

## 6. INDUSTRY OVERVIEW *(cont'd)*

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### 6.2.2 Growth prospects

In April 2007, the Housing and Local Government Ministry launched a 4-pronged strategy to reduce bureaucracy in real estate and construction sectors and boost the country's competitiveness. The 4 initiatives include (i) the creation of a "one stop centre" to reduce the time for property projects approvals from 2 years previously to between 4 and 6 months; (ii) replace the Certificate of Fitness for Occupation with the CCC, which will be issued by professionals i.e. architects or engineers, appointed by the developers; (iii) creation of the position of Building Commissioner, which would be empowered to resolve problems regarding strata titles and dispute between developers and purchasers; and (iv) the "build then sell" concept, whereby incentives will be introduced to encourage adoption of this concept by developers.

*(Source: Housing and Local Government Minister's Speech dated 13 April 2007)*

To ease the burden of loan repayment, the Government will allow EPF contributors to make monthly withdrawals from the balance in Account 2. The scheme will be effective 1 January 2008 and is for the financing of one house.

This is a major move, which will benefit 5 million active EPF contributors. This scheme will enable contributors to own better houses than they could otherwise afford as well as lessen their monthly financial obligations. This scheme will make available up to RM9.6 billion annually for the purchase of houses.

To further stimulate the property sector in particular housing, the Government proposes that a 50% stamp duty exemption on documents of transfer be given for the purchase of one house of not more than RM250,000 per unit. This measure will reduce the cost of purchasing a house by up to RM2,000.

*(Source: 2008 Budget Speech by the Prime Minister)*

### 6.2.3 Industry players and competition

Whilst there are currently 88 property development companies listed on the Main Board of Bursa Securities, there are also many other property development companies in Malaysia that are not listed. There are no official statistics and reports on the number of players in the property development business in Malaysia.

## 6. INDUSTRY OVERVIEW (cont'd)

We set out below the top 10 largest property development companies by market capitalisation as at 30 August 2007 that are listed on the Main Board and their respective annual revenue.

Company	Revenue <sup>(1)</sup> (RM million)
S P Setia Bhd	1,154.6
Sunway City Bhd	1,574.4
E&O Property Development Bhd	490.5
KLCC Properties Bhd	780.7
IGB Corporation Bhd	719.0
IOI Properties Berhad	609.2
Bandar Raya Developments Bhd	561.5
Sime UEP <sup>(2)</sup>	489.3
Sunrise Bhd	359.2
Guocoland Malaysia Bhd	131.0

### Notes:

(1) Annual reports for the latest financial year ended 2006 of the respective companies.

(2) One of the Participating Companies to be acquired by our Company.

The residential sub-sector remained as the driver of the property market, registering RM28.7 billion worth of transactions in 2006. The sub-sector dominated 65.4% of the total volume and 48.3% of the value of transactions respectively. However, demand for residential property in the primary market softened due to a slower take-up rate despite a prevailing accommodative financial market. On the supply side, construction activity of residential properties was slow-moving with reductions in completion, starts and new building plan approvals. The number of completed units had reduced by 5.3% in 2006 compared to 2005.

Further, the average prices of all property sub-sectors recorded increases except for the commercial sub-sector, which experienced a 4.1% decrease. Prices of residential property grew but at a lower margin. The Malaysian Annual All House Price Index in 2006 was 117.8 points, up by 1.9% from 115.6 points in 2005. In line with this, the price of the "average" all house increased marginally by 2.1% from RM161,500 in Q4 2005 to RM164,861 per unit in Q4 2006. By states, Kuala Lumpur had the highest priced house in the nation at RM352,335, followed by Selangor (RM242,512) and Sabah (RM214,264).

(Source: Property Market Report 2006 issued by JPPH)

### 6.2.4 Relevant laws and regulations

The property development sector is governed by, amongst others, the Malaysian Construction Industry Development Board Act 1994, the Housing Development (Control and Licensing) Act 1966 (Revised 1973), the Housing Development (Control and Licensing) Regulations 1989, the Housing Development (Housing Development Account) Regulations 1991, the Strata Titles Act 1985 and the Building and Common Property (Maintenance and Management) Act 2007. These Acts are designed for regulating the industry by means of providing consultancy, quality accreditation, research and development, promoting usage of high technology as well as manpower training services.

## 6. INDUSTRY OVERVIEW *(cont'd)*

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The government regulations and controls in the property development industry are principally, in the broad sense, to achieve the aspirations of the New Economic Policy of equitable distribution of income and the ownership of homes by the population in general through the provision of affordable housing as well as to control and protect individual consumers by setting the minimum standard for the property development industry.

### 6.3 Motor Industry

As a result of the concentration of the operations of the Motor division in Australia, China, Malaysia and Singapore, the review below is focused on the passenger car industry in the said countries.

#### 6.3.1 Overview of the motor industry

##### (a) Australia

For the last 6 years, the Australian market has enjoyed record automotive sales. The total sales volume of automobiles in Australia in 2006 was 962,666 units which was the second highest annual sales in history. A total of 62.2% is attributed to the passenger cars segment i.e. 598,778 of passenger cars were sold in 2006. Although the fuel prices fluctuated and there was interest rate speculation, sales volume was still maintained at a healthy level. A total of 1,004,097 units were sold in the 2006-2007 financial year as compared to 981,791 units in 2004-2005.

The Australian automotive vehicle market is classified into 4 segments, namely, passenger cars, sports utility vehicles ("SUV"), light commercial vehicles, and medium and heavy commercial vehicles.

Light car sales rose by 20,196 units or 21.1% while small car sales remained much the same, up 1,345 units or 0.6%. Light cars are more fuel-efficient, more practical and carry good features for their price range. The large car segment and the medium SUV segment both suffered a significant slowdown in sales which fell by 30,775 units and 10,632 units respectively. In contrast was the strength of the luxury SUV segment, which grew 1,739 units or 10.5%. The large cars segment is still favoured as consumers look for as much space, power and performance as they can afford. The four-wheel vehicles (which includes jeeps with off-road capabilities) ("4X4") Pick-up/Cab Chassis segment grew by 4,911 vehicles or 7.8%, depicting a trend towards private use from trading. The light truck sales, on the other hand, declined slightly by 6,087 vehicles or 3.6%.

*(Source: Industry Overview Report for Passenger Cars Market in Australia, Frost & Sullivan 2007)*

##### (b) China

The total sales of automobiles in China increased from 2.36 million units in 2001 to over 7.21 million units in 2006. The automotive sales in 2006 increased by 25.2% compared with that in 2005. The market share of passenger cars stood at 72% in 2006.

The total sales of passenger cars was 4.26 million units (exclusive of mini buses) in 2006. The sedan cars claimed the biggest market share, followed by the mini buses, SUVs and multi-purpose vehicles. Their market share were 74.0%, 17.7%, 4.5% and 3.6% respectively.

*(Source: Industry Overview Report for Passenger Cars Market in China, Frost & Sullivan 2007)*

## 6. INDUSTRY OVERVIEW *(cont'd)*

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### (c) Malaysia

The total sales of automobiles in Malaysia jumped from about 396,400 units in 2001 to 490,800 units in 2006. The automotive sales in 2006 decreased by 10.9% compared with that in 2005. Malaysia remains the third largest automotive consumer in South East Asia. The market share of passenger cars was maintained at 93% in 2006, demonstrating the largest passenger vehicle market in South East Asia.

The total sales of passenger cars was 367,000 units in 2006. Passenger cars claimed the biggest market share at 75%, followed by commercial vehicles (18%) and 4x4 (7%).

Most of the top 10 best-selling models are of low cylinder volume (1.0 litre to 1.6 litre). 56% of passenger vehicle sales in Malaysia consist of cars below 1.4 litre. Fuel efficiency is highly valued.

*(Source: Industry Overview Report for Passenger Cars Market in Malaysia, Frost & Sullivan 2007)*

The Malaysian Automotive Association (“MAA”) announced that the total motor vehicle sales in the first 6 months of 2007 was 12% lower than the motor vehicle sales in the corresponding period in year 2006. The decrease was due to lack of consumers’ confidence, difficulty in obtaining hire purchase loans and poor resale value of used cars.

The MAA announced that motor vehicle sales improved by 6% for August 2007 over July 2007 and expects the sales volume in September 2007 to be maintained.

*(Source: MAA press releases for July and August 2007 available at [www.maa.org.my](http://www.maa.org.my))*

### (d) Singapore

The total sales of automobiles in Singapore jumped from about 85,861 units in 2003 to 110,464 units in 2006. Passenger car sales in Singapore grew by a compound annual growth rate (“CAGR”) of 11% from 2003 to 2006. Singapore’s strong economic performance and relatively lower Certificate of Entitlement (“COE”) prices kept passenger car sales at around the 100,000 mark from year 2005 to 2006. Nonetheless, Singapore’s passenger car sales declined marginally by approximately 3% from year 2005 to 2006, due to slightly tighter COE quota restrictions in 2006.

The total sales number of passenger cars was about 98,700 units in 2006. Passenger cars claimed the biggest market share of 89%, followed by commercial vehicles at 11%.

*(Source: Industry Overview Report for Passenger Cars Market in Singapore, Frost & Sullivan 2007)*

### 6.3.2 Growth prospects

#### (a) Australia

For the first 6 months of 2007, motor vehicle sales totaled 524,376 units, up 8.5% compared to the corresponding period of 2006. In June 2007, the strong performance was largely generated by the light, small and medium passenger car segments which combined to sales of 5,244 units. The large car segment improved its sales by 3.7% and the upper large segment saw a significant increase by 28.3%. The light truck market increased slightly by a modest 2.0% and the SUV market was up by 4.9%. The Australian market’s sales volume is forecasted to grow marginally in 2007 with a steady increase moving the total motor vehicles sales to close to 1 million units. Low interest rates, strong consumer spending, continuing healthy employment rate and rising incomes are favourable to stimulate further growth of passenger car sales and the growth rate is expected to be sustainable throughout 2007.

## 6. INDUSTRY OVERVIEW (cont'd)

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During the period 2005 to 2011, the total automotive vehicle market in Australia is expected to grow at a CAGR of 4.0%. This is partly driven by the reduction of the automotive tariffs levied as a form of protectionism from 15.0% to 10.0% effective from 1 January 2005. This is likely to present new challenges to the industry participants. Product differentiation and innovation, investment in R&D, and efficient management of resources are the key industry challenges. In addition, the industry also needs to focus on developing and utilising cost efficient and environmentally-friendly fuels such as bio-diesel, liquefied petroleum gas and lightweight materials for components and parts.

*(Source: Industry Overview Report for Passenger Cars Market in Australia, Frost & Sullivan 2007)*

### (b) China

The growth of the passenger cars market in China is growing at a faster rate than the growth rate of the total automotive market and also the country's GDP. In year 2006, it has grown by 30.2% while the growth rate of the total automotive market was 25.1% and growth rate of GDP was 10.7%. The Chinese passenger cars market is expected to reach 6.3 million in 2007, up approximately 22% from 5.2 million in 2006. In the near future, more hybrid cars are also expected to be sold in the Chinese market. Administrative Regulations for the Approval of Alternative Energy Vehicle Manufacturing was recently issued as a draft document by National Development and Reform Commission ("NDRC") of China to encourage the development of alternative fuel vehicles.

*(Source: Industry Overview Report for Passenger Cars Market in China, Frost & Sullivan 2007)*

### (c) Malaysia

In 2006, the passenger vehicles market and automotive market dropped by 9.0% and 11.0% respectively while the country's GDP grew by 5.7%. The Malaysian automotive market is expected to reach 506,200 units in 2007 at a growth rate of 3.8%.

*(Source: Industry Overview Report for Passenger Cars Market in Malaysia, Frost & Sullivan 2007)*

### (d) Singapore

The passenger car growth rate and vehicles growth rate in Singapore have outpaced that of the GDP growth rate for the period of 2003 to 2006. In 2006, the passenger car market grew at 35.2% and the vehicles market grew at 28.7% while the country's GDP grew by 33.6%. The overall car population would continue to grow at approximately 3% annually until 2008. The Singapore government is promoting car ownership in order to meet the rising demand from its increasingly affluent population and also to drive its automotive industry forward. However, it maintains its policy of reducing traffic congestion through its various schemes and measures because its city-state condition does not allow a large influx of vehicles on the road. Although the measures to reduce road usage are still in place, it is expected that the number of weekend cars will increase due to the increased number of vehicles purchased. The Land Transport Authority ("LTA") car population policy (3% annual growth rate) is due for revision after 2008. With expectations that the government's policy of promoting car ownership remain the same, the Singapore market offers steady growth prospects for automotive Original Equipment Manufacturers ("OEM"), particularly in the mid-sized car segment.

*(Source: Industry Overview Report for Passenger Cars Market in Singapore, Frost & Sullivan 2007)*

## 6. INDUSTRY OVERVIEW *(cont'd)*

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### 6.3.3 Industry players and competition

#### (a) Australia

The market leader for the fourth year in a row with 22.2% share of the total market was Toyota, followed by Holden (15.2%), Ford (11.9%), and Mazda (6.6%).

*(Source: Industry Overview Report for Passenger Cars Market in Australia, Frost & Sullivan 2007)*

#### (b) China

Foreign OEM dominate the Chinese market. In 2006, 22 foreign OEM held 69.6% market share with sales of 4.2 million passenger cars (excluding mini buses) out of which 13 OEM have captured 64.8% market share. The largest foreign OEM (under joint ventures) are Shanghai General Motors (9.5%), Shanghai Volkswagen (8.2%), FAW VW (8.1%), Beijing Hyundai (6.8%) and Guangzhou Honda (6.1%).

There are a large number of domestic carmakers, approximately 33 in 2006. However, they only contributed to approximately 30.4% market share in 2006. The trend however points to a growing market share captured by domestic carmakers i.e. Chery and Geely in the last 3 years (2004 to 2006). Shanghai Volkswagen, FAW VW, FAW Toyota, Dongfeng Peugeot Citroen Automobiles and Chang'an Ford won more market shares in 2006 whereas Japanese OEM like Guangzhou Honda, Dongfeng Nissan, Chang'an Suzuki and FAW Hainan Mazda saw market share drop in 2006.

*(Source: Industry Overview Report for Passenger Cars Market in China, Frost & Sullivan 2007)*

#### (c) Malaysia

The consolidated market share of Proton and Perodua dropped to 55.3% in 2006 compared to 59.6% in 2004. Perodua gained 6.3% market share in 2006. After Perodua and Proton, the next 3 market players are Toyota (16.7%), Naza and Kia (8.1%) and Honda (5.4%). These 5 players controlled 85.5% of the local market in 2006, up from 82.9% in 2005.

*(Source: Industry Overview Report for Passenger Cars Market in Malaysia, Frost & Sullivan 2007)*

#### (d) Singapore

The Singapore market is largely dominated by Asian OEM. In 2006, the dominance of the top 10 foreign OEM has been slightly eroded, falling from 91% to 89%. The largest foreign OEM are Toyota/Lexus (25%), Nissan (15%), Honda (11%), Hyundai (10%) and Mitsubishi (9%).

*(Source: Industry Overview Report for Passenger Cars Market in Singapore, Frost & Sullivan 2007)*

## 6. INDUSTRY OVERVIEW *(cont'd)*

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### 6.3.4 Relevant laws and regulations

#### (a) Australia

Australia is a party to the United Nations Economic Commission for Europe (“UNECE”) agreement of technical standards since year 2000. Under this agreement, technical standards must provide for high levels of safety, environmental protection, energy efficiency or anti-theft performance. The Australian automotive vehicle manufacturers have accepted their role in meeting the stringent standards set through the UNECE process. They have realised the need to enhance the environmental performance of vehicles by improving emission standards. In a bid to regulate the level of auto emissions, a new regulation was introduced in Australia from 1 January 2004. This requires automakers to display on each new vehicle the average carbon dioxide emission by the vehicle per kilometer traveled. This regulation will enable new vehicle buyers to choose their new car based on its environmental performance.

*(Source: Industry Overview Report for Passenger Cars Market in Australia, Frost & Sullivan 2007)*

#### (b) China

China plans to implement Euro IV standards from year 2010. Currently, stringent emission control measures are being implemented effective from year 2007, equivalent to Euro III standards. China first implemented emission control on automobiles in year 2000 which were equivalent to Euro I standards and moved to Euro II in 2005. The Chinese government also plans to launch the fuel tax policy according to the Comprehensive Working Methods of Energy Saving and Emissions Reduction recently released by the NDRC.

*(Source: Industry Overview Report for Passenger Cars Market in China, Frost & Sullivan 2007)*

#### (c) Malaysia

Malaysia has proposed to implement Euro IV standards beginning 2009. Currently, stringent emission control measures are being implemented effective 2007 equivalent to Euro III standards. Malaysia first implemented the European Emission Standards on automobiles in 1997 which were equivalent to Euro I standards and moved to Euro II in 2000.

Malaysia’s capacity to manage air quality, compared with that of other Asian countries, is above-average. It has a well developed air quality monitoring system while policies for controlling sources of air pollution are also in place. Though the Government has actively pursued stricter vehicle emissions standards, the move toward the use of higher quality fuels has not been similarly aggressive. The current fuel quality for diesel and gasoline are still at Euro I levels. Current Government plans to move to higher-quality fuels for both gasoline and diesel in 2 stages are underway. The last stage is equivalent to fuel required for Euro IV emissions standards.

*(Source: Industry Overview Report for Passenger Cars Market in Malaysia, Frost & Sullivan 2007)*

#### (d) Singapore

Singapore first implemented the European Emission Standards on automobiles in 1994 which were equivalent to Euro I standards and moved to Euro II in 2001. The National Environment Agency (NEA), together with the LTA, has implemented a multi-pronged programme to control smoke emission from motor vehicles. As a result of the multi-pronged control programme, the proportion of higher emission vehicles decreased over the years. Survey results have shown that the proportion of higher emission Singapore-registered vehicles has decreased from about 5% in 1991 to less than 1% currently.

*(Source: Industry Overview Report for Passenger Cars Market in Singapore, Frost & Sullivan 2007)*

## 6. INDUSTRY OVERVIEW *(cont'd)*

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### 6.4 Heavy Equipment Industry

As a result of the concentration of the Heavy Equipment division's operations in Australia, the review below is focused on the heavy equipment industry in Australia based on an industry overview report prepared by Frost & Sullivan for the heavy equipment market (referred to as construction equipment in the report) in Australia.

#### 6.4.1 Overview of the heavy equipment industry in Australia

At a broad level, construction equipment or machinery refers to the heavy equipment used largely for material handling functions. Such heavy equipment largely focuses on the movement, handling and storage of materials that are used in a variety of end user sectors including, among others, mining, physical infrastructure development (such as roads, ports, railways, airports), large heavy engineering sectors (such as steel, automotive, petrochemicals, fertilisers) and logging (referred to as "Heavy Equipment" in this Section 6.4).

The Heavy Equipment industry is the fourth largest in Australia and is one of the most significant contributors to the Australian economy which is growing at a robust 3.8% per annum. With strong infrastructure investment, the engineering construction sector is expected to rise continuously especially in the transport infrastructure like major road and rail projects, mining construction, water supply, power generation, and construction and upgrading of freight and port facilities.

The total imports of Heavy Equipment for Australia were valued at USD1.2 billion in 2006. Imports from the USA largely dominated the market, with imports valued at USD512.9 million and the leading import market share of 41.9% in 2006. This covers Heavy Equipment such as off-highway dumpers, graders and levelers, self-propelled track laying bulldozers and angle dozers, front-end shovel loaders, scrapers, and excavators.

The Australian Heavy Equipment market is largely dominated by imports. The principal import country market share is led by the USA, followed by Japan (23.8%), Germany (8.0%), France (4.5%), South Korea (3.0%), UK (2.8%), and Sweden (2.4%).

The import duty on Heavy Equipment from the USA has been eliminated through the Free Trade Agreement between the USA and Australia. Imports from other countries remain at 5%. As pricing is also a major consideration for purchasers in the Heavy Equipment market besides technology advancement and efficiency, the elimination of import duty had greatly improved the competitive position of the USA. USA manufacturers have a strong establishment in the Australian market and mostly operate through wholly-owned subsidiaries or Australian agents.

*(Source: Industry Overview Report for Heavy Equipment Market in Australia, Frost & Sullivan 2007)*

#### 6.4.2 Growth prospects

With strong infrastructure growth projected by the Australian government, the investment in Heavy Equipment is likely to continue in the next few years at a robust growth rate. The growth in engineering construction spending is anticipated to grow at 6.5% per annum during the period 2006 to 2012 in nominal terms according to the Construction Forecasting Council of Australia. The market trend points to higher demand for Heavy Equipment, such as public works machinery, off-highway dumpers, self-propelled track laying bulldozers and angle dozers, graders and levellers and mechanical shovels and excavators. It is anticipated that the growth in Heavy Equipment will be aligned to the trend in engineering construction spending.

There is also a market trend indicating increasing demand of these vehicles in Queensland and Western Australia due to a boom in mining and construction projects. Demand in New South Wales and Victoria is likely to flatten out.

*(Source: Industry Overview Report for Heavy Equipment Market in Australia, Frost & Sullivan 2007)*



## 6. INDUSTRY OVERVIEW *(cont'd)*

### 6.4.3 Industry players and competition

The heavy industrial equipment market in Australia is dominated by imports of equipment from the USA, Japan, Germany, France, South Korea, UK and Sweden. The largest share of imports of heavy industrial equipment is held by the USA suppliers valued at USD512.9 million for 2006. The major industry players from the USA comprises Caterpillar, Case New Holland, John Deere and Ingersoll-Rand Heavy Equipment. The principal machinery imported from major industry players in the USA are mechanical shovels, self-propelled forklift trucks, off-highway dumpers, self propelled track laying bulldozers and angle dozers, front-end shovel loaders, graders and levelers.

Imports of Heavy Equipment from Japan in 2006 were valued at USD291.8 million. The major industry players from Japan are Komatsu, Hitachi, Kobelco, Kawasaki, Kubota, Sumitomo and Kato. The principal machinery imported from Japan are similar to that imported from the USA. From Germany, major industry players include Liebherr, Dernag, Bornag, and Tadano. The principal machinery imported from Germany comprise mobile cranes, mechanical shovels, front-end shovel loaders, forklift parts, public works machinery, selfpropelled fork-lift trucks and other work trucks with lifts, front-end shovel loaders, and track-laying tractors. Imports from France in 2006 were valued at USD55.3 million. The major industry players from France are Manitou and Haulotte, and the principal machinery imported are mechanical shovels, forklift trucks, elevated work platforms. Major industry players from South Korea are Samsung, Doosan Daewoo, and Hyundai, with imports from Korea valued at USD36.7 million in 2006. JCB, MF Industrial and RMD Kwikform are the major industry players from the UK. The major industry players from Sweden are Atlas Copco, Volvo, Dynapac, and Sandvik.

*(Source: Industry Overview Report for Heavy Equipment Market in Australia, Frost & Sullivan 2007)*

### 6.4.4 Relevant laws and regulations

The heavy equipment business is not subject to any specific laws and regulations.

## 6.5 Energy and Utilities Industry

Our involvement in the energy and utilities industry is mainly in the power, oil and gas, and engineering segment. We set out below an overview of the energy and utilities industry in respect of the segments in which we are mainly involved.

### 6.5.1 Overview of the energy and utilities industry

#### *Power*

The energy sector performed favourably in improving energy supply security to meet the increased demand. The long-term sustainability of the energy sector was enhanced with the implementation of measures on efficient utilisation of resources and the adoption of demand-side management initiatives.

*(Source: 9MP 2006-2010 available at [www.bnm.gov.my](http://www.bnm.gov.my))*

Entities that wish to operate as an Independent Power Producer (“IPP”) in Malaysia are required to obtain the necessary licenses from the Energy Commission. This license allows the IPP producing electricity for use in Malaysia to generate a stated amount of electricity, which is to be sold to TNB. Coupled with the need for a huge capital outlay, the license serves as a high barrier to entry for a new operator.

## 6. INDUSTRY OVERVIEW (cont'd)

### *Oil and Gas and Engineering Services*

The performance of this segment hinges on the performance of the oil and gas industry in Malaysia as well as in overseas countries. The growth of the oil and gas industry would expand the market for the offshore and onshore fabrication and engineering services industry.

The mining sector registered a mild contraction of 0.2% in 2006 due to lower production of crude oil and natural gas. The shutdown of a number of oil fields for maintenance, as well as the phased upgrading to expand capacity at the Malaysia Liquefied Natural Gas 2 ("MLNG 2") plant, led to lower activity in the mining sector during the year. Nevertheless, the sector's contribution to the overall economy was significant in terms of foreign exchange earnings from exports, revenue to the Government and investments in exploration and downstream activities.

In 2006, crude oil production (including condensates) averaged 699,796 barrels per day, representing a decline of 0.5%. The lower production of crude oil (excluding condensates: -3.5% to 548,487 barrels per day) was a result of the shutdown of several oil installations during the year for repairs and maintenance. This was mitigated to some extent by the rising contribution of condensates to overall oil production.

*(Source: BNM Annual Report 2006)*

The demand and supply of the services offered by the Energy and Utilities division is related to the performance of the oil, gas and petrochemical industry. The current surge in oil prices along with high consumption from emerging developing countries have provided a positive outlook for the global oil and gas industry. Capitalising on the activities within the oil and gas industry and the anticipated increase in consumption of energy, the demand for the products and services offered by the Energy and Utilities division remains positive.

The engineering services offered by this sector are industry-specific and they require different level of skills, expertise and capabilities. As a result, new operators who wish to venture into this segment are required to equip themselves with this set of skills.

### 6.5.2 Growth prospects

#### *Power*

The overall demand is expected to increase at an average rate of 6.3% per annum during the 9MP period to 2,218 petajoules in 2010, due to the higher GDP growth expected for the period. The energy intensity of the economy is projected to increase to 6.3 gigajoules ("GJ") in 2010. With the expected improvement in the quality of life of the population, there will be an increase in energy consumption due to, among others, the increased use of electrical appliances and more frequent travels. In this regard, per capita consumption of energy is expected to increase from 62.2 GJ in 2005 to 76.5 GJ in 2010.

*(Source: 9MP 2006-2010 available at [www.bnm.gov.my](http://www.bnm.gov.my))*

#### *Oil and Gas and Engineering Services*

The mining sector is expected to expand by 2.8%, supported by higher output of crude oil and natural gas. Crude oil production (including condensates) is expected to average 722,500 barrels per day, supported by the commencement of operations at the new Kikeh oil field located offshore from Sabah in the final quarter of the year.

*(Source: BNM Annual Report 2006)*

## 6. INDUSTRY OVERVIEW *(cont'd)*

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### 6.5.3 Industry players and competition

Our Group's Energy and Utilities division is one of the fabricators holding a major fabrication license granted by Petronas to undertake major fabrication work for the offshore oil and gas structures. The Energy and Utilities division provides a wide range of fabrication and engineering services for the local and international markets and has completed a broad variety of projects for the oil and gas industry.

Other fabricators in Malaysia include Brooke Dockyard & Engineering Works Corporation, Kencana HL Sdn Bhd, Oilfab Sdn Bhd, Malaysian Marine and Heavy Engineering Sdn Bhd and Ramunia Fabricators Sdn Bhd.

### 6.5.4 Relevant laws and regulations

The power industry in Malaysia is governed by the Electricity Supply Act 1990, the Energy Commission Act 2001 and Electricity Supply Regulations 1994. These Acts and Regulations are responsible for regulating all matters relating to the electricity supply industry in Malaysia which include promoting efficiency, economy and safety in the generation, production, transmission, distribution, supply and use of electricity. Further, the Licensee Supply Regulation 1990 sets out the rights and obligations which govern the power utilities and other electricity suppliers such as the independent power producers. The Malaysian Grid Code sets out the criteria, guidelines and procedures for the licensees of the electric power systems to coordinate the development and operation of the Grid System.

Further, as PD Power is an IPP, its operation is also governed by the terms in the Power Purchase Agreement.

The power industry in Thailand is governed by the National Energy Policy Council Act B.E.2535 (1992), the Electricity Generating Authority of Thailand Act B.E.2511 (1968), the Metropolitan Electricity Authority Act B.E.2501 (1958) and the Provincial Electricity Authority Act B.E.2503 (1960). These Acts govern all matters relating the electricity supply industry in Thailand.

## 7. BUSINESS

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### 7.1 Background

Our Company was set up as a special purpose company to facilitate the merger of the GHope Group, KGB Group and Sime Darby Group. With the completion of the Merger, the GHope Group, KGB Group and Sime Darby Group will be merged under our Company and our Group will comprise the businesses of all the Participating Companies.

The rationale for this Merger is to extract synergies from combining the complementary strengths of the 3 groups particularly in the plantations and property businesses. By integrating the businesses, we can leverage on the economies of scale arising from the Merger, pool industry experience and management talent of the Participating Companies, and establish our Group in key growth sectors. Our resultant enlarged Group will be a multinational group of businesses in key complementary growth sectors with established market positions, strong brands and vast experience.

Our Company was incorporated in Malaysia on 7 November 2006 under the Act as a private limited company under the name of Synergy Drive Sdn Bhd. Our Company commenced business on 7 November 2006. On 5 April 2007, our Company was converted into a public limited company and assumed our present name.

Prior to our Listing, we will change our name to a new name to be announced upon receiving all the requisite approvals. **As we will be assuming the listing status of Sime Darby, the stock code for our Company will be 4197.**

### 7.2 Merger

With the completion of the Merger, our Group will be the world's largest listed oil palm plantations group by planted land area, with significant presence in both upstream and downstream palm oil activities. We will be one of the global leaders in palm oil origination i.e. plantation and palm oil extraction, which is presently the most profitable part of the palm oil value chain. Our Plantations division's significant presence in the upstream palm oil activities upon completion of the Merger provides an opportunity for us to be a strong counter-weight to the growing power of traders and other large plantations players.

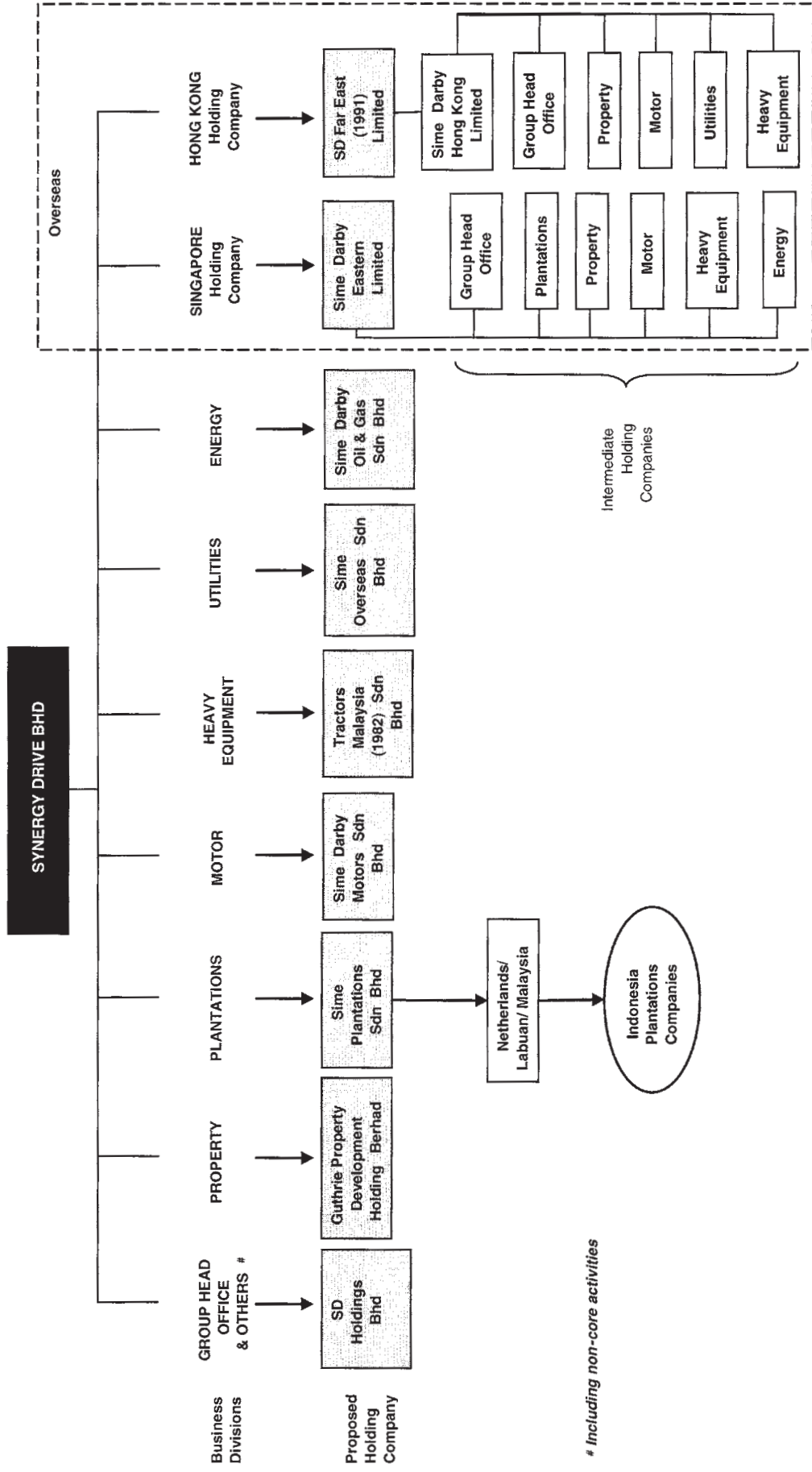
The Merger also provides an opportunity for us to be Malaysia's leading developer of quality residential and commercial communities. Our Group will continue to participate selectively in and grow our existing complementary businesses such as asset management and enter into strategic partnerships to strengthen our businesses.

As a result of the Merger, we will be a conglomerate that is involved in 5 core businesses, namely, plantations, property, motor, heavy equipment, and energy and utilities.

In addition to the above, our Group will also be involved in various non-core businesses including healthcare, insurance broking and bedding.

7. BUSINESS (cont'd)

The group structure of Synergy Drive is as set out below. The names of the proposed holding companies are subject to changes upon completion of the Merger.



\* Including non-core activities

**7. BUSINESS (cont'd)**

Since the announcement of the Merger in November 2006, we formed a MIC comprising Tan Sri Dato' Md Nor Md Yusof, Tan Sri Hadenan A. Jalil, Raja Datuk Arshad bin Raja Tun Uda, Dato' Mohamed bin Sulaiman, Azmi Mohd Ali, Dato' Seri Ahmad Zubair @ Ahmad Zubir bin Haji Murshid, Dato' Sabri Ahmad, and Dato' Abd Wahab Maskan; a Merger Integration Office and 7 sub-committees comprising representatives from the Participating Companies ("**Merger Team**"). We appointed consultants to advise us on integration matters.

The Merger Team's charter is to develop a master plan for the integration and to identify the potential synergies that can be extracted from the integration of the Participating Companies.

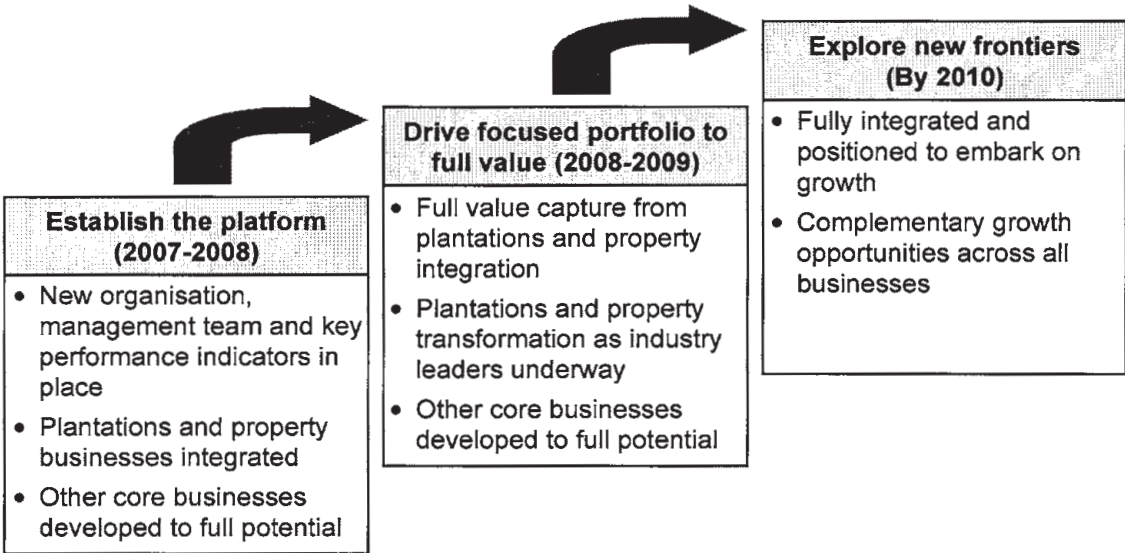
The master plan for the integration firstly involves the identification of synergies and key initiatives to extract the synergies. At the same time, the Merger Team, with the assistance of the consultants, is looking into the integration and strategy development for the combined Group. Such strategies cover areas such as the transformation and positioning of our Group as an industry leader.

To date, the Merger Team, assisted by the consultants, has identified key synergy areas, along with a plan to capture the synergies in the plantations business, property development business, and corporate services such as IT, HR, finance, overheads and administrative support. These areas will be subject to further refinement in the subsequent phases in line with the transformation plans that are also being developed.

Due to the scale of our Group, the Merger Team views the integration as an impetus for repositioning and transforming the enlarged plantations and property development businesses as an industry leader.

**7.3 Strategies**

Upon completion of the Merger, we will have a focused set of businesses that are in key complementary growth sectors. As an enlarged entity, we plan to embark on a 3-phased road map over the near to medium term as set out below:



## 7. BUSINESS (cont'd)

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In terms of each of our core businesses, we intend to adopt the following strategies:

### (i) Strategies for the plantations business

We intend to continue to focus on the upstream activities which are presently the most profitable part of the palm oil value chain. For our upstream activities, we aim to achieve the lowest industry cost, high asset efficiency and strong growth by:

- (a) increasing the proportion of upstream activities which are involved in low-cost origination in selective regions;
- (b) enhancing yield per hectare of palm products;
- (c) migrating high cost land to alternative uses by capitalising on the symbiotic relationship between the plantations and property development businesses; and
- (d) creating opportunities for non-asset intensive growth through integrated plantations services and originating palm oil from third parties.

We will continue to participate selectively in mid/downstream activities to realise the highest value by, amongst others, participating selectively in downstream activities through strategic partnerships or our own presence.

Further, the enlarged plantations business allows our Group to be a strong counter-weight to the growing power of traders and other large plantations players.

### (ii) Strategies for the property business

We aim to be Malaysia's leading developer of quality residential and commercial communities. We intend to achieve this by:

- (a) proactively managing land banks to enhance portfolio quality and increase asset turnover;
- (b) strengthening brand value and building a reputation for customer-centric product innovation and quality to command premium pricing; and
- (c) achieving best-in-class cost management through leading edge operational practices and execution excellence.

In addition, our Group will continue to participate selectively in and grow our existing complementary businesses such as asset management and enter into strategic partnerships to strengthen our businesses.

### (iii) Strategies for other core businesses

With regards to the other core businesses, namely motor, heavy equipment and energy and utilities, we will continue to implement the existing growth strategies and build on their respective established positions.

The Motor business will continue to build on our existing extensive network and to expand our representation of the luxury marques that we currently represent.

The Heavy Equipment division will continue to pursue growth by capitalising on the continuing demand for infrastructure, mining, timber, and oil and gas industries across the Asia Pacific region and in particular, from China.

## 7. BUSINESS (cont'd)

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The Energy and Utilities business will continue to pursue growth strategies to take advantage of the strong demand for oil and gas, energy and utilities in tandem with the economic growth in the Asia Pacific region. Sime Darby has expressed its intention to the Government of Malaysia to take up a key interest in Sarawak Hidro Sdn Bhd, the owner of the Bakun Hydroelectric Project, and to take a lead role in a consortium for the proposed undersea cable project. The proposal by Sime Darby, if accepted, may involve a material capital commitment and a consolidation of the debt of the Bakun Hydroelectric Project and the consequent increase in the gearing of our Group. However, no official approval has been received from the Government to date.

We will carry out reviews of all core businesses and opportunities available to further develop our core businesses on an on-going basis.

### Synergies

In addition to the business strategies above, we intend to extract synergies inherent in our enlarged group of businesses, particularly in the plantations and property development businesses and area of corporate services.

With regards to the potential synergies, the Merger Team, assisted by the consultants, have estimated the synergies, as disclosed below, that can be expected beginning 1 July 2009 for the financial year ending 30 June 2010, given the expected integration completion in April 2008. The synergies estimates exclude the expected natural improvement and present planned improvements of each of the Participating Companies as agreed by the management team of the Participating Companies, and are presented net of the impact of estimated recurring annual cost arising from the integration identified to date. In addition, the synergies estimates have not taken into consideration, amongst others, the effects of the harmonisation of accounting policies, the new accounting standards and any future changes to the accounting standards and policies to be applied by our Group, and any inter-company transactions between GHope Group, KGB Group and Sime Darby Group.

You should not deem the revenue and cost synergies as profit forecast by us. Instead, the revenue and cost synergies estimates represent preliminary expectations, derived based on certain assumptions, with the key assumptions being highlighted below, and are subject to changes and refinement as the Merger Team continues to establish and implement the strategies for integration and transformation of our Group. In addition, you should note that the estimation of integration costs is presently on-going as detailed planning and implementation of integration activities progress.

The key assumptions upon which the revenue and cost synergies have been derived are as follows:

- (i) There will be no significant changes in the prevailing political, legislative, economic, market, taxation, foreign exchange and interest rates, inflation conditions both within and outside of Malaysia that will affect the businesses of our Group.
- (ii) There will be no unfavourable weather conditions, natural disasters or major disasters, breakout of diseases, pests or major disruption in the planting, harvesting and other estate works, arising from industrial disputes, labour shortage, or any abnormal circumstances that will adversely affect the production, yield, oil and kernel extraction of the plantations, and there will be no major breakdown of equipment and facilities of our Group.
- (iii) There will be no significant increases in wages, overheads and operating expenses and the increase is expected to be in line with inflation and industry expectations.



## 7. BUSINESS (cont'd)

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- (iv) The average selling prices for CPO and PK are assumed to be at the prevailing average RM-prices for the past 1 year up to July 2007.
- (v) Capital expenditure, and planned planting and replanting expenditure programmes will be implemented as scheduled, and there will be no material acquisitions or disposals of property, plant and equipment.
- (vi) There will be no material changes in infrastructure, construction and other related costs that will be incurred by our Group, including steel and concrete that may affect the costs of the property development projects undertaken by our Group.
- (vii) The launch date, commencement and completion of all identified property development projects will take place as scheduled. The expected number of sales units will be achieved as planned and sales units will be sold at the anticipated selling prices. There will be no significant deviation or delay from the expected physical completion and handover date for all phases under development.
- (viii) There will be no acute shortages of labour and materials in the industry. There will be no major disruption to the services provided by contractors. The contract sums/prices will be maintained at the level computed. The cost of contractors will not be affected to a material extent by variation orders, disputes with contracts (if any) and/or unfavourable conditions.
- (ix) There will be no significant delays in obtaining the relevant approvals for the project development activities. All planned development activities will also be approved by the relevant authorities. There will be no significant changes in authorities' approval policies.
- (x) Our designated key management team members remain relatively unchanged.

Based on the above, the preliminary estimate of the synergies that can be expected beginning 1 July 2009 for the financial year ending 30 June 2010 can result in EBIT improvements ranging from RM400 million to RM500 million per annum. The EBIT improvements are expected to arise from both revenue and cost synergies. You should consider the synergies together with all other relevant information contained elsewhere in this Prospectus, including the "Risk Factors" in Section 5.

A description of the key areas from which the above synergies are expected to be derived is set out below.

### (i) PLANTATIONS

Amongst the areas of operations identified above, the plantations business provides the most significant potential for synergies, given the enlarged scale of the plantations business of our Group. The potential synergies arising from the merger of the plantations business of the Participating Companies comprise both cost and revenue synergies, with the key areas as follows:

**7. BUSINESS (cont'd)**

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**(a) Cost synergies**

The key potential areas of cost synergies are as highlighted below:

**(aa) Optimising mill routing and capacity utilisation**

2 potential areas of synergies in terms of optimising mill routing and capacity have been identified. Presently, each of GHope Group, KGB Group and Sime Darby Group has their respective mills, some of which are located within close proximity of each other. Therefore, from the perspective of an integrated entity, not all FFB are currently processed at the closest mill belonging to our Group.

With the integration of the plantations business, we can better optimise the use of our mills, by consolidating milling activities in the most cost efficient manner. In addition to optimising the capacity utilisation of each of the mills, the consolidation of milling activities is also expected to reduce estate-to-mill FFB transportation costs. As part of the mills routing optimisation, the overall distance in terms of FFB transportation is expected to be reduced.

**(bb) Fertiliser optimisation**

Fertiliser cost is the largest component of non-labour costs that contributes significantly to all estate costs.

Historically, each of the Participating Companies paid a different price for their fertilisers. The Participating Companies also have different fertilisers application policies. Through benchmarking the prices paid for fertiliser, we can better manage their overall costs.

We can realise additional cost synergies through the sharing of knowledge and expertise of the Participating Companies and also by developing and adopting the best practices in fertiliser application policies by aligning the volume, type and technique of each Participating Company.

In addition to the above, other potential cost synergies include rationalising the transport and logistic network, consolidating estate and mill management and leveraging on scale to reduce procurement costs in other areas such as herbicides and transportation, in addition to fertilisers.

**(b) Revenue synergies**

A significant portion of the revenue synergies is expected to be harnessed from the sharing of expertise and the resultant adoption of best practices among the experienced plantations management teams of the respective Participating Companies. We can further tap into the enlarged pool of human resource and select the most appropriate personnel to manage our 2 key sectors of the plantations value chain, namely estate management and mill management.

**7. BUSINESS (cont'd)**

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*(aa) Adoption of best practices in estate management*

The key areas in revenue synergy extraction in terms of estate management are in respect of potential improvement of yields and FFB recovery. In the near term, the management of our enlarged plantations business will be looking into enhancing yields and FFB recovery through sharing of best practices in areas including loose fruit collection, nursery management, replanting standards and fertiliser applications. In order to improve harvesting efficiency, ways of collecting loose fruits and mechanising the harvesting process have been looked at. In the longer term, through the sharing of experience, our enlarged plantations business will look into sharing best practices in terms of replanting, which will cover areas such as the design of the layout of estates and the type of seedlings to be used. The result of these longer term initiatives are only expected to materialise over a longer period, as opposed to the earlier mentioned immediate enhancements through better harvesting and collection practices.

*(bb) Adoption of best practices in mill management*

The key area in revenue synergy extraction in terms of mill management is in respect of potential milling efficiency. The plantations sub-committee members have compared the oil losses between mills to determine the range of mill performance. They have further discussed the reasons for the differences in extraction efficiency between the mills and have decided that there remains potential for improvement among the mills, both in terms of CPO and PK extraction.

The integration of the plantations businesses provides a platform for the management of the mills to re-examine their practices and to improve processes through the sharing of best practices. In addition, in line with the mill optimisation as set out in paragraph (i)(a)(aa) above, there will be upgrades carried out within certain mills to improve on the efficiency of the machinery.

In addition to both the cost and revenue synergies highlighted above, our enlarged plantations business will look across the plantations value chain to target specific areas for margin optimisation. For instance, with the increased CPO production, our refinery business will have improved its access to better quality CPO to reduce refining cost and increase the proportion of higher margin products in certain refineries.

**(ii) PROPERTY DEVELOPMENT**

A significant portion of the synergies is expected to be harnessed from scale advantage, the sharing of expertise and the resultant adoption of best practices among the experienced property management teams of the Property division. The potential synergies arising from the merger of the property development businesses of the Participating Companies comprise both cost and revenue synergies, with the key areas as follows:

## 7. BUSINESS (cont'd)

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### (a) Cost synergies

The key potential areas of cost synergies are as highlighted below:

#### (aa) *Leveraging scale for price optimisation from contractors and consultants*

Upon completion of the Merger, our property development business can benefit from the combined scale of the Property division. The increased pool of contractors bidding for similar tenders by our Group could lead to a potential reduction in construction costs as contractors offer competitive pricing to win the tenders.

In addition, the property sub-committee is exploring the awarding of contracts on a larger amount to allow the contractors/consultants to achieve economies of scale which could potentially result in lower construction costs for the property development projects.

Premised on the above, we can offer scale benefits/savings (i.e. spreading overheads across larger contracts and increase in procurement scale) to such contractors and thus may be able to share in the resultant scale benefits.

#### (bb) *Sharing costing data to achieve "best practice" contractor prices*

With the enlarged scale of the property development business, the Property division would be able to share internal costing methods to obtain the best contractor prices.

In addition to the above key areas, other areas that provide potential cost synergies include sharing "best practice" project management experience within the Property division.

### (b) Revenue synergies

#### *Optimising pricing with better market pricing information*

Internal benchmarking of products of comparable quality will enable a better understanding of product pricing, leading to potential realisation of higher selling prices. By close alignment and standardisation of similar products with similar specifications and quality, the Property division could strategise to realign the selling prices and project launch dates to achieve revenue upside.

### (iii) CORPORATE SERVICES

The corporate services category of costs cover areas comprising IT, HR, finance and other corporate functions, centralised at and carried out by the respective management of the Participating Companies. The relevant sub-committees explored areas in which improvements can take place as a result of the integration of the Participating Companies.

## 7. BUSINESS (cont'd)

Amongst the initiatives for cost savings identified include:

- (a) consolidation of HR operations into a single shared service model to be deployed across our Group;
- (b) consolidation of finance operations, covering areas such as reporting, accounting, budgeting, treasury and cash management;
- (c) optimisation of treasury functions through redeployment of excess cash and minimisation of borrowings/negative carry; and
- (d) reduction of cost in terms of other corporate functions such as insurance, corporate legal and secretarial fees, annual report preparation and shareholders' meeting costs, directors' fees and relocation of offices to maximise space utilisation.

Our Board expects to incur costs in merging and integrating the businesses of GHope Group, KGB Group, and Sime Darby Group. The one-time integration cost comprises costs in relation to branding initiatives, initiatives for the realisation of synergies in the areas of plantations, property development and corporate services, as well as fees in relation to the Merger. The total one-time integration cost, which is expected to be committed up to the financial year ending 30 June 2008, is estimated to be approximately RM300 million, of which approximately RM50 million has been identified to date as relating to capital expenditure items.

### 7.4 Competitive Strengths

#### (i) Scale-driven revenue and cost synergies for plantations

The scale of our enlarged palm oil business will allow us to achieve better cost and revenue efficiencies. Most of our Group's oil palm plantations are adjacent or close to each other. The consolidation of such estates will generate revenue and cost synergies through lower overheads, mill optimisation (where FFB can be routed to the nearest mill and surplus mills can process FFB from third parties) and the sharing of best estate management practices and R&D findings to further raise FFB yields. There will be savings from the elimination of duplicate R&D projects. The sheer size of our Group's planted area will also enable us to implement cost-centric procurement and planting policies, thereby achieving economies of scale.

#### (ii) Focused set of core businesses within Asia Pacific

Our Group's core businesses are focused within Asia Pacific and are therefore poised to benefit from population growth and economic development throughout the Asia Pacific region. Both economic (measured as growth in GDP per capita) and population growth in the Asia Pacific region have outpaced that of Europe and North America in recent years and this trend is expected to continue within the next year.

**Plantations:** Our Group will be one of the global leaders in palm oil origination with selective downstream participation. Demand for palm oil has primarily been driven by consumer consumption of edible oils which will continue to be sustained by population growth throughout Asia Pacific. In line with growing biofuel use in developed markets like Europe and given the commitment of various countries to the Kyoto Protocol, Asian governments are looking at biofuel-friendly policies and this is anticipated to create another source of demand in the longer term.

## 7. BUSINESS (cont'd)

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**Property:** Property has a symbiotic relationship with plantations as there is opportunity for the migration of prime land currently utilised as plantations to property development. Property prices in Kuala Lumpur are currently lower than those in other key Asian countries such as Singapore, Hong Kong and Japan whilst rental yields are higher, which implies that there can be further room for price appreciation.

**Heavy Equipment:** Our Group will have exclusive Caterpillar dealer rights in several countries and territories across the Asia Pacific region. Heavy equipment dealers are expected to benefit from continued demand in the construction, mining, timber and oil and gas industries on the back of economic development throughout the region, particularly in China.

**Motor:** Our Group will have BMW dealerships in various countries and territories in the Asia Pacific region, and distributorship and dealership rights for other renowned marques, such as Hyundai, Land Rover and Ford. Rising prosperity and a growing upper middle class are expected to sustain demand for automobiles, in particular, luxury marques.

**Energy and Utilities:** Our Group will be a major oil and gas platform fabricator in Malaysia and will be also involved in power generation. The current high oil and gas prices are driven by rapid regional economic development, particularly in China, which has consequently increased oil exploration, development and production activities. This will have a positive impact on the fabrication business. Demand for power generation will also increase in tandem with economic activity. Our Group will have investments in port and water projects in China. An increase in business volume and the opening up of new industrial areas adjacent to our investments in China will increase port utilisation and water consumption.

### (iii) Experienced management team

We will have an experienced management team with a track record of successfully managing and expanding a set of diverse businesses throughout Asia Pacific. Our Group believes that the ability of our management team to adapt to various cultures and operating environments is key to our future success.

### 7.5 Key Achievements and Awards

The key achievements and awards received by the plantation business to be merged under our Group are set out below:

- Awarded the European Retailers and Producers Good Agricultural Practice (“EUREPGAP”) certification in 2004 (a quality standard recognised by the Food and Agricultural Organisation (“FAO”) that certifies the Group’s ability to produce best quality products) to KGB Group’s Ladang Tanah Merah, Ladang Sua Betong and Ladang Bukit Pelandok in Negeri Sembilan, the first oil palm plantation company in the world to be granted the EUREPGAP certification;
- Tanah Merah Mill in Negeri Sembilan was the first palm oil mill in Malaysia to be awarded the Hazard Analysis & Critical Control Point (“HACCP”) certification by the Ministry of Health in 2005 which defines the best agricultural practices in oil palm and kernel production and food safety;
- Sungai Dingin Mill in Kedah was awarded the 2005 Oil Palm Industry Award by MPOB in December 2006 for achieving the highest OER in Peninsular Malaysia;
- Awarded the United Nations Environment Programme Global 500 Award by the United Nations in recognition of GHope’s eco-friendly zero-burning technique; and

## 7. BUSINESS (cont'd)

- The Plantations division's facilities such as Unimills BV, Sepang Oil Mill, East Oil Mill, Cognis Oleochemicals Malaysia, Giram Oil Mill and Tennamaram Palm Oil Mill have been certified with the ISO 14001 Environmental Management Systems certification.

Other ISO certifications such as the MS ISO 9001 Quality Management System certification was awarded to Sri Intan Palm Oil Mill, and ISO 9001-2000 certification was awarded to Muang Mai Guthrie Co. Ltd for its 2 factories in Phuket, Thailand, by the Bureau Veritas Quality International.

In addition, the Kempas Palm Oil Mill was awarded the certification MS 1480:1999 Food Safety According to HACCP System as well as OSHA 18001:1999 Occupational Health & Safety Management System Approval Certificate.

With regards to R&D efforts, the high yielding clonal oil palm, the "AAB1" was launched by KGB on 20 April 2005. The "AAB1" is the result of innovative tissue culture undertaken at Guthrie Biotech Laboratory Sdn Bhd.

In 2007, the Bi-clonal DxP (Dura and Pisifera) planting materials were launched by KGB. The Bi-clonal DxP will increase potential yield through the use of top performing duras and pisiferas in the form of clones, when compared to normal DxP that comes from a combination of many parental palms.

On the whole, the Property division brings together property businesses of the Participating Companies that have respective established reputations as credible and quality property developers. Amongst the more significant achievements and awards earned by the said property businesses are:

- Ranked one of Malaysia's top 10 property developers, for the fifth consecutive year (2003-2007), by The Edge, *Sime UEP*;
- Awarded the prestigious FIABCI Prix d'Excellence Award twice, in 1995 and 2001, *Sime UEP*;
- Awarded the Corporate Social Responsible Developer by Malaysia International Trade & Investment Bureau, in 2004, *GPDH*;
- Awarded the Malaysian Institute of Planners' Planning Innovation, in 2003, *GPDH*; and
- Awarded the Best Neighbourhood Landscape from the Selangor State Government, in 2001, *GPDH*.

In the motor business, the Motor division's commitment to quality and service has been reflected in awards which include:

- Top Achiever Award for market share in Bangkok for 2005, *Sime Darby Mazda (Thailand) Limited*;
- First place in the Automobiles Peugeot Service and Parts Challenge 2006 in Australia and second place internationally for the highest service and parts sales achieved, *Sime Darby Automobiles Australia*;
- Volkswagen Breakthrough 1000 Award in 2006 in New Zealand for exceeding the sales target set by Volkswagen, *Continental Car Services*; and
- Champion of BMW International Aftersales Competition of Excellence (ASCE 2007) award in the category of Service Technicians, Electrical/Electronics System, *Performance Motors Singapore*.

In the heavy equipment business, our operations in Australia under Hastings Deering (Australia) Limited ("**Hastings**") received the Caterpillar 6 Sigma Awards of the Caterpillar Australia Pacific District ("**APD**") President Gold Award 2004 and Caterpillar APD President Silver Award 2005 in competition with the APD Caterpillar dealers.

## **7. BUSINESS (cont'd)**

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In addition, Hastings has achieved registration as a Quality Endorsed Company with compliant OHS Systems and Certified Environment Management Systems in accordance with the listed Internationally recognised Certificates of Registration such as, AS/NZS ISO 9001:2000, AS/NZS ISO 14001:2004, and AS/NZS ISO 4801:2001.

Hastings is accredited as an Australian Government Registered Training Organization (“RTO”) in accordance with the strict legislated requirements governing the registration of RTOs.

### **7.6 Prospects**

In light of the potential cost and revenue synergies to be harnessed from the Merger, our key competitive strengths, the buoyant growth prospects of the industries that our Group will be involved in, and the strategies to drive our Group's growth, our Board is optimistic about the future of our Group.

### **7.7 Core Businesses**

With the completion of the Merger, our Group will comprise the businesses of all the Participating Companies. Accordingly we will have 5 core businesses, namely, plantations, property, motor, heavy equipment, and energy and utilities.

#### **7.7.1 Plantations business**

With the completion of the Merger, our Plantations division will have a significant presence in both upstream and downstream palm oil activities. Our Group will be one of the global leaders in palm oil origination.

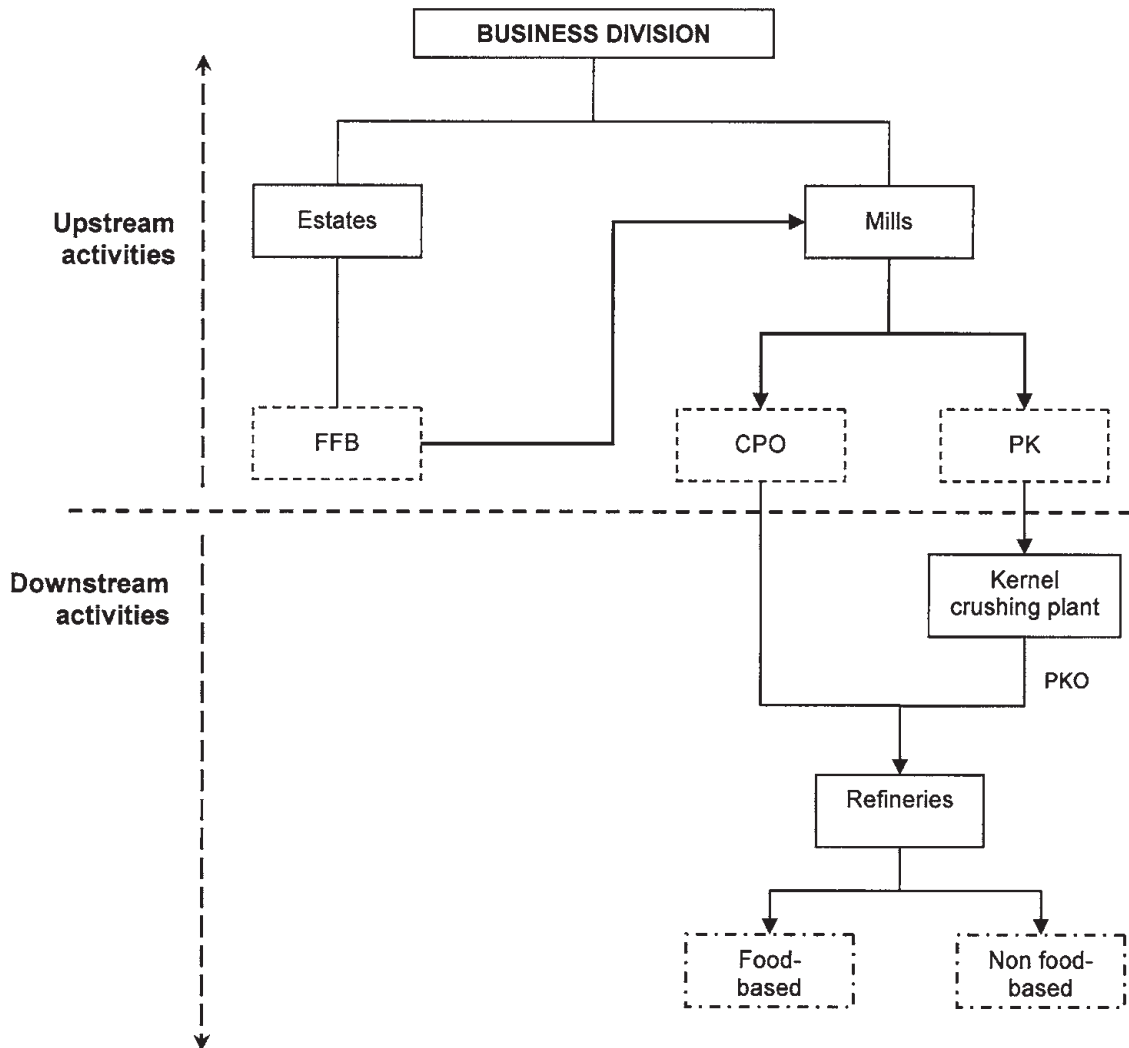
The principal operations of the Plantations division can be categorised into 3 categories:

- (i) FFB production for the estates;
- (ii) FFB milling which processes FFB into CPO and PK; and
- (iii) Downstream refinery of CPO and PKO into value added products.



7. BUSINESS (cont'd)

The Plantations division's main production chain is illustrated in the diagram below:

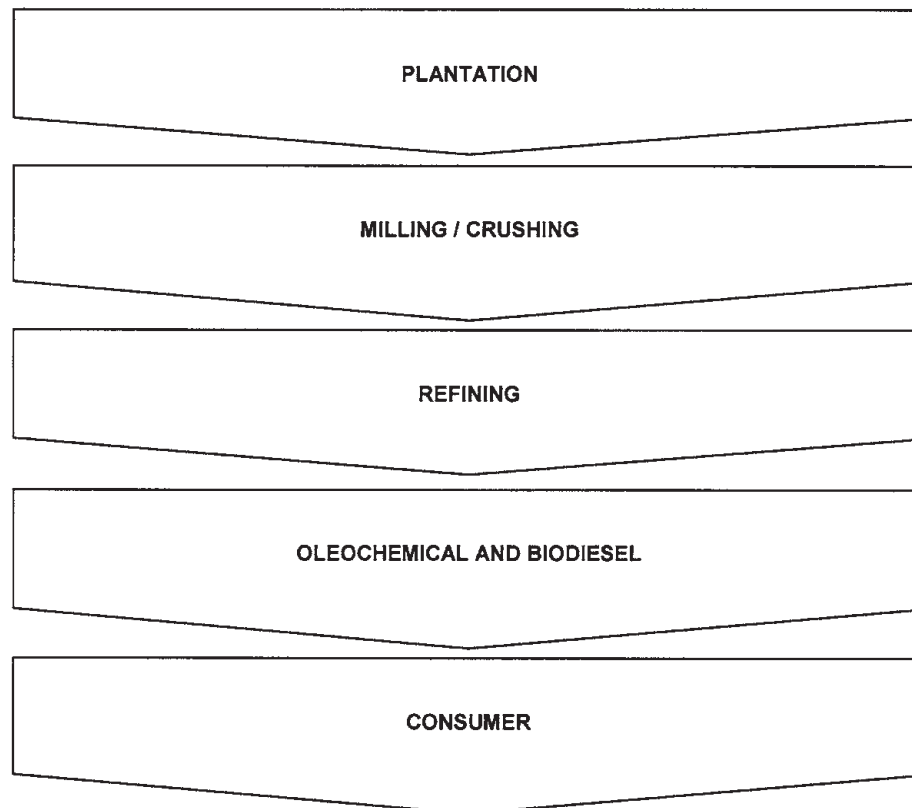


The division's plantation activities are summarised as follows:

- (i) Develop, cultivate and manage oil palm plantation estates.
- (ii) Other related upstream palm oil activities such as the production and/or sales of oil palm seeds and seedlings, research and cloning of oil palm for sale, and research and breeding programme of oil palm seeds for sale.
- (iii) Milling of FFB into CPO and PK.
- (iv) Production and sales of oils and fats (which includes specialty and end user fats).
- (v) Production and sales of biodiesel.

## 7. BUSINESS (cont'd)

The production process is illustrated in the flow chart below and accompanied by a brief description of the process flow.



### Plantation process:

- (i) The process begins with the careful selection of seeds which are then germinated and subsequently planted in polybags where the seedlings are tended in nurseries for an approximate 11 to 12 months period before being planted in the field. The necessary land preparation and legume establishment is done before the seedlings are field planted in a triangular pattern.
- (ii) Field upkeep and maintenance operations include fertiliser application, weed control, pest and disease control and maintenance of infrastructure such as roads and bridges.
- (iii) Upon reaching maturity, which is about 3 years after field planting, harvesting will be carried out at intervals of 10 to 12 days throughout the oil palm's economic life of 25 to 30 years.
- (iv) The harvested FFB are collected and transported to the mills.

### Milling process:

- (i) The FFB received must be processed soon after harvesting in order to ensure the production of high quality palm oil, particularly oil with low free fatty acids level. All the incoming FFB will be weighed and recorded.

**7. BUSINESS (cont'd)**

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- (ii) Thereafter, the FFB will go through various processes such as sterilisation, bunch stripping, oil extraction, oil clarification and purification as well as depericarping which will produce CPO and PK.
- (iii) CPO and PK will then be delivered to our refineries or sold to third parties.

**Refining process:**

- (i) In the refinery, CPO and CPKO are cleansed of impurities, gums, odour and fatty acids by various processes such as degumming, bleaching, refining and deodorisation.
- (ii) In the fractionation process, the refined products are split into olein and stearin. Through multiple fractionation processes, various fractions such as palm mid-fractions, hard stearin of various qualities are produced for different applications.
- (iii) With further treatment in the hydrogenation process and esterification process, the products are modified to meet specific quality and applications.
- (iv) Products from the refinery include straight refined oils, olein, stearin, shortening, various fats blends and specialty fats which are despatched in bulk and in various packages and containers.

**Oleochemical process:**

- (i) Basic oleochemicals; fatty acid, fatty alcohols, esters and glycerol are produced by the hydrolysis process where oils react with water to produce fatty acids and glycerol and transesterification process.
- (ii) Fatty acids and fatty esters are further transformed through hydrogenation and reduction processes into fatty alcohols.
- (iii) Derivatives of oleochemicals such as lubricants and methyl ester sulphonates are produced from esterification and sulphonation processes.

**Biodiesel process:**

- (i) Biodiesel is produced using inter-esterification process where refined oil is reacted with methanol using a catalyst. In the process, glycerine is also produced as a by-product.
- (ii) The biodiesel from the reactor is cleansed of impurities by washing with water after which it goes through the drying process where the water is removed.
- (iii) The by-product, glycerine, goes through the pre-treatment process prior to storage.
- (iv) The biodiesel and glycerine are then delivered in bulk.

**Consumer:**

In the consumer segment, the Plantations division produces products such as cooking oil, vegetable ghee, and frying fats under various packages and markets them under its own brands.

## 7. BUSINESS (cont'd)

The Plantations division is involved in developing, cultivating and managing rubber plantations and other related downstream plantation activities such as manufacturing of latex concentrate, standard Malaysian rubber and epoxidised natural rubber, production and sales of rubber footwear products, and production and marketing of aeroponic vegetables. In addition, the Plantations division is involved in the provision of plantation/agricultural consultancy services which are not expected to form a large portion of our plantations business.

Palm oil, and oils and fats are expected to be the major contributor to the division's operating results. Hence the discussion of the plantations business is centred upon the palm oil upstream and downstream activities.

### (i) Upstream activities

#### (a) Plantations

With the completion of the Merger, we will have a total of 543,579 Ha plantations land bank spanning across both Malaysia and Indonesia. Out of this total, 524,626 Ha or 96.5% is planted.

The details of the division's total hectareage (planted and unplanted) and age profile as at 30 June 2007 is as follows:

	Total area (Ha)
<b><u>Oil Palm</u></b>	
<b>Malaysia:</b>	
Less than 5 years	54,131
5 years to less than 10 years	92,291
10 years to less than 15 years	94,550
15 years to less than 25 years	73,422
More than 25 years	15,076
<b>Total hectareage in Malaysia :</b>	<b>329,470</b>
<b>Indonesia:</b>	
Less than 5 years	19,681
5 years to less than 10 years	81,143
10 years to less than 15 years	75,935
15 years to less than 25 years	17,941
More than 25 years	456
<b>Total hectareage in Indonesia :</b>	<b>195,156</b>
<b>Planted</b>	<b>524,626</b>
<b>Unplanted</b>	<b>18,953</b>
<b>Total</b>	<b>543,579</b>
<b><u>Rubber</u></b>	
Indonesia - Sumatera	700
Malaysia	9,507
<b>Total</b>	<b>10,207</b>

## 7. BUSINESS (cont'd)

We have a total of 524,626 Ha of planted hectarage, of which 329,470 Ha are in Malaysia and 195,156 Ha are in Indonesia:

Region	State	Ha
Northern Malaysia	Kedah, Perak, Selangor, Pahang, Terengganu	118,058
Southern Malaysia	Negeri Sembilan, Melaka, Johor	117,044
East Malaysia	Sabah, Sarawak	94,368
<b>Malaysia:</b>		<b>329,470</b>
<b>Indonesia:</b>	Kalimantan, Sumatera, Sulawesi	<b>195,156</b>

The proforma total production of FFB from the Plantations division's matured areas and the average yield per Ha for the past 3 financial years ended 30 June 2005 to 2007 are as follows:

	For the financial year		
	<-----ended 30 June----->		
	2005	2006	2007
<b>Malaysia estates:</b>			
FFB Production (MT)	6,070,332	6,327,116	6,583,222
Net weighted average mature hectarage (Ha)	292,690	300,220	302,552
Average yield per hectare (MT/Ha)	20.7	21.1	21.8
<b>Indonesia estates:</b>			
FFB Production (MT)	2,204,887	2,942,919	2,669,363
Net weighted average mature hectarage (Ha)	173,816	174,298	174,988
Average yield per hectare (MT/Ha)	12.7	16.9	15.3

Other than labour, the main component for the plantation operations is fertilisers. Fertilisers are mainly sourced through local suppliers using group tender procedures.

The FFB produced by our estates are largely processed by our own mills.

## 7. BUSINESS (cont'd)

### (b) Mills

The Plantations division owns 65 mills, of which 42 mills are located in Malaysia and the remaining 23 mills in Indonesia as set out below. For the financial year ended 30 June 2007, the Plantations division produced a total of 2,110,146 MT of CPO and 492,753 MT of PK. As part of the strategy to harness synergies from the Merger, there are plans to optimise mill routing and capacity utilisation by reorganising milling activities in the most cost efficient manner.

	<b>Mills</b>
<b>Malaysia:</b>	
Northern Malaysia (Kedah, Perak, Selangor, Pahang and Terengganu)	16
Southern Malaysia (Negeri Sembilan, Melaka and Johor)	14
East Malaysia	12
<b>Indonesia:</b>	
Kalimantan/Sulawesi	14
Sumatera	9
<b>Total</b>	<b>65</b>

The yearly maximum capacity of the Plantations division is 14,961,000 MT of FFB (based on 20 hours per day, 300 days per year and the respective mill's throughput capacity per hour). The proforma average utilisation rate for the financial year ended 30 June 2007 is 66%, with 9,863,847 MT of total throughputs.

The proforma FFB production, yield per mature hectare and the extraction rates of the Plantations division's mills for the past 3 financial years ended 30 June 2005 to 2007 are set out below:

	<b>&lt;----For the financial year ended 30 June----&gt;</b>		
	<b>2005</b>	<b>2006</b>	<b>2007</b>
<b>Malaysia mills:</b>			
Intake of FFB (MT)	6,945,239	7,213,373	6,870,952
Output of CPO (MT)	1,443,395	1,480,019	1,424,374
Output of PK (MT)	366,167	374,577	356,231
OER average extraction rate (%)	20.8	20.5	20.7
Kernel average extraction rate (%)	5.3	5.2	5.2
<b>Indonesia mills:</b>			
Intake of FFB (MT)	2,482,549	3,352,281	2,998,625
Output of CPO (MT)	565,906	768,581	685,772
Output of PK (MT)	106,133	142,327	136,522
OER average extraction rate (%)	22.8	22.9	22.9
Kernel average extraction rate (%)	4.3	4.2	4.6

The majority of the FFB processed by our mills is sourced from our plantations. In addition, we also purchase FFB from neighbouring third party estates/suppliers for milling. However, in comparison to the amount of FFB sourced from our plantations, FFB from third party estates/suppliers accounts for approximately 12.8% for the financial year ended 30 June 2007. Accordingly, we are not dependent on any third party plantations for our source of FFB.

## 7. BUSINESS (cont'd)

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The bulk of the CPO and PK produced by our mills are sold to external refineries. For the financial year ended 30 June 2007, 19% of CPO produced by our mills were used by the division's refineries while 12% of PK produced by our mills were used by our in-house PK plants. The proportion of CPO exported is relatively small compared to the amount of CPO produced by our mills.

### (ii) Downstream activities

Our downstream activities comprise the oils and fats businesses which are both food-based and non food-based.

#### (a) Food-based operations

The Plantations division has edible oils and fats refineries in the Netherlands, Malaysia, Singapore, Thailand, Vietnam, South Africa, Morocco (associated company) and Bangladesh (associated company).

The refineries' operations in the Netherlands are undertaken by Unimills B.V. ("Unimills"), one of the largest diversified oils and fats blend manufacturers in Europe, with products supplied mainly to manufacturers of margarine, dairy, confectionary and snack products. The major markets include Europe, North Africa and the Middle East.

The refineries' operations in Malaysia are undertaken by Golden Jomalina Food Industries Sdn Bhd ("Golden Jomalina"), Austral Edible Oil Sdn Bhd ("Austral") and Kempas Edible Oil Sendirian Berhad ("Kempas").

Golden Jomalina produces a complete range of semi-refined and fully refined palm oil products and their fractions as well as refined PKO, supplied in bulk and various containers. In addition, it produces consumer products, ranging from vegetable ghee, shortening and dough fat to industrial margarine and cooking oil, packed in various materials and sizes. Austral operates a refinery and a PK crushing plant in Bintulu, Sarawak. The company offers fully refined palm oil and its fractions, and CPKO and PK cake. Its main markets are China, the Middle East and India. Kempas's refinery is located in Pasir Gudang, Johor, and is one of the manufacturers of palm oil-based vegetable oil and specialty fats. The major markets are Thailand, Europe, Japan, Middle East, Russia, Ukraine, Mauritius and Algeria, where 90% of its produce is exported to and the remaining 10% is sold in the domestic market.

Sime Darby Edible Products Limited which is located in Jurong, Singapore, manufactures and markets all types of oils i.e. sunflower oil, soya bean oil, ground nut oil, canola oil and dairy products. About 85% of its production is exported to the Middle East, African countries and other countries in Asia and the remaining 15% is sold in the domestic market.

The refineries' operations in Thailand are undertaken by Morakot Industries Public Company Limited ("Morakot"). Morakot is Thailand's leading refiner and manufacturer of cooking oil under the "Morakot" brand. The company's "Morakot" brand is the first palm-based cooking oil in Thailand to be awarded the 'Halal' certification. Morakot's production is mostly for domestic use. About 20% of its production is exported to China, Cambodia, Laos, Vietnam and Myanmar.

In Vietnam, Golden Hope Nhabe Edible Oils Ltd's refinery which is located in Ho Chi Minh City has its own brand of consumer packed cooking oils under the brand name "Marvela" and sells shortening and dough fat to industrial customers. About 80% of its production is for domestic sale and the rest are for export to Cambodia and Laos.

## 7. BUSINESS (cont'd)

The operations in South Africa are undertaken by Hudson & Knight (Proprietary) Limited (“**Hudson & Knight**”), which operates a refinery and bakery fats business. Hudson & Knight also produces and sells cooking fats and frying oils through the “Holsum” and “Crispa” brands respectively. The primary market for its products is South Africa. Almost the entire produce is sold to the domestic market.

### (b) Non food-based operations

The Plantations division’s involvement in the non food-based operations, namely oleochemicals, is through Cognis Oleochemicals (M) Sdn Bhd (“**Cognis**”). Cognis is a producer of oleochemicals (fatty acids and glycerine) and oleochemical derivatives (oil field chemicals, ozone acids and lubricants). 80% of the oleochemicals are exported while the remaining 20% are for local use.

In February 2006, Cognis expanded its business beyond Malaysia by acquiring from Cognis Oleochemicals GmbH and its subsidiaries, 6 companies incorporated in the USA, Canada, Germany, Brazil, UK and Japan, which own and operate oleochemical businesses with fatty acids, glycerine, hardened oils, triacetine, ozone acids, oilfield esters and chemicals, polyvinyl chloride lubricants and plasticisers.

In biodiesel, the Plantations division was one of the earliest to commercialise palm oil-based biodiesel production in Malaysia when it started its first dedicated biodiesel plant in mid-2006. Since then, it has expanded its biodiesel business with commercial production of palm oil-based biodiesel at its second plant in May 2007. The third plant at Rotterdam is under construction and is expected to be completed by 31 December 2007. Accordingly, the Plantations division is expected to have 3 biodiesel plants by 31 December 2007.

The capacity and production of the biodiesel plants are as follows:

Location of plant	Capacity	Current output
	MT/year	MT
Teluk Panglima Garang, Selangor <sup>(1)</sup>	30,000	15,800
Carey Island, Selangor <sup>(2)</sup>	60,000	10,200

**Notes:**

(1) Output figures are from the start of its operations in July 2006 until August 2007.

(2) Output figures are from the start of its operations in May 2007 until August 2007.

### (iii) Quality control

The Total Quality Management and Environmental Safety & Health unit (“**TQM/ESH**”) within the Plantations division will address the growing challenges of stringent market requirements including product quality, certification, traceability and sustainable development.

To achieve these objectives, the unit will continue to implement operating policies and guidelines that will contribute positively to productivity, our employees’ welfare, the community and the preservation of our environment.



## 7. BUSINESS (cont'd)

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The principle objective of TQM/ESH is to instil a culture of quality within the Plantations division. We will continue to undertake the following measures:

- Introduce new processes that are safe, clean, cost effective and sustainable.
- Ensure compliance with all relevant laws, regulations and standards.
- Conduct regular monitoring and audits of all possible source of pollution that may deteriorate the environment.
- To make our employees and sub-contractors' safety a priority.

### (iv) R&D

#### (a) Vision and strategies

The vision of our R&D Centre is to be the premier private research institution that is business and technology driven for the benefit of the Plantations division of our Group ("**Vision**").

We have set out 6 key strategies to achieve our Vision as follows:

- Higher productivity and efficiency
- Waste to wealth
- Integration/value addition and creation
- Promotion of health and well being
- Product development and new uses
- Human capital development and retention

#### (b) R&D team

Our Group's R&D division will have a team of 153 scientists and officers. There are altogether 3 main R&D centres where research is carried out, namely, Guthrie Research Chemara, Seremban, which concentrates on plantation upstream and clonal oil palm research, Golden Hope Research Centre Carey Island and Banting which concentrates on plantation upstream and downstream research, and Sime Darby Technology Centre which specialises in biotechnology research. Going forward, we are in the midst of establishing a Seed Research Centre in Perlis to cater for the expanding food business of the Group within the Northern Corridor Economic Region. The downstream research at Golden Hope Carey Island is presently involved in a smart partnership with the Food Valley Application Centre, Wageningen, Netherlands, in developing new and healthy oils and fats products. R&D will continue to play a significant role in the Group.

Functionally, the R&D division may be summarised into the following 6 units as set out below:

- Quantum Leap
- Plantation
- Oils & Fats/Oleo
- Processing & Engineering
- Technology Transfer & Advisory
- Marketing (Agrotech)

The management of the R&D division are highly qualified and experienced in their respective areas.

## 7. BUSINESS (cont'd)

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### (c) R&D functions and activities

- Provision of technical and operational support services via the advancement of R&D to enable the Group's operations, in particular, the Plantations division, to achieve their current and future business plans.
- Leads investigations into scientific theories and applies existing and new theories and techniques to the design and development of new products and processes.
- Initiates and maintains extensive contacts with other significant contributors in the field of research, including government and private research institutions at both the national and international levels through mutually beneficial strategic alliances.
- Ensuring that all R&D works undertaken are in line with the Group's Quality, Environment and Biodiversity, Occupational Health & Safety and Food policies.
- Ensuring sustainability of R&D in our Group by developing human capital through attraction of the best brains and adopting appropriate retention strategies.
- Transformation of the R&D Centre of our Group into a premier private research institution that is business and technology driven in the plantations industry.

### (d) Future R&D plans

Over the next 2 years, 16 key initiatives will be vigorously worked on in preparation for launching. Going forward, the R&D team has identified 10 key areas for our Group's R&D which are as follows:

- Utilisation of biomass of oil palm as value-added products;
- Bioethanol from palm biomass;
- Biodiesel from palm oil through use of microbes;
- Biopolymers from palm oil;
- Oil palm breeding for special traits;
- Palm puree for phytonutrients and plant-based pharmaceuticals;
- Peat research;
- Mechanisation, automation and plant design;
- Novel oils & fats and oleochemical products; and
- Non-oil palm biotechnology products.

### (e) Key R&D achievements

There are more than 30 significant technologies developed by the plantations industry that have made it a golden industry and a Malaysian success story. Over the last 80 years, R&D under our Group has contributed considerably in developing and pioneering best management practices and in many instances, assisted in commercialising them. The more notable best practices include:

- Making available superior planting materials for use by the industry;
- Introduction of the innovative zero burning technique;
- Stewardship in Integrated Pest Management;
- Water conservation and management practices for achieving high yields;
- Integrated FFB collection and evacuation system;
- Management of inoculums in the field for control of *Ganoderma* disease;
- Utilisation of Palm Oil Mill Effluent, EFB and compost as organic manure;
- Environment friendly oils and fats products through enzymatic process; and
- Production of healthy oils and fats products.

## 7. BUSINESS (cont'd)

### (f) R&D expenditure

We set out below the R&D expenditure for the past 3 financial years ended 30 June 2005 to 2007:

	For the financial year ended 30 June		
	2005	2006	2007
	(RM 000)	(RM 000)	(RM 000)
R&D expenditure	27,343	31,413	53,591

### 7.7.2 Property business

The Group's property business comprises the existing property businesses of GHope Group, KGB Group and Sime Darby Group. The Property division is positioned as an established integrated property player, presently focused on property development. The Property division's current focus is on developing residential and commercial properties. In addition, we have other complementary operations such as property investment, property management and hospitality.

To cater for different consumer demands and preferences, the Property division has developed different types of residential and commercial properties in various locations in Malaysia with particular focus on the areas of Klang Valley and Selangor, as well as in Singapore. The properties range from low-cost to high-end, landed to high-rise, and freehold to leasehold units. In addition, the residential units have designs ranging from linked/semi-detached/bungalows/strata and design features/themes to cater for the discerning property purchasers.

As a property developer, the Property division assesses and determines the property type and mix of their respective developments based on the current and anticipated consumer demand and property market outlook. The Property division has land banks throughout various locations in the Klang Valley and Selangor.

#### (i) Ongoing/developed properties

As at 30 June 2007, the property development projects in Malaysia by the Property division has a total GDV in excess of RM18 billion while the total sales value since the launch of these properties are in excess of RM9 billion. The property developments in Singapore have a total GDV of SGD248.7 million while the sales value since the launch of these projects in Singapore amount to a total of SGD238.0 million.

We set out below a brief description of the major properties that have been developed or are currently being developed by the Property division in both Malaysia and Singapore.

#### (a) Major property developments in Malaysia

- (aa) The Melawati Township is a 486 Ha township, of which 411 Ha have been developed as at 30 June 2007, located strategically near the Middle Ring Road II ("MRR2") comprising commercial and residential properties with a GDV of RM1,988.8 million and a take-up rate of 100% as at 30 June 2007.
- (bb) The Saujana Impian Township in Kajang is a 243 Ha resort-themed township, of which 174 Ha have been developed as at 30 June 2007, with a GDV of RM617.3 million and a take-up rate of 93% as at 30 June 2007. It is easily accessible via several major highways such as the Kuala Lumpur-Seremban Highway, Shah Alam Expressway, South Klang Valley Expressway and the MRR2.

## 7. BUSINESS (cont'd)

- (cc) Nilai Impian and Nilai Utama Enterprise Park (“**NUEP**”) are modern and integrated mixed-developments comprising industrial, commercial and residential components with a GDV of RM1,180.2 million and a take-up rate of 75% as at 30 June 2007. Nilai Impian and NUEP cover an area of 522.4 Ha, of which 243 Ha have been developed as at 30 June 2007, and are located along the Kuala Lumpur-Seremban Highway.
- (dd) Bukit Jelutong is located in Shah Alam. Launched in 1995, Bukit Jelutong is a low density township designed with wide open spaces and landscaped recreational parks. It is a mixed development of residential, commercial and industrial properties on 892 Ha of freehold land, of which 771 Ha have been developed as at 30 June 2007, with a GDV of RM4,317.5 million and a take-up rate of approximately 97% as at 30 June 2007. Bukit Jelutong is accessible via the Federal Highway, North Klang Valley Expressway (“**NKVE**”), North-South Expressway Central Link (“**ELITE**”) and GCE.
- (ee) Bukit Subang 1 is located approximately 7 km to the North of Bukit Jelutong and 13 km from the city centre of Shah Alam. Launched in 1998, Bukit Subang 1 comprises affordable low-cost to medium-cost residential and commercial properties on 101 Ha of freehold land, all of which have been developed as at 30 June 2007, with a GDV of RM368.3 million and a take-up rate of approximately 98% as at 30 June 2007.
- (ff) Denai Alam (*previously known as Bukit Subang 2*) is located along the GCE and about 5 km North of Bukit Jelutong. The Denai Alam township is planned according to a unique “Denai” concept which is a 4.8 km continuous green space surrounding the development. Planned as a mixed development, Denai Alam comprises medium-cost to high-end double-storey linked houses and commercial properties on 372 Ha of freehold land, of which 125 Ha have been developed as at 30 June 2007, with a total GDV of RM1,950.6 million. The development was launched in November 2004 and recorded approximately RM153.5 million of sales and a take-up rate of approximately 71% as at 30 June 2007.
- (gg) Sungai Kapar Indah is a self-contained mixed-development located in Klang. Sungai Kapar Indah comprises low-cost and medium-cost residential units and commercial properties on 251 Ha of land, all of which has been developed as at 30 June 2007, with an estimated GDV of RM543.6 million and a take-up rate of 99% as at 30 June 2007.
- (hh) Putra Heights is a 727 Ha township, of which 641.7 Ha has been developed as at 30 June 2007, situated in the Klang Valley, and comprises mixed development of landed residential properties and shop-office properties. Launched in 1999, the total GDV launched of Putra Heights is RM1,879.3 million whilst the average take-up rate is 93.7% as at 30 June 2007. Putra Heights is strategically situated along the North-South highway which leads to Putrajaya, Cyberjaya and the Kuala Lumpur International Airport, and can be accessed via the Lebuhraya Damansara Puchong.
- (ii) Bandar Bukit Raja is an integrated and self-contained township in Klang, spanning 2,180 Ha, of which 527.8 Ha have been developed as at 30 June 2007. Launched in August 2002, Bandar Bukit Raja comprises residential properties such as low-cost apartments and linkhomes. In addition, the development in Bandar Bukit Raja comprises commercial, institutional and industrial properties. The total GDV launched of Bandar Bukit Raja is RM430.5 million whilst the average take-up rate is 76.1% as at 30 June 2007. Bandar Bukit Raja is accessible via various transportation networks such as the Federal Highway, NKVE and New North-Klang Straits Bypass.

## 7. BUSINESS (cont'd)

- (jj) Ara Damansara is a 315.8 Ha development, of which 249.8 Ha has been developed as at 30 June 2007, located along the Sultan Aziz Shah International Airport Road, between Saujana Golf and Country Club, and Tropicana Golf and Country Resort. Launched in 1999, Ara Damansara comprises residential and commercial properties. The residential properties in Ara Damansara include landed properties, medium-cost and low-cost apartments, and the newly-launched high-end luxury condominiums. Ara Damansara is accessible via the Federal Highway and NKVE. The total GDV launched of Ara Damansara is RM1,319.7 million whilst the take-up rate is 88.1% as at 30 June 2007.
- (kk) The properties developed in Pinggiran USJ and Taman Perindustrian USJ comprise double-storey linked homes and double-storey shop-offices. The total GDV launched is RM443.1 million whilst the average take-up rate is 93.7% as at 30 June 2007. The total GDV launched of Taman Perindustrian USJ is RM340.2 million whilst the average take-up rate is 96.4% as at 30 June 2007.

In addition, the Property division will have substantial land bank along the GCE which has immediate and medium term growth prospects. The land banks are strategically located at the various interchanges along the GCE at Bukit Subang 1, Denai Alam, Ladang Elmina and Ladang Lagong.

### (b) Major property developments in Singapore

- (aa) The Orion is a 27-storey freehold residential development located at 6C Orange Grove Road, Singapore. As at 30 June 2007, the Orion has a GDV of SGD105.7 million with a take-up rate of 89.9%, and is scheduled for completion in January 2008. The Orion is priced at an average of SGD1,470 per square foot.
- (bb) Balmoral Hills is a residential development set on the high ground at Balmoral Park in prime district 10. Launched in the second half of 2005, the twin 12-storey blocks comprise 62 freehold apartments priced at an average of SGD1,233 per square foot. As at 30 June 2007, Balmoral Hills had a GDV of SGD143.0 million with a take-up rate of 100%, and is scheduled for completion in October 2007.

### (ii) Development land bank

The land bank available for immediate development over the next 5 years is approximately 8,700 acres, of which the bulk of 3,874 acres of undeveloped property land bank are strategically located in Klang Valley and Selangor.

### (iii) Involvement in other types of property business

Apart from property development, our Group is also involved in other types of property business such as asset management, hospitality and property investment. The range of business activities by the Property division includes service residences, resorts, golf courses, industrial parks and a convention centre. These businesses are located in Malaysia, Singapore, Australia, Indonesia, Vietnam, the Philippines, China and UK.

We provide asset management services in Malaysia, Singapore, Indonesia, the Philippines, and UK, while our property investment activities are carried out in Malaysia and China.

**7. BUSINESS (cont'd)**

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In the area of hospitality, the Property division operates, amongst others, the PNB Darby Park, Sime Darby Convention Centre, Kuala Lumpur Golf & Country Club, Hotel Equatorial Melaka (Malaysia), Darby Park Executive Suites (Singapore), Karri Valley Resort, Quest Subiaco and Quest Margaret River (Australia), and Rangdong Orange Court Service Residences (Vietnam).

**(iv) Sales and marketing**

The Property division markets its property launches through previews or soft launches, newspaper advertorials for the pre-launch and official launches, brochures, leaflets, signboards, billboards, model/show houses, and write-ups of projects in newspapers. In general, repeat buyers or interested buyers who have registered their details as well as residents living in the vicinity of the development are invited to the previews or soft launches at which discounts may be offered to buyers who place a deposit for a residential or commercial property during one of these events.

**(v) Contractors**

As the Property division is principally involved in property development, the division relies on a pool of contractors with whom strong working relationships have been forged over the years to undertake the construction of the properties. The selection of contractors is based on a tendering process to ensure competitive pricing and takes into account their experience, track record and qualifications. For larger projects, contracts may be awarded to more than one qualified and reputable contractor. In the past, the property businesses to be integrated have not been dependent on any one main contractor. The Property division does not foresee any significant challenges in sourcing or securing contractors for their various projects.

**(vi) Quality control**

The Property division places great emphasis on the quality of its developed properties. It maintains close monitoring and supervision of the works carried out by the awarded contractors. The strengths in quality control have been reflected in the timely delivery of projects and minimal building defects, as well as our subsidiaries garnering several quality certifications such as with ISO9001:2000 Certification of Quality Management System, OHSAS 18001:2006 for Health and Safety, and EMS 14001:2006 for Environmental Management System. In addition, we have also instituted a quality control unit.

**(vii) Market research**

The Property division undertakes continuous market research to ensure marketability of its products to be launched in the future. R&D and innovation have been emphasised in our operations. In addition, the division has in the past employed best practice of engaging independent property/market consultants for its development review.

## 7. BUSINESS (cont'd)

### 7.7.3 Motor business

The Motor division has distributorships and/or dealerships for some of the well known marques in Malaysia, Singapore, Thailand, China including Hong Kong and Macau, Australia, and New Zealand. We set out below the countries where the Motor division operates and the distributorships and/or dealerships that it holds or operates in the respective countries.

Country	Marque
Malaysia	BMW, MINI, Ford, Land Rover, Hyundai, Inokom and Alfa Romeo
Singapore	BMW, Ford, Land Rover and Peugeot
Thailand	BMW, Mazda, Chevrolet and Volvo
China	BMW, MINI, Suzuki, Mitsubishi, Ford, Land Rover, Rolls-Royce, Huanghai Bus and Peugeot
Australia	Peugeot
New Zealand	BMW, Alfa Romeo, Audi, Chrysler, Ferrari, Fiat, Jeep, Maserati, Peugeot, Porsche, Suzuki, Volkswagen, Kia and Nissan for cars, and Hino, Mack, Renault and Nissan for trucks

For marques whereby the division holds a distributorship license from the principal, the division is authorised to distribute the respective marque's vehicles to the authorised dealers in the country. As a distributor, the division may also directly sell a marque's vehicles to the end users.

For marques whereby the division holds a dealership license from a marque's distributorship in the country including the division's distributors, the division is authorised to sell a particular marque's vehicles to end users.

The Motor division obtains the supply of motor vehicles from its principals and/or distributors, depending on whether it holds a distributorship and/or dealership license for a particular marque. Upon completion of the Merger, it intends to continue to maintain a close and cordial relationship with these principals and/or distributors.

Given that the division distributes and/or sells several marques across the region, the risk of over-reliance on a single marque for its operation is minimised.

The Motor division currently operates assembly plants in Malaysia where the CKD packs are imported from the respective principals from Thailand, Korea, India, USA and Germany and then locally-assembled for sale mainly in the Malaysian market. To ensure high standard and quality products, the locally-assembled motor vehicles are subjected to a stringent pre-delivery inspection test. The outputs of the assembly plants are very much dependent on the demand for the vehicles.

## 7. BUSINESS (cont'd)

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### 7.7.4 Heavy equipment business

The Heavy Equipment division holds exclusive Caterpillar dealer rights for the sale and rental of Caterpillar heavy equipment, parts and service support in Malaysia, Singapore, Hong Kong, Brunei, China (7 provinces), the states of Queensland and Northern Territory of Australia, Papua New Guinea, New Caledonia, the Solomon Islands, Republic of Maldives and Christmas Island (Indian Ocean). The Heavy Equipment division carries other brands of heavy equipment including Case New Holland, Kubota, Terberg, Driltech, Kress and Mitsubishi Caterpillar Forklift. This division also provides product support services to its customers through long-term maintenance agreements.

The principal markets for the Heavy Equipment division are natural resource extraction, building and infrastructure construction, electrical power generation, and other capital goods manufacture, logging, construction, mining, oil and gas and agriculture. The heavy equipment business in Australia contributes to the bulk of income for the Heavy Equipment division due to the rapid growth in the mining industry in Australia in recent years.

In Malaysia, the Heavy Equipment division is led by Tractors Malaysia Holdings Berhad. It is primarily involved in the sale, rental, distribution and support of Caterpillar heavy equipment, Case New Holland agricultural machinery and other related equipment.

In Singapore, Tractors Singapore Ltd specialises in the design, supply, testing and commissioning of Power System packages for the marine/petroleum sector, in addition to the sale and rental of heavy equipment to the construction sector.

In China, The China Engineers, Limited is the dealer of Caterpillar in Hong Kong, Macau and 7 provinces in China.

In Australia, this business is handled through the Hastings Deering group which covers Queensland and Northern Territory in Australia, Papua New Guinea, New Caledonia and the Solomon Islands. These territories are rich in mineral resources, and the Heavy Equipment division in Australia provides parts and service support for heavy equipment and supplies equipment for the mining industry. The current global growth cycle has impacted commodity prices, particularly coal in Australia, which in turn has resulted in high demand for mining equipment. The mining cycle results in high demand for prime products at mine start stage and then again at machine replacement stage either at the end of the machine life or at the end of the mine life.

The marketing activities for Caterpillar equipment are generally carried out by the division's representatives in the countries in which it operates through displays, demonstrations, field shows, advertising and direct mail.



## 7. BUSINESS (cont'd)

### 7.7.5 Energy and utilities business

The Energy and Utilities division comprises 3 segments as follows:

#### (i) Power and utility

The operations of the power segment of the Energy and Utilities division are undertaken by Port Dickson Power Berhad ("PD Power"), JanaUrus PDP Sdn Bhd and Laem Chabang Power Co Ltd ("LCP"). There are 2 power plants as follows:

- (a) 440 MW open cycle power plant operated by PD Power, an independent power producer in Tanjong Gemuk, Port Dickson in Malaysia; and
- (b) 103.5 MW electricity and 50 tonne per hour steam co-generation power plant operated by LCP in Laem Chabang Industrial Estate, Chonburi in Thailand. Currently, there are capacity expansion plans underway to increase LCP's plant capacity by 55 MW (electricity) and 25 tonne per hour (steam) by the year end of 2008.

PD Power's power plant supplies its daily available capacity and electrical energy to Tenaga Nasional Berhad ("TNB"). As a result of the Power Purchase Agreement ("PPA") entered into between PD Power and TNB, PD Power has a secured offtaker for the electrical energy output from its power plant. The PPA is for a period of 21 years commencing from 1993. PD Power's plant uses gas that is supplied by Petronas Gas. Any volatility in the price of gas will be passed through to TNB. The operation and maintenance of PD Power's plant is managed by JanaUrus PDP Sdn Bhd.

LCP's power plant sells its electricity to the national utility company of Thailand, Electricity General Authority of Thailand ("EGAT"), as well as steam and electricity to industrial customers within the Laem Chabang Industrial Estate. Gas for the LCP power plant is supplied by Petroleum Authority of Thailand whereby any fluctuations in gas prices are passed through to EGAT. Industrial customers are charged prices at a slight discount to the published tariff which is adjusted on a quarterly basis in tandem with fuel price movements.

The net book values of the PD Power plant and LCP plant are RM264 million and RM253 million respectively as at 30 June 2007.

#### (ii) Oil and gas

The oil and gas segment of the Energy and Utilities division specialises in the fabrication of all types of offshore structures and complexes. It is capable of supporting full upstream value chain as a one stop solution centre for the oil and gas engineering needs i.e. total solution from concept to design engineering, fabrication, procurement and hook-up, commissioning as well as installation.

The range of products and services offered are offshore platform topside modules; offshore platform jackets; module support frames; production, compression, water injection, process, power generation modules; integrated decks; helidecks; living quarters; hook up and commissioning; decommissioning; and the provision of fabrication, construction and support services for offshore engineering.

Its 100 acre fabrication yard is located at Pasir Gudang, Johor Bahru. The division owns one of the largest fabrication yards for offshore facilities, with a loadout capacity of 15,000 MT and a fabrication capacity of 50,000 MT per year. Its local and international customers include Petronas Carigali, Shell, Exxon Mobil, Maersk, Qatar Petroleum and Murphy Oil Corporation.

## 7. BUSINESS (cont'd)

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The operating process involves the initial engineering of the structure, followed by the purchase of steel and equipment before the start of the construction. Testing and commissioning are carried out, after which the completed structure is loaded up and transported by barges to its final destination.

The key components, steel and equipment such as firewater pump generators, which are used in the fabrication process are sourced from abroad. All bids have a fixed validity period after which the contract value may be revised to accommodate steel price increases, thereby reducing volatility on margin.

Presently, the oil and gas segment leads the consortium of companies responsible for the construction of the main civil works for the Bakun Hydroelectric Project in Sarawak. In addition, it also provides the operation and maintenance services to the oil and gas and petrochemical industries. Given the division's experience in providing fabrication and engineering construction services, it is continuously identifying opportunities to venture into new projects.

### (iii) Engineering

Our engineering business is involved in amongst others, trading, design and fabrication, and projects and systems integration of a wide range of engineering solutions and products.

The division's engineering activities are focused on 4 areas as set out below:

- (a) ventilation and environment control including industrial fans, boilers and filter presses;
- (b) life science including the supply of scientific instruments and life science products for use at Government institutions, hospitals, universities, pharmaceuticals, testing labs, petrochemicals and electronic industries;
- (c) intelligent traffic management including car park systems, car park barrier systems, car park guidance systems; and
- (d) SCADA, a supervisory and remote control system that allows automation control.

The division operates its engineering business from its offices in Singapore, Malaysia and Thailand. Its manufacturing facility is located in Singapore where its own proprietary products are designed and fabricated for specific orders. This segment designs and fabricates its own proprietary products for industrial ventilation fans, filter presses and intelligent car park management system. We are also involved in projects and systems integration of a wide range of engineering solutions and products. The engineering segment is migrating from traditional trading towards providing integrated one-stop solutions to meet customers' needs. Its products and services are generally marketed through trade shows, exhibitions, advertisement and presentations to major customers.

### 7.8 Major Customers

There are no major customers that individually contribute 10% or more of our proforma revenue for each of the last 3 financial years ended 30 June 2005, 2006 and 2007.

### 7.9 Major Suppliers

Save as disclosed below, there are no major suppliers that are individually estimated to contribute 10% or more of our proforma purchases for each of the last 3 financial years ended 30 June 2005, 2006 and 2007.

## 7. BUSINESS (cont'd)

For the last 3 financial years ended 30 June 2005, 2006 and 2007, our purchases from Caterpillar SARL ranged from 10.8% to 14.2% of our proforma revenue and 11.6% to 15.4% of our proforma operating expenses.

### 7.10 Business Interruptions

There were no interruptions in the businesses which had a significant effect on the operations of our Group during the past 12 months preceding the LPD.

### 7.11 Employees

As at the LPD, our Group employs 104,300 employees. We have not encountered any major problem in staff turnover.

Our employment structure is as follows:

Category of employee	Number of employees as at the LPD			
	Permanent	Temporary	Contractual	Total
Management & professionals	6,119	-	487	6,606
Clerical & related staff	8,866	-	53	8,919
General workers	80,689	6,395 *	1,691	88,775
<b>Total</b>	<b>95,674</b>	<b>6,395 *</b>	<b>2,231</b>	<b>104,300</b>

**Note:**

\* This figure represents temporary workers who are employed by Sime Darby Group for a period of less than 1 year comprising mainly plantations workers.

Our Group will provide a variety of learning and development opportunities for its employees. There will be a defined curriculum that employees will undertake throughout their career with the Group in order to acquire and sharpen their individual behavioral/managerial/leadership skills and capabilities. In addition to the "soft skills" learning opportunities, individuals will have the opportunity to attend technical training or courses to ensure that they are able to develop their skills and abilities to perform their roles effectively.

The learning and development programmes that employees throughout our Group can attend include the Leadership Development Program, Management Development Program, Corporate Development Program, Performance Driven Culture, Environment Safety & Health, Total Quality Management; Support Staff Development Program, Business Operations, Plantation Specific Program, and Property Specific Program.

The unions of which our Group's employees are members are the National Union Of Commercial Workers, Metal Industries Employees Union, Sarawak Commercial Employees Union, Sabah Commercial Employees Union, All Malayan Estates Staff Union, National Union Of Plantation Workers, Food Industries Employees Union, Non-Metallic Mineral Products Manufacturing Employees Union, and National Union Transport Equipment Allied Industries Workers.

The industrial relations climate is generally positive and harmonious. This is expected to be continued by our Group. There are no industrial disputes and/or other actions instigated by the unions in any of the companies within the Group. The Industrial Relations ("IR") teams within the Participating Companies have regular dialogues and communication on IR matters with the unions. In addition, the Group's IR team will continuously render assistance and advice to the business divisions to facilitate speedy and prompt resolution of any impending IR issues. This enhances and ensures a harmonious working environment Group wide.

## 7. BUSINESS (cont'd)

### 7.12 Properties

The details of the properties of our Group as at 30 June 2007 are set out below.

Location	Tenure	Total Area Ha (unless specified otherwise)	Age of building (years)	Description	Year of expiry	Net book value as at 30 June 2007 RM 000
<b>I. PLANTATION PROPERTIES</b>						
<b>MALAYSIA</b>						
<b>Negeri Sembilan</b>						
Atherton Estate (Salak), Siliiau	Freehold	2,278	-	Rubber and oil palm estate	-	28,519
Bradwall, Siliiau	Freehold	2,150	-	Oil palm/Rubber	-	22,799
Kirby Estate, Labu	Freehold	1,572	-	Oil palm estate	-	6,630
Kok Foh	Freehold	2,304	-	Oil palm	-	54,387
	Leasehold				2072	
Ladang Bukit Pelandok, Port Dickson	Freehold	1,709	-	Oil palm estate	-	44,189
Ladang Labu Labu	Freehold	2,664	7	Oil palm estate and palm oil mill	-	66,669
Ladang P.D. Lukut, Port Dickson	Freehold	2,237	-	Oil palm estate	-	54,903
Ladang Sengkang, Pasir Panjang	Freehold	2,869	-	Oil palm estate	-	72,770
Ladang Siliiau, Siliiau	Freehold	2,067	35	Oil palm estate and palm oil mill	-	54,076
Ladang Sua Betong, Port Dickson	Freehold	2,872	-	Oil palm estate	-	77,489
Ladang Tampin Linggi, Rantau	Freehold	2,103	-	Oil palm estate	-	56,330
Ladang Tanah Merah, Port Dickson	Freehold	4,271	29	Oil palm estate and palm oil mill	-	108,524
Linsum, Rantau	Freehold	579	-	Oil palm	-	8,074
New Labu Estate, Nilai	Freehold	635	-	Rubber and oil palm estate	-	1,918
Pertang, Kuala Pilah	Freehold	1,071	-	Oil palm/Rubber	-	15,027
Pulau Piliuh/New Rompin/Keipin, Kuala Piliuh	Freehold	3,674	-	Oil palm/Rubber	-	58,814
St. Helier/Sialang/Juasseh, Bahau	Freehold	1,993	-	Oil palm/Rubber	-	30,542
Sungei Sabaling, Bahau	Freehold	1,321	-	Oil palm/Rubber	-	19,083
<b>Kedah</b>						
Badenoch Estate, Kuala Ketil	Freehold	1,525	-	Rubber and oil palm estate	-	12,501
Jentayu, Gurun	Freehold	2,179	-	Oil palm	-	48,673
Kuala Ketil Estate, Kulim	Freehold	2,787	-	Oil palm	-	38,258

## 7. BUSINESS (cont'd)

Location	Tenure	Total Area Ha (unless specified otherwise)	Age of building (years)	Description	Year of expiry	Net book value as at 30 June 2007 RM 000
Ladang Anak Kulim, Kulim	Freehold	1,512	-	Oil palm estate	-	30,084
Ladang Bukit Selarong, Padang Serai	Freehold	1,672	-	Oil palm estate	-	43,707
Ladang Jerai, Bedong	Freehold	1,240	-	Oil palm estate	-	20,846
Ladang Padang Buluh, Sg. Petani	Freehold	1,986	-	Oil palm estate	-	47,057
Ladang Sungai Dingin, Karangan	Freehold	4,264	3	Oil palm estate and palm oil mill	-	109,394
Patani Para Estate	Freehold	784	-	Rubber and oil palm estate	-	7,175
Somme, Serdang	Freehold	943	-	Oil palm	-	12,113
<b>Selangor</b>						
Bukit Cloh Estate, Jeram	Freehold	2,031	-	Oil palm estate	-	39,643
Dusun Durian, Banting	Freehold	1,498	48	Oil palm	-	47,249
Golden Hope Latex Sdn Bhd, Port Klang	Freehold	58	-	Estate land	-	409
Ladang Ampar Tenang, Dengkil	Freehold	879	-	Oil palm estate	-	21,406
Ladang Bukit Cheraka, Jeram	Freehold	1,627	-	Oil palm estate	-	46,957
Ladang Bukit Kerayong, Kapar	Freehold	1,315	39	Oil palm estate and palm oil mill	-	43,792
Ladang Bukit Lagong, Rawang	Freehold	416	-	Oil palm estate	-	7,063
Ladang Bukit Talang, Kuala Selangor	Freehold	2,079	53	Oil palm estate and palm oil mill	-	59,909
Ladang Bukit Tinggi, Klang	Freehold	264	-	Oil palm estate	-	9,438
Ladang Elmina, Sungai Buloh	Freehold	1,898	-	Oil palm estate	-	98,798
Ladang Sabak Bernam, Sabak Bernam	Freehold	2,507	-	Oil palm estate	-	80,792
Ladang Subang, Subang Village	Freehold	296	-	Oil palm estate	-	16,252
Ladang Sungai Kapar, Kapar	Freehold	387	-	Oil palm estate	-	7,918
Ladang Sungai Rawang, Sungai Pelek	Freehold	462	-	Oil palm estate	-	13,826
Raja Musa Estate	Freehold	1,207	-	Oil palm estate	-	23,538
Selangor River Estate, Bukit Rotan	Freehold	1,735	-	Oil palm estate	-	33,885
Sepang Estate, Sepang	Freehold	2,740	36	Oil palm	-	46,518
Sg. Sedu, Banting	Freehold	404	46	Oil palm	-	15,442
Sungei Buloh Estate, Bukit Rotan	Freehold	2,587	-	Oil palm estate	-	18,507
Tennamaram Estate, Batang Berjuntai	Freehold	1,704	-	Oil palm estate	-	21,568
West/East, Carey Island	Freehold	11,509	37	Oil palm	-	157,959
	Leasehold				2057	

## 7. BUSINESS (cont'd)

Location	Tenure	Total Area Ha (unless specified otherwise)	Age of building (years)	Description	Year of expiry	Net book value as at 30 June 2007 RM 000
<b>Johor Darul Takzim</b>						
Bukit Paloh Estate, Paloh	Freehold	1,468	-	Oil palm estate	-	13,052
Bukit Benui/Benui/Tambuku	Freehold	3,509	26	Oil palm	-	60,397
Bukit Paloh Scheme, Paloh	Freehold	556	-	Oil palm estate	-	10,505
CEP Niyor Estate, Kluang	Freehold	1,554	-	Oil palm estate	2011	11,277
	Leasehold					
CEP Rengam Estate, Rengam	Freehold	3,089	-	Oil palm estate	-	26,711
Chan Wing Estate, Kluang	Freehold	2,603	-	Rubber and oil palm estate	-	46,784
Craigielea Estate, Bukit Pasir	Freehold	2,337	-	Oil palm estate	-	18,335
Ellar Estate, Kluang	Freehold	937	-	Rubber and oil palm estate	-	8,250
Gunung Mas Estate, Bekok	Freehold	870	-	Oil palm estate	-	16,048
Hadapan Estate, Layang-Layang	Freehold	1,133	25	Oil palm estate and Buildings	-	28,771
Kali Malaya Estate, Paloh	Freehold	1,061	-	Oil palm estate	-	8,862
Kelan, Kulai	Freehold	1,012	-	Oil palm	-	19,339
Kempas, Klebang Estate, Paloh	Freehold	2,473	-	Rubber and oil palm estate	-	54,095
Kulai Estate, Paloh	Freehold	2,051	-	Oil palm estate	-	31,516
Ladang Bukit Badak, Layang Layang	Freehold	3,245	-	Oil palm estate	-	85,221
Ladang Cenas, Layang Layang	Leasehold	1,797	-	Oil palm estate	2081	40,802
		81			2079	
Ladang Cha'ah, Cha'ah	Leasehold	2795	27	Oil palm estate and palm oil mill	2077	69,333
Ladang Lambak/Elaeis, Kluang	Freehold	2,576	-	Oil palm estate	-	69,688
Ladang Pekan, Layang Layang	Leasehold	405	-	Oil palm estate	2076	71,660
		2,827			2068	
Ladang Pengkalan Bukit, Panchor	Freehold	1,560	-	Oil palm estate	-	45,529
Ladang Sembrong, Layang Layang	Freehold	1,338	-	Oil palm estate	-	49,607
	Leasehold	454			2020	
Ladang Simpang Rengam, Rengam	Freehold	1,170	-	Oil palm estate	-	30,795
Ladang Sungai Gemas, Gemas	Freehold	971	-	Oil palm estate	-	23,393
Ladang Sungai Labis, Labis	Freehold	1,603	-	Oil palm estate	-	43,765
Ladang Sungai Tawing, Kluang	Leasehold	2,226	22	Oil palm estate and palm oil mill	2079	51,217
Ladang Terniang Renchong, Pagoh	Freehold	1,596	-	Oil palm estate	-	44,981
Ladang Tun Dr. Ismail, Simpang Rengam	Freehold	2,406	-	Oil palm estate	-	66,674

## 7. BUSINESS (cont'd)

Location	Tenure	Total Area Ha (unless specified otherwise)	Age of building (years)	Description	Year of expiry	Net book value as at 30 June 2007 RM 000
Ladang Ulu Remis, Layang Layang	Freehold Leasehold	314 1,899 383	31	Oil palm estate and palm oil mill	- 2081 2009	52,672
Ladang Yong Peng, Yong Peng Layang Estate	Freehold	3,363	35	Oil palm estate and palm oil mill	-	86,694
Midlands Estate (Seri Pulai), Kulai	Freehold	1,962	-	Oil palm estate	-	17,700
Muar River, Segamat	Freehold	2,101	-	Oil palm estate	-	37,037
	Freehold	1,597	-	Oil palm	-	25,240
	Leasehold		-		2908	
Nordanal/Lanadron, Panchor	Freehold	3,355	44	Oil palm	-	46,872
	Leasehold				2100	
North Labis, Labis	Freehold	1,947	-	Oil palm	-	31,199
Sungei Senarut, Segamat	Freehold	1,989	-	Oil palm/Rubber	-	25,909
	Leasehold				2012	
Tangkah/Kundong, Tangkak	Freehold	1,830	37	Oil palm/Rubber	-	32,587
Welch Estate, Jementah	Freehold	1,448	-	Oil palm/Rubber	-	21,430
<b>Melaka</b>						
Devon Estate (Kempas), Merlimau	Freehold	1,749	-	Oil palm estate	-	31,816
Diamond Jubilee, Jasin	Freehold	2,859	33	Oil palm	-	17,473
	Leasehold				2025	
Jasin/Pegoh Estate, Jasin	Freehold	1,311	-	Rubber and oil palm estate	-	7,002
Ladang Bukit Asahan, Asahan	Freehold	2,903	-	Oil palm estate	-	59,188
	Leasehold	55 2 80 1 33			2047 2039 2038 2037 2032	
Ladang Kemuning, Tebong	Freehold	2,111	-	Oil palm estate	-	48,161
	Leasehold	2			2048	
Ladang Serkam, Jasin	Freehold	2,291	-	Oil palm estate	-	58,418
Merlimau Estate, Merlimau	Freehold	1,886	-	Oil palm estate	-	15,181
Selatan Bahru Estate, Merlimau	Freehold	962	-	Rubber and oil palm estate	-	15,394
Sungei Bahru, Masjid Tanah	Freehold	997	-	Oil palm/Rubber	-	16,385
	Leasehold				2038	

## 7. BUSINESS (cont'd)

Location	Tenure	Total Area Ha (unless specified otherwise)	Age of building (years)	Description	Year of expiry	Net book value as at 30 June 2007 RM 000
<b>Perak</b>						
Gedong Estate, Bagan Serai	Freehold	1,344	-	Oil palm estate	-	11,486
Bagan Datoh/Melintang	Freehold	3,922	-	Oil palm	-	87,779
Bikam, Sungei Klah	Freehold	1,701	-	Oil palm	-	26,309
Chersonese, Kuala Kurau	Freehold	2,281	-	Oil palm/Coconut	-	30,576
	Leasehold				2891	
					2891	
					2880	
					2880	
Cluny/Trolak/Bedford, Slim River	Freehold	1,578	-	Oil palm	-	25,506
	Leasehold				2052	
Elphill, Sungei Siput	Freehold	561	-	Oil palm	-	10,872
Flemington/Gough Garden	Freehold	2,123	-	Oil palm	-	47,300
Golden Hope Latex Sdn Bhd, Sungei Klah, Sungkai	Freehold	24	-	Estate land	-	409
Holyrood, Selama	Freehold	1,332	-	Oil palm	-	18,538
Jin Seng, Bagan Serai	Freehold	836	-	Oil palm	-	15,671
Kinta Kellas, Batu Gajah	Freehold	1,061	-	Oil palm	-	17,915
	Leasehold				2907	
Ladang Changkat Salak, Salak North	Freehold	1,598	-	Oil palm estate	-	31,259
Ladang Kalumpong, Bagan Serai	Freehold	1,398	40	Oil palm estate and palm oil mill	-	32,596
Ladang Kamiri, Sungai Siput (North)	Freehold	951	-	Oil palm estate	-	21,521
Ladang Kamuning, Sungai Siput	Freehold	2,197	-	Oil palm estate	-	44,161
Ladang Yew Lian, Simpang Empat (Hilir Perak)	Leasehold	406	-	Oil palm estate	2035	7,582
Nova Scotia Estate (Seri Intan), Teluk Intan	Freehold	3,109	-	Oil palm estate	-	34,619
Rubana Estate, Teluk Intan	Freehold	1,906	-	Oil palm estate	-	19,714
Sabrang Estate, Teluk Intan	Freehold	2,080	-	Oil palm estate	-	22,275
Selaba, Teluk Intan	Freehold	1,065	9	Oil palm	-	21,367
Sogomana/Sungei Bruas/Cashwood, Ayer Tawar	Freehold	2,219	-	Oil palm/Coconut	-	36,316
	Leasehold				2081	
Sungei Krian, Bagan Serai	Freehold	1,185	-	Oil palm	-	12,874
Sungei Samak, Ulu Bernam	Freehold	2,612	48	Oil palm	-	36,409
	Leasehold				2050	
Sungei Wangi, Sitiawan	Freehold	2,322	-	Oil palm/Coconut/Fruit	-	34,088



## 7. BUSINESS (cont'd)

Location	Tenure	Total Area Ha (unless specified otherwise)	Age of building (years)	Description	Year of expiry	Net book value as at 30 June 2007 RM 000
Tali Ayer Estate, Bagan Serai	Freehold	2,259	-	Oil palm estate	-	23,033
<b>Pulau Pinang</b>						
Ladang Byram, Nibong Tebal, Seberang Prai	Freehold	378	-	Oil palm estate	-	9,943
<b>Pahang</b>						
Ladang Chenor, Sungai Jerik	Freehold	1,393	-	Oil palm estate	-	57,458
	Leasehold	606	-		2076	
Bukit Puteri/Bertang, Temerloh	Leasehold	3,845	-	Oil palm	2086	69,640
Jentar, Termeloh	Leasehold	2,229	-	Oil palm	2086	54,928
Kerdu, Temerloh	Leasehold	2,627	-	Oil palm	2086	38,672
Ladang Sungai Tekal, Mentakab	Freehold	827	-	Oil palm estate	-	23,089
Mentakab, Edensor, Lanchang	Freehold	3,267	-	Oil palm	-	47,171
Sungai Mai	Freehold	2,853	-	Oil palm	-	53,573
	Leasehold				2071	
					2057	
<b>Terengganu</b>						
Ladang Jabor, Kemaman	Freehold	2,418	30	Oil palm estate and palm oil mill	-	57,514
<b>Sabah</b>						
Ladang Andrassy, Tawau	Leasehold	161	-	Oil palm estate	2077	25,092
		23			2073	
		810			2070	
Binuang, Kunak	Leasehold	3,271	13	Oil palm	2077	41,809
Giram/Kochin/Sipit, Kunak	Leasehold	3,765	-	Oil palm	2061	24,956
Imam, Tawau	Leasehold	2,853	-	Oil palm	2055	62,128
Ladang Jeleta Bumi, Tawau	Leasehold	1,897	7	Oil palm estate and palm oil mill	2076	62,579
Ladang Tingkayu, Tawau	Leasehold	222	-	Oil palm estate	2078	45,083
		535			2077	
		850			2076	
Meialap, Tenom	Leasehold	2,225	-	Oil palm	2907	19,693
Mengaris Estate, Sandakan	Leasehold	1,616	-	Oil palm estate	2887	7,021
Mengaris Estate, Sandakan	Leasehold	803	-	Oil palm estate	2077	23,387

## 7. BUSINESS (cont'd)

Location	Tenure	Total Area Ha (unless specified otherwise)	Age of building (years)	Description	Year of expiry	Net book value as at 30 June 2007 RM 000
Merotai, Tawau	Leasehold	3,156	38	Oil palm	2065	67,947
Mostyn/Tohunsug, Kunak	Leasehold	4,085	43	Oil palm	2940	77,813
Sapong, Tenom	Leasehold	3,423	-	Oil palm	2887	31,605
Segaliud Estate, Sandakan	Leasehold	2,401	-	Oil palm estate	2886	36,297
Sungang, Kunak	Leasehold	3,408	-	Oil palm	2077	44,344
Table, Tawau	Leasehold	2,216	-	Oil palm	2936	46,515
Tiger, Tawau	Leasehold	2,412	-	Oil palm	2068	55,493
Tingkayu/Madai, Kunak	Leasehold	1,881	-	Oil palm	2073	39,066
Tun Tan Siew Sin/Sentosa Estate, Sandakan	Leasehold	6,689	-	Oil palm estate	2888	83,279
Tunku/Tigowis Estate, Sandakan	Leasehold	5,277	-	Oil palm estate	2887	64,423
<b>Sarawak</b>						
Lavang, Bintulu	Leasehold	3,138	-	Oil palm	2055	45,168
Bayu/Damai/Sahua	Leasehold	7,360	-	Oil palm	2048	104,800
Belian, Bintulu	Leasehold	2,886	-	Oil palm	2055	40,581
Chartquest/Dulang/Paroh/Pekaka/Ruai	Leasehold	13,200	-	Oil palm	2045	181,921
Derawan/Takau	Leasehold	4,511	-	Oil palm	2048	102,274
Kelida, Bintulu	Leasehold	2,572	-	Oil palm	2055	34,672
Rajawali/Saujan/Semarak	Leasehold	7,465	-	Oil palm	2082	126,090
Rasan, Bintulu	Leasehold	3,339	-	Oil palm	2055	46,982
Samudera	Leasehold	2,812	-	Oil palm	2048	49,863
<b>INDONESIA</b>						
Kecamatan Parindu Sanggau, Kalimantan	Leasehold	10,715	-	Planted land	2030	47,196
<b>Sumatera – East Aceh</b>						
Ladang Batang Ara, Karang Baru	Leasehold	1,129	-	Oil palm estate	2037	9,383
Ladang Blang Simpo, Karang Baru	Leasehold	6,239	9	Oil palm estate and palm oil mill	2022	41,969
Ladang Tamiang, Karang Batu	Leasehold	1,452	20	Oil palm estate and palm oil mill	2027	11,476
<b>Sumatera – Jambi</b>						
Ladang Air Merah, Kumpeh Ulu, Muaro Jambi	Leasehold	4,000	2	Oil palm estate and palm oil mill	2038	53,969

## 7. BUSINESS (cont'd)

Location	Tenure	Total Area Ha (unless specified otherwise)	Age of building (years)	Description	Year of expiry	Net book value as at 30 June 2007 RM 000
<b>Sumatera – South Sumatera</b>						
Ladang Bukit Pinang, Muara Lakitan, Musi Rawas	Leasehold	3,354	-	Oil palm estate	2034	46,591
Ladang GPI 1-5, Sekayu, Musi Banyuasin (Note: * Pending issuance of title)	Leasehold	10,140 3,906*	5	Oil palm estate and palm oil mill	2033	144,024
Ladang Sungai Pinang, Muara Lakitan, Musi Rawas	Leasehold	3,698	8	Oil palm estate and palm oil mill	2034	53,698
<b>Sumatera – Riau</b>						
Ladang Alur Dumai, Bagan Sinembah, Rokan Hilir	Leasehold	3,759	-	Oil palm and rubber estate	2036	24,264
Ladang Aneka Perkasa, Bukit Raya, Pekan Baru	Leasehold	4,136	-	Oil palm estate	2034	43,953
Ladang Mengala – 1, Tanah Putih, Rokan Hilir	Leasehold	4,920	13	Oil palm estate and palm oil mill	2034	41,264
Ladang Mengala – 2, Tanah Putih, Rokan Hilir	Leasehold	4,922	-	Oil palm estate	2034	50,280
Ladang Mengala – 3, Tanah Putih, Rokan Hilir	Leasehold	3,994	-	Oil palm estate	2034	33,649
Ladang Mandah, Kateman, Indragiri Hilir	Leasehold	5,040	-	Oil palm estate	2031	53,952
Ladang Nusa Lestari, Kateman, Indragiri Hilir	Leasehold	3,457	-	Oil palm estate	2031	33,884
Ladang Nusa Perkasa, Kateman, Indragiri Hilir	Leasehold	5,836	-	Oil palm estate	2031	40,049
Ladang Pinang Sebatang, Bukit Raya, Pekan Baru	Leasehold	3,562	-	Oil palm estate	2034	36,968
Ladang Rotan Semelur, Kateman, Indragiri Hilir	Leasehold	7,313	-	Oil palm estate	2031	58,748
Ladang Teluk Bakau, Kateman, Indragiri Hilir	Leasehold	4,025	6	Oil palm estate and palm oil mill	2031	39,182
Ladang Teluk Siak, Tualang, Siak	Leasehold	3,915	6	Oil palm estate and palm oil mill	2034	50,302
<b>Kalimantan – South Kalimantan</b>						
Ladang Angsana, Kusan Hulu, Kotabaru	Leasehold	3,250	2	Oil palm estate and palm oil mill	2034	50,005
Ladang Bakau, Pamukan Utara, Kotabaru	Leasehold	5,144	-	Oil palm estate	2032	41,015
Ladang Bebunga, Pamukan Utara, Kotabaru	Leasehold	4,258	10	Oil palm estate and palm oil mill	2032	39,441
Ladang Betung, Pamukan Utara, Kotabaru	Leasehold	3,314	-	Oil palm estate	2032	30,262
Ladang Binturung, Pamukan Utara, Kotabaru	Leasehold	4,247	-	Oil palm estate	2032	36,216
Ladang Gunung Aru, Pulau Laut Timur, Kotabaru	Leasehold	3,228	13	Oil palm estate and palm oil mill	2022	11,621
Ladang Gunung Kemasari, Pulau Laut Timur, Kotabaru	Leasehold	3,726	-	Oil palm estate	2022	47,476
Ladang Gunung Sari, Kusan Hulu, Kotabaru	Leasehold	2,832	-	Oil palm estate	2034	28,447
Ladang Lanting, Pamukan Utara, Kotabaru	Leasehold	3,249	-	Oil palm estate	2032	24,993
Ladang Laut Timur, Pulau Laut Timur, Kotabaru	Leasehold	3,478	-	Oil palm estate	2022	45,066
Ladang Matalok, Pamukan Utara, Kotabaru	Leasehold	3,082	-	Oil palm estate	2032	26,014

## 7. BUSINESS (cont'd)

Location	Tenure	Total Area Ha (unless specified otherwise)	Age of building (years)	Description	Year of expiry	Net book value as at 30 June 2007 RM 000
Ladang Mustika, Satu, Kotabaru	Leasehold	5,079	2	Oil palm estate and palm oil mill	2030	42,461
Ladang Pantai Bonati, Satu, Kotabaru	Leasehold	2,715	-	Oil palm estate	2030	31,557
Ladang Pantai Timur, Pulau Laut Timur, Kotabaru	Leasehold	3,488	-	Oil palm estate	2022	37,197
Ladang Pondok Labu, Pamukan Utara/Selatan, Kotabaru	Leasehold	3,964	-	Oil palm estate	2032	52,248
Ladang Rampa, Pamukan Utara/Selatan, Kotabaru	Leasehold	3,476	-	Oil palm estate	2032	29,069
Ladang Randi, Pamukan Utara, Kotabaru	Leasehold	3,150	-	Oil palm estate	2032	33,218
Ladang Rantau, Pamukan Utara, Kotabaru	Leasehold	4,638	6	Oil palm estate and palm oil mill	2032	50,632
Ladang Sangkoh, Pamukan Utara, Kotabaru	Leasehold	3,443	-	Oil palm estate	2032	36,313
Ladang Sekayu, Pamukan Utara, Kotabaru	Leasehold	4,266	-	Oil palm estate	2032	40,562
Ladang Selabak, Pamukan Utara, Kotabaru	Leasehold	3,835	-	Oil palm estate	2032	39,214
Ladang Sesulung, Pamukan Selatan, Kotabaru	Leasehold	4,719	3	Oil palm estate and palm oil mill	2032	41,452
Ladang Sungai Cengal, Pamukan Utara, Kotabaru	Leasehold	4,926	-	Oil palm estate	2032	53,292
<b>Kalimantan – Central Kalimantan</b>						
Ladang Hantantring, Kuala Kuayan, Kotawaringin Timur	Leasehold	3,197	-	Oil palm estate	2034	22,356
Ladang Baras Danum, Kuala Kuayan, Kotawaringin Timur	Leasehold	3,440	-	Oil palm estate	2032	11,628
Ladang Kawan Batu, Kuala Kuayan, Kotawaringin Timur	Leasehold	8,973	-	Oil palm estate	2034	40,339
Ladang Kuala Kuayan, Kuala Kuayan, Kotawaringin Timur	Leasehold	3,421	-	Oil palm estate	2032	21,700
Ladang Pemanatang, Kuala Kuayan, Kotawaringin Timur	Leasehold	4,432	-	Oil palm estate	2034	27,272
Ladang Sapiri, Kuala Kuayan, Kotawaringin Timur	Leasehold	2,966	-	Oil palm estate	2032	19,230
Ladang Sekunyir, Kumai, Kotawaringin Barat	Leasehold	3,553	11	Oil palm estate and palm oil mill	2033	43,122
Ladang Seruyan, Kumai, Kotawaringin Barat	Leasehold	4,182	-	Oil palm estate	2033	36,984
Ladang Sukamandang, Kuala Kuayan, Kotawaringin Timur	Leasehold	4,953	5	Oil palm estate and palm oil mill	2032	61,287
<b>Sulawesi – Central Sulawesi</b>						
Ladang Ungkaya, Bungku Utara, Poso	Leasehold	4,597	13	Oil palm estate and palm oil mill	2024	47,054

## 7. BUSINESS (cont'd)

Location	Tenure	Total Area Ha (unless specified otherwise)	Age of building (years)	Description	Year of expiry	Net book value as at 30 June 2007 RM 000
<b>II. LAND FOR PROPERTY DEVELOPMENT</b>						
<b>MALAYSIA</b>						
<b>Kuala Lumpur</b>						
Bukit Kiara	Leasehold	269	-	Land held for development	2087	254,752
Jalan Tuanku Abdul Rahman	Freehold	186 sq metres	-	Land and building	-	1,372
Jalan Tuanku Abdul Rahman	Freehold	240 sq metres	-	Land and building	-	627
Jalan Tun Ismail, Bukit Tunku	Freehold	19,223 sq metres	-	Land and building	-	35,113
<b>Selangor</b>						
Bukit Rajah Estate, Klang	Freehold	2,089	-	Land held for township development	-	199,964
Bukit Belimbing/Bukit Badong/Kuala Selangor	Freehold	1,409	-	Land held for future development	-	181,200
Bukit Jelutong, Shah Alam	Freehold	121	-	Mixed development	-	72,249
Bukit Subang, Subang Village	Freehold	247	-	Mixed development	-	53,071
Glengowrie Estate, Semenyih	Freehold	396	-	Land held for future development	-	59,006
Jalan Acob Estate, Kapar	Freehold	1,402	-	Land held for township development	-	40,409
Ladang Ampar Tenang, Dengkil	Freehold	93	-	Oil palm estate	-	4,362
Ladang Bukit Lagong, Rawang	Freehold	213	-	Oil palm estate	-	36,035
Ladang Elmina, Sungai Buloh	Freehold	7	-	Oil palm estate	-	175
New Lunderston, Banting	Freehold	171	-	Land held for future development	-	30,264
Parcel D – Proposed Recreation Club, Kota Bayuemas	Freehold	1	-	Land held for future development	-	1,725
Parcel E – Future Development, Kota Bayuemas	Freehold	4	-	Land held for future development	-	7,400
Pilmoor Estate, Batu Tiga	Freehold	90	-	Land held for township development	-	111,439
Semenyih Estate, Semenyih	Freehold	313	-	Land held for future development	-	55,872
Subang Jaya, Bukit Lanchong and Seafeld Estate	Freehold	194	-	Land held for township development	-	205,047
Sungei Way Development Berhad, Lot 61716, Subang Jaya	Freehold	7,388 sq metres	-	Land held for township development	-	3,217
Sungei Way Development Berhad, Subang Jaya	Freehold	124,639 sq metres	-	Land held for township development	-	52,573
Taman Perindustrian UEP, Subang Jaya	Freehold	36	-	Land held for township development	-	13,065

## 7. BUSINESS (cont'd)

Location	Tenure	Total Area Ha (unless specified otherwise)	Age of building (years)	Description	Year of expiry	Net book value as at 30 June 2007 RM 000
<b>Negeri Sembilan</b>						
Sungei Sekah, Hamilton and New Labu Estate	Freehold	700	-	Land held for township development	-	60,678
Guthrie Chemara, Seremban	Freehold	32	-	Research centre	-	3,658
	Leasehold	2			2066	
Ladang Bukit Pelandok, Port Dickson	Freehold	170	-	Oil palm estate	-	4,368
Ladang Sua Betong, Port Dickson	Freehold	168	-	Oil palm estate	-	4,731
Ladang Tanah Merah, Port Dickson	Freehold	252	-	Oil palm estate	-	6,759
Taman Sengkang, Port Dickson	Freehold	5	-	Housing estate	-	1,030
<b>Melaka</b>						
Sungei Bahru, Masjid Tanah	Freehold	437	-	Land held for future development	-	27,776
<b>Perak</b>						
Elphil Estate, Sungai Siptut	Freehold	364	-	Land held for future development	-	18,218
Jin Seng Estate	Freehold	176	-	Land held for future development	-	21,800
Selaba Estate, Teluk Intan	Freehold	199	-	Land held for future development	-	18,510
Tali Ayer Estate, Bagan Serai	Freehold	186	-	Land held for township development	-	6,695
<b>Johor</b>						
Lot 305, Taman Pasir Putih, Mukim Plentong, Daerah Johor Bahru	Freehold	10	-	Land held for township development	-	70,880
Ladang Pengkalan Bukit, Panchor	Freehold	141	-	Oil palm estate	-	2,689
Ladang Lambak/Elaeis, Kluang	Freehold	234	-	Oil palm estate	-	6,692
<b>Kedah</b>						
Jerai, Bedong	Freehold	512	-	Mixed development	-	33,606
Kuala Ketil Estate, Kulim	Freehold	29	-	Land held for future development	-	5,104
Ladang Bukit Selarong, Padang Serai	Freehold	167	-	Oil palm estate	-	4,447
Taman Sungai Dingin, Karangan	Freehold	3	-	Housing estate	-	186
<b>Pahang</b>						
Genting View Resort, 10km Genting Highlands	Freehold	9	-	Land held for development	-	4,801

## 7. BUSINESS (cont'd)

Location	Tenure	Total Area Ha (unless specified otherwise)	Age of building (years)	Description	Year of expiry	Net book value as at 30 June 2007 RM 000
<b>Sabah</b>						
Imam Estate	Leasehold	121		Land held for future development	2050	12,000
Mostyn Estate	Leasehold	60	-	Land held for future development	2058	3,750
<b>SINGAPORE</b>						
6C, Orange Grove Road	Freehold	2,550 sq metres	-	Residential apartment for sale	-	47,528

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## 7. BUSINESS (cont'd)

Location	Tenure	Total Area Ha (unless specified otherwise)	Age of building (years)	Description	Year of expiry	Net book value as at 30 June 2007 RM 000
<b>III. GENERAL PROPERTIES</b>						
<b>MALAYSIA</b>						
<b>Melaka</b>						
Alor Gajah Industrial Estate, Northern District	Leasehold	29,300 sq metres	27	Industrial land and building	2073	1,023
<b>Kedah</b>						
Bakar Arang Industrial Estates	Leasehold	19,693 sq metres	30	Industrial land and factory building	2076	1,288
Harvard Golf Resort, Bedong	Leasehold	132	9	Gold course and club house	2053	26,931
Harvard Suasana Hotel, Bedong	Freehold	2	9	Hotel	-	7,698
<b>Kuala Lumpur</b>						
1 Unit, 3 Bedroom Apartment, Mahsuri Apartment at Setiawangsa	Freehold	1,442 sq ft	15	Apartment	-	42
1 Unit, 3 Bedroom Apartment, Putri Apartment at Setiawangsa	Freehold	820 sq ft	15	Apartment	-	69
Bukit Kiara	Leasehold	227	15	Golf and Country Club	2051	150,009
Bukit Kiara	Leasehold	39	2	Convention centre	2087	55,686
No. 10, Jalan Kampung Pandan (classified as assets held for sale)	Leasehold	-	79	Bungalow	2026	602
No. 19 and 19A, Jalan Uthant	Freehold	-	-	Vacant land	-	9,998
Wisma Guthrie, No. 21, Jalan Gelenggang, Damansara Heights	Freehold	-	33	Office complex	-	17,940
<b>Selangor</b>						
79, Jalan SS 23/15, Taman Sea (Lot 3467)	Freehold	440 sq metres	10	Shophouses	-	7,761
10 Units, 3 Bedroom Apartment, Impian Court Apartment at Saujana Impian Kajang, Selangor (1,097.92 sqft per unit)	Freehold	10,979 sq ft	12	Apartment	-	1,062
Bukit Rajah Industrial Estate, Klang	Leasehold	16,389 sq metres	-	Industrial Land	2088	1,550
Desa Melawati	Freehold	70	-	Mixed residential and commercial development	-	22,349



## 7. BUSINESS (cont'd)

Location	Tenure	Total Area Ha (unless specified otherwise)	Age of building (years)	Description	Year of expiry	Net book value as at 30 June 2007 RM 000
Golden Jomalina Food Industries Sdn Bhd, A – Batu 9, Jalan Banting-Klang, 42500 Selangor	Leasehold	4	29	Industrial land with factory	2086	606
Guthrie Pavilion, No. 2A, Persiaran B, Section U8, Bukit Jelutong, Shah Alam	Freehold	3	9	Office complex	-	22,054
Impian Golf and Country Club, Kajang Jalan 205, Petaling Jaya	Freehold Leasehold	58	12	Golf club and golf course	-	55,273
		16,770 sq metres	27	Office, workshop and warehouse Complex	2055	2,194
Jalan 225, Petaling Jaya	Leasehold	4,147 sq metres	25	Industrial land and building	2074	2,002
Jalan Bersatu, Petaling Jaya	Leasehold	10,062 sq metres	15	Office and factory	2059	18,007
Jalan Haji Salleh, Jalan Meru, Klang	Freehold	18,217 sq metres	12	Industrial land and building	-	6,582
Jalan Kemajuan, Petaling Jaya	Leasehold	8,830 sq metres	45	Factory land and building	2059	118
Jalan Kemajuan, Petaling Jaya	Leasehold	7,251 sq metres	43	Factory land and building	2059	3,344
Jalan Kenyalang, Kuala Kubu Bharu	Freehold	4,101 sq metres	-	Vacant homestead land	-	133
Jalan Kewajipan, Subang Jaya	Leasehold	5,490 sq metres	15	Factory building and factory office	2022	1,047
Jalan Paku, Shah Alam	Leasehold	1,774 sq metres	33	Industrial land and building	2068	224
Jalan Sesiku 15/2, Shah Alam	Leasehold	66,331 sq metres	26	Industrial land with factory building	2065	12,449
Jalan Tandang, Petaling Jaya	Leasehold	1	14	Industrial land with building	2066	12,030
Jalan Tandang, Petaling Jaya	Leasehold	14	44	Land and building	2065	73,634
Kompleks Kejuruteraan, Puchong	Freehold	136,461 sq metres	9	Office, workshop and warehouse	-	83,068
Lot 2026, Jalan Kewajipan, Subang Jaya	Freehold	43,628 sq metres	15	Industrial land and factory building	-	2,599
Lot 24, Jalan U1/49, Seksyen U1, 40150 Shah Alam	Freehold	2,081 sq metres	8	Land and building	-	3,151
Lot 33, Jalan U1/46, Seksyen U1, 40150 Shah Alam	Freehold	4,990 sq metres	4	Land and building	-	12,737
Lot 4243, Subang Jaya	Freehold	1,600 sq metres	-	Hotel site	-	347
Lot 552, Batang Berjuntai	Freehold	33	-	Vacant land	-	7,228
Lot 6508, 6509 and 6510 Kapar, Klang	Freehold	65,312 sq metres	-	Land	-	8,992
Lot 6508, 6509 and 6510 Kapar, Klang	Freehold	45,155 sq metres	-	Industrial land	-	6,209
Lot PT 62501, Jalan Kewajipan, PSD Industrial Park	Freehold	101,099 sq metres	13	Industrial land and office building	-	5,033
Lot PT 62501, Jalan Kewajipan, PSD Industrial Park	Freehold	4,897 sq metres	15	Factory building	-	2,479
Lot PT 62501, Jalan Kewajipan, USJ 7	Freehold	2,296 sq metres	9	Office building	-	12,567
No. 20, Jalan Astaka U8/82, Bukit Jelutong, Shah Alam	Freehold	-	7	Office	-	2,405
Parcel A – Bayuemas Oval and Akademi Tunku Jaafar, Kota Bayuemas	Freehold	3	4	Cricket Club	-	15,296

## 7. BUSINESS (cont'd)

Location	Tenure	Total Area Ha (unless specified otherwise)	Age of building (years)	Description	Year of expiry	Net book value as at 30 June 2007 RM 000
Parcel B – Bayuemas Oval Operation Office, Kota Bayuemas	Freehold	2	3	Bayuemas Oval operation office	-	3,791
Parcel C – Lawn Bowl Stadium, Kota Bayuemas	Freehold	2	1	Lawn bowl stadium	-	2,450
Saujana Impian, Kajang	Freehold	11	12	Commercial, residential and resort development	-	20,212
Section 16, Shah Alam	Leasehold	3,995 sq metres	34	Office and factory	2068	2,410
Sime UEP Centre, Subang Jaya	Freehold	9,014 sq metres	-	Land	-	2,908
SJMC, Subang Jaya	Freehold	25,119 sq metres	22	SJMC South Tower	-	33,705
SJMC, Subang Jaya	Freehold	49,880 sq metres	14	Outpatient centre and SJMC North Tower	-	48,401
Taman Melawati	Freehold	5	-	Mixed residential and commercial development	-	15,866
Taman Subang Ria, Subang Jaya	Leasehold	29	-	Parkland	2087	3,690
UEP Construction Sdn Bhd PT Lot 2533, Subang Jaya	Freehold	7,170 sq metres	9	Carpark building	-	4,390
UEP Construction Sdn Bhd PT Lot 2631, Subang Jaya	Freehold	3,584 sq metres	9	Carpark building	-	3,654
Wangsa Melawati	Freehold	0.1	-	Mixed residential and commercial development	-	-
Wisma Consplant 1, Subang Jaya	Freehold	7,284 sq metres	14	Twin Tower office and office and commercial complex	-	43,563
Wisma Consplant 2, Subang Jaya	Freehold	7,284 sq metres	21	Twin Tower office and office and commercial complex	-	46,744
<b>Pulau Pinang</b>						
Batu Ferringhi	Freehold	190 sq metres	19	Residential apartment	-	119
No. 2A, Biggs Road, No.5, Cantonment Road	Freehold	1	53	Holiday bungalows	-	9,500
No. 3, Western Avenue	Freehold	-	57	Bungalow	-	7,400
<b>Penang</b>						
Georgetown, District of North East Pulau Pinang	Freehold	1,665 sq metres	-	Holiday bungalow	-	1,097
Harvik Rubber Industries Sdn Bhd, Seberang Prai Tengah	Leasehold	-	31	Industrial land with factory	2030	1,428
<b>Pahang</b>						
Fraser's Hill	Leasehold	1,700 sq metres	21	Holiday Bungalow	2042	391
Genting View Resort, 10km, Genting Highlands	Freehold	21	17	Hotel resort	-	26,762

## 7. BUSINESS (cont'd)

Location	Tenure	Total Area Ha (unless specified otherwise)	Age of building (years)	Description	Year of expiry	Net book value as at 30 June 2007 RM 000
Golden Hope Staff Bungalow Sdn Bhd, Cameron Highlands	Leasehold	44,077 sq ft	19	Holiday bungalow	2075	500
Kayangan Bungalow, Frasers Hill	Leasehold	1	79	Holiday bungalow	2026	829
Semambu Industrial Estate, Kuantan	Leasehold	26,305 sq metres	27	Office, workshop and warehouse complex	2041	556
<b>Perak</b>						
Kamuning, Sungai Siput	Freehold	95	-	Quarries - black marble	-	2,622
Jalan Lahat, Bukit Merah, Ipoh	Leasehold	17,376 sq metres	27	Office, workshop and warehouse complex	2036	994
Jalan Lahat, Ipoh	Freehold	6,713 sq metres	-	Showroom	-	40
<b>Negeri Sembilan</b>						
Jalan Rasah, Seremban	Freehold	3	33	Vacant land	-	2,822
Jalan Tuan Haji Said, Seremban	Freehold	7,000 sq metres	-	Land	-	208
KLIA Workers Housing Commercial Complex, Nilai	Freehold	3	4	Commercial complex	-	8,110
Lot 370, Mukim Port Dickson, Sendayan, Siliiau	Freehold	3	10	Oil palm research and cloning centre	-	2,960
Lot 65 and 66, Kawasan Perumahan Senawang, Seremban	Leasehold	4	19	Factory, warehouse and office complex	2073	1,790
Lot 73 and 74, Kawasan Perindustrian Senawang	Leasehold	2,634 sq metres	24	Land and building	2074	3,194
Nilai Impian	Freehold	131	9	Mixed residential and commercial development	-	130,155
Nilai Utama Enterprise Park	Freehold	159	-	Integrated industrial and commercial development	-	37,294
Nilai Utama Workers Housing Complex – Phase NU 5A, Nilai	Freehold	3	-	Housing complex	-	12,538
Port Dickson Bungalows						
- Sri Fajar	Freehold	2	48	Holiday bungalows	-	9,138
- Sri Bayu	Freehold	-	20		-	
- Sri Menyinsing	Freehold	-	17		-	
- Sinaran Selat	Leasehold	1	12		2072	
Port Dickson Power Berhad, Jalan Seremban	Freehold	22	12	Industrial building and land	-	15,717
Tanah Merah, Port Dickson	Freehold	26	-	Quarries - granite	-	11,332

## 7. BUSINESS (cont'd)

Location	Tenure	Total Area Ha (unless specified otherwise)	Age of building (years)	Description	Year of expiry	Net book value as at 30 June 2007 RM 000
<b>Sabah</b>						
A03-06, Block A, Marina Court, Kota Kinabalu	Leasehold	115 sq metres		Residential apartment	2104	375
Jalan Labuk, Sandakan	Leasehold	35,900 sq metres	27	Residential land, building and commercial office	2888	1,562
Jalan Apas, Tawau	Leasehold	14,746 sq metres	27	Office, workshop and warehouse complex	2925	623
SEDCO Industrial Estate, Kota Kinabalu	Leasehold	15,721 sq metres	3	Motor vehicle showroom and service centre	2034	4,528
Tuaran Road, Likas, Kota Kinabalu	Leasehold	11,007	27	Office, workshop and warehouse complex	2026	715
<b>Sarawak</b>						
Jalan Piasau, Miri	Leasehold	20,275 sq metres	27	Office, workshop and warehouse complex	2028	989
Kidurong Light Industrial Estate, Bintulu	Leasehold	10,704 sq metres	23	Workshop	2042	3,131
Lorong Then Kung Suk 4, Sibul	Leasehold	7,249 sq metres	18	Office, workshop and warehouse complex	2046	3,665
Seduan Land District, Sibul	Leasehold	7,249 sq metres	18	Industrial land and building	2046	683
<b>Johor</b>						
Jalan Gangsa, Pasir Gudang	Leasehold	42,700 sq metres	27	Office, workshop, warehouse complex and vacant land	2038	3,168
Jalan Mutiara, Taman Mutiara, Pontian	Freehold	143 sq metres	13	Single storey terrace house	-	83
Jalan Tampoi, Johor Bahru	Leasehold	39,893 sq metres	41	Factory building	2026	470
Lot 41343, 41344 and 41345, Senai Land, Johor Bahru	Freehold	14,750 sq metres	-	Vacant land	-	2,470
Lot PT20126, Township and District of Johor Bahru	Freehold	49,240 sq metres	-	Industrial land	-	13,243
Pasir Gudang Industrial Estate	Leasehold	14	17	Industrial land and building	2045	20,209
Pasir Gudang Industrial Estate	Leasehold	2	-	Land and building	2053	2,154
Pasir Gudang Industrial Estate	Leasehold	2	-	Land and workshop	2053	811
Pasir Gudang Industrial Estate	Leasehold	4.05	-	Land and building	2035	12,233
Pasir Gudang Industrial Estate	Leasehold	11	-	Land and building	2023	58,585
Pasir Gudang Industrial Estate	Leasehold	5,500 sq metres	-	Land and building	2022	1,516
Pasir Gudang Industrial Estate	Leasehold	11	4	Land and building	2023	32,754

## 7. BUSINESS (cont'd)

Location	Tenure	Total Area Ha (unless specified otherwise)	Age of building (years)	Description	Year of expiry	Net book value as at 30 June 2007 RM 000
<b>Melaka</b>						
Lot 159 and 160, Jalan Parameswara	Leasehold	10,155 sq metres	9	Commercial land and building	2080	94,052
<b>Kedah</b>						
PT 439 and 440 Mukim Padang Meha, Kulim	Freehold	809,370 sq metres	11	Industrial land and building	-	61,045
<b>INDONESIA</b>						
Awatan, Lembiru, Pelanjau-Marau, Kalimantan	Leasehold	9,409	-	-	2030	69,367
Kawasan Industri Cikarang, Block GG, Kav. No. 5H, Bekasi, West Java	Leasehold	-	4	Warehouse	2027	264
PT Mas I and PT Mas II – Sanggau, Kalimantan	Leasehold	8,741	-	-	2030	59,884
Regional Office, Jalan Ahmad Yani, KM22.6, Landasan Ulin Utara, Banjarbaru, South Kalimantan	Leasehold	3	3	Office complex	2033	2,452
<b>SINGAPORE</b>						
24 Benoi Sector	Leasehold	11,704 sq metres	22	Motor vehicle pre-delivery inspection centre	2032	53
26 Benoi Sector	Leasehold	67,348 sq metres	23	Workshop, warehouse, storage and utility	2032	152
3 <sup>rd</sup> Chin Bee Road	Leasehold	4,950 sq metres	26	Factory and office building	2040	2,708
303 Alexandra Road	Leasehold	7,760 sq metres	-	Motor workshop and showroom	2047	30,707
305 Alexandra Road	Leasehold	6,931 sq metres	-	Motor workshop, showroom, office and storage	2057	92,108
315 Alexandra Road	Leasehold	7,720 sq metres	14	5 Storey factory building	2056	55,777
4 <sup>th</sup> Chin Bee Road	Leasehold	15,355 sq metres	26	Factory and office building	2034	6,730
Chin Bee Drive	Leasehold	6,873 sq metres	27	Factory and office building	2034	3,061
Darby Park Executive Suites	Leasehold	3,373 sq metres	14	Service apartment building	2092	65,479
Jalan Boon Lay	Leasehold	30,865 sq metres	38	Industrial land and building	2029	4,685
Jurong Pier Road	Leasehold	16,456 sq metres	42	Workshop and office building	2026	4,145
Kampong Arang Road	Leasehold	8,357 sq metres	41	Motor workshop, showroom and office building	2034	5,193
Sime Darby Centre, Dunearn Road	Freehold	13,089 sq metres	24	Commercial, warehouse and industrial building	-	133,079
Sime Darby Enterprise Centre	Leasehold	2,201 sq metres	1	Light industrial building	2061	23,418
Ubi Road 4	Leasehold	4,993 sq metres	17	Motor workshop, showroom and office	2020	13,682

## 7. BUSINESS (cont'd)

Location	Tenure	Total Area Ha (unless specified otherwise)	Age of building (years)	Description	Year of expiry	Net book value as at 30 June 2007 RM 000
<b>AUSTRALIA</b>						
Altonia Drive, Weipa, Queensland	Freehold	1,225 sq metres	11	Residential building	-	716
37-41, Commercial Avenue, Mackay, Queensland	Freehold	1	13	Industrial land	-	7,697
6 Blaine Drive, Gladstone, Queensland	Leasehold	7,362 sq metres	2	Industrial buildings	2008	111
Archer Drive, Moranbah, Queensland	Freehold	805 sq metres	25	Residential building	-	280
Brown Street, Alice Springs, Northern Territory	Freehold	5	41	Industrial building	-	946
Buckland Street, Biloela, Queensland	Freehold	698 sq metres	34	Residential building	-	147
Carrington Road, Torrington, Queensland	Freehold	4	36	Industrial building	-	3,408
Cnr Bussel Hwy and Tunbridge, St Margaret River, Western Australia	Freehold	1	22	Motel complex	-	4,608
Cnr Connors Road and Commercial Avenue, Paget, Mackay, Queensland	Perpetual lease	3	22	Industrial building	-	9,119
Cnr Kenny Street and Fearnley Street, Portsmith, Cairns, Queensland	Freehold	1	28	Industrial building and workshop	-	3,505
Cnr Woolcock Street and Blakey Street, Garbutt, Townsville, Queensland	Freehold	2	34	Industrial building	-	2,466
Gregory Highway, Emerald, Queensland	Freehold	13	18	Industrial building	-	1,306
Hay Street, Subiaco, Western Australia	Leasehold	4,800 sq metres	16	Land and building, service apartment	2021	1,813
Hay Street, Subiaco, Western Australia	Freehold	84 sq metres	16	Land and building, service apartment	-	581
Helensvale, Gold Coast, Queensland	Freehold	49	-	Development land	-	73,028
Hill Road, Homebush Bay	Leasehold	1,085 sq metres	9	Office building and warehouse	2007	30
Kerry Road, Archerfield, Queensland	Freehold	13	62	Industrial building	-	33,235
Kolongo Crescent, Kalkadoon, Mt Isa, Queensland	Freehold	3	30	Industrial building	-	3,166
Lot 1000 Orkney Road, Karratha, WA	Freehold	4,368 sq metres	10	Branch office	-	1,681
Port Curtis Road, Rockhampton, Queensland	Freehold	35	34	Industrial building	-	25,547
Vasse Highway, Pemberton, Western Australia	Freehold	116	22	Resort complex	-	11,685
Wishart Road, Berrimah, Darwin, Northern Territory	Freehold	1	4	Industrial building	-	9,152
<b>CHINA</b>						
26-28, (Yanjadi) Southern Section of Xiyuan Road Kunming	Leasehold	5,258 sq metres	4	Workshop	2023	2,586
3/F and 4/F, Topsail Plaza II, On Sum Street Shatin New Territories, Hong Kong	Leasehold	6,866 sq metres	13	Industrial building for motor service centre	2047	57,084
6 units Fuwah Apartment, Weifang City	Leasehold	896 sq metres	3	Apartments	2075	1,711

## 7. BUSINESS (cont'd)

Location	Tenure	Total Area Ha (unless specified otherwise)	Age of building (years)	Description	Year of expiry	Net book value as at 30 June 2007 RM 000
74, Tianshan Road, Shantou City, Guangdong	Leasehold	3,027 sq metres	4	Motor vehicle service centre	2022	4,455
8 Fuk Wang Street, Yuen Long Industrial Estate, Yuen Long, New Territories Hong Kong	Leasehold	13,039 sq metres	13	Industrial building and service centre for heavy equipment	2047	19,952
Castle Peak Road, Tsuen Wan, New Territories, Hong Kong	Leasehold	14,586 sq metres	35	6 Storey motor service centre with vehicular lifts	2047	14,654
District no. 18, Shunde Beijiao, Economic Industrial Area	Leasehold	2,723 sq metres	12	Single storey heavy equipment service centre	2045	4,279
Dongli Town, Yiyuan County Shandong Province	Leasehold	574 sq metres	1	Water treatment chemicals plant	2037	220
Hai Yu Zhong Xi Road, Xinying District, Haikou, Hainan	Leasehold	4,251 sq metres	13	Single storey motor service centre	2070	78
Hanting, Shandong Province	Leasehold	686,642 sq metres	-	Water reservoir and water treatment plant	2055	10,975
Kailey Industrial Centre, Fung Yip Street, Chai Wan, Hong Kong	Leasehold	9,456 sq metres	17	Industrial building for motor service centre	2047	21,220
Ma Que Ling Industrial Zone, Shennan Road, Nan Shan District Shenzhen	Leasehold	23,379 sq metres	13	8 Storey Industrial building for motor service centre	2022	17,362
Matauwei Road, Tokwawan, Kowloon, Hong Kong	Leasehold	14,852 sq metres	45	11 Storey motor service centre with showroom and petrol filling station	2035	21,405
Nanhai Dadao Road, Haikou Province	Leasehold	4,368 sq metres	-	Workshop and showroom	2059	9,785
North Side, Chongkou Cun, Guangzhou	Leasehold	3,647 sq metres	10	Motor service centre and showroom	2032	3,997
Oriental Centre, Chatham Road, Kowloon, Hong Kong	Leasehold	702 sq metres	35	Commercial building for office usage	2038	7,171
Rua Dos Pescadores, Macau	Leasehold	4,807 sq metres	42	5 Storey motor service centre with vehicular lifts	2015	649
South Side, West Railway Station, Shenzhen City, Shenzhen	Leasehold	6,850 sq metres	3	Workshop	2014	3,650
Yangzi Town, Hanting District	Leasehold	14,528 sq metres	-	Warehouse, hostel, office and factory	2055	10,723
Yangzi Town, Hanting District	Leasehold	371,710 sq metres	7	Port	2055	46,432
Yuen Long, New Territories, Hong Kong	Leasehold	38,809 sq metres	15	Agricultural lots	2047	7,143
Xin An 4th Road, 34th District, Bao An, Shenzhen	Leasehold	1,767 sq metres	18	Showroom	2008	323
<b>THAILAND</b>						
Charan Sanit Wong	Leasehold	1,604 sq metres	3	Land and building	2013	1,222
Charan Sanit Wong	Leasehold	163 sq metres	3	Land and building	2019	4,188
Charoen Nakhon	Leasehold	5,649 sq metres	3	Land and building	2024	7,944

## 7. BUSINESS (cont'd)

Location	Tenure	Total Area Ha (unless specified otherwise)	Age of building (years)	Description	Year of expiry	Net book value as at 30 June 2007 RM 000
Laem Chabang Power Co, Ltd, Sukhumvit Road, Chonburi	Leasehold	46,645 sq metres	7	Land and building	2018	17,989
Lardkrabang 1 and 2, Bangkok	Leasehold	4,168 sq metres	1	Land and building	2019	3,411
Minburi, Bangkok	Leasehold	4,108 sq metres	1	Land and building	2019	1,950
Pak Nam, Samutprakarn	Leasehold	3,200 sq metres	3	Land and building	2025	2,816
Phetkasem Road, Bangkok	Leasehold	4,412 sq metres	5	Land and building	2023	3,214
Poochaosamingprai Road, Phrapradaeng, Samutprakarn	Freehold	13,112 sq metres	21	Land and building	-	33,974
Ramintra, Bkk	Leasehold	800 sq metres	6	Showroom, workshop and office	2017	894
Samutprakarn Province	Freehold	39,140 sq metres	3	Land and building	-	12,647
Sapsansong 1, Bangkok	Leasehold	6,632 sq metres	-	Land	2020	-
Sapsansong 2, Bangkok	Leasehold	8,056 sq metres	12	Land and building	2020	2,892
Soi Skhumvit 26, Bangkok	Freehold	488 sq metres	22	Land and building	-	1,816
Srinakarim Road, Bangkok	Leasehold	8,897 sq metres	11	Land and building	2025	1,697
Sukhumvit Road	Leasehold	192 sq metres	1	Office building	2018	464
Suksawat	Leasehold	732 sq metres	4	Land and building	2009	39
T.Bangtorud A.Muang, Samutsakorn	Freehold	65,583 sq metres	-	Land	-	3,575
<b>PAPUA NEW GUINEA</b>						
Allotment 46, Karimata Street, Lae	Leasehold	1,040 sq metres	39	Duplex property	2068	46
Allotment 77, Hibiscus Avenue, Lae	Leasehold	1,391 sq metres	44	Residential building	2057	41
Cnr Milford Haven Road and Malaita Street, Lae	Leasehold	2	56	Sales, service and parts facility	2050	129
Spring Gardens Road, Hohola, Port Moresby	Leasehold	3	36	Office building	2070	1,601
<b>SOLOMON ISLANDS</b>						
Allotment 21, Panatina Village, Honiara	Leasehold	2,828 sq metres	24	Residential building	2050	24
Allotment 22, Panatina Village, Honiara	Leasehold	1,812 sq metres	24	Residential building	2050	24
Allotment 23, Panatina Village, Honiara	Leasehold	1,320 sq metres	24	Residential building	2050	26
Honiara Facility, Guadalcanal Island	Leasehold	2	24	Industrial property	2031	132
<b>NEW ZEALAND</b>						
38 Great South Road, New Market, Auckland	Freehold	1,518 sq metres	7	Showroom and workshop	-	9,161
7-9, Silverfield, Glenfield	Freehold	1,724 sq metres	42	Vehicle trade parts and service centre	-	2,182
Malden Street, palmerston North	Freehold	3	-	Land and building	-	20,594



## 7. BUSINESS (cont'd)

Location	Tenure	Total Area Ha (unless specified otherwise)	Age of building (years)	Description	Year of expiry	Net book value as at 30 June 2007 RM 000
<b>VIETNAM</b>						
5 Duy Tan Street, Vung Tau	Leasehold	6,123 sq metres	12	Service apartment	2030	10,914
Binh Duong	Leasehold	15,000 sq metres	3	Land and building	2054	664
Golden Hope-Nhabe Edible Oils Co. Ltd., Ho Chi Minh City	Leasehold	26,300 sq metres	15	Industrial land with factory	2027	-
<b>UK</b>						
1 Unit, 3 Bedroom Apartment at St. John's Wood Road, NW8, London	Leasehold	900 sq ft	19	Apartment	2109	3,321
50 Wynnstay Gardens, Kensington, England	Leasehold	171 sq metres	-	4 Bedroom residential flat	2085	2,329
Bognor Regis	Freehold	18	-	Investment land	-	441
Bognor Regis	Freehold	5	30	Investment land and building	-	19,392
<b>NEW CALEDONIA</b>						
Kouaoua	Freehold	2	14	Residential building	-	8
<b>BRUNEI</b>						
Lot 69, Beribi Industrial Estate, Bandar Seri Begawan	Leasehold	1,638	8	Office, service centre and warehouse	2009	415
<b>PHILIPPINES</b>						
Makati, Metro Manila	Leasehold	10,000 sq metres	48	Office complex and warehouse	2026	-
<b>NETHERLANDS</b>						
Unimills	Freehold	15	22	Industrial land with factory	-	4,919
	Leasehold				2025	

## 7. BUSINESS (cont'd)

The properties that were acquired in the past 2 years preceding the date of this Prospectus are set out below:

Property	Date of transaction	Price paid (RM 000)
303 Alexandra Road, Singapore	05.10.2005	30,635.0
Jalan Kenyalang, Kuala Kubu Bahru, Selangor, Malaysia	21.02.2006	232.9
A03-06, 3 <sup>rd</sup> Floor Block A, Marina Court, Kota Kinabalu, Sabah, Malaysia	31.03.2006	375.7
Fuwah Apartment, Weifang City, China	24.04.2006	1,666.2
Lot 33, Jalan Pelukis U1/46-HSDM, Seksyen U1, Temasya Industrial Park, 40150 Shah Alam, Malaysia	22.06.2006	12,500.0
Lot 1000 at Oyster Cove, Gold Coast Australia	20.11.2006	59,430.0
Lot 1000, Orkney Road, Karratha, WA, Australia	16.01.2007	1,584.6
Dongji Town, Yiyuan County, Shandong Province, China	16.03.2007	218.1
Mackay Facility, Queensland, Australia	25.05.2007	18,365.9
13 Lots at Oyster Cove, Gold Coast, Australia	13.07.2007	20,458.3

## 7. BUSINESS (cont'd)

### 7.13 Subsidiaries, Associated Companies and Jointly-Controlled Entities

Upon completion of the Merger, all the businesses of the Participating Companies will be transferred to our Group, after which each Participating Company will be dormant. We will continue with the operations of the businesses and will have the following subsidiaries, associated companies and jointly-controlled entities.

The details of our Group's proposed active/operating subsidiaries, associated companies and jointly-controlled entities as at the LPD are set out in the table below.

Company	Date and country of incorporation	Issued and paid-up share capital / registered capital RM (unless otherwise stated)	Effective equity interest held (%)	Principal activities
<b>I. PLANTATIONS</b>				
Austral Edible Oil Sdn Bhd	23.03.1987 Malaysia	25,001,000	60.0	Palm oil refining
Austral Enterprises Berhad	21.12.1965 Malaysia	83,996,022	100.0	Production and processing of palm oil, and PK
Bangladesh Edible Oil Limited	11.01.1992 Bangladesh	TK25,000,200	40.0 <sup>^</sup>	Operation of edible oil refineries
Chartquest Sdn Bhd	22.07.1985 Malaysia	13,834,395	61.1	Production and processing of palm oil
Clean Energy B.V.	10.07.2006 Netherlands	EUR18,000	100.0	Production and sale of biodiesel
Cognis Importação e Comércio Oleoquímica Ltda	23.09.2005 Brazil	REAI\$2,470,279	50.0 <sup>^</sup>	Marketing and distribution of oleochemicals products
Cognis Oleochemicals (M) Sdn Bhd	06.10.1980 Malaysia	400,000,000	50.0 <sup>^</sup>	Investment holding, production and sales of methylesters, fatty alcohols, specialty chemicals and refined glycerine; and the import and distribution of chemicals for the cosmetics, toiletries, detergent, plastic, paint and textile industries
Cognis Oleochemicals Canada Limited	21.09.2005 Canada	CND\$3,200,010	50.0 <sup>^</sup>	Production and trading in oleochemicals
Cognis Oleochemicals GmbH	01.06.1898 Germany	EUR1,280,000	50.0 <sup>^</sup>	Production and trading in oleochemicals
Cognis Oleochemicals HK Limited	21.07.2006 Hong Kong	HK\$2,000	50.0 <sup>^</sup>	Investment holdings and trading in oleochemicals
Cognis Oleochemicals Japan Limited	05.01.2006 Japan	JPY100,000,000	50.0 <sup>^</sup>	Marketing and distribution of oleochemical products
Cognis Oleochemicals LLC	02.06.2005 USA	USD1,000	50.0 <sup>^</sup>	Production and trading in oleochemicals

## 7. BUSINESS (cont'd)

Company	Date and country of incorporation	Issued and paid-up share capital / registered capital RM (unless otherwise stated)	Effective equity interest held (%)	Principal activities
<b>I. PLANTATIONS</b>				
Cognis Oleochemicals Trading (Shanghai) Co. Limited	26.12.2006 China	USD140,000	50.0 <sup>A</sup>	Trading in oleochemicals
Cognis Oleochemicals U.K. Limited	06.07.2005 UK	£1,000	50.0 <sup>A</sup>	Investment holding and trading in oleochemicals
Cognis Rika (M) Sdn Bhd	22.11.1982 Malaysia	109,375,000	27.5 <sup>A</sup>	Production and sales of fatty alcohols
Consolidated Plantations Berhad	14.07.1979 Malaysia	352,687,924	100.0	Investment holding
Derawan Sdn Bhd	13.03.1986 Malaysia	20,000	100.0	Production of palm oil
Golden Hope Agrotech Consultancy Sdn Bhd	02.04.1969 Malaysia	1,000,000	100.0	Provision of agricultural consultancy services
Golden Hope Biodiesel Sdn Bhd (formerly known as Rubiatec Sdn Bhd)	09.11.1989 Malaysia	25,000,000	100.0	Production and sale of biodiesel
Golden Hope Bioganic Sdn Bhd	08.11.1989 Malaysia	3,000,000	100.0	Production of Vitamin E
Golden Hope Food & Beverages Sdn Bhd	27.06.1994 Malaysia	21,000,000	100.0	Fruit cultivation and processing
Golden Hope Fruit Industries Sdn Bhd	09.12.1980 Malaysia	6,000,000	100.0	Trading and marketing of fruit juices
Golden Hope Latex Sdn Bhd	17.10.1947 Malaysia	5,803,358	100.0	Manufacture of latex concentrate
Golden Hope Plantations (Peninsular) Sdn Bhd	21.07.1981 Malaysia	1,018,659,265	100.0	Production and processing of palm oil, rubber and copra
Golden Hope Plantations (Sabah) Sdn Bhd	16.12.1957 Malaysia	308,675,763	100.0	Operation of oil palm plantations, production and processing of CPO and PK
Golden Hope Plantations (Sarawak) Sdn Bhd	06.03.1989 Malaysia	25,000,000	100.0	Production and processing of palm oil and PK
Golden Hope-Nhabe Edible Oils Co Ltd	14.04.1992 Vietnam	VND9,267,776,198	30.6	Edible oils refining
Golden Jomalina Food Industries Sdn Bhd	23.11.1974 Malaysia	10,000,000	100.0	Palm oil refining

## 7. BUSINESS (cont'd)

Company	Date and country of incorporation	Issued and paid-up share capital / registered capital RM (unless otherwise stated)	Effective equity interest held (%)	Principal activities
<b>I. PLANTATIONS</b>				
GRopel	21.06.1966 Malaysia	127,036,071	58.0	Production and/or processing of palm oil and PK
Guangzhou Keylink Chemicals Co. Ltd	29.12.2006 China	RMB64,790,000	36.0^	Production and sale of methylester sulphonate
Guthrie Biotech Laboratory Sdn Bhd	02.09.1985 Malaysia	200,000	100.0	Research and cloning of oil palm for sale
Guthrie Export Sdn Bhd	20.11.1954 Malaysia	200	100.0	Palm oil storage installations
Guthrie Plantation & Agricultural Services Sdn Bhd	10.09.1985 Malaysia	2,000,000	100.0	Provision of plantation consultancy services and production and sale of oil palm seeds, seedlings and rat baits
HLB	16.10.1975 Malaysia	302,167,829	55.0	Production and/or processing of palm oil and PK
HRU Sdn Bhd	22.06.1973 Malaysia	205,000	55.0	Production and sale of oil palm seeds, seedlings and rat baits
Hudson & Knight (Proprietary) Limited	13.12.2004 South Africa	RAND200	100.0	Bakery fats and edible oils refining
Intertrade (Bangladesh) Pte Limited	10.08.1986 Bangladesh	TK250,000	40.0^	Rental of oil tanks and trading in edible oils
Kapar Coconut Industries Sdn Bhd	06.05.1985 Malaysia	4,285,714	51.0	Manufacture of coconut-based food products
Kempas Edible Oil Sendirian Berhad	19.09.1974 Malaysia	4,000,000	100.0	Palm oil refining and fractionation; and manufacturing and marketing of specialty and end user fats
Kumpulan Jerai Sdn Bhd	25.03.1920 Malaysia	51,200,000	100.0	Production and/or processing of palm oil and PK
Kumpulan Kamuning Sdn Bhd	03.12.1975 Malaysia	30,383,002	100.0	Production and/or processing of palm oil and PK
Kumpulan Ladang-Ladang Rajawali Sdn Bhd	17.03.1987 Malaysia	2	100.0	Production of palm oil
Kumpulan Linggi Sdn Bhd	03.12.1975 Malaysia	35,443,002	100.0	Production and/or processing of palm oil and PK
Kumpulan Sua Betong Sdn Bhd	01.12.1975 Malaysia	36,831,002	55.0	Production and/or processing of palm oil and PK
Kumpulan Tebong Sdn Bhd	02.12.1975 Malaysia	32,678,002	55.0	Production and/or processing of palm oil and PK
Kumpulan Temiang Sdn Bhd	04.12.1975 Malaysia	29,652,002	58.0	Production and/or processing of palm oil and PK

## 7. BUSINESS (cont'd)

Company	Date and country of incorporation	Issued and paid-up share capital / registered capital RM (unless otherwise stated)	Effective equity interest held (%)	Principal activities
<b>I. PLANTATIONS</b>				
Mentakab	06.12.1958 Malaysia	60,249,170	60.7	Oil palm plantations
Morakot Industries Public Company Limited	01.10.1981 Thailand	Baht599,017,490	99.9	Manufacture and marketing of cooking oil
P.T. Budidaya AgroLestari	29.02.1992 Indonesia	Rp6,226,000,000	100.0	Production of palm oil
P.T. Mitra Austral Sejahtera	15.07.1996 Indonesia	Rp44,898,763,200	65.0	Production and processing of palm oil, and PK
P.T. Sandika Natapalma	31.03.1992 Indonesia	Rp52,204,000,000	100.0	Production of palm oil
PNB Enterprise Sdn Bhd	24.06.2000 Malaysia	8,000,000	75.0	Cattle rearing business
PT Aneka Intipersada	31.08.1989 Indonesia	Rp26,000,000,000	100.0	Production and/or processing of palm oil and PK
PT Bahari Gembira Ria	04.03.1981 Indonesia	Rp15,000,000,000	99.0	Production and/or processing of palm oil and PK
PT Bersama Sejahtera Sakti	25.06.1984 Indonesia	Rp74,453,000,000	91.0	Production and/or processing of palm oil and PK
PT Bhumireksa Nusasejati	30.01.1988 Indonesia	Rp41,366,000,000	100.0	Production and/or processing of palm oil and PK
PT Bina Sains Cemerlang	27.06.1980 Indonesia	Rp55,263,000,000	100.0	Production and/or processing of palm oil and PK
PT Guthrie Pecconina Indonesia	13.10.1995 Indonesia	USD20,000,000	100.0	Production and/or processing of palm oil and PK
PT Indotruba Tengah	13.03.1990 Indonesia	Rp12,400,000,000	50.0	Production and/or processing of palm oil and PK
PT Kridatama Lanca	24.10.1988 Indonesia	Rp28,192,000,000	100.0	Production and/or processing of palm oil and PK
PT Ladangrumpun Suburabadi	03.09.1988 Indonesia	Rp29,435,000,000	100.0	Production and/or processing of palm oil and PK
PT Laguna Mandiri	25.02.1989 Indonesia	Rp47,727,000,000	89.0	Production and/or processing of palm oil and PK
PT Lahan Tani Sakti	16.10.1985 Indonesia	Rp32,981,000,000	100.0	Oil palm and rubber cultivation
PT Langgeng Muaramakmur	20.02.1989 Indonesia	Rp35,901,000,000	100.0	Production and/or processing of palm oil and PK
PT Padang Palma Permai	21.11.1956 Indonesia	Rp16,307,000,000	75.0	Production and/or processing of palm oil and PK
PT Paripurna Swakarsa	28.02.1989 Indonesia	Rp68,897,000,000	93.0	Production and/or processing of palm oil and PK

## 7. BUSINESS (cont'd)

Company	Date and country of incorporation	Issued and paid-up share capital / registered capital RM (unless otherwise stated)	Effective equity interest held (%)	Principal activities
<b>I. PLANTATIONS</b>				
PT Perkasa Subur Sakti	11.04.1991 Indonesia	Rp14,965,000,000	100.0	Processing of palm oil and PK
PT Perusahaan Perkebunan Industri dan Niaga Sri Kuala	23.08.1961 Indonesia	Rp500,000,000	76.0	Production and/or processing of palm oil and PK
PT Sajang Heulang	05.11.1983 Indonesia	Rp28,153,000,000	100.0	Production and/or processing of palm oil and PK
PT Sime Indo Agro	20.09.1995 Indonesia	USD9,000,000	100.0	Oil palm cultivation
PT Swadaya Andika	28.02.1989 Indonesia	Rp28,026,000,000	100.0	Production and/or processing of palm oil and PK
PT Tamaco Graha Krida	21.08.1982 Indonesia	Rp17,400,000,000	90.0	Production and/or processing of palm oil and PK
PT Teguh Sempurna	24.10.1988 Indonesia	Rp28,401,000,000	100.0	Production and/or processing of palm oil and PK
PT Tunggal Mitra Plantations	22.05.1980 Indonesia	Rp23,750,000,000	60.0	Production and/or processing of palm oil and PK
Sahua Enterprise Sdn Bhd	17.01.1983 Malaysia	20,000	100.0	Production of palm oil
Savola Morocco S.A.	17.10.2002 Morocco	DHS222,650,000	25.0 <sup>^</sup>	Production and sales of edible oils
Sime Darby Edible Products Limited	28.05.1938 Singapore	SGD8,000,000	100.0	Refining, manufacturing and marketing of edible oils and palm oil related products and surfactant
Sime Darby Futures Trading Sdn Bhd	28.12.1981 Malaysia	2,000,000	100.0	Commodity trading
Sime-Morakot Holdings (Thailand) Limited	11.02.1990 Thailand	Baht100,000	100.0	Investment holding
Sime Plantations Sdn Bhd	02.04.2004 Malaysia	600,000,000	100.0	Oil palm cultivation and palm oil production
Syarikat Jeleta Bumi Sdn Bhd	07.03.1978 Malaysia	9,000,000	55.0	Production and processing of palm oil and PK and property development
The China Engineers (Thailand) Limited	31.05.1965 Thailand	Baht1,000,000	100.0	Investment holding
The Glengowrie Rubber Company Sdn Bhd	08.08.1923 Malaysia	350,000	89.7	Land dealing and development, production of oil palm and rubber
Unimills B. V.	14.12.2001 Netherlands	EUR18,000	100.0	Edible oils refining
Wangsa Mujur Sdn Bhd	28.01.1985 Malaysia	10,345	72.5	Production of palm oil

## 7. BUSINESS (cont'd)

Company	Date and country of incorporation	Issued and paid-up share capital / registered capital RM (unless otherwise stated)	Effective equity interest held (%)	Principal activities
<b>II. PROPERTY</b>				
Alexandra Properties Limited	29.08.1990 Singapore	SGD10,000,000	100.0	Property management and investment
Accord Shipping & Forwarding Sdn Bhd	22.06.1978 Malaysia	27,725,000	79.0	Property development
Amston Properties Private Limited	16.07.1988 Singapore	SGD1,500,000	100.0	Investment holding and property investment
Aquila Development Private Limited	19.05.2004 Singapore	SGD2,000,000	100.0	Property development and investment
Artesian Investments Pte Ltd	02.12.1999 Singapore	SGD4,000,000	49.0 <sup>^</sup>	Property development and investment
Augsburg (M) Sdn Bhd	03.08.1990 Malaysia	210,360,002	79.0	Property development
Bitaria Sdn Bhd	20.01.1976 Malaysia	2,500,002	14.9 <sup>^</sup>	Property development
Bluefields Investments Pte Ltd	04.11.1999 Singapore	SGD1,000,000	49.0 <sup>^</sup>	Property development and investment
China Property Development (Holdings) Limited	22.02.2002 Cayman Islands	USD3,667,000	30.4 <sup>^</sup>	Investment holding
Citrus Grove Properties Private Limited	19.12.1992 Singapore	SGD10,000,000	100.0	Property investment and management of service residences
CPB Properties Sdn Bhd	27.05.1989 Malaysia	2	100.0	Property management and related activities
Dunearn Properties Limited	13.07.1983 Singapore	SGD20,000,000	100.0	Property management and investment
Ecopuri Sdn Bhd	28.11.1995 Malaysia	2	100.0	Investment holding
Genting View Resort Development Sdn Bhd	24.09.1981 Malaysia	1,000,000	31.0	Property development
Golden Hope Builders Sdn Bhd	15.04.1995 Malaysia	1,000,000	100.0	Property development and related businesses and investment holding
Golden Hope Heritage Sdn Bhd	09.10.2004 Malaysia	2	100.0	Property development and related businesses and investment holding



## 7. BUSINESS (cont'd)

Company	Date and country of incorporation	Issued and paid-up share capital / registered capital RM (unless otherwise stated)	Effective equity interest held (%)	Principal activities
<b>II. PROPERTY</b>				
Golden Hope Properties (Melaka) Sdn Bhd	15.06.1996 Malaysia	500,000	100.0	Property development and related businesses and investment holding
Golden Hope Properties (Perak) Sdn Bhd	17.06.1996 Malaysia	500,000	100.0	Property development and related businesses and investment holding
Golden Hope Properties (Sabah) Sdn Bhd	25.08.1995 Malaysia	2	100.0	Property development and related businesses and investment holding
Golden Hope Properties (Selangor) Sdn Bhd	29.04.1993 Malaysia	500,000	100.0	Property development and related businesses and investment holding
Golden Hope Staff Bungalows Sdn Bhd	08.12.1984 Malaysia	3,630,000	100.0	Property development and related businesses and investment holding
Green East Prime Ventures, Inc	20.12.1996 Philippines	P12,500,000	63.2	Property realty and land ownership
Guthrie Chemara Sdn Bhd	14.06.1991 Malaysia	2	100.0	Property development
Guthrie Harta (Damansara) Sdn Bhd	06.09.1950 Malaysia	2,000,000	100.0	Property investment
Guthrie Lukut Development Sdn Bhd	28.09.1990 Malaysia	9,450,002	79.0	Property development
Guthrie Property Development Holding Berhad	15.09.1973 Malaysia	243,334,888	79.0	Property development and investment holding
Guthrie Property Management Sdn Bhd	13.11.1984 Malaysia	22,836,589	79.0	Real estate and property management
Guthrie Ropel Development Sdn Bhd	23.11.1981 Malaysia	2	58.0	Property development and cultivation of oil palm
Harvard Jerai Development Sdn Bhd	13.04.1991 Malaysia	5,000,000	100.0	Property development
I&P Morib Sdn Bhd	10.01.2001 Malaysia	300,000	28.0 <sup>A</sup>	Property development
I&P Seriemas Sdn Bhd	04.07.1984 Malaysia	2,500,000	40.0 <sup>A</sup>	Property development and related businesses and investment holding
Impian Golf Resort Berhad	18.03.1993 Malaysia	5,000,000	100.0	Property development and related businesses and investment holding

## 7. BUSINESS (cont'd)

Company	Date and country of incorporation	Issued and paid-up share capital / registered capital RM (unless otherwise stated)	Effective equity interest held (%)	Principal activities
<b>II. PROPERTY</b>				
Kuala Lumpur Golf & Country Club Berhad	12.04.1990 Malaysia	5,000,000	100.0	Provision of golfing, sporting and other recreational activities and services as well as property development
Lengkap Teratai Sdn Bhd	12.12.1994 Malaysia	2	51.2	Property investment and development
Malaysia Land Development Company Berhad	31.12.1964 Malaysia	9,993,470	51.0	Property investment
Melawati Development Sdn Bhd	24.07.1973 Malaysia	10,000,002	62.6	Property development and related businesses and investment holding
Melawati Resort Berhad	27.09.1995 Malaysia	2	62.6	Property development and related businesses and investment holding
Mostyn Development Sdn Bhd	08.11.2005 Malaysia	10	30.0^	Has not commenced operations
N.P. Development Sdn Bhd	15.06.1995 Malaysia	500,000	43.8	Property development and related businesses and investment holding
Negara Properties (M) Berhad	22.04.1959 Malaysia	70,599,161	62.6	Property development and related businesses and investment holding
Negara Properties Builders Sdn Bhd	26.09.1995 Malaysia	5,000,000	62.6	Property development and related businesses and investment holding
Negara Properties Harta Sdn Bhd	04.06.1996 Malaysia	2	62.6	Property development and related businesses and investment holding
Negara Properties Landscaping Sdn Bhd	16.09.1978 Malaysia	500,000	62.6	Property development and related businesses and investment holding
Negara Properties Leisure Management Sdn Bhd	18.03.1993 Malaysia	2	62.6	Property development and related businesses and investment holding
Negara Properties Realty Sdn Bhd	13.03.1984 Malaysia	500,000	62.6	Property development and related businesses and investment holding
Negara Properties Services Sdn Bhd	05.04.1977 Malaysia	10,002	62.6	Property development and related businesses and investment holding
Negara Properties Smarhome Sdn Bhd	24.05.1997 Malaysia	250,000	62.6	Property development and related businesses and investment holding
OCI Management Pty Ltd	28.03.2007 Australia	AU\$2	42.0	Provision of security and landcare services
Oyster Cove International Pty Ltd	29.06.2006 Australia	AU\$100	42.0	Property development
Oyster Cove Properties Pty Ltd	07.06.2007 Australia	AU\$2	100.0	Property investment

## 7. BUSINESS (cont'd)

Company	Date and country of incorporation	Issued and paid-up share capital / registered capital RM (unless otherwise stated)	Effective equity interest held (%)	Principal activities
<b>II. PROPERTY</b>				
Paralimni Sdn Bhd	02.08.1990 Malaysia	2	79.0	Property development
Prominent Acres Sdn Bhd	30.11.1994 Malaysia	1,000,000	75.6	Property investment, development and plantation
PT Bhumyamca Sekawan	06.12.1974 Indonesia	USD3,500,000	49.0 <sup>^</sup>	Light industrial and commercial property investment and management
Pulau Carey Properties Sdn Bhd	13.05.1996 Malaysia	500,000	100.0	Property development and related businesses and investment holding
Rangdong Orange Court Limited	23.06.1995 Vietnam	USD4,000,000	65.0	Property investment and management of service residences
Shaw Brothers (M) Sdn Bhd	09.04.1984 Malaysia	100,000,000	18.4 <sup>^</sup>	Property and investment holding
Siltown Realty Philippines, Inc	29.05.1974 Philippines	P7,999,500	39.5 <sup>^</sup>	Investment holding
Silvertown Property Development Corporation	06.03.1991 Philippines	P325,000	98.7	Leasing of properties
Sime Darby Australia Limited	13.12.1918 Australia	AU\$7,388,005	100.0	Investment holding, service apartment operations and management
Sime Darby Brunfield Holding Sdn Bhd	08.02.2006 Malaysia	1,000,000	60.0	Property development and investment holding
Sime Darby Hotels Pty Ltd	16.12.1965 Australia	AU\$70,000	100.0	Operations of service apartments
Sime Darby Industrial Properties Sdn Bhd	18.12.1979 Malaysia	1,000,000	100.0	Property investment
Sime Darby Land Sdn Bhd	29.10.1994 Malaysia	250,000	100.0	Property development and management, project management, property investment and plantations business
Sime Darby London Limited	27.07.1972 UK	£38,493,886	100.0	Investment holding
Sime Darby Property Development Sdn Berhad	16.03.1964 Malaysia	250,000	100.0	Property investment
Sime Darby Realty Development Corporation	12.12.1996 Philippines	P350,000,000	98.7	Property development
Sime Darby Resorts Pty Ltd	26.10.1961 Australia	AU\$400,000	100.0	Management of a resort
Sime Darby Urus Harta Berhad	18.02.1957 Malaysia	4,032,341	100.0	Property services and management