

<sup>1</sup> Subsidiaries and associated companies as at 30th June 2005 which are audited by overseas firms associated with PricewaterhouseCoopers, Malaysia

<sup>2</sup> Subsidiaries and associated companies as at 30th June 2005 which are audited by firms not associated with PricewaterhouseCoopers, Malaysia.

<sup>3</sup> Subsidiaries and associated companies as at 30th June 2005 which have not appointed auditors.

# Statement By Directors And Statutory Declaration

For The Year Ended 30th June 2005



## STATEMENT BY DIRECTORS

We, Tan Sri Dato' Seri (Dr.) Ahmad Sarji bin Abdul Hamid and Dato' Ahmad Zubair @ Ahmad Zubir bin Haji Murshid, two of the Directors of Sime Darby Berhad, do hereby state that, in the opinion of the Directors, the financial statements set out on pages 54 to 106 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 30th June 2005 and of the results of the Group and of the Company and the cash flows of the Group and of the Company for the year ended on that date, in accordance with the applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965.

In accordance with a resolution of the Board of Directors dated 29th August 2005

Tan Sri Dato' Seri (Dr.) Ahmad Sarji bin Abdul Hamid  
Chairman

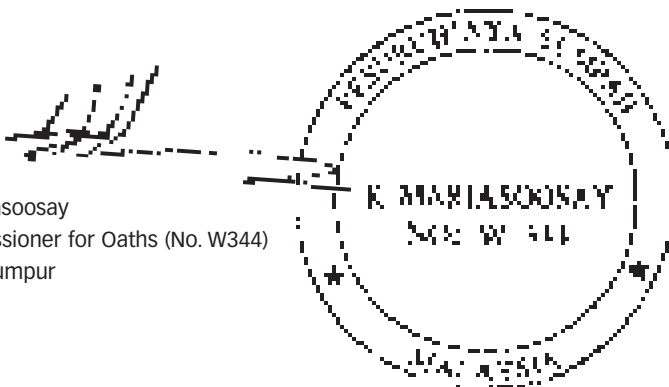
Dato' Ahmad Zubair @ Ahmad Zubir bin Haji Murshid  
Group Chief Executive

Kuala Lumpur  
29th August 2005

## STATUTORY DECLARATION

I, Sekhar Krishnan, 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 54 to 106 are, to the best of my knowledge and belief, correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

SUBSCRIBED AND SOLEMNLY DECLARED by the abovenamed Sekhar Krishnan, at Kuala Lumpur, Malaysia on 29th August 2005.



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

Sekhar Krishnan  
(MIA 2337)  
Group Chief Financial Officer

K. MARIASOOSAY  
KUALA LUMPUR  
MALAYSIA



PricewaterhouseCoopers  
 Chartered Accountants  
 11th Floor, 111, Jalan Sultan  
 Abdul Halim, Kuala Lumpur  
 50050, Malaysia  
 Tel: +603 2073 3333  
 Fax: +603 2073 3333  
 Email: [audit@pwc.com](mailto:audit@pwc.com)

## REPORT OF THE AUDITORS TO THE MEMBERS OF SIME DARBY BERHAD (COMPANY NO. 41759-M)

1. We have audited the financial statements set out on pages 54 to 106. These financial statements are the responsibility of the Company's Directors. It is our responsibility to form an independent opinion, based on our audit, on these financial statements and to report our opinion to you, as a body, in accordance with Section 174 of the Companies Act, 1965 and for no other purpose. We do not assume responsibility to any other person for the content of this report.
2. We conducted our audit in accordance with approved auditing standards in Malaysia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. In our opinion:
  - (a) the financial statements have been prepared in accordance with the provisions of the Companies Act, 1965 and MASB approved accounting standards in Malaysia so as to give a true and fair view of:
    - (i) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements; and
    - (ii) the state of affairs of the Group and of the Company as at 30th June 2005 and of the results and cash flows of the Group and of the Company for the financial year ended on that date; and
  - (b) the accounting and other records and the registers required by the Act to be kept by the Company and by the subsidiary companies of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.
4. The names of the subsidiary companies of which we have not acted as auditors are indicated in Note 40 to the financial statements. We have considered the financial statements of these subsidiary companies and the auditors' reports thereon.
5. We are satisfied that the financial statements of the subsidiary companies 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 consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.
6. The auditors' report on the financial statements of the subsidiary companies were not subject to any qualification and did not include any comment made under subsection 3 of Section 174 of the Act.

PricewaterhouseCoopers  
 (No. AF-1146)  
 Chartered Accountants

Lee Yoke Khai  
 (No. 1589/08/07 (J))  
 Partner of the firm

Kuala Lumpur  
 29th August 2005