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Delivering
Sustainable Futures



FUTURES MADE BETTER

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*Delivering
Sustainable Futures*

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TAN SRI SAMSUDIN OSMAN
Chairman
Sime Darby Berhad

Foreword from the Chairman

TAN SRI SAMSUDIN OSMAN

It gives me great pleasure to introduce this chronicle of Sime Darby's history, in conjunction with the 110th anniversary of the company's establishment.

These 110 years have been an extraordinary journey for the company. Founded in the colonial era, it is one of the few companies that have survived for more than a century and flourished through the years, blossoming into global players in their own right. From humble beginnings as a firm of rubber estate specialists, the company survived through two World Wars and the eclipse of the British Empire, and thrived in independent Malaysia. Throughout all this, the core characteristics of Sime Darby have been resilience, adaptability and the spirit to explore new markets and new businesses.

In the first decade of the 21st century, Sime Darby underwent a transformation without precedent in Malaysia's corporate history. In 2007, the Group merged with two other major Malaysian corporations—Kumpulan Guthrie Berhad and Golden Hope Plantations Berhad—to form the world's largest oil palm plantation company in terms of planted area, and Malaysia's leading diversified conglomerate with businesses in property development, the automotive industry, heavy equipment and engineering.

In the second decade of the new millennium, the company evolved yet again, into three pure play businesses in the plantation, property and trading sectors. Today, Sime Darby Berhad is a lean, focused and driven multinational that continues to share a great deal of commonality with the Sime Darby of 1910, not just in terms of business but also in ethos—that pioneering spirit, a global mindset, the desire for growth and the ability to endure challenges and obstacles.

It was not a smooth road, and we had our fair share of disruptions, but these challenges only made us stronger and more determined. Since the pure play exercise in 2017, the company, now focused on the industrial and motors businesses, has grown in leaps and bounds, expanding its business in its key markets in Asia Pacific. Sime Darby Berhad is today a leading Caterpillar dealer in Asia and one of the largest automotive players in the region.

In the context of all these changes, the publication of this book is timely: in these pages we see how the early founders of Sime Darby were determined to succeed, exploring new industries and opportunities, and constantly innovating while always being anchored deeply in integrity, accountability and sustainability. I personally believe that it is this foundation of governance and compliance that will see the company through the next century and ensure that the Sime Darby brand is one that is trusted and stands for fairness. Whatever business we are in, wherever we choose to operate, we must treat both our internal and external stakeholders with honesty and integrity.

I hope this book will serve as a useful reference for those interested in the evolution of corporate Malaysia as well as in the mercantile history of British Malaya—but above all, my wish is for this book to inspire the next generations of the Sime Darby family so that, in 110 years from now, our successors can look back on the same company, with the same DNA, and be just as proud as we are today.



DATO' JEFFRI SALIM DAVIDSON
Group Chief Executive Officer
Sime Darby Berhad

Message from the Group CEO

DATO' JEFFRI SALIM DAVIDSON

For 110 years, the Sime Darby name has resonated with different communities in different continents around the globe, across Asia, Oceania and Europe.

From rubber and oil palm plantations to engineering, property development, heavy equipment, motor cars, hospitals, utilities and consumer goods trade—which was a company core business for many years—the breadth and scope of all these activities testify to the impact the name “Sime Darby” has had on people in almost every walk of life.

How has the company survived—and thrived—for so long, in an ever more competitive global marketplace? How has Sime Darby endured World Wars, decolonisation and nationalisation as well as global economic and financial crises, and moved onward into the new millennium? How did a fundamentally Malaysian company grow into one of the country’s true multinational conglomerates?

The short answer: resilience, sustainability and integrity. Since its earliest years when such terms were unheard of, Sime Darby has been driven by a keen entrepreneurial spirit grounded in good governance and accountability that remains a core part of the company’s culture and DNA today.

As I write this, the world is still reorienting itself to cope with the changes brought about by the global COVID-19 pandemic—and yet, for Sime Darby, such changes are par for the course. We are diverse both in terms of where we operate and the market segments we serve. And it is mainly due to this unique feature of ours, that despite the seriously challenging market conditions of 2020, we recorded a net profit of RM820 million.

This ethos and resilience come from 110 years of experience, and are embodied in the people of Sime Darby today. But this culture does not exist in a vacuum—and this book documents how Sime Darby developed its character; from its beginnings as a small firm of rubber plantation managers in Melaka, all the way to its transformation into a global conglomerate with operations in Malaysia, China, Australia and other parts of the world.

Ultimately, a company is only as good as its people. This book also pays tribute to the leaders who, through their vision and foresight, have each contributed to the building of Sime Darby today.

TIMELINE

LOOKING BACK AT 110 YEARS OF HISTORY



2019

Sime Darby Berhad acquired three car dealerships representing the BMW, MINI, Volkswagen, Jaguar and Land Rover marques in Parramatta, Sydney.



2019

Sime Darby Motors obtained its first electric vehicle marque, Singulato, and opened a Singulato Brand Experience Centre in China.

2019

2020

**SIME
DARBY
TURNS
110.**



2019

Sime Darby Industrial expanded its footprint to New Zealand with the acquisition of Gough Group Limited, whose business interests include the New Zealand Caterpillar dealership. The dealership has since been renamed Terra Cat.



2019

Sime Darby Motors was appointed as Rolls-Royce dealer for Brisbane, Queensland.



2018

Sime Darby Industrial acquired Australia-based Heavy Maintenance Group Pty Ltd, increasing its market share in the Australian chroming and reclamation market.

2018

2018

Ramsay Sime Darby Health Care established a day surgery centre in Hong Kong.



2018

BMW Group Malaysia and Sime Darby Auto Engineering (SDAE) officially opened an engine assembly facility in Malaysia for BMW engines.



2017

Sime Darby Berhad was transformed from a conglomerate to three independent entities: Sime Darby Plantation Berhad, Sime Darby Property Berhad, and Sime Darby Berhad (consisting of Industrial, Motors, Healthcare, Logistics and other businesses).

2017

2016



2016

Sime Darby Motors opened a new Porsche Parramatta Centre in Sydney, Australia.



2016

Terberg Tractors Malaysia Sdn Bhd (TTM) was awarded an RM88 million contract by Westports Malaysia to strengthen its terminal tractors fleet.

2015

2015

Tractors Singapore Limited expanded Caterpillar machine coverage in Maldives with appointment of second level distributor by Maldives Transport and Contracting Company Plc.

2015

China Engineers Limited opened its new provincial headquarters in Fujian, China.

2014

Sime Darby Motors entered into a joint venture with Sisma Auto Sdn Bhd and obtained sole distributorship and dealership of Jaguar and Land Rover vehicles in Malaysia.

2014

Sime Darby Motors acquired Brisbane BMW Group in Australia.

2014

Terberg Tractors Malaysia appointed 11 Territory Dealers across the Asia Pacific region.

2014



2013

Sime Darby Motors signed agreements to clinch its first BMW dealership in Australia, marking its entry into the luxury market in Australia.



2012

Sime Darby Motors' Rolls-Royce dealership in Macau commenced operations.

2012

Sime Darby Motors started distributing Ford vehicles in Thailand.

2012

2013

2013

Hastings Deering opened a new operator training and demonstration complex at Morayfield, North Brisbane.

2013

Sime Darby Motors began distribution of McLaren vehicles in Shanghai.

2013

Inokom commenced assembly of Mazda vehicles for export to Thailand.



People caring for people

2013

Sime Darby Berhad and Ramsay Health Care Limited entered into a 50:50 joint venture to expand their healthcare businesses in Asia.

2011

2011

Sime Darby Motors started distributing McLaren vehicles in Hong Kong.

2011

Hastings Deering became the first Caterpillar dealer in the world to sell, service and support the new range of Caterpillar underground and surface mining equipment.

2010

Sime Darby Motors added the Jaguar and Land Rover marques to its retail business in China.

2010

Sime Darby Auto Performance Sdn Bhd commenced operations as the distributor and retailer of Porsche branded motor vehicles, spare parts and accessories including provision of related services in Malaysia.

2010

Sime Darby Motors became the retailer of Lamborghini vehicles in China.

2010

2009

2009

Sime Darby Hyundai Sdn Bhd acquired the remaining 60 per cent equity interest in Oriental-Hyundai Sdn Bhd, making Sime Darby Motors the only official dealer of Hyundai vehicles in Malaysia.

2008

Sime Darby expanded into Transportation and Installation (T&I) services for the oil and gas sector via a joint venture company, Sime Darby T&I Sdn Bhd.

2008



2008

Sime Darby brought together its healthcare operations, namely the Subang Jaya Medical Centre (SJMC), Megah Medical Specialists Group, and the SJMC Academy of Nursing and Health Sciences under one division.

2007

Sime Darby Industrial was formed.

2007

Tractors Singapore Limited and several other Caterpillar dealers formed a joint venture, APAC Energy Rental Pte Ltd, to operate generator set rentals in the region.

2007



2007

The newly merged Sime Darby, Guthrie and Golden Hope re-entered Bursa Malaysia under the name of Sime Darby with a market capitalisation of RM59.5 billion—nearly 80 per cent more than its original RM31.6 billion at the start of the merger process.

2006

Sime Darby Group's restructuring exercises resulted in the consolidation of its heavy equipment businesses.

2006

Tractors Malaysia was de-listed from Bursa Malaysia.

2006

Plans to merge Sime Darby, Guthrie and Golden Hope were announced.

2006



2005

Sime Darby Motors finalised the acquisition of several Hyundai dealerships in Malaysia from Berjaya Group, adding the Hyundai brand to its stable of marques in Malaysia.



2004

Sime Darby Motors in New Zealand invested in the truck business involving the distribution of Mack, Renault and Hino trucks. The investment added new brands to the group's retail business which at the time already included Nissan, Mitsubishi, Kia and Suzuki.

2004

2003

Sime Darby Hong Kong Ltd was renamed Sime Darby China Ltd and its regional headquarters was relocated from Hong Kong to Beijing, China.

2003

Auto Bavaria Sdn Bhd entered into a joint venture with BMW Group to establish BMW Malaysia Sdn Bhd.

2002

Sime Darby Australia Ltd acquired Corefleet, one of Australia's leading providers of light commercial vehicle rental and lease solutions, including set-up and maintenance.

2002

China Engineers Limited was appointed as a Caterpillar dealer in the Xinjiang region in China.

2002

2001

Tractors Singapore Limited became the first Caterpillar dealer in Asia to open a Caterpillar Rental Store.

2001

2000

Hastings Deering acquired CALTRAC, the exclusive Caterpillar dealer in New Caledonia. CALTRAC sells, services, rents and supports the complete range of Caterpillar equipment and technology used in the mining, construction, forestry, agriculture, materials handling and government sectors.

2000



2000

Sime Darby and Tesco signed an agreement to set up a chain of hypermarkets in Malaysia, with Sime Darby taking up a 30 per cent share.

1999

China Engineers Limited was appointed as the Caterpillar dealer in Hunan, Jiangxi and Fujian.

1999

Tractors Malaysia's headquarters moved to the Tractors Engineering Complex in Puchong, Selangor, Malaysia.

1999

1998

1998

Sime Darby began its foray into the New Zealand automotive market with an 80 per cent acquisition of Continental Car Services Ltd, a multi-franchise dealership based in Auckland.

1994

Sime Darby Motors acquired distribution rights for the BMW motor vehicle franchise in the Guangdong and Hainan provinces, signalling its entrance into the China automotive market.

1994

1992



1992

Sime Darby acquired the Hastings Deering Caterpillar dealership for Queensland, Northern Territory, Papua New Guinea and Solomon Islands.

1991

The first Malaysian-assembled BMW 730iL rolled out of the Associated Motor Industries plant, making Auto Bavaria the first BMW importer to assemble the vehicle outside Germany.

1991

1990

Harrisons Malaysian Estates Ltd changed its name to Golden Hope Plantations Berhad, to reflect its status as a Malaysianised entity.

1990

1989

Kumpulan Guthrie Berhad was listed on the Kuala Lumpur Stock Exchange.

1989

1987

Sime Darby Hong Kong Ltd acquired sole distributorship rights for the BMW motor vehicle franchise in Hong Kong and Macau.

1987

1987

Auto Bavaria Sdn Bhd, a member of the Pernas Sime Darby Group, was appointed as the authorised sole importer and distributor of BMW products in Malaysia.

1984

Tractors Malaysia began manufacturing and assembly operations.

1984

1985

Sime Darby Berhad moved to its new headquarters at Wisma Sime Darby, Jalan Raja Laut, Kuala Lumpur.



1983

Tractors Singapore Limited became a wholly owned subsidiary of Sime Singapore Limited and gained independent Caterpillar dealership status.

1983

1982

China Engineers Limited was appointed as a Caterpillar dealer in Guangdong, Guangxi and Hainan provinces.

1982

Pernas Sime Darby acquired the Hertz Rent-A-Car franchise for Malaysia and Brunei.

1982

Guthrie Corporation Limited's plantation interests came home to Malaysia. Plantation assets in Malaysia and overseas together with the marketing and distribution network companies in the UK and the US were transferred to Kumpulan Guthrie Sdn Bhd.

1982

Harrisons Plantations Berhad, a joint venture between PNB and Harrisons & Crosfield, was formed to acquire the plantation interests of Harrisons Malaysian Estates Ltd.

1981

Land Rover Malaysia Sdn Bhd was set up by Pernas Sime Darby Holdings and Land Rover Ltd of the UK, to be the sole franchise holder in Malaysia and Brunei for the Land Rover brand.

1981

Tractors Singapore Ltd was appointed the sole distributor of Land Rover and Range Rover vehicles and parts in Singapore. It also became the franchise holder for Ford passenger cars and commercial vehicles in Singapore.



1981

The Dawn Raid: Permodalan Nasional Berhad, through Rowe & Pitman and Khalid Ibrahim, gained control of Guthrie Corporation Limited (GCL) through the implementation of a dawn raid on GCL shares, bringing GCL under Malaysian control.

1980

1980

Sime Darby Berhad commenced trading on the Kuala Lumpur Stock Exchange.

1979

Performance Motors Ltd gained the dealership rights for BMW cars and motorcycles in Singapore.

1979

Sime Darby Berhad acquired the remaining shares in China Engineers Limited, making it a wholly owned subsidiary.

1979

Consolidated Plantations Berhad was incorporated, and became Sime Darby's principal vehicle for further expansion in plantations.

1979



1979

Sime Darby Berhad was incorporated in Malaysia and set up its head office in Jalan Conlay, Kuala Lumpur.

1977

The amalgamation of the "three sisters"—Golden Hope, Pataling and London Asiatic—resulted in the formation of Harrisons Malaysian Estates Ltd, with a total land bank of 179,000 acres planted with rubber, oil palm and coconut.

1977

Guthrie Corporation Limited transferred its plantation interests from UK subsidiaries to Malaysian incorporated companies and expanded to the Philippines, China and Africa.

1977



1976

Sime, Darby & Co saw the departure of its foreign directors and welcomed its first Asian management with the appointment of Tun Tan Siew Sin as its Chairman.

1972

Sime Darby Motors acquired BMW Concessionaires (HK) Ltd, the sole importer and distributor of BMW cars and motorcycles in Hong Kong and Macau.



1972

China Engineers Limited became a subsidiary of Sime Darby Berhad.

1972

1972

Pernas-Sime Darby, a joint venture between Sime Darby and PERNAS, was formed.

1968

Tractors Malaysia was listed on the Kuala Lumpur Stock Exchange and relocated its office to Kuala Lumpur.

1968

1960

Kumpulan Guthrie Sdn Bhd was incorporated to serve as the local agent for Guthrie Estates Agency Ltd.

1960

1945

The creation of synthetic rubber placed the rubber trade under threat, leading to the commercialisation of oil palm.

1942

1942

World War II: All operations of Sime Darby & Co in Malaya were transferred to Singapore due to war.

1964



1964

Tractors Malaysia Limited was established in Singapore.

1945



1945

World War II: Harrisons & Crosfield's London headquarters at Great Tower Street was engulfed in flames due to enemy aircraft activity.

1941

World War II: The first bomb in Singapore landed on the roof of 6 Battery Road, the headquarters of Messrs Guthrie and Company.

1941

1930

Sime, Darby & Co opened its first office in Kuala Lumpur, located along the present-day Jalan Tun H.S. Lee (formerly High Street).

1930

1928

The “three sisters”—Golden Hope, Pataling and London Asiatic—were created through mergers and acquisitions.

1928

1936

1936

Sime, Darby & Co moved its headquarters from Melaka to Singapore.

1929



1929

Sime Darby, through the Sarawak Trading Company, was appointed as a Caterpillar dealer for Sarawak.

1926

1926

Shaw, Darby & Co, a conglomerate based in London, was formed with profitable interests ranging from the Far East to Africa. Shaw Darby was the UK holding company that owned Sime Darby before Malaysianisation.



1920

Guthrie & Co acquired property at Mengkibol, Johor that had been planted with *Elaeis guineensis*, the African oil palm. It also established the first hydraulic press system at the factory.

1912

Guthrie & Co became agent for estates in Borneo and Sumatra, as well as for insurance companies, banks, motorcycles, motor cars and the Singapore Electric Tramway Company.



1920

1912

1910

1916



1916

Sime, Darby & Co became agent and secretary for five rubber plantations with a total of 12,437 acres. The company also diversified into timber, preservatives and motor insurance.

William Middleton Sime, Henry d'Esterre Darby and Herbert Mitford Darby founded Sime, Darby & Co in Melaka.



有限公司 SIME. DA...
INCORPORATED
SIBU.

TRICKSON
SIBU





The Sime, Darby & Co office in Sibul, Sarawak. Sime Darby Industrial had its early beginnings in Sarawak, Malaysia selling Caterpillar heavy equipment to open up land for nation-building. Sime Darby is one of Caterpillar's oldest business partners, dating as far back as 1929, when the first Caterpillar dealership was acquired through the Sarawak Trading Company.

A BRIEF OVERVIEW

SIME DARBY 1910 – 2020

For over a hundred years, “Sime Darby” has been a familiar name to businesses and consumers throughout the Asia Pacific region. Today, Sime Darby Berhad is one of the few remaining corporations in the world that can trace direct descent from the British colonial “Agency House”. These mercantile institutions originated in the 1700s to allow “free traders” restricted access to markets dominated by the East India Company, and traders made their fortunes by acting as import and distribution agents for British products in the

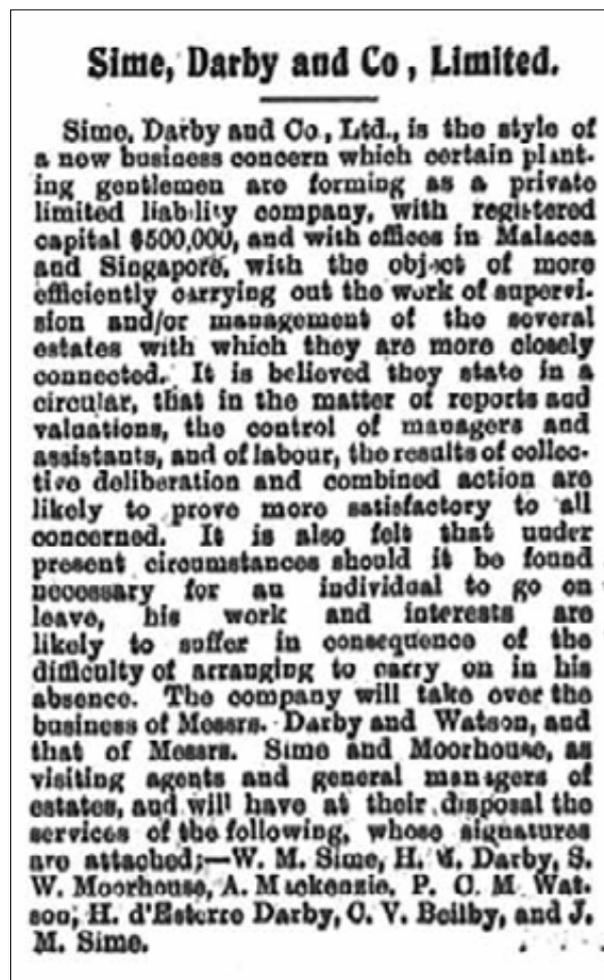
colonies, as well as by exporting goods manufactured in the colonies to Britain and eventually the rest of the world.

The principle products in colonial Malaya were rubber and tin, and the original Sime, Darby & Co began in 1910 as a small firm of professional rubber plantation consultants based in the port city of Melaka. The firm acted as agents and managers initially for seven rubber companies: Alor Gajah, Ayer Panas, Kempas, Pajam, Pantai, Pegoh and Radella.



The headquarters of the East India Company in 1883 in Penang. (Courtesy of Malaysian International Chamber of Commerce and Industry)

This list grew over time, but the company also developed a trade in goods that were initially related to agriculture (such as rubber seeds and insecticide) but soon grew to include other necessities such as Dunlop tyres (as early as March 1912) and an increasingly large variety of consumer goods intended to supply the needs of planter-managers, their families and staff on remote plantations. The market for these goods expanded to include the general population, and Sime Darby soon became a household name.



This article on Sime, Darby & Co's establishment appeared in the Straits Times on 29 September 1910. (Source: The Straits Times © Singapore Press Holdings Ltd. Reprinted with permission)

Rubber, however, was the mainstay of the company's business. Fuelled by the First World War and the increasing popularity of private motorcars and the use of rubber tyres, global demand for rubber had grown so much by the 1920s that planters sought to clear more jungle for conversion to plantations. Sime, Darby & Co was no exception, and it took the bold step of acquiring the Sarawak Trading Company in 1929, which held the franchise for Caterpillar earthmoving equipment, forging a partnership with Caterpillar Inc that continues to flourish to this day.

The independence of Malaya in 1957 and the establishment of the Federation of Malaysia in 1963 heralded much change, not least of which was the gradual "Malaysianisation" of the colonial Agency Houses. For Sime Darby Holdings Ltd (as the company had become), this precipitated a remarkable period of growth: from the 1960s to the 1970s, the company was one of the first to begin large-scale investments in palm oil, expand the heavy equipment business into a new subsidiary—Tractors Malaysia—as well as diversify into a wide range of new businesses in heavy equipment, engineering and consumer goods trading.

The group expanded even further in the 1980s: the Pemas Sime Darby Group, a joint-venture between the Sime Darby Group and PERNAS, gained the rights to import and distribute Ford, Land Rover and BMW vehicles and also acquired the tyre-making business of B.F. Goodrich in the Philippines, along with the South-east Asian rights to distribute Apple computers, amongst other ventures. In 1985, the Group made the landmark purchase of United Estates Plantation Berhad, marking Sime Darby's entry into property development, which would later grow into a major core business. In the 1990s, the company began to focus on a new range of interests such as insurance, power generation (through a 40 per cent stake in Port Dickson Power), manufacturing, and banking, with the purchase of United Malayan Banking Corporation, which would soon grow to become Sime Bank Berhad.



William Sime in a rubber estate, circa 1912. (Courtesy of Mrs Jeanette M. McComb née Sime)

At the turn of the new millennium, Sime Darby Berhad was a Malaysia-based multinational corporation with subsidiaries in Hong Kong, the Philippines, Australia and Singapore, and major interests in plantations and commodities trading, heavy equipment and automobile distribution, tyre manufacturing, insurance and property development. As such, the Group was well placed to take part in one of the most spectacular developments in the history of Corporate Malaysia: in 2007, it merged with Kumpulan Guthrie Berhad and Golden Hope Plantations Berhad (both also descendants of venerable colonial Agency Houses), re-entering Bursa Malaysia with a market capitalisation of nearly RM60 billion (80 per cent more than its original value).

The global business environment continued to change in the second decade of the new millennium, creating new challenges and opportunities to unlock value contained within the Group. In 2017 Sime Darby took the next—and latest—step in its journey, evolving into three pure play organisations in order to stay keenly competitive in the Malaysian, regional and global markets. Today, the name Sime Darby is represented by three independent entities each listed on Bursa Malaysia in its own right: as at the end of 2019, Sime Darby Plantation Berhad was the world’s leading supplier of sustainable palm oil with 240 estates and 69 mills, as well as 11 refineries capable of producing 3.8 million metric tonnes of palm oil per year. Sime Darby Property Berhad, meanwhile, is a major Malaysian property developer with a 46-year track record in developing residential, commercial and industrial properties in Malaysia and abroad.

The third pure play business is Sime Darby Berhad itself. A steward of the pioneering spirit that defined the company in its earliest years, Sime Darby Berhad today is the inheritor of the industrial and commercial businesses that were a key part of the Sime Darby identity from its earliest days as an Agency House in colonial Melaka. The company is a trading powerhouse with a presence in 18 countries and territories, stretching from the Maldives to New Zealand. Its diverse portfolio of interests includes four major divisions—Industrial, Motors, Healthcare and Logistics—running one of the world’s largest, as well as Asia’s oldest, Caterpillar dealerships: a major presence in all segments and facets of the Asia Pacific automotive

industry, ranging from luxury and super-luxury to mass-market brands; port operations in Shandong Province, China; and six hospitals in Malaysia and Indonesia along with a day surgery centre in Hong Kong. Sime Darby Berhad’s activities employ a multinational team of close to 20,000 people, which in 2020 alone earned the Group a profit of RM820 million on a revenue of RM36.2 billion.

Sime Darby Berhad today is the quintessential multinational corporation with a diverse workforce united by a common vision, trailblazing spirit and the ability to adapt and grow that are rooted deeply in the foundations laid 110 years ago in the historic Malayan coastal town of Melaka.



Tun Tan Siew Sin presents a pewter plaque to Tun Hussein Onn, then Prime Minister of Malaysia, at the incorporation ceremony of Sime Darby Berhad on 21 December 1979.



◀ INDUSTRIAL



150

More than 150 locations throughout the Asia Pacific region



16

Operating in 16 countries and territories



30

Representing more than 30 allied brands and solutions

MOTORS ▶



9

Presence in 9 markets across Asia Pacific



80,000

Vehicles sold each year



30

Representing more than 30 automotive brands



◀ HEALTHCARE



6

Hospitals in Malaysia and Indonesia



4,400

Highly trained and skilled employees



690+

Specialists



LOGISTICS ►



1.7

million square metres in acreage



23

Berths at a multi-purpose seaport



75

million MT total port capacity



Sime Darby Berhad today is the quintessential multinational corporation with a diverse workforce united by a common vision, trailblazing spirit and the ability to adapt and grow that are rooted deeply in the foundations laid 110 years ago in the historic Malayan coastal town of Melaka.



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paper*

1

THE HISTORY OF SIME DARBY



*William Middleton Sime, circa 1899. He sailed for Singapore in June 1890.
(Courtesy of Mrs Jeanette M. McComb née Sime)*

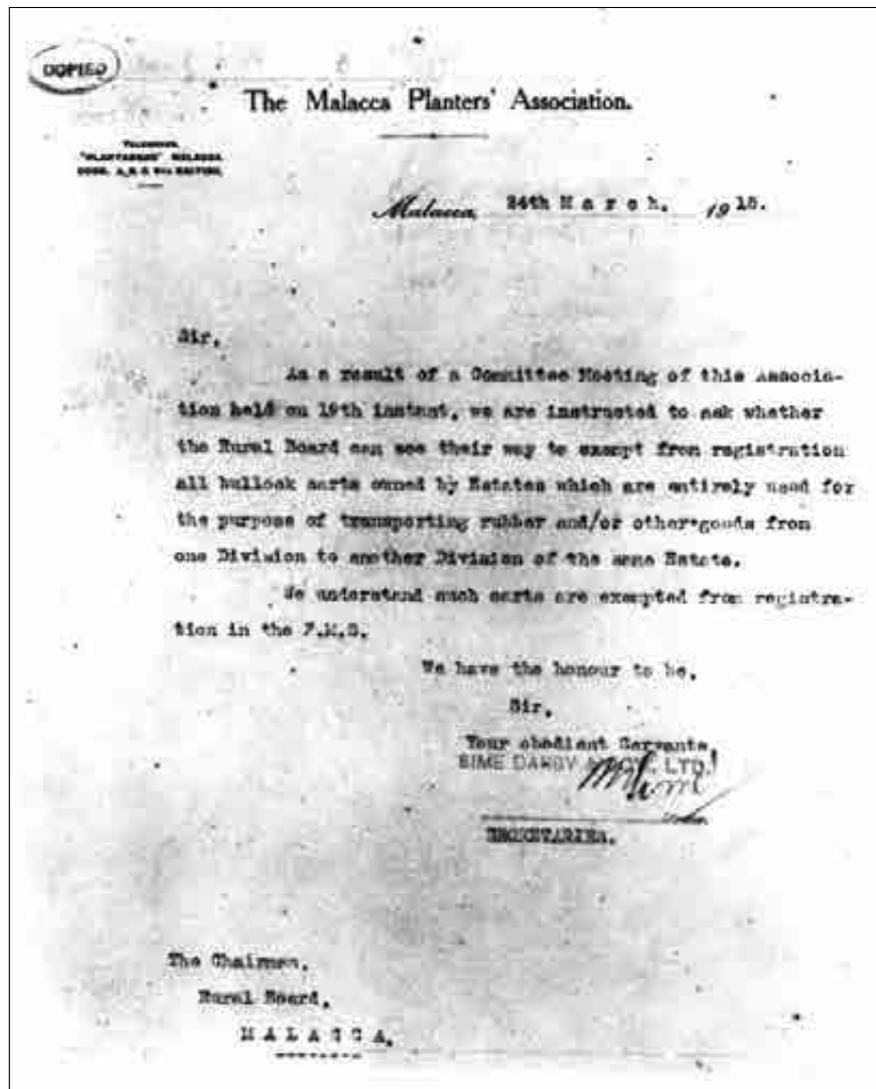
Sime, Darby & Co came into being on 1 October 1910, through the merger of two smaller firms of plantation managers: Sime and Moorhouse, and Darby and Watson. The amalgamation created a new company—Sime, Darby & Co—as a “visiting agency”, which was a uniquely Malayan business entity developed within the lucrative rubber-planting industry to allow shareholders and financiers headquartered abroad (primarily London) to manage their plantations in Malaya via professional firms of plantation experts.

These firms employed veteran planters who would visit and report on plantations, which relieved the British-based companies of the responsibility of employing and overseeing plantation managers directly. This new system proved so efficient and popular that it effectively consolidated more and more plantations under ever-larger British companies, giving increasing prominence to visiting agents and their firms.

The larger and more established firms (such as Guthrie) were originally merchant importers and distributors based in the Straits Settlements and India. Known as Agency Houses, these firms built up extensive business networks and local knowledge as well as formidable experience in shipping. When the rubber boom began, the Agency Houses created an intricate network of direct and indirect estate ownership, often holding majority shareholdings in the estates they managed as well as stock in one another’s plantations and management firms.

THE FIRST MEMBERS OF SIME, DARBY & CO

W.M. Sime
H. M. Darby
S. W. Moorhouse
A. Mackenzie
P. C. M. Watson
H. d’Esterre Darby
C. V. Beilby
J. M. Sime



A 1915 letter from the Malacca Planters' Association addressed to the Rural Board requesting for registration exemption for bullock carts used in rubber estates signed by Sime Darby & Co, Ltd as secretaries of the association.

William Middleton Sime, Herbert Mitford Darby and Henry d'Esterre Darby began their Malayan careers in Agency Houses—Sime was a mercantile assistant at Syme & Co¹, Henry Darby was a “creeper” or planter’s apprentice at Hill and Rathborne, and Herbert Mitford Darby was Henry Darby’s assistant when the latter was promoted to the post of manager. While Sime was relatively inexperienced in the rubber business compared to Henry Darby, he was reportedly “obsessed” with the infant rubber trade, so much so he was dismissed from Syme for neglecting his duties.² By the time he helped found Sime, Darby & Co, however, he was established as a visiting agent and an entrepreneur, and Henry Darby was a veteran planter in Malaya of two decades’ standing.

¹ No relation to William Sime. Established in 1823 by Hugh Syme, Syme & Co was one of the oldest firms in British Malaya and, at the time William Sime came out to Malaya, held the agency for Shell. See D.J.M. Tate, *The RGA History of the Plantation Industry in the Malay Peninsula*, Oxford University Press, Kuala Lumpur, 1996, p. 243, and Chapter 3, s.v. “William Middleton Sime” and “Alexander Guthrie”.

² Datuk Paddy Bowie, *History of Sime Darby*, unpublished MS., p. 8.

Accordingly, a notice in *The Straits Times* dated 29 September 1910 announcing the establishment of Sime, Darby & Co remarked that certain “planting gentlemen” had come together with the objective of “more efficiently carrying out the work of supervision and/or management of the several estates with which they are more closely connected.”³

With premises at 4, Fort Road (now Jalan Kota), Melaka, the new company’s principal business was managing the 500-acre⁴ Radella Rubber Estate. During this time Sime was also manager of the 500-acre Bukit Lintang estate, which he had personally helped to establish. Sime, Darby & Co found their new businesses immediately rewarding—it was for this purpose that the company was formed, after all—and the firm soon established for itself a reputation for competence and professionalism despite some false starts.



Sime Darby's first office in Melaka, located along Fort Road.

³ See newspaper article on page 25.

⁴ A hectare (10,000 square metres) is the equivalent of 2.471 acres, an acre being 4,840 square yards.



On the occasions when the firm did run into serious trouble, it was fortunate to have been able to count on the assistance of Tun Sir Tan Cheng Lock,⁵ whose son Tun Tan Siew Sin would serve as Chairman of the company much later. In the year of Sime Darby's founding, Tun Tan Cheng Lock had floated two rubber companies of his own, Malacca Pinda and United Malacca. Two years later, at the age of 29, he was appointed to the Melaka Municipal Council and would soon launch a distinguished career in public service and Malayan politics.

*A portrait of Tun Sir Tan Cheng Lock.
(From the personal collection of the
Tun Tan Cheng Lock family)*

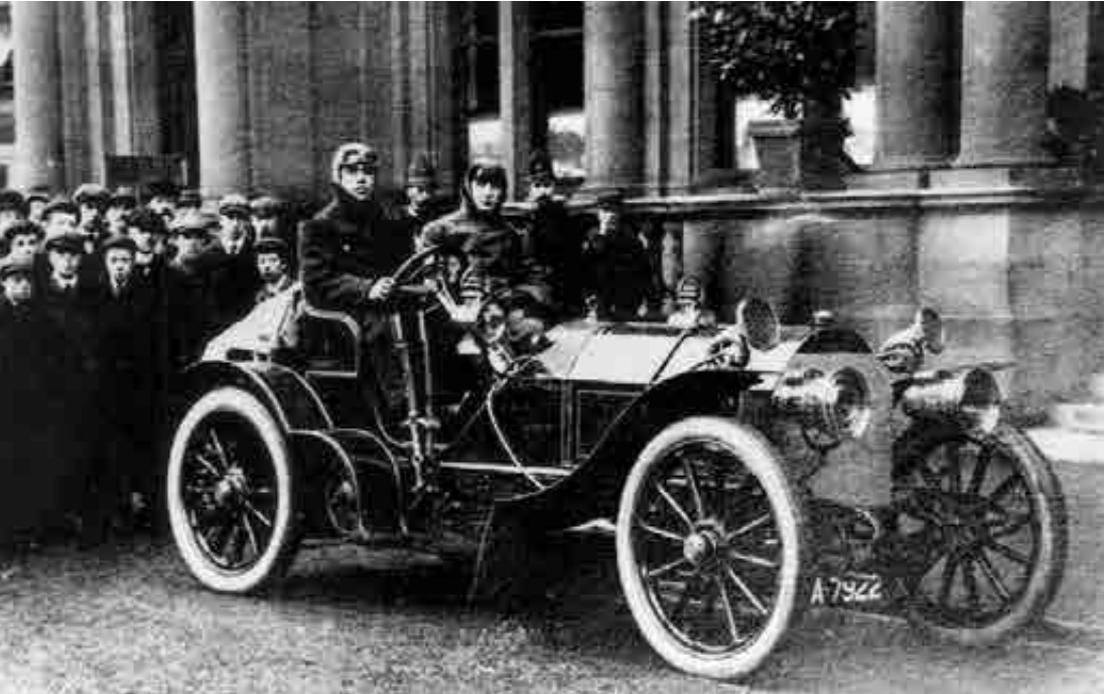
⁵ Sime, Darby & Co was censured very strongly by *The Straits Times* in a 16 November 1911 article for bad management: "When we turn to [the] Nyalas [Estate, under the management of the company], we stand amazed at this latest exposure in the manner in which the Sime group has failed in its trusts. We put in contrast with the scandalous laxity that the group has displayed, the very effective efforts made by the four Chinese gentlemen who remain as directors to save the concern from utter disaster. Their conduct makes us blush for the insolent carelessness of the Europeans who were connected with the Board and the management. Mr. W. M. Sime has gone to England and is not expected to return. Mr Darby should break away from a connection which is covering him in the shame of others. Mr. S. W. Moorhouse should be turned out of every directorship, and every managership or visiting agency with which he is connected. There is no other or easier way of purifying the commercial atmosphere." The "Chinese gentlemen" were Lee Choon Guan (Chairman of the Nyalas board), Chan Say Peng, Ong Kim Keat and Lee Chim Tuan—and at least Choon Guan and Chim Tuan were kinsmen of, and closely associated with, Cheng Lock; and Nyalas was the estate at which Cheng Lock began his planting career. Moorhouse was ejected from Sime, Darby & Co six days later. For lack of documented information, what truly happened in those years cannot now be fully known.

Indeed, among the colonial interests operating in Malaya at the time, Sime, Darby & Co was one of the very few (if not the only one) to have two Malaysians on its board: Tun Tan Cheng Lock and Lee Chim Tuan.⁶ In another sense, the company was also very much a Malayan organisation despite being a colonial establishment: where other companies preferred to headquarter themselves in London, Sime, Darby & Co chose Melaka and did not establish offices (in effect, branch offices) in London and Singapore until 1913 and 1914 respectively. Sime, Darby & Co was, as far as it is possible to ascertain, the only Agency House to have begun life as a fundamentally Malayan concern.



Tun Sir Tan Cheng Lock (third from left) with plantation workers in the Nyalas Estate. Nyalas was where Cheng Lock began his planting career. (From the personal collection of the Tun Tan Cheng Lock family)

⁶ Bowie, *op. cit.*, p. 10. Also spelt "Lee Chin Tuan", he was the cousin of Cheng Lock's mother, Lee Seck Bin.



The invention of the pneumatic tyre for bicycles and the introduction of the motorcar brought about a boom in the rubber industry. ABOVE: H.H. Sultan Ibrahim at the wheel of one of the first cars he bought while in England in the 1900s. (Courtesy of Arkib Negara) BELOW: Bicycles parked on the five-foot-way in Ipoh. (Courtesy of Arkib Negara)

By the time of Sime, Darby & Co's establishment, the rubber business had experienced a tremendous boom brought about by John Dunlop's invention of the pneumatic tyre in 1887, which popularised the bicycle and revolutionised transport, and Henry Ford's mass introduction of the Model T motorcar in 1908, which precipitated another great change in transportation. By April 1910, crowds in London almost rioted while trying to get into the Chartered

Bank in Bishopsgate where a new share issue was taking place for a Malayan rubber company.

Exports for that year stood at 5,439 tonnes—up from 104 tonnes a mere five years earlier—and that figure would grow to an astonishing 196,000 tonnes by 1914 on the eve of the First World War.⁷



Sime, Darby & Co realised a respectable, if modest, \$19,816⁸ in profit in its first year, and "by the second year (1911–1912), when this had risen to \$26,766, they were able to pay a 25 per cent dividend. As the war years brought increased demand for rubber, profitability rose sharply. Dividends from 1915 to 1918 were 58.8 per cent, 76.27 per cent, 50 per cent, and 60 per cent respectively. Apart from the slump years 1928–1933, profits continued to rise, breaking the million-dollar barrier during the Second World War."⁹

⁷ Bowie, op. cit., p. 31.

⁸ This was the Straits Dollar, current from 1904 to 1939, after which it was replaced by the Malayan Dollar in the Peninsula (1939 to 1953, except for the war years when the Japanese Government Dollar was used), and then the Malaya and British Borneo Dollar (1953 to 1967). From 1967 to August 1975 the currency was denominated in Malaysian Dollars, after which it was known officially as Ringgit Malaysia although the older form, abbreviated M\$, was still common for some time after.

⁹ Ibid., p. 33.

“IN EVERY PORT OF CONSEQUENCE”— FROM RUBBER TO MUCH MORE

By the time of the First World War, the company was agent and secretary for five plantation concerns and had a total of 12,437 acres of plantations under its management.¹⁰ It had done so well, in fact, that it could afford to donate \$19,200—the full purchase price—for a fighter plane to aid the war effort,¹¹ and by the end of the war the company was actively pursuing the idea of linking Malaya to England and Australia via commercial flight.¹²

While Sime, Darby & Co was engaged overwhelmingly in the rubber business for which its members were well qualified, it also very quickly began trading in planting-related goods such as timber preservatives. This trade would quickly blossom into full mercantile agency services,¹³ and by 1916, the company opened a branch in Singapore, a marketing office in London and acquired the Penang firm of Sellar, Murray and Co.¹⁴ It became agents for the Motor Union Insurance Company, paying out some \$8,000 in three months of 1918 for “accidents such as collision, theft of tools, tyre and so forth,” to which end it freely issued a booklet entitled *Memo for Motorists* by Francis Elna which “simply tells one ‘what not to do’ and ‘things you should do, and how to do them.’”¹⁵



Rubber products at the Malayan Pavilion, Wembley Exhibition, London (1924-1925). (Courtesy of Arkib Negara)

¹⁰ Boon Weng Siew, *The Malaysian Plantation Industry, 1880-1921*, for the Malaysian Estate Owners Association Editorial Committee, p. 7. For comparison, the leading agencies at the time were Harrisons & Crosfield (31 companies and 81,350 acres), Guthrie & Co (18 companies and 40,530 acres), Thomas Barlow & Brother (14 companies and 22,254 acres) and E. Boustead & Co (12 companies and 13,998 acres).

¹¹ *The Straits Times*, 13 May 1916, p. 6. Named after its purchasers, the plane was destroyed in action at Arras, France, during the “Bloody April” action of 1917 (*ibid.*, 15 June 1917, p. 9). The brothers W.M. and J.M. Sime also subscribed \$5,000 (with Henry Darby adding \$1,000) for a second “Malacca” fighter.

¹² An attempt to make such a flight (by pilots Rigby and Bryce of the Wifley Company Ltd in London) had to be abandoned due to a failure to obtain the engine of their choice. See *The Straits Times*, 3 November 1919, p. 8.

¹³ The company’s first appearances in product advertisements was as a distributor for “Jodelite”, a preservative to protect rubber trees from termite infestations (*The Straits Times*, 4 March 1912), the disinfectant “Izal” (18 April 1912), and “Sledge Brand Milk” (*The Straits Times*, 21 September 1912). Its first senior agency (with Morgan’s Agency in Kuala Lumpur as junior) was for the Charron motorcar, and its first sole agency appears to have been for the “Byrne Patent Process for Curing Raw Rubber” (*The Straits Times*, 3 April and 27 March 1913 respectively). The company also maintained strong interests in mining at the Middleton Tin Mines as well as others in Kamunting and Chenderiang, and the Johan Tin Dredging Company in Tronoh, Perak, which it floated in 1920 with a capital of \$680,000.

¹⁴ *The Straits Times*, 5 December 1916, p. 6.

¹⁵ *Ibid.*, 17 August 1918, p. 15.



An early photo of Caterpillar tractors on display. Sime Darby obtained its first Caterpillar dealership in 1929 when it acquired the Sarawak Trading Company.

Not all the company's pursuits were always profitable: the end of the war brought about a fall in rubber demand, and in 1920 the company was forced to issue restrictions on output from their estates.¹⁶ Also, in 1918, Sime, Darby & Co helped finance the construction of two 2,400-ton wooden vessels for the Anglo-Chinese Steamship Company, for which it also acted as managing agent. Two years later, the shipping firm had to be wound up, beholden to creditors for about half a million dollars and having paid no dividends.¹⁷

In 1929 Sime, Darby & Co acquired the Sarawak Trading Company in Miri, Sarawak, and thereafter became the Sarawak dealer for the Caterpillar Tractor Company, introducing that modern miracle of engineering known as the "caterpillar" tractors or continuous track tractors to Malaya. Invented by the Holt Manufacturing Company in the US, "caterpillar" tractors first began to shine during World War I, when the design was incorporated into armoured vehicles, rendering trench warfare obsolete. The company would continue to hold this dealership for over 90 years.

¹⁶ Namely its estates at Batulang, Bukit Lintang, Chimpul, Jasin, Krubong, Lendu, Merlimau, Pegoh, Rembai and Sungai Baru. Harrisons & Crosfield was also obliged to do the same, notably at its Golden Hope, Anglo-Malay and Bikam estates as well as elsewhere.

¹⁷ *The Straits Times*, 9 November 1920, p. 9.

TRACTORS MALAYSIA: GENERATIONS OF PARTNERSHIP WITH CATERPILLAR

The Sarawak Trading Company's businesses consisted primarily of agencies for oil exploration machinery and related engineering equipment. During the time of its acquisition by Sime, Darby & Co, it imported Caterpillar equipment to support the burgeoning timber industry in opening trails, loading and stacking and even power generation.

After the Second World War, Sime Darby saw great potential in mechanisation and modernising production. The company established a Tractors and Heavy Equipment Division in 1950, and by 1957 Sime Darby was supplying machinery to tin and copper mines, quarries, as well as various civil engineering projects throughout Malaya, Singapore, Brunei and the Christmas Islands.



H.H. Sultan Salahuddin Abdul Aziz Shah, the Sultan of Selangor, visiting Tractors Malaysia in 1964. (Courtesy of Arkib Negara)

This initial business gave birth to Sime Darby's heavy equipment division and this, in turn, was incorporated in Singapore (in 1964) as Tractors Malaysia Limited and in Malaysia the following year as Tractors Malaysia Holdings Berhad. Tractors Malaysia gained listing on the Kuala Lumpur Stock Exchange in 1968 with an authorised capital of M\$75 million and relocated to Malaysia in 1972.

In 1984, Tractors Malaysia began manufacturing and assembly operations, and in 1988 the company developed a large consumer motor vehicle business, acquiring Associated Motor Industries, as well as the local distributorship of Ford, BMW and Land

Rover. This was not a new venture: Sime, Darby & Co was the Sarawak agent for Malayan Motors Ltd in the late 1920s (marking a century of Sime Darby's active engagement in the motor business). In the early 1990s, the company became the exclusive distributor of Kawasaki industrial gas turbines in Malaysia and Brunei, as well as forklift trucks manufactured by Caterpillar, Mitsubishi and Shinko.

At the turn of the new millennium Tractors Malaysia began investing heavily in training and education, becoming the first private sector company to be awarded approval by the City & Guilds of London Institute and the Malaysian Ministry of Education to conduct professional examinations related to the heavy equipment and motor vehicles industries in Malaysia. It also established its own fully accredited training and development centre to provide technical training and education for secondary school-leavers.

With a host of achievements and accolades, Tractors Malaysia continues to be the exclusive agent for the Caterpillar brand in Malaysia (which has itself expanded into portable power generation and marine propulsion) within the Industrial Division of Sime Darby Berhad, which also has four other major national Caterpillar dealerships elsewhere in the world: Hastings Deering (Australia) Limited, China Engineers Limited, Tractors Singapore Limited and most recently, Terra Cat in New Zealand.



Sime, Darby & Co offices in various locations over the years.

- 1. A 1930 picture of Sime Darby's first Kuala Lumpur branch office along High Street, now known as Jalan Tun H. S. Lee.*
- 2. The Kuala Lumpur office along Jalan Ampang at night.*
- 3. The Kelantan office in Kota Bharu.*
- 4. A warehouse along the Melaka River.*
- 5. Sime Darby's godown by the Singapore River.*

By the following year Sime, Darby & Co represented over 100,000 acres of rubber and was, in the words of *The Straits Times*, one of the leading mercantile firms that handled “all manner of goods” in demand in the Far East, operating “in every port of consequence throughout Malaya.”¹⁸ But, as with many other companies exposed to the burgeoning global market, Sime, Darby & Co was vulnerable to the Great Depression in the wake of the 1929 US stock market crash, as well as increasing competition from synthetic rubber produced in the US as a hedge against potential supply disruptions. Notwithstanding this, the company opened its first office in Kuala Lumpur in 1930 and, in 1936, moved its headquarters from Melaka to Singapore (aptly, at No 5, Malacca Street—the Amber Building) where it continued to grow as the prospect of another World War made the colonial trade immensely lucrative and once again fuelled a boom in rubber.

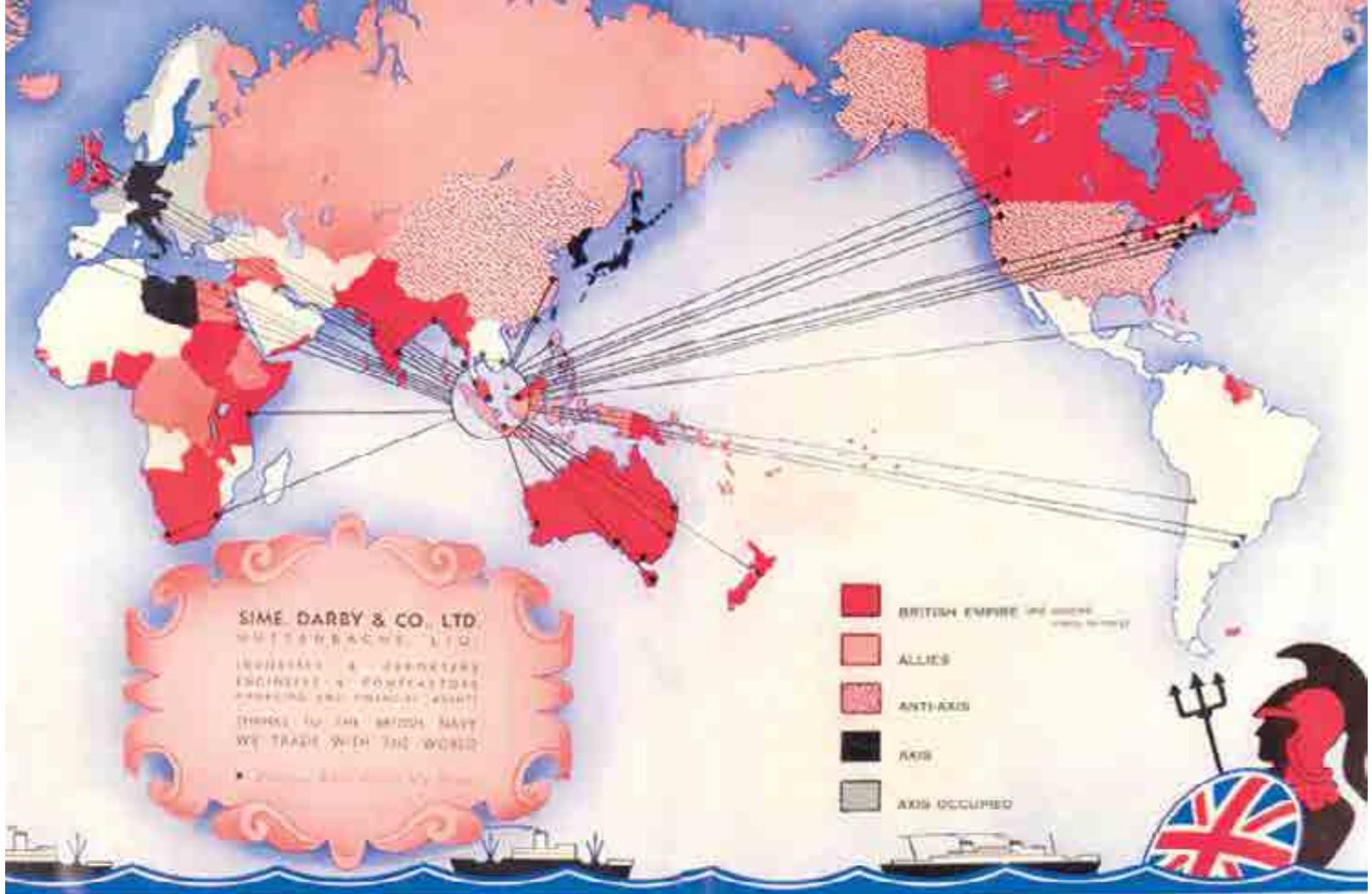


This 1931 photo shows Sime Darby's godown located at Jalan Ampang, Kuala Lumpur.



Sime Darby's second office along Fort Road, Melaka.

¹⁸ *The Straits Times*, 2 January 1930, p. 19.



This 1941 Sime, Darby & Co advertisement acknowledged the debt the company owed to the British Navy for ensuring the safety of the world's seas.

THROUGH WORLD WAR AND EMERGENCY

Sime, Darby & Co last appeared in the newspapers on 17 January 1942 when, beneath these terrible clouds of conflict, the company gave notice that it had transferred to Singapore all the operations of its branches in Malacca, Seremban, Kuala Lumpur, Ipoh, Taiping, Penang, Kota Bharu and Kuching,¹⁹ and that correspondence should be addressed to a mere post-office box (No 595) on the island.

*On 17 January 1942 Sime, Darby & Co announced in The Straits Times that it was transferring all operations of its branches to Singapore.
(Source: The Straits Times. Reprinted with permission)*

SIME, DARBY & CO., LTD.
(Incorporated in the Straits Settlements)

The undernoted Branches of the above Company are now established in Singapore:—

- Malacca
- Seremban
- Kuala Lumpur
- Ipoh
- Taiping
- Penang
- Kota Bharu
- Kuching (Sarawak)

All communications should be addressed to the Branch concerned C/o. P.O. Box 595, SINGAPORE.
ANY MEMBERS OF THE CLERICAL STAFF OF ANY OF THE BRANCHES OF SIME DARBY & CO. LTD. WHO MAY BE IN SINGAPORE OR JOHORE ARE REQUESTED TO COMMUNICATE TO THE ABOVE ADDRESS.

¹⁹ The Straits Times, 17 January 1942.

As Malaya was under enemy occupation, the company was obliged to re-register itself in London as a British company.

In the accounts drawn up, the company stated that it believed its assets in Malaya exceeded the liabilities, and valued the surplus at a nominal \$1. Its non-Malayan assets outweighed its liabilities by just \$92,364—the dollar here is the [Straits] dollar, which was worth about 2s. 4d. in old British money.²⁰ So Sime Darby was worth less than £11,000.²¹



A 1944 postcard from H.S. Russell in London to C.F. Smith in Changi Camp, Singapore. Russell was Chairman of Sime, Darby & Co in the late 1930s, and Smith was Managing Director in the 1940s.

Little is known of what happened during the years of the Japanese Occupation. The First World War decimated some estates—younger managers departed Malayan shores only to die in French mud—the Second World War depopulated them entirely. The colonial authorities had deemed rubber planting to be an essential occupation, and planters were required to stay on their estates rather than join the war, but these plans turned to dust as the invading army quickly overwhelmed the Peninsula.



The British surrendered to the Japanese in Singapore in 1942. (Courtesy of Arkib Negara)

Some 400 European planters withdrew south to the ill-judged defence of Singapore and ended up imprisoned behind the walls of Changi; Indian estate workers were conscripted by the invaders for the deadly Burma-Siam Railway; and Chinese workers fled to the jungle where they would hide or harry the Japanese as part of the guerrilla army. Rubber output accordingly came to a grinding halt.

The Japanese could have restored estate production by one means or another if an outlet for the rubber had provided the incentive to do so, but there was no outlet. The markets of the West were obviously lost but the Japanese market was also rendered inaccessible by the increased attacks on Japanese shipping by Allied submarines and, later on, aircraft, which made the sea-lanes of the region totally unsafe.²²

²⁰ Figures obtained from *The Times* of London, 28 January 1943, p. 9.

²¹ The papers of Sally Hunter, great-granddaughter of William Sime.

²² Tate, *op. cit.*, p. 496.

One of the first buildings to be destroyed during the Fall of Singapore was the Guthrie headquarters in Raffles Place, and Sime, Darby & Co likewise lost many of its records during the flight south and the subsequent enemy occupation—much of this present account was reconstructed from historical news reports and advertisements. The Fall of Singapore occurred 29 days after the company’s notice of withdrawal from the island and *The Straits Times* ceased publishing altogether until 7 September 1945, silencing for four dark years a principal source of information and concealing until the end of the war the terrible price many had paid for it.

At the war’s end, Allied military authorities very quickly sought to normalise life, and on 2 March 1946, Sime, Darby & Co announced its return to its former addresses in Singapore, Melaka and Kuching—complete with a notice of reward for anyone with information leading to the recovery of its records.²³ On 16 May, the company issued what appears to be its first post-war advertisement in *The Straits Times*, for “Southern Cross” diesel engines, and this was followed in quick succession by advertisements for other basic goods for which the company was agent—tyres, bicycles, motor oil, razor blades and watches—providing some idea of the privations that war had inflicted on civilian life.



TOP: Following the war, Sime, Darby & Co sought to recover company records and property. This notice appeared in *The Straits Times* on 2 March 1946. (Source: *The Straits Times*. Reprinted with permission) LEFT: Interior of Sime Darby’s Kota Bharu office.

²³ *The Straits Times*, 2 March 1946, p. 2.



*LEFT: Sime, Darby & Co was the agent for many consumer products including Anchor Beer. (Courtesy of Arkib Negara)
BELOW LEFT: This photo of a young rubber tapper on Carey Island was taken in the 1950s. (Courtesy of Michael Kidd)*



On 19 June 1946, the Penang office at 21 Beach Street gave notice that it would pay out 1941 mining dividends that had been suspended by the war, reopening its share registers for the Kempas, Radella and Bukit K. B. estates at the beginning of the following month. It also resumed construction contracting that it had begun before the war, and *The Sunday Times* on 4 May 1947 reported that the company would undertake five months of dawn-to-dusk work to drive the 249 piles necessary for the foundation of the Hong Kong and Shanghai Bank's new branch on Orchard Road in Singapore—this would be the first major construction project on the island after the war.



A police road block set up near a rubber plantation during the Emergency. (Courtesy of Muzium Negara)

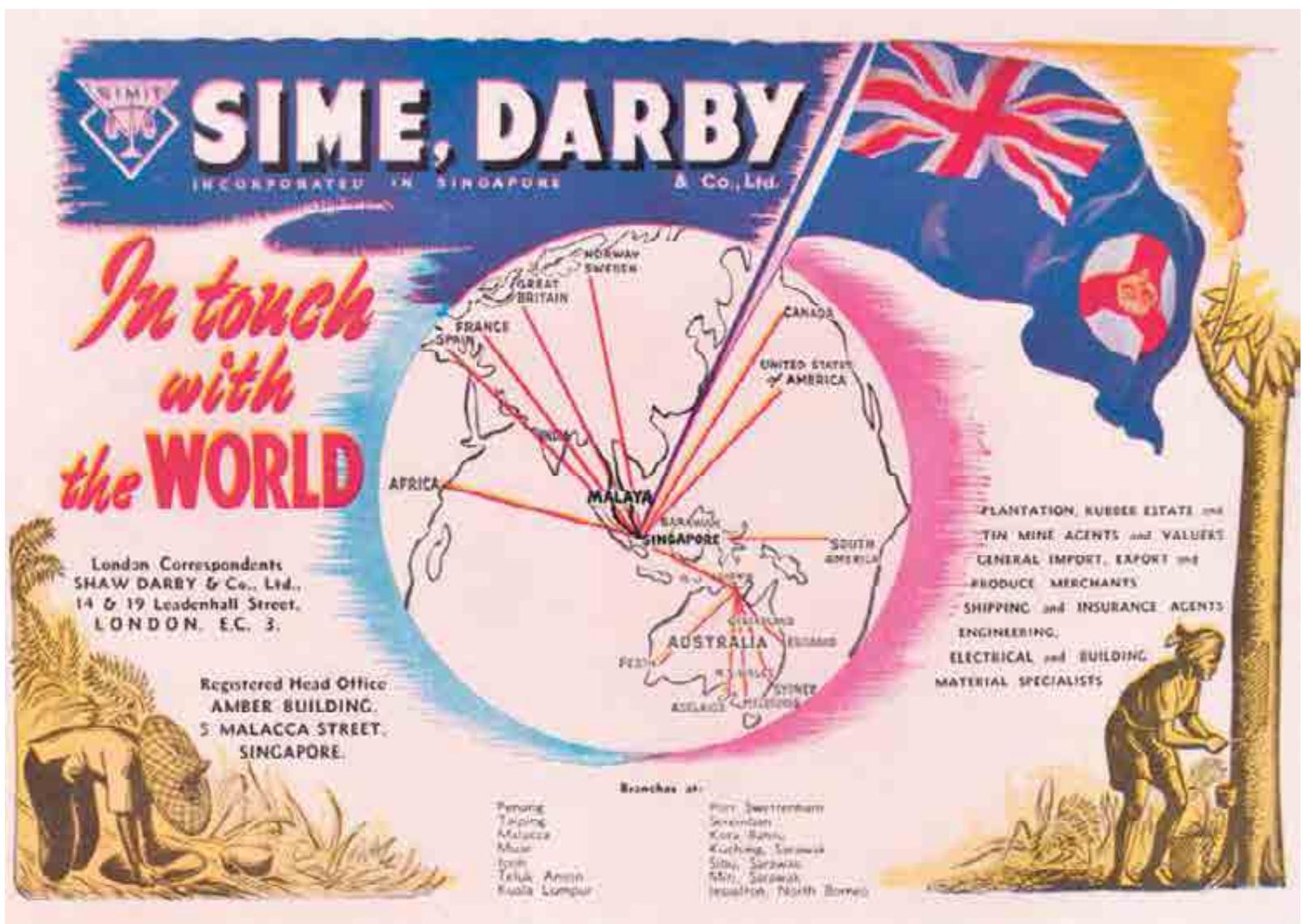
Before Malaysians could regain their footing, however, another crisis would assail the country. In March 1948, the Malayan Communist Party (MCP) declared that it would take up arms against the Colonial Government, marking the start of the Emergency. The MCP fired its first shot on 16 June by murdering three European planters at Sungai Siput—Arthur E. Walter, aged 50, manager of the Elphil Estate (then a part of Harrisons & Crosfield); and J. M. Allison, aged 55, and his assistant Ian D. Christian, aged 21, at the Phoon Sin Estate (then part of Sungai Siput Rubber Plantations Ltd).



The front page of The Straits Times on 19 June 1948. (Courtesy of Arkib Negara)

By the end of the Emergency in 1960, Sime, Darby & Co had lost ten plantation managers (Harrisons & Crosfield lost 13 and Guthrie lost nine). However, the period also marked the beginning of an age of prosperity for Sime, Darby & Co and put its feet on a much grander path than any had imagined before. By 1954 the company had some 80,000 acres of rubber plantations under management and maintained 18 local offices in Malaya and Borneo. On 25 April 1958, riding on the back of the greatest surge in rubber prices since the Korean War, the company re-established itself in London as Sime Darby Holdings Ltd, with Far East operations handled through local incorporations in Malaya, Singapore and Borneo.

While the precise reasons for the reorganisation appear somewhat more ambiguous to the modern reader than they should be—“There would be advantages in such a company being incorporated overseas, but managed and controlled from Singapore by your present board,” is all the company said in its statement to *The Straits Times* of 5 April in that year—Malaya’s independence in 1957 and the end of the colonial administration may have made a considerable impact on stockholders in London, but the resolve to keep the management of the company local spoke to the trust placed in the Malaysians running the company. Sime Darby now had a paid-up capital of \$9 million and interests including plantations, tin, shipping, insurance, importing and civil engineering and piling, and the company’s reputation for resilience and adaptability made it well placed to grow even more in the new era that was soon to unfold.



A Sime, Darby & Co advertisement, circa 1953.

▣ The Founding Fathers ▣

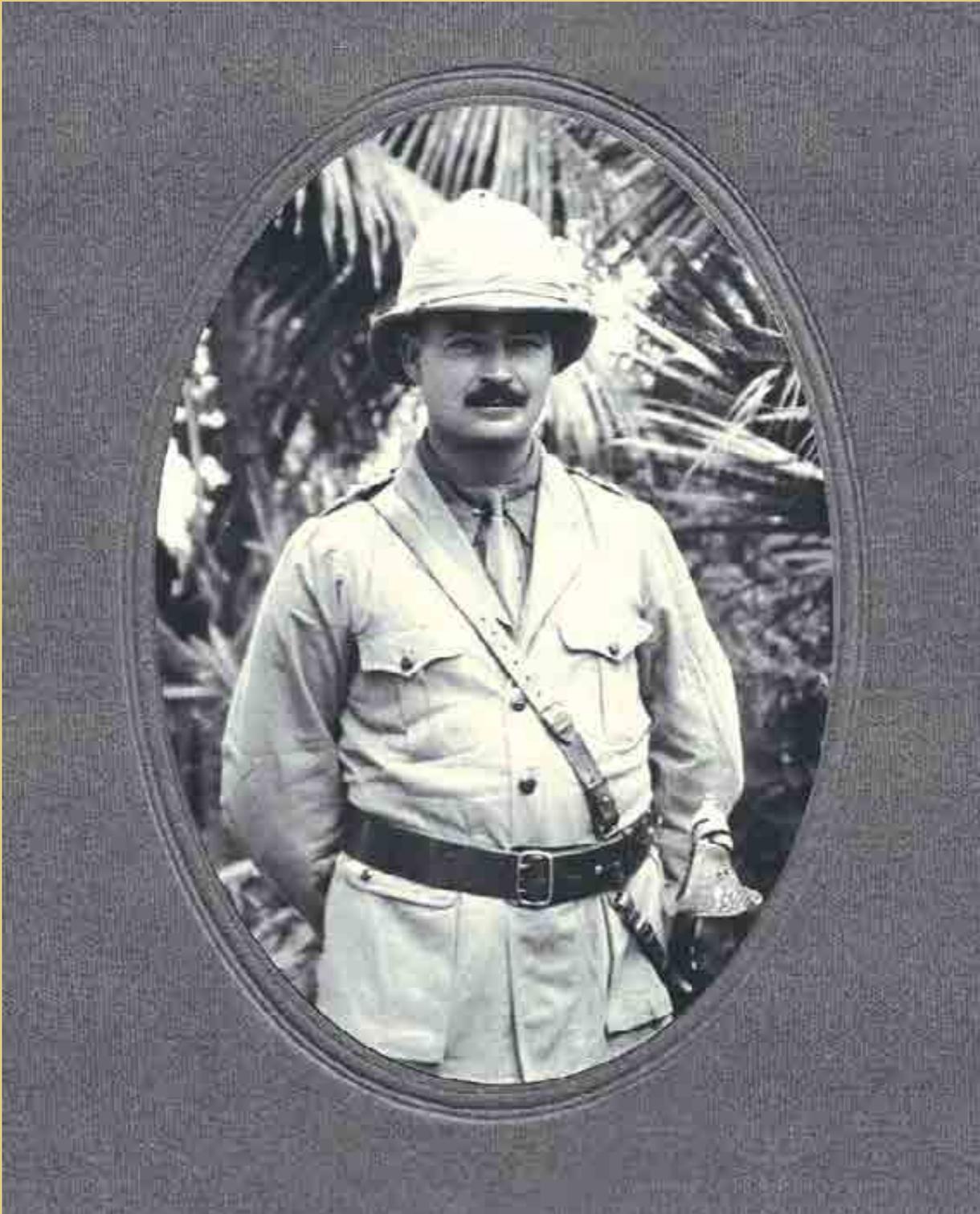
WILLIAM MIDDLETON SIME

W. M. Sime was born on 4 September 1873 in the market town of Colinsburgh in the parish of Kilconquhar, Fife, Scotland.²⁴ He was the sixth child of Thomas Sime, a local schoolmaster and a Registrar of Births, and Isabella Middleton, the daughter of farmer William Middleton and his second wife Rebecca Dorward.

On completing his education, W. M. Sime quickly obtained an apprenticeship in 1890 at the shipping firm Cayzer, Irvine & Co, which owned the Clan Line fleet of passenger ships to India and South Africa, and by April the following year he was listed in the census as a shipping clerk living at Holmhead Street, Glasgow. He acquitted himself very well at the firm, being praised by the company for “conspicuous ability” in handling its correspondence and accounts, and, at the same time, learnt shorthand and joined the 1st Lanarkshire Rifles as a volunteer.²⁵

²⁴ The publishers are indebted to Sally Hunter and her aunt Jeannette McComb (née Sime, granddaughter of W.M. Sime) who have kindly made available the documents on which the following is based.

²⁵ He proved himself a decent shot with the rifle and was promoted to Second Lieutenant in 1900, but resigned his commission in November that year after he arrived in Singapore.



William Middleton Sime arrived in Singapore for the first time in 1900. He became involved in rubber planting in 1908, and in 1910, with Henry d'Esterre Darby and Herbert Mitford Darby, established Sime, Darby & Co.



The Sime family of Kilconquhar, circa 1891. Standing (from left): William Middleton Sime, Frederick David Sime, and John Middleton Sime. Seated (from left): Thomas Sime Sr., Isabella Middleton, Isabella Middleton Sime and Thomas Middleton Sime. Kneeling: James Middleton Sime. (Courtesy of Mrs Jeanette M. McComb née Sime)

With the death of their father Thomas in 1898 and their mother Isabella the following year, the Sime siblings inherited a small estate of £300 and, according to his son John, William and his two brothers Thomas (a law clerk) and John (a clerk at the Clydesdale Bank) “decided to club together and fund [their brother] David through his degree at Edinburgh University.”²⁶ Facing difficult financial prospects, Sime left Cayzer Irvine in 1899 but, again according to his son John, got into trouble when his partner in a failed business venture abandoned him to face their debts alone.

²⁶ Sally Hunter, in correspondence. Also, David was the name by which F.D. Sime was known.

In any case, W. M. Sime boarded the SS *India* in London on 13 June 1900, which was bound ultimately for Sydney, Australia, and arrived in Singapore in July of that year. He got a job at the old agency house Syme & Co (no relation) directly on arrival or shortly thereafter, and made a name for himself as a golfer by December. He rose quickly in his new situation, obtaining power of attorney for Syme & Co in July 1902, and the following year he married Annabella Pringle, a graduate of Edinburgh University, at the Presbyterian Church in Singapore.

After gaining broad working experience as Manager of the Straits Engineering Company, W.M. Sime became Chairman of Balgownie Rubber Estates Ltd in 1905, the Bukit Lintang Rubber Estates Ltd in 1907 and then of Pegoh Ltd in 1909. The history of the Bukit Lintang Estate has been the source of some confusion, having been formed by W. M. Sime and the Kindersley brothers from various smallholdings at Bukit Lintang where an existing plantation—the first commercial rubber venture in Malaya—was held by Tan Chay Yan. The prevailing view is that Tan sold the estate in its entirety to W. M. Sime, but contemporary newspaper articles about the composition of Sime's Edinburgh-based Bukit Lintang company cast some doubt on this.

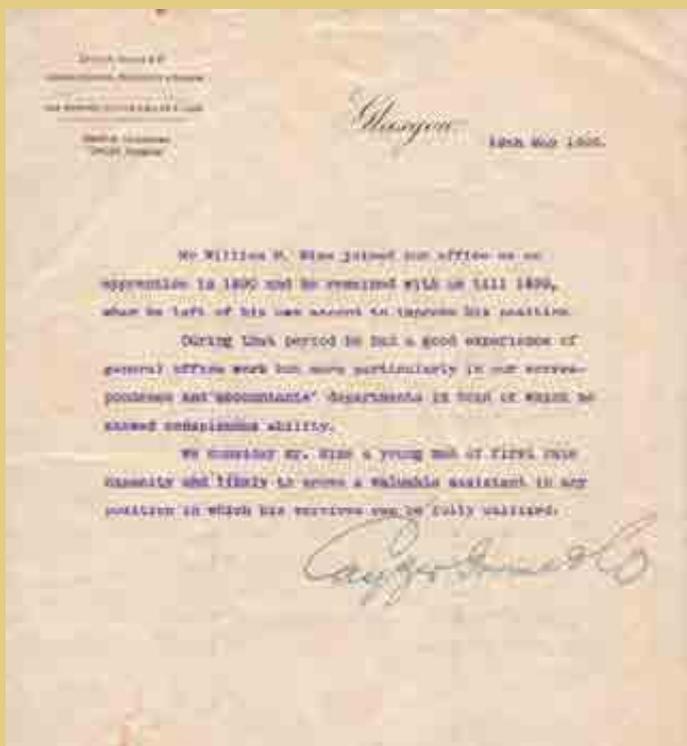
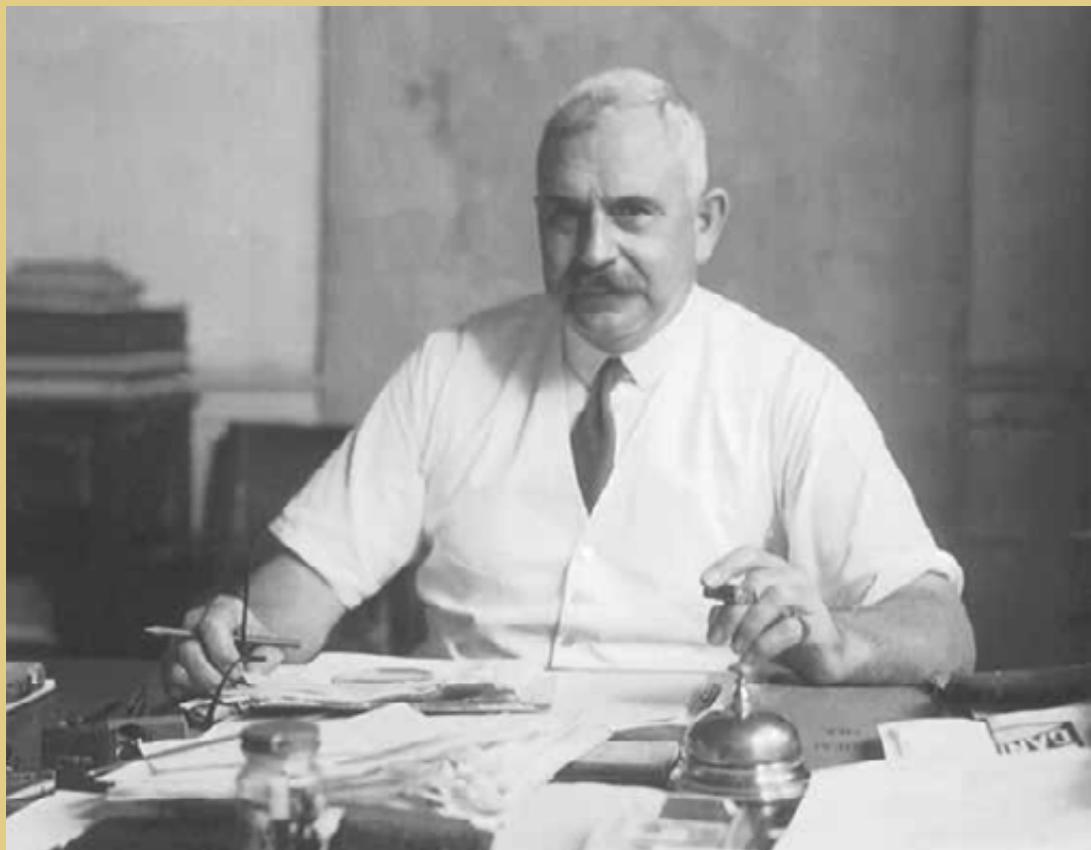


The Sime children, circa 1882. In the middle row are William (left) and John (right). (Courtesy of Mrs Jeanette M. McComb née Sime)

RIGHT: John Sime succeeded his brother William as head of the company in 1925.

BELOW: The young W. M. Sime served an apprenticeship with shipping firm Cayzer, Irvine & Co. In this letter of recommendation dated 18 May 1900 the firm considered Sime "a young man of first rate capacity and likely to prove a valuable assistant in any position in which his services can be fully utilized." (Courtesy of Mrs Jeanette M. McComb née Sime)

Soon after W. M. Sime and Henry d'Esterre Darby established their new company in Melaka, Sime sent for his brother David, who had graduated from Edinburgh in 1906 and was then a schoolmaster in Fort William in the Scottish Highlands. David was reputedly a brilliant linguist, but had no great liking for teaching.²⁷ He set sail for Singapore in November 1909 to arrive in Melaka, soon after, where he would replace W. M. Sime as Manager of Bukit Lintang.



Also that year, John Sime, the banker and great sportsman, came to Malaya and was thereafter to play a part equal to his brother William's in Malayan commercial and social affairs. Leaving England in 1904 he sailed for Burma (now Myanmar) where he would take up an appointment at the National Bank of India in Rangoon (Yangon). Unlike David, John would work at Sime, Darby & Co as what we should now call a corporate executive—he never worked directly on plantations during his career—and eventually succeeded William as head of the company in 1925.²⁸

²⁷ Bowie, *op. cit.*, p. 15.

²⁸ In that year he also became Chairman of Great Eastern Life Assurance Ltd and was a member of the board of Cycle & Carriage from 1926 to 1932. He eventually became a Director of Shaw, Darby & Co. In other fields, he distinguished himself in football and rugby, and was Captain (and later President) of the Singapore Golf Club. He was also head of the St Andrew's Society in Singapore and a benefactor of the Singapore Cricket Club.



The 11 June 1943 edition of the Peeblesshire News and St Ronan's Standard reported the death of W. M. Sime. (Courtesy of Mrs Jeanette M. McComb née Sime)

At some point after his arrival in Malaya, W. M. Sime had been recommissioned as Captain of a local volunteer force (possibly the Singapore or Penang Volunteers) and, at the outbreak of the First World War, was gazetted Major commanding the Malacca Volunteer Rifles.²⁹ Sime Darby furthermore sponsored the Sime Darby Fighter as well as a second Malacca Fighter (see page 37).

The war caused a boom in rubber demand and, at its end, W. M. Sime and his immediate family travelled the world a little before returning to Scotland for good, leaving his Malayan interests in the capable hands of John and David.

In 1925 he purchased the farm of Darnhall Mains in Peeblesshire from Viscount Elibank and lived the life of a country gentleman.

At the outbreak of the Second World War, however, he was appointed Air Raid Precautions controller for Peeblesshire and donated an ambulance to the cause. He was also made a Justice of the Peace and was invested as an Officer of the Order of the British Empire. As Director of Shaw, Darby & Co, he maintained strong ties with Malaya and made several visits to the East—but these were ultimately prevented by war and ill health. William Middleton Sime died of retroperitoneal cancer early in the morning of 7 June 1943 in Edinburgh. He was 69 years old.

John Sime retired in 1937, selling some of his shares to R.G. Shaw & Co in 1951 for \$82,940 and more to Tun Sir Tan Cheng Lock. He resigned as Chairman of Bukit Lintang³⁰ in 1956 and died in 1962.

David Sime retired in 1938 and spent a great deal of time at Darnhall with his grandnieces until his death in 1967 (he never married), bringing to a close the pioneering generation of Simes in Malaya.

²⁹ The Malacca Volunteer Rifles was raised on 12 August 1915—largely through Sime's funds—and by 1918 was reorganised into the 390-strong Malacca Volunteer Corps. In 1922 it would be incorporated into the Straits Settlements Volunteer Corps. See A.G. Hartfield, *British & Indian Armies in the East Indies 1685-1935*, Picton, 1985.

³⁰ Sadly, the Bukit Lintang Rubber Estates Ltd was to come to an unfortunate end. In 1959 the banking group H. Jasper attempted to acquire the company but its funds were fraudulently obtained and its directors were arrested. Some of the original shareholders were not paid for their shares and the company had to be wound up and its assets sold to meet these claims.

HENRY D'ESTERRE DARBY

Very little is known about the childhood of Henry d'Esterre Darby. The fourth of eight sons, he was born in 1868 to John Clere Scott Darby (1830-1900), the Rector of Machen, Monmouthshire, Wales, and Mary (d. 1889), the eldest daughter of Charles Bigge, of a prominent Northumberland family.³¹

The Darbys were an old Anglo-Irish family founded by John Darby in the mid-16th century. John Darby took part in Elizabeth I's conquest of Ireland as Captain of Horse in the Earl of Leicester's Regiment and was taken prisoner by the Irish at the siege of Leap Castle, the stronghold of the O'Carroll clan. In a remarkably dramatic twist, Finola, the daughter and heiress of the clan chief, fell in love with him and arranged for his escape. They married in 1557 and Leap Castle thereafter became the seat of the Darbys in Ireland.³²

Over the next few centuries, several Darbys achieved distinction, but perhaps the most distinguished was Sir Henry d'Esterre Darby (for whom our Henry was named), who was the captain of the HMS *Bellerophon*. Under the command of Horatio Nelson, Sir Henry Darby fought Napoleon Bonaparte at the Nile and was wounded in action.³³

³¹ H. Montgomery-Massingberd (ed.), *Burke's Irish Family Records*, London, Burke's Peerage, 1976, p. 322.

³² *Ibid.*, and Bowie, *op. cit.*, p. 20. Leap Castle was also reportedly to become haunted by a variety of ghosts. It was razed in 1922 by Sinn Fein during the Irish Civil War.

³³ Captain (later Admiral) Henry D'Esterre Darby (d. 1823) was one of Lord Nelson's original "Band of Brothers". See Roger Knight, *The Pursuit of Victory: The Life and Achievement of Horatio Nelson*, London, Allen Lane, 2005.

THE STRAITS TIMES, THURSDAY, APRIL 5, 1934.

FORTY-FIVE YEARS OF PLANTING HISTORY.

MR. D'ESTERRE DARBY'S MEMORIES.

A MALACCA FIRM.

Doyen Of F. M. S. Pioneers Going Home.

(Special to the Straits Times.)

Mr. H. D'Esterre Darby, the last representative in Malaya of the pioneer planters of the early nineties, left Singapore on retirement by the s.s. Hakone Maru today, after forty-five years in this country.

While there are several other Europeans out here who can equal Mr. Darby's length of residence, there are none who can rival his record as a veteran planter, and a whole decade divides him from the most senior men in the planting community today.

Mr. Darby comes of a family which has a remarkable record in Malaya. Eight brothers and cousins have been in this country at one time, following various occupations, and four of them are buried out here, while the family name is perpetuated by the estate agency firm of Sime, Darby and Co., of which Mr. D'Esterre Darby was one of the founders.

It was on Feb. 14, 1889, that Mr. Darby first landed in Singapore as a youth of twenty. He came out as a "creeper" for the planting and contracting firm of Hill and Rathborne, Ltd., a firm which brought many of the first roads and estates in the F.M.S., as well as the Sungai Ujong railway, into existence.

A Creeper's Agreement.

Originally Mr. Darby was to have paid the apprenticeship terms that were then usual on Ceylon estates—a £100 premium and a year's work without pay.

Fortunately Mr. Darby had a cousin in Negri Sembilan at the time who succeeded in getting these terms modified, to the extent that the premium was waived and Mr. Darby had to work for only six months without pay. At the end of the six months he was granted a three-year agreement under which he was paid £75 a month during the first year, rising to \$100 in the second and \$125 in the third. He first went on to Kuala Lumpur.

So long as he was earning no salary Mr. Darby had to watch his domestic *strs* very carefully, and he did in fact live on \$50 a month (the dollar being then worth 3/4.) Eggs were one cent each and fowls twenty cents, and rice was cheap, so there was always curry, but the "creepers" tastes in alcohol were perforce very much more restricted than those of young planters in later years.

Mr. Darby never saw whisky, for it cost too much, but he could buy a large bottle of square-face gin for forty cents and a bottle of English beer for fourteen cents. He remembers with especial gratitude that on his first Christmas on Linsum estate his manager presented him with a case of claret.

Kuala Lumpur Estates.

At the beginning of April, 1890, Mr. Darby was transferred to Batu Caves estate, near Kuala Lumpur. There were then three small coffee properties in and around Kuala Lumpur.

Batu Caves had about 100 planted acres, Weld's Hill (now a built-up suburb) 250 acres, and Eveseen 90 acres spread along a narrow strip running parallel with Batu Road and about half a mile out of town.

At this time, more than forty years ago, Mr. Darby can only recall three other European-owned estates in Selangor, and they were all ludicrously small, judged by modern standards.



sent in Perak at the time Mr. Darby first went there. The State depended chiefly on its mining revenue, and the only estates were Kamuning, another coffee property named Waterloo on the range between Kuala Kangsar and Talping and a mysterious estate in the upper region of the Slim River.

This had been opened up by a European who would probably be recognised as one of the most adventurous pioneers in F.M.S. history, if only something more were known about him. It is said that a few years ago cocoa and citrus trees could still be seen growing in the undergrowth, where this pioneer originally cleared the jungle.

Seven Years Without Leave.

It was seven years before Mr. Darby took his first leave, and when one remembers that he got his first attack of malaria soon after arriving on Linsum estate, and suffered from it recurrently thereafter, it will be realised that he probably needed his holiday very badly.

He came back at the end of six months and returned to Kamuning for a further six years, during which time he saw the beginnings of another present-day rubber estate, Changkat Balah, which he first demarcated in the jungle but did not actually open up.

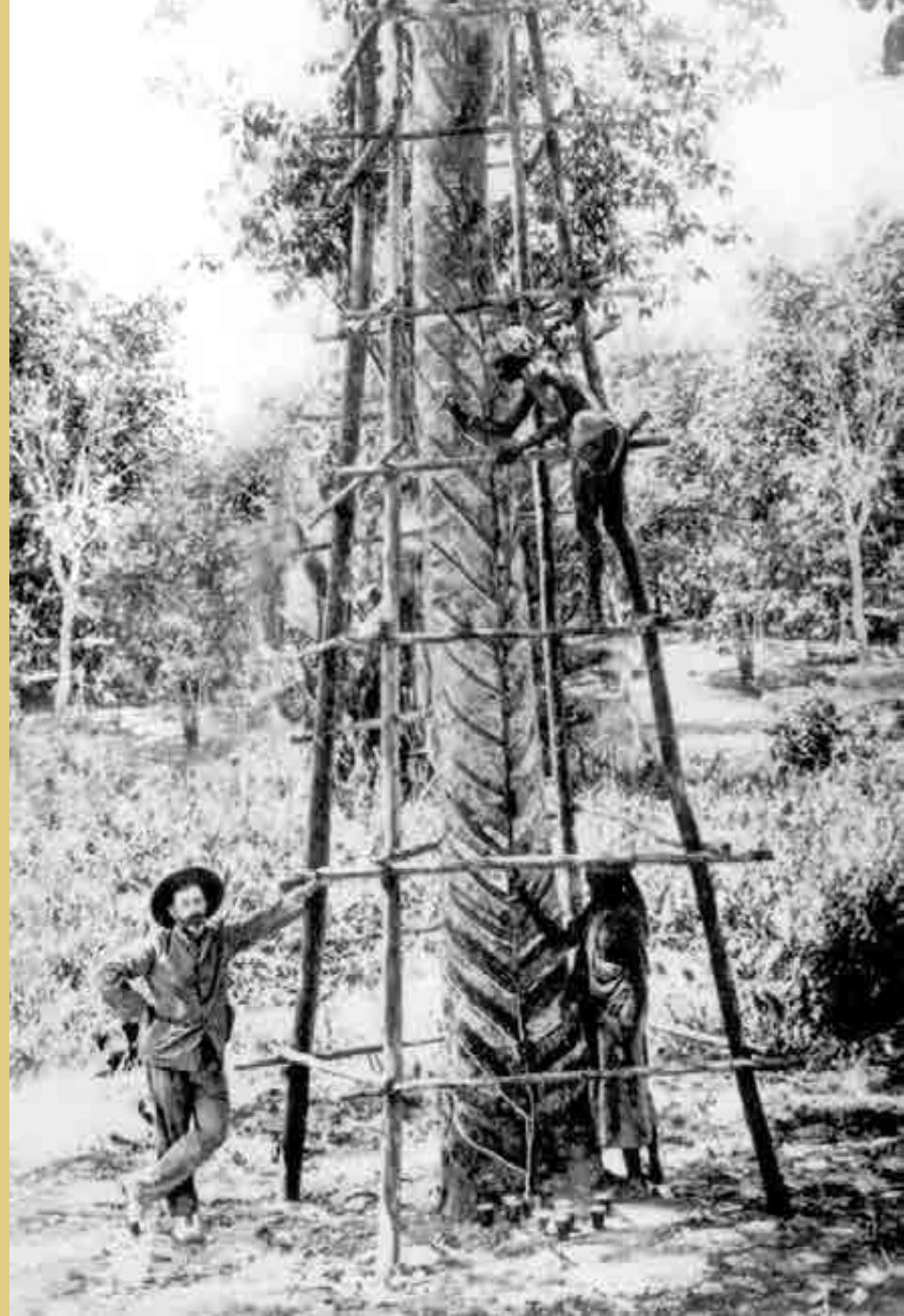
He also witnessed one of the most tragic episodes in Malayan planting history. During the coffee slump of 1897-99 the Malay Peninsula Coffee Company, in which Mr. T. H. Hill was a large shareholder and general manager, went into liquidation, and

This article on Henry d'Esterre Darby appeared in The Straits Times on 5 April 1934.
(Source: The Straits Times. Reprinted with permission)

Unlike previous generations of male Darbys, Henry d’Esterre did not attend university. He arrived in Singapore on 14 February 1889, aged 20, to be a “creeper” (apprentice) for the planting and contracting firm Hill and Rathborne Ltd.³⁴ The price of his apprenticeship was a £100 premium (a vast sum at the time) and a year’s work without pay.

Fortunately, a cousin working in Negeri Sembilan interceded with the firm and managed to have the terms modified: the premium was to be waived and Darby would go without pay for only six months, after which he would earn \$75 a month in his first year of service with contractual increments to \$100 and \$125 per month in the two subsequent years.

While not ungenerous, these terms meant that Darby had to “watch his domestic kira [expenditure]” very carefully. “Eggs,” said a *Straits Times* correspondent, “were one cent each and fowls twenty cents, and rice was cheap so there was always curry, but the creepers’ tastes in alcohol were perforce very much more restricted than those of young planters in later years. Mr Darby never saw whisky, for it cost too much, but he could buy large bottles of square-face gin for forty cents and a bottle of English beer for fourteen cents.”³⁵



A photo of the Linsum Estate in Negeri Sembilan. Henry Darby’s first posting as a creeper was to this 300-acre estate, believed to have been the first European estate in Negeri Sembilan. (Courtesy of Arkib Negara)

Darby’s first proper posting was to the 300-acre Linsum Estate near Rantau in Negeri Sembilan.³⁶ Port Dickson had not yet been built, nor were there any railway lines, and the only way he could reach it was by boat up the Linggi river to Pengkalan Kempas (then the only port in Sungai Ujong), and thereafter by gharry (a horse-drawn cab) on a narrow 12-mile laterite road.

³⁴ Thomas Heslop Hill and a certain Mr Rathborne were originally Ceylon planters who had come out to Malaya. Their firm was responsible for constructing the Sungai Ujong Railway in 1891 linking Seremban to Port Dickson, as well as for establishing many of the first roads and estates in the Federated Malay States.

³⁵ “Mr d’Esterre Darby’s Memories”, in *The Straits Times*, 5 April 1934, p. 6.

³⁶ The Linsum Estate is now a division of the Bradwall Estate belonging to Sime Darby.

Linsum was believed to have been the first European estate in Negeri Sembilan, the only other cultivated land being a Chinese-owned pepper plantation of 2,000 acres and another, much smaller, pepper property known as Ribu, established by a planter called Waddell Boyd. At Linsum, Darby would oversee the planting of Liberian coffee, pepper and a profitable cocoa crop. Here he may have seen his first rubber trees: planted by Darby's employer T. H. Hill as early as 1883, they may have been the first Malayan generation of trees descended directly from seeds smuggled out of the Amazon. Half a dozen survived at least to the 1930s and they were thought then to be the oldest in Peninsular Malaya.



An undated photo of a cocoa plantation. (Courtesy of Arkib Negara)

RIGHT: A rubber tree in Kuala Kangsar, believed to be one of the earliest in Malaya, circa 1880. (Courtesy of Arkib Negara)
BELOW: A coffee plantation, circa 1890. (Courtesy of Arkib Negara)

At Kamuning, Darby was surrounded on all sides by virgin forest and, as there were no other planters in the district, it was a very lonely existence until 1894 when his brother Herbert Mitford Darby came out to Malaya as his assistant.

Henry Darby contracted malaria repeatedly and twice had to be carried off to the hospital at Kuala Kangsar, but it was also at Kuala Kangsar that he started filling his pockets with rubber seeds from trees first planted as decorations by the Resident of Perak Sir Hugh Low in 1883-84.³⁷ He would then use these seeds to line the avenues of his estate and, planting a total of 480 trees, Darby holds the distinction of being the first to plant estate rubber in Perak.³⁸



Darby would remain at Linsum until April 1890, whereupon he was transferred to Kuala Lumpur to help manage the company's coffee plantations at Batu Caves (100 acres), Weld's Hill (250 acres, where Menara Maybank stands today), and Eveleen (90 acres running parallel to what is now Jalan Tuanku Abdul Rahman). He would enjoy this comparatively civilised life for a mere five months before undertaking his most serious and difficult posting at the tender age of 22.

In July 1890, Hill and Rathborne packed him off to the only estate that existed on the road between Ipoh and Kuala Kangsar. The 300-acre coffee estate at Kamuning would be his home for the next 12 years, during which time he would take only a single holiday (of six months).

³⁷ Low therefore also claims the distinction of being the first to introduce rubber to Malaya.

³⁸ "Subsequently, when the first rubber boom began, those seeds yielded a handsome revenue through the sale of seeds." See 'Planting History in Perak: Mr d'Esterre Darby's First Rubber Trees', *The Straits Times*, 20 March 1936, p. 18.

On returning to Malaya from his second holiday in England, in March 1903, Darby flatly refused to return to Kamuning, “declaring that he had had so much malaria there already that he would probably be carried off the estate feet first if he ever went to it again.”³⁹ He was accordingly sent to manage an oil mill at Kuala Selangor that was owned by a European syndicate, and remained there until 1910 when the rubber boom caused the syndicate to sell the mill to the millionaire Kuala Lumpur merchant Loke Yew.

In that same year, Darby joined forces with W. M. Sime to form Sime, Darby & Co, merging his own estate interests with that of his brother’s⁴⁰ and with those of Sime’s. As the company grew, however, Darby gradually shifted his attention away from direct management. By 1915, he ceased altogether to live on an estate and moved to Melaka from where he would act as a visiting agent and property valuer.

He retired on medical advice in 1931, selling his shares in Sime, Darby & Co. He settled in Port Dickson until 1934 when he returned to England for good. Thereafter he would visit Malaya once more, in 1935, to stay a few months with his nephew. In the words of the *Straits Times* correspondent observing his final departure, “it is the first time in Malaya that there has been only one Darby in Malaya!”

Henry d’Esterre Darby died at Machen, Monmouthshire, on 9 March 1941.

THE DARBY FAMILY IN MALAYA

While the name Darby is preserved only in Sime Darby today, many Darbys were among the foremost pioneers of planting in British Malaya. Four of Henry d’Esterre Darby’s brothers and five first cousins came to the country in the 19th century:

BROTHERS

John Charles Homfray Darby (1864–1922) was the first of the Darby brothers to come to Malaya. He worked at the Eastern Extension Telegraph Company until his retirement and repatriation in 1919.

Walter George Darby (b. 1865) was the second brother to venture out and worked in Sandakan first at Abrahamson & Co, then in his own business and finally at the China Borneo Company, of which he was Chairman. This last company was incorporated in Hong Kong and possessed wide timber interests, engineering works, and sawmills in Sandakan. Walter Darby was, consequently, very well connected with the Government of the day—the Chartered Company of British North Borneo. He sold his businesses in the 1919–1920 boom and retired to England.

George Scott Darby (1870–1933), the third brother, worked for Howarth Erskine Ltd in Kuala Lumpur and Singapore before heading to India.

Herbert Mitford Darby (1872–1915) came out in 1894 as assistant to Henry, as related above, and was a pioneer planter. He went on to open up a number of estates with Henry, including Vallambrosa and Pandamaran in Selangor. With Henry, Herbert Darby was instrumental in the foundation of Sime, Darby & Co—and may even have been the original Darby of the partnership. He represented Melaka on the Legislative Council before his untimely death from ill health on 27 December 1915 at Ootacamund, India.

COUSINS

Harrie Edward Darby (b. 1871) was a planter and merchant operating in the Federated Malay States. He is said to have married a local around 1913 and fathered two children, one of whom was George Darby who in turn married Khadijah Hj Jadi. Their family, the last of the Darbys in Malaysia, continue to live in Melaka today.

Charles Darby (1874–1931) spent his early years at the Public Works Department in one of the Malay States before going to Nigeria. He returned to Malaya in 1910 to manage the Narborough Estate in Sungkai, where he remained until his death. He is buried in Batu Gajah.

Frederick John d’Esterre Darby (b. 1880) opened up estates in Selangor, Kedah and Johor. He died suddenly in Muar and is buried in Melaka.

Richard John Purefoy Darby (1885–1907) worked at the Kuala Selangor oil mills but died of malaria and is buried in Kuala Lumpur.

There was another Darby, known as “Sergeant-Major” in Perak on account of his service in the Boer War, who had come to Malaya as manager of the New Gopeng Mining Company. He was drowned in a flood when inspecting a dam and is buried in Batu Gajah, but little else is known of him now.

There was also a large number of “younger generation” Darbys who continued to live and work in Malaya and later Malaysia, including Lionel “Dick” Darby, who was Assistant Controller of Malayan Customs, as well as Bob Darby who managed the Jasin Estate of Sime Darby, and James Lionel “Bin” Darby who worked at Sime Darby Commodities.

³⁹ *The Straits Times*, 1 April 1934.

⁴⁰ This was probably H. M. Darby.

TRADE AND INDUSTRY IN MALAYA

2



SHIPPING



RUBBER



PALM OIL



ENGINEERING



INSURANCE



TIN



IMPORTS



TEA



Ἄλλ' ἦσαν τῆ πόλει . . . τῶν ἄλλων ἑσπέρων που τὸν εἰ διαφέροντων καὶ ἱερῶντων
ἑσπέρων. οὗτοι δὲ εἶναι ἑσπέρων ἢ γὰρ; . . . Καὶ ἑσπέρων εἰς ἑσπέρωντα)
Πάντες
*and among the rest," said Socrates, "our ideal City will need
Agents, who are to import and export the different kinds of goods.
These are Merchants are they not?" "Yes." "We shall
need Merchants then?" "We shall indeed."
—PLATO, REPUBLIC 371 B.*

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LEFT: A palm oil harvester on Sungei Buloh Estate showing how the bunches of oil palm fruit are harvested with a sickle attached to the end of a long bamboo pole.

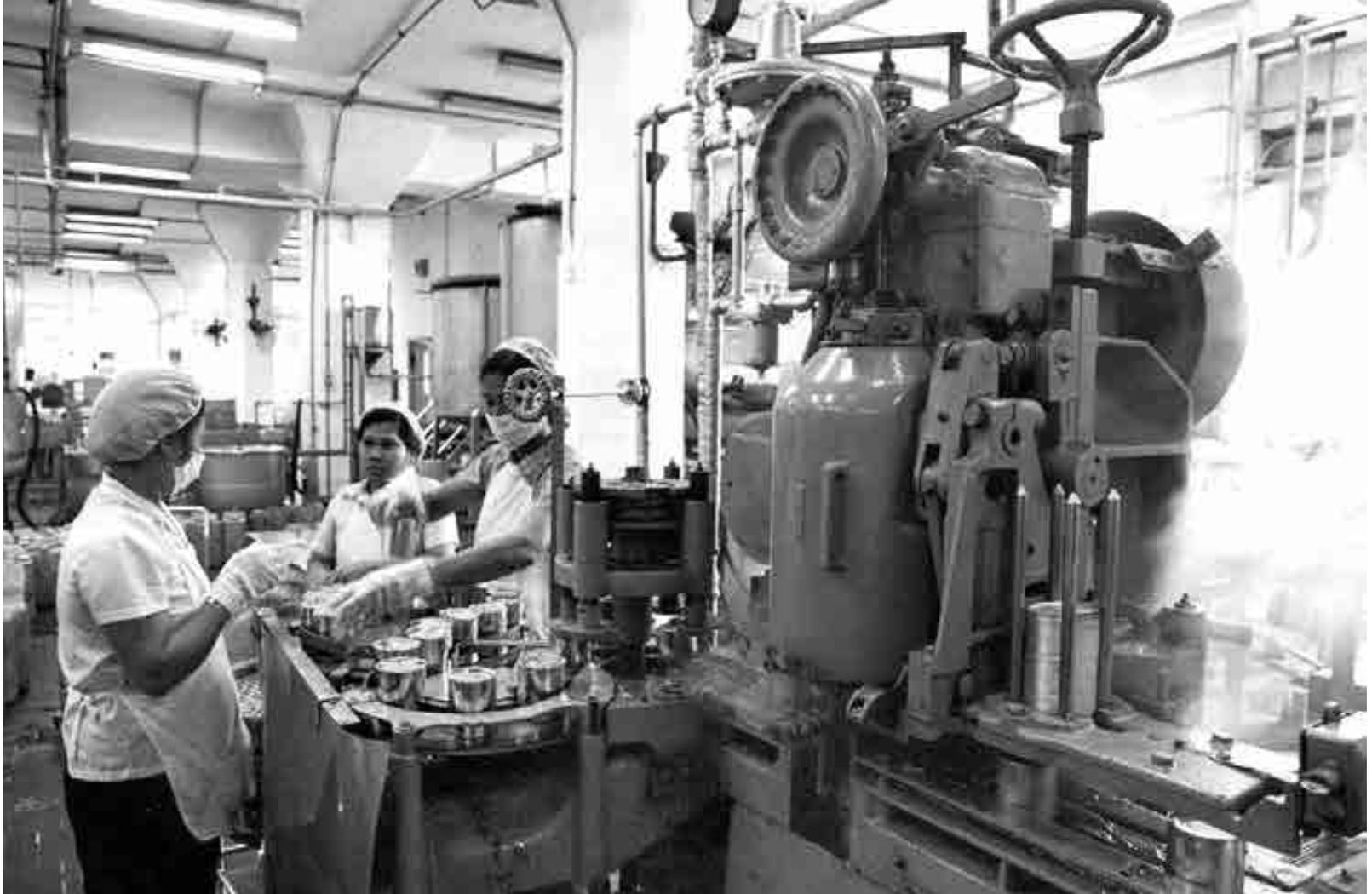
BELOW LEFT: This locomotive for transporting fresh fruit bunches at the Sungei Samak Estate was introduced in the 1930s and remained in operation until June 2009.

The 1950s saw the emergence of a crop that would change the nature of Malaysia's plantation industry within a decade: the oil palm. The tree *Elaeis guineensis* was first cultivated in West Africa and its fruit had been pressed for edible oil for centuries before early modern Europeans came to use it as an ingredient in soap and as an industrial lubricant. Palm oil was to play a major role in reshaping the interests and identity of Sime Darby in the new millennium, particularly after its merger with Kumpulan Guthrie Berhad and Golden Hope Plantations Bhd (which had once been Harrisons & Crosfield).



Demand for palm oil rose dramatically at the end of the Second World War as a result of both the "baby boom" and the rapid development of national economies—but another factor came into play: the Malayan Government, on the verge of independence and wary of its past over-dependence on rubber and tin, as well as problems posed by the US stockpile of synthetic rubber, instituted a series of industrial reforms aimed at agricultural diversification. Oil palm cultivation thus became a cornerstone of the Second Malaya Plan (1961–1965), and the Agency Houses were quick to see the commercial benefits of the new crop (such as shorter maturation of trees and higher returns per hectare).¹

¹ Tate, *op. cit.*, p. 582.



Amoy Canning Corporation (HK) Limited in Hong Kong was part of the Sime Darby expansion programme in the 1970s.

Sime Darby began exploring the crop on the Merlimau Pegoh and Tali Ayer Estates in 1964,² but it did not truly play a large role in the new business until 1972 when, under the leadership of its mercurial (and ultimately controversial) Chairman and Managing Director Dennis W. Pinder, it gained control of Seafield Amalgamated Estates (as well as its parent R.G. Shaw and Co) from overseas shareholders. The takeover revolutionised Sime Darby, increasing its landholdings from 60,000 acres in 1970 to some 200,000 acres of palm oil and rubber, and turning it into the largest estate company in the country.³ Sime Darby (Malaysia)—the wholly owned subsidiary of London-based Sime Darby Holdings Ltd—then formed an important joint trading company in 1972 with the government trading vehicle Perbadanan Nasional Bhd:

Pernas-Sime Darby, in which Sime Darby owned a 49 per cent stake.⁴

Within 12 months, Pinder embarked on a grand programme of international expansion,⁵ acquiring 55 per cent of China Engineers Ltd, 40 per cent of Harpers International, and 50 per cent of Amoy Canning. Most importantly for Malaysia, Sime Darby amalgamated its interests in the Craigielea Rubber, Merlimau Pegoh and Straits Rubber Estates into the market giant Consolidated Plantations. In an exciting takeover managed by N.M. Rothschild and Sons the following year, the new plantation conglomerate acquired the Consolidated Salak Rubber Estates, bringing its subsidiary Tennamaram Palm Oil—the site of the first oil palm plantation in Malaya—within Sime Darby management.

² *The Straits Times*, 23 October 1964, p. 17.

³ *Ibid.*, 2 October 1971, p. 1, and Bowie, *op. cit.*, p. 42.

⁴ 'Pernas and Sime Darby in Joint Trading Venture' *The Straits Times*, 21 June 1972, p. 13.

⁵ In all, according to Bowie, *loc. cit.*, Pinder amassed 200 enterprises in 22 countries.

CONSOLIDATION AND MALAYSIANISATION

Although Pinder's rise was cut short by a run-in with the law in November 1973, he brought a vital new vision and ambition to an otherwise conservative company and helped it develop a taste for diversification, adaptation and expansion, which ultimately allowed it to survive the global financial and economic crises of the late 20th and early 21st centuries. Pinder's legacy was to evolve the plantation and trading company into a truly multinational corporation with a wide variety of interests. However, Pinder's departure from the company also marked another important milestone: the end of direct British control of Sime Darby. The caretaker chairmanship of the celebrated banker Tan Chin Tuan of OCBC expired in December 1975, along with the appointments of James Bywater and, a few months later, Dr Keith Bright as Chairman and Managing Director respectively. Following their departure, new leadership quickly embarked on a policy of corporate consolidation to "manage a vast, uncoordinated—and unruly—empire [...] Some of the more undisciplined acquisitions [made by Pinder] had to be 'brought to heel'; others had to be turned around in respect of their profit performance; still others had to be sold off again."⁶

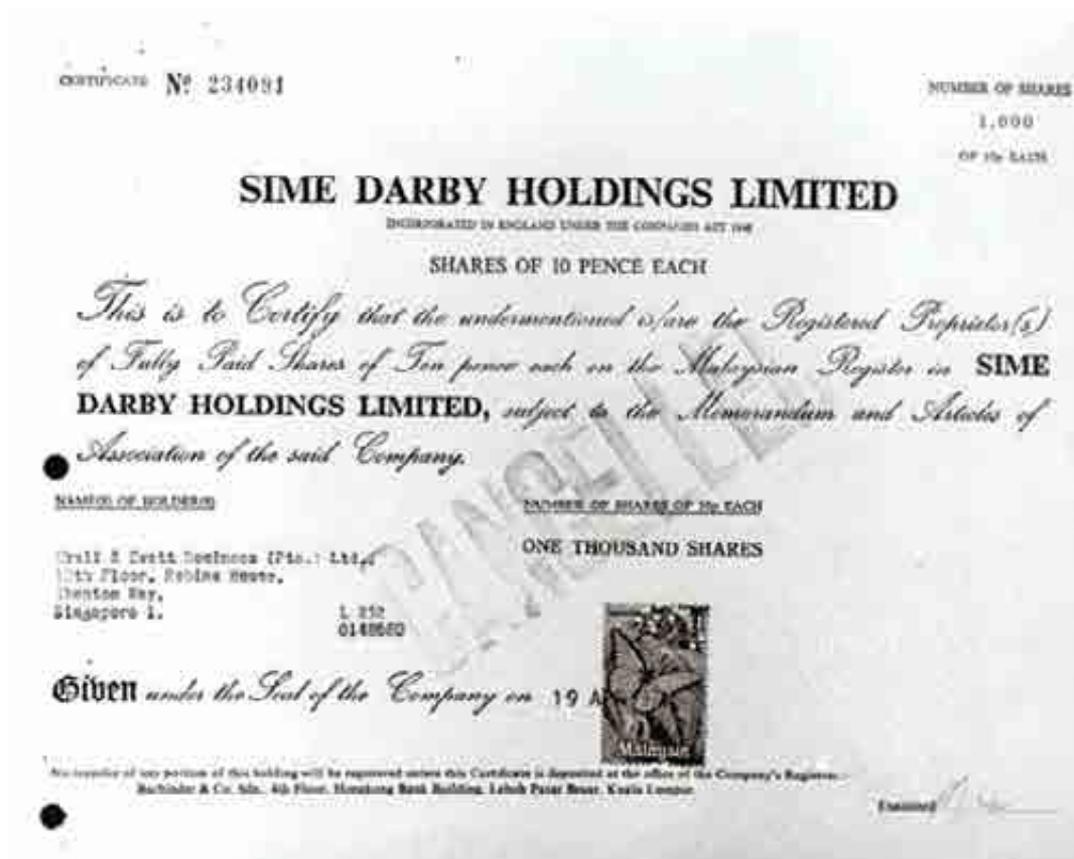


James Bywater, Sime Darby's last chairman before Malaysianisation, presenting a cheque to former Finance Minister Tengku Razaleigh Hamzah for Yayasan Tun Abdul Razak. (Courtesy of Arkib Negara)

⁶ Ian MacDonald, "A decade of diversification at Sime", *Business Times*, 21 November 1983, p. 3.

At the same time, Pernas Securities, which held a 10 per cent stake in the parent Group following the birth of Pernas-Sime Darby, sought to expand its presence in Sime Darby in an effort to represent Malaysian public interest more prominently in what was becoming—and in many ways had already become—a vast, diversified and Malaysian enterprise. Bywater quickly found himself besieged: “What is plain [...] is that many local shareholders feel South East Asian interests should have a bigger say in the running of Sime—via more seats on the board,” said *The Straits Times* on 20 November 1976.

To avoid a deadlock on the Board, Bywater and the other directors retired from the board at midnight on 10 December 1976 in favour of what was to be the first Asian management of the Group led by former Finance Minister Tun Tan Siew Sin—the son of Tun Sir Tan Cheng Lock—as Chairman, and Dunlop Managing Director Tunku Ahmad Yahaya, who would soon rise to become Managing Director of Sime Darby. On 24 October 1979 shareholders voted to transfer domicile of the company to Malaysia, and thus in December the same year Sime Darby Holdings Ltd issued notices in *The Straits Times* advising the public that shares would be converted to equivalent shares in a new Kuala Lumpur-based company, Sime Darby Berhad, on 20 December. By 1 January 1980 Sime Darby was legally a Malaysian company and within three years its new national status would be reflected in its equity, with more than 54 per cent of shares under Malaysian control.



Under the watch of the new Malaysian management, Sime Darby Berhad chose the path of courage in continuing the process of expansion. Through the Seafield acquisition, for example, Sime Darby developed an interest in property development, leading eventually to the establishment of what is Sime Darby Property Berhad today. At the time, Sime Darby's first direct move into property development was to acquire a large stake in United Estate Projects Bhd in 1985, which was then engaged in building the Subang Jaya township. Sime UEP Bhd, as the new division was known, would later launch the sprawling USJ integrated township (in Selangor) in 1988 when Subang Jaya was completed.

A Sime Darby share certificate priced at ten pence in 1974.



Tunku Tan Sri Dato' Seri Ahmad Yahaya was Sime Darby's first Malaysian Group Chief Executive. He served from 1982 to 1993.

By the time Tunku Ahmad retired in 1993 the division had ventured into industrial property development at Taman Perindustrian UEP, and it would thereafter undertake some of the most recognisable property developments in the country on converted plantation land (Planters' Haven in 1996, Putra Heights in 1999, Ara Damansara in 2000, and Bandar Bukit Raja in 2002, among others). The division would eventually venture abroad and would itself diversify into asset management, golf clubs and hospitality both at home and in Singapore, Australia and China. The division's emphasis on quality of design and construction, as well as its awareness of the impact of development on the environment, have won it several awards and it remains today at the forefront of research into sustainable living.⁷

Tunku Ahmad also engineered the rehabilitation and expansion of Sime Darby's heavy equipment portfolio. The company's acquisition of the Sarawak Trading Company in 1929 led eventually to the formation of Tractors Malaysia Sdn Bhd, and the Group's Industrial Division of today. Through a series of measures aimed at both financial prudence and commercial audacity, Tunku Ahmad managed to turn a RM10.8 million loss at Tractors Malaysia in 1982 into a pre-tax profit of RM1.7 million the following year.⁸

⁷ See Chapter 4.

⁸ Bowie, *op. cit.*, p. 67.

In property development, Sime Darby's emphasis on quality of design and construction, as well as its awareness of the impact of development on the environment, have won it several awards, and it remains today at the forefront of research into sustainable living.



Planters' Haven is an exclusive community set within 270 acres of mature orchard land near Nilai in Negeri Sembilan, Malaysia.



TPC Kuala Lumpur (previously known as the Kuala Lumpur Golf and Country Club) offers two 18-hole courses—the West Course, an international championship Par 72 course, and the East Course, a social, wetlands-themed Par 71 course.

Many of these developments occurred under the watch of Tan Sri Nik Mohamed Nik Yaacob, who headed Sime Darby on Tunku Ahmad's retirement and oversaw an important period during which the Group strengthened its international portfolio through ventures into new fields: in 1993, for example, it formed a partnership with French insurance group AXA (known as Sime AXA), and the following year it acquired Lec Refrigeration PLC—one of the UK's leading brands in household refrigerators—investing £34 million in a new factory. The year after that, the Group acquired a controlling stake in the United Malayan Banking Corporation (reorganised as Sime Bank and Sime Securities).

The Group has since divested itself of many of these holdings, but it was during this period of diversification in the 1990s that Sime Darby acquired the characteristics of the diversified global conglomerate that would shape its fortunes for the subsequent decades. By 2004, when Dato' Seri Ahmad Zubir Murshid became Group Chief Executive on Nik Mohamed's retirement, several of the Group's divisions had diversified into large worldwide organisations in their own right.

THE GROWTH OF SIME DARBY MOTORS

An early business of Tractors Malaysia was passenger vehicles. Today, Sime Darby Motors is a major motor vehicle group in the Asia Pacific region with operations in Australia, China, Hong Kong, Macau, New Zealand, Singapore, Taiwan, Thailand and Malaysia, in both the commercial and passenger vehicle markets. The business began in 1972 when Sime Darby (under Dennis Pinder) acquired exclusive rights to import and distribute BMW cars and motorcycles in Hong Kong and Macau. In 1979, under the Malaysian team headed by Tun Tan Siew Sin and Tunku Ahmad Yahaya, Sime Darby Motors acquired dealership rights for BMW, Ford and Land Rover in Singapore, Malaysia and Brunei, as well as local assembly rights, building the first Land Rovers and BMWs outside their home countries.



A BMW showroom in Hong Kong. Sime Darby Motors has operations in Australia, China, Hong Kong, Macau, New Zealand, Singapore, Taiwan, Thailand and Malaysia, in both the commercial and passenger vehicle markets.

“When the business started in the 1970s, the regional economy was just starting to develop,” recalls Dato’ Lawrence Lee. “In the 1970s, Sime Darby had many different businesses including the trading business—it was not into cars yet—which included a liquor division and consumer products like biscuits, chocolates, and even a pharmaceutical area and a footwear division.”



Dato' Lawrence Lee.

Lee, a chartered accountant, joined Sime Darby Singapore in 1981, worked in finance at the Group's Head Office and went on to run the Consumer Trading Division. He moved to the Motors Division in the mid-1990s as General Manager of Sime Darby's Ford franchise in Singapore and held senior management positions in the Division's businesses in Australia, New Zealand and China, before rising to become Executive Vice President of the Motors Division and eventually Managing Director of Sime Darby Motors from 2007 to 2018.

"Sime Darby was looking for growth opportunities, and the logical step forward was to go into things such as passenger cars, where demand was growing. By the mid-1990s a change in consumer trends saw growth in demand for luxury cars—Ford was basically a mass-market car—and we also faced intense competition from Japanese car makers. We grew with the BMW franchise across the markets. What made a difference was management expertise, Sime Darby's financial strength, and management commitment—that personal touch."

What also helped was the evolving structure of Sime Darby's worldwide management. Previously, the company grouped its businesses regionally, with each regional operation acting as a "mini-conglomerate" with its own motors, industrial and property businesses. "We then started to organise ourselves according to business activity—there would be a common global head for all motors businesses, for example, and ultimately we put all these under a single business entity—in my case, Sime Darby Motors," said Lee.



The Ford franchise has been one of Sime Darby's brands under its Motors Division.



A Ferrari showroom in Brisbane, Australia. Sime Darby Motors operates in nine countries and represents more than 30 brands including Ferrari.

“When I took over as Managing Director in 2007, there was still a lot of reorganising and re-engineering of our business. We needed clear and driven teams that could focus on the business, and then came the expansion into new franchises and new territories.” The changes paid off—during Lee’s tenure, the division’s revenue grew from RM7 billion in 2007 to RM20 billion around the time of his retirement in 2018, and today Sime Darby Motors has assembly, distribution, retail and car rental businesses and operates in nine countries, representing more than 30 brands including BMW, Ferrari, MINI, Rolls-Royce, Porsche, Jaguar, Land Rover, Hyundai, Hertz and more.

Another key area to grow during this time was energy and utilities, an industry first represented through Sime Darby Petroleum in 1971 and Sime Darby Services in 1981. This became part of a core division of the Group under Ahmad Zubir.

Sime Darby Energy and Utilities was highly diversified and operated in Malaysia as well as in Singapore, Indonesia, Thailand, China and Qatar, encompassing oil and gas engineering, ports and logistics, power generation and security solutions.

Besides the Group’s core divisions, Sime Darby’s operations also included an assortment of important allied products and services such as healthcare, travel, insurance, integrated logistics, hypermarkets, aircraft components and manufacturing, which was a legacy of the 1980s when manufacturing was one of the Group’s core divisions.⁹ Through Consolidated Plantations, Sime Darby acquired a 51 per cent stake in Dunlop Malaysian Industries Bhd (DMIB) in 1985 from Dunlop Holdings PLC in the UK, thereby gaining Dunlop’s tyre manufacturing business.¹⁰



A Dunlop Malaysian Industries Berhad (DMIB) advertisement, circa 1986. In the 1980s manufacturing was a key division led by DMIB. DMIB had earlier built Malaysia’s first tyre factory in Petaling Jaya and was already a leading tyre manufacturer in the region when it diversified into other products.

⁹ The change in the Group’s core focus has been dramatic: from 2006 to 2009 Sime Darby divested itself of more than 300 companies in order to streamline its operations.

¹⁰ *The Straits Times*, 26 November 1984, p. 19 and *ibid.*, 3 May 1985, p. 24. The Group’s first venture into tyre manufacturing occurred in 1981 when it bought BF Goodrich in the Philippines.

Tun Abdullah Ahmad Badawi, then Prime Minister of Malaysia, and Tun Musa Hitam, then Chairman of the Group, at the launch of the newly merged Sime Darby Berhad on 28 November 2007.

While Sime Darby's progress during this time was driven by an appetite for diversification and expansion, this period also marks a monumental shift in its identity: Sime Darby Berhad was no longer just a plantation firm. It was a multinational conglomerate with diverse interests in terms of geography as well as industry. It was unlikely that any of the founding members of Sime, Darby & Co could have foreseen the trajectory their company would take within a hundred years of its formation, or the role it would play in helping a young nation realise a vision for economic independence—and yet, the next stage of the company's development would surprise even the most ambitious corporate visionary: the merger of Sime Darby Berhad and two venerable institutions—Kumpulan Guthrie Berhad (founded in 1821 and one of the oldest Agency Houses in South-east Asia) and Golden Hope Plantations Berhad (originally known as Harrisons & Crosfield, founded in 1844, which was also a major Agency House in colonial Malaya).



CREATING SYNERGY

In late 2004 rumours began circulating of immense corporate changes within Malaysia's plantation industry. These had been fuelled in part by the Malaysian Government's moves earlier in the year to overhaul government-linked companies in the local stock market, and the process of rationalising the operations of these enterprises made sense to those who were concerned by how much money was leaking on a macroeconomic level due to parallel work, unproductiveness and inefficiency.

Worries about the national deficit had also placed sustained pressure on the financial performance of the Government's commercial investments, and wherever it maintained management control of listed companies, the authorities believed that the time had come to disentangle business from the tentacles of bureaucracy.

Accordingly, the Government sought to provide these companies with smaller boards consisting of professional managers rather than civil-service policymakers, and likewise it required that companies act with greater flexibility in managing their individual undertakings.



The next stage of the company's development would surprise even the most ambitious corporate visionary: the merger of Sime Darby Berhad and two venerable institutions—Kumpulan Guthrie Berhad and Golden Hope Plantations Berhad.

On 23 November 2006 Sime Darby Berhad, Kumpulan Guthrie Berhad and Golden Hope Plantations Berhad suspended trading of their shares and those of their subsidiaries on Bursa Malaysia, pending the outcome of deliberations “about a change in business direction”. On 27 November, a special purpose-vehicle called Synergy Drive Sdn Bhd made a formal proposal, worth RM31.4 billion, to acquire the assets and liabilities of all three conglomerates as well as their subsidiaries.

The merger was completed exactly a year later on 27 November 2007, and the new company re-entered

the stock market under the name of Sime Darby Berhad on 29 November with a market capitalisation of RM59.5 billion. Under the management of Ahmad Zubir and an invigorated team, the new Sime Darby would then embark on a programme to build its business and internal mechanisms and fully rationalise its operations: the first phase from 2007 to 2008 involved consolidating its new management and organisation, as well as integrating and developing its plantations, property and other core businesses; and the second phase would see Sime Darby realise the first results of its new synergy and other benefits of the merger.



In Sime Darby's 2012 financial year, the company's planted area in Malaysia stood at 312,795 hectares for oil palm and 7,811 hectares for rubber. Operations consisted of 129 oil palm estates, 36 palm oil mills and 3 bulking installations spread across Peninsular Malaysia, Sabah and Sarawak.

Some of these results became apparent almost immediately.

In the plantation sector, Sime Darby gained its first Roundtable for Sustainable Palm Oil certification in 2008, and in 2009, the company became the first to successfully sequence the palm oil genome. In subsequent years, Sime

Darby established a state-of-the-art innovation centre, planted its first oil palm seedling in Liberia, and acquired New Britain Palm Oil in Papua New Guinea, bringing the Group's landbank close to a million hectares. Meanwhile, the Group's property division continued to build several award-winning townships and other property developments in Malaysia such as the City of Elmina, Bandar Ainsdale, USJ Heights, Bukit Jelutong and Chemara Hills. It also played a part in the Battersea Power Station redevelopment project in London.



Palm oil is extracted from the oil palm fruit, while palm kernel oil is derived from the kernel or seed of the oil palm.



A worker in a palm oil estate.

At the same time, Sime Darby's other divisions also grew at a rapid pace: the Group's Motors Division acquired sole distributorship of several major marques (including McLaren, Jaguar, Land Rover and Hyundai among others) in Malaysia, Australia and elsewhere in Asia. In 2007 the Group established Sime Darby Healthcare, bringing together Subang Jaya Medical Centre, Megah Medical Specialists Group and SJMC Academy of Nursing and Health Sciences, which eventually led to a partnership with Ramsay Health Care Limited to form Ramsay Sime Darby Health Care in 2013. Today, Ramsay Sime Darby Health Care operates three internationally accredited hospitals in Malaysia (Subang Jaya Medical Centre, Ara Damansara Medical Centre and ParkCity Medical Centre), three in Indonesia (RS Premier Bintaro, RS Premier Jatinegara and RS Premier Surabaya), and a day surgery centre in Hong Kong. The Group also manages the Ramsay Sime Darby Healthcare College in Shah Alam, Malaysia, which provides a comprehensive range of nursing and allied health sciences programmes at an exceptional standard.

■ The Founding Fathers ■

ALEXANDER GUTHRIE

Alexander Guthrie was born on 30 December 1796 at the farm of Burnside, a short distance north-west of Brechin in Angus, Scotland. His family was a junior branch of the ancient clan Guthrie of that Ilk, one of whose ancestors went to France in 1303 to aid the return of William Wallace to Scotland.

In 1816, Guthrie joined the trading business of Thomas Harrington in Cape Town. After the East India Company took possession of Singapore in 1819, Guthrie set sail with "a cargo of trade goods from Harrington's warehouse,"¹¹ and landed on the island on 27 January 1821.¹²

¹¹ *Ibid.*, p. 23.

¹² Harrington and his family followed closely behind, but were delayed by visits to friends in Penang and Melaka.



Alexander Guthrie established his trading business in Singapore. He opened the headquarters of Harrington and Guthrie on 1 February 1823.

At the time, Singapore was a general administrative mess caused by isolation: like the other Straits Settlements, the island was an outpost of the East India Company notionally governed from India, but the reality was vastly different. With the departure of Raffles for Bencoolen, the local government was poorly funded for municipal duties, and pioneering merchants had to build their warehouses on untitled plots of land.



This 1926 locomotive head, first used in Sungai Tekal Oil Palm Mill, was brought to Elmina estate in 1970. Fabricated by Richard & Sons Ltd in Leiston, England, it was restored in 1990. The Guthrie 'G' is prominently displayed.

Guthrie was initially fortunate to be able to lease unused East India Company premises for Harrington and Co—but was obliged to move not once but twice: first when a new Company tenant took possession and again when Raffles returned to the island to demolish and rebuild the town according to his original plans.

Guthrie weathered these storms stoically, and was pleased to see trade grow with the ever-increasing population of Chinese that had flocked to the island in search of work. He had arrived originally with an assorted cargo of cloth and cotton, nails, axes and knives made in Sheffield, clocks, stationery, sherry and brandy, and very quickly made friends with local Chinese commission agents (or “middlemen”). In this way, together with another merchant A. L. Johnston, he established what was to become “the pattern of an Anglo-Chinese participation in commerce that was to outlive their century.”¹³

¹³ Sjovald Cunyngham-Brown, *The Traders*, Newman Neame, London, 1971, p.36.

Business boomed and Guthrie, a very enterprising man, rose quickly both in commerce and society. Short of able administrators, Raffles gazetted him magistrate and he soon added to this honour the trusteeship of the new Raffles Institution besides other civic engagements.

He became increasingly involved in the *de facto* government of the island, which was then still an unwanted fief of the East India Company administration in India. Thus when in 1836 the government in India proposed the abolition of Singapore's free-port status—which was a fundamental principle of the port's foundation—Guthrie and other leading merchants created an uproar "that shook the rafters of Governor-General

Lord Auckland's office in Simla, where he was relaxing from Calcutta's heat, and even shook the austere fastness of Lord Melbourne's sanctum in London, where, as Prime Minister, the matter came before him."¹⁴

The merchants had their way and, in the process, formed the Singapore Chamber of Commerce, which would from then on play a leading role in dismantling the East India Company's unwieldy and often flawed administrative apparatus, and which would lead ultimately to the establishment of the Straits Settlements as a Crown colony.



An illustration of Guthrie's Singapore godown in 1821.



James Guthrie, Alexander's nephew, was to succeed his uncle in managing the company after Alexander left for London in 1847.

¹⁴ Cunyngnam-Brown, *op. cit.*, p. 59. The merchants included A.L. Johnston, Hugh Syme of Syme & Co which would later employ W. M. Sime, and Edward Boustead of Boustead & Co.

TRADE AND INDUSTRY IN MALAYA

AIRWAYS

PENANG
IPOH
TELUK ANSON
KUALA LUMPUR
PORT SWETTENHAM
SEREMBAN
PORT DICKSON
MALACCA
SINGAPORE

SHIPPING

RUBBER

ENGINEERING

TIN

IMPORTS

PALM OIL

INSURANCE

TEA

All this is made . . . for the benefit of the people of Malaya and the people of the world.

"And among the rest," said Socrates, "our Ideal City will need Agents, who are to import and export the different kinds of goods. These are Merchants are they not?" "Yes." "We shall need Merchants then?" "We shall indeed."

—PLATO, REPUBLIC (II A.)

GUTHRIE & Co LTD

ESTABLISHED 1821

SINGAPORE • KUALA LUMPUR • IPOH • PENANG
MALACCA • SEREMBAN • TELUK ANSON • MEDAN
PORT SWETTENHAM • PORT DICKSON • LONDON

This 1953 Guthrie advertisement highlighted the company's involvement in all major aspects of trade and industry in Malaya.

With his considerable talents thus devoted in ever-increasing measure to the business of the town, Alexander Guthrie returned to Scotland to fetch his nephew James, who would in time succeed him as head of the firm. After several adventures and the addition of more partners to the firm, Alexander Guthrie left Singapore for London in 1847 to promote the island's interests in Britain.

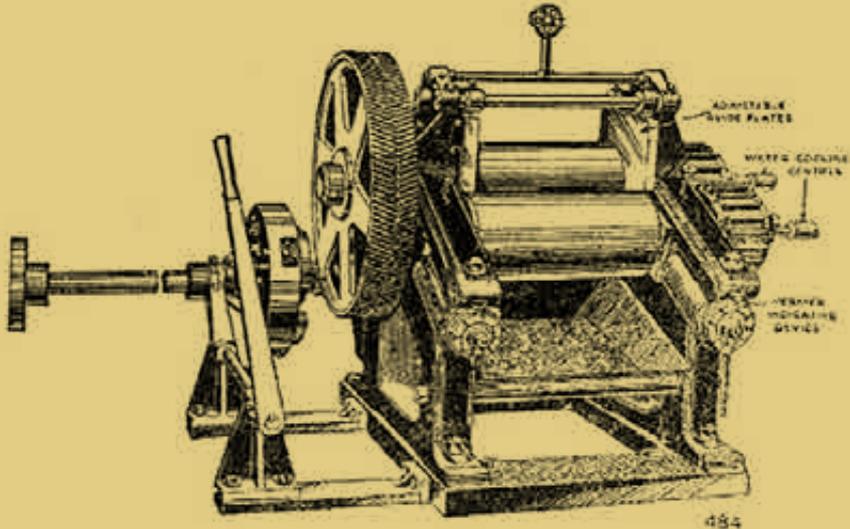
In this capacity, and with James managing affairs on the island, the Guthries were to prove themselves instrumental in effecting the mercantile independence of Singapore and the final demise of Indian authority in the Straits Settlements.

**SHAW'S
RUBBER MACHINERY.**

VARIOUS TYPES AND SIZES
FOR ALL GRADES OF WORK

FULL PARTICULARS FROM OUR
**ENGINEERING
DEPARTMENT**

Sole Agents:—

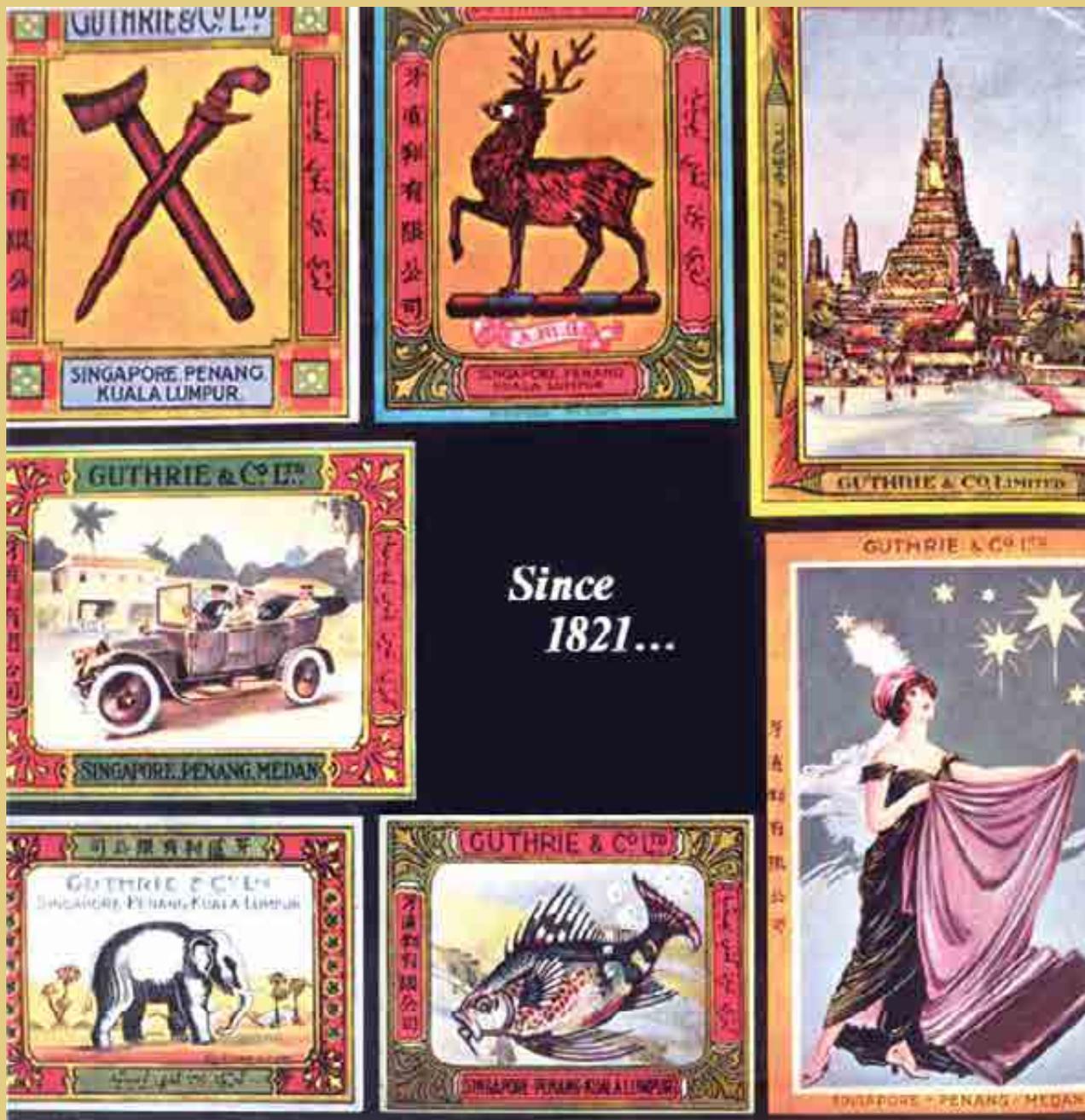


18" x 12" CREPEING MACHINE.

GUTHRIE & Co., Ltd.
(INCORPORATED IN STRAITS SETTLEMENTS)

KUALA LUMPUR — SINGAPORE — IPOH

This Guthrie & Co advertisement for a rubber "crepeing machine" appeared in The Planter, the journal of The Incorporated Society of Planters. (Courtesy of Arkib Negara)



This colourful 1962 advertisement features some of the early "chops" or trademarks used by Guthrie & Co.

Alexander Guthrie died on 12 March 1865, in London. In the next decades, the firm he founded grew into a massive enterprise engaged in the trade of general goods, and eventually rubber and oil palm plantations. In 1981, Permodalan Nasional Berhad acquired Guthrie Group Limited in what is called the "Dawn Raid", returning control of the company and its Malaysian assets to Malaysia.

DANIEL HARRISON, SMITH HARRISON AND JOSEPH CROSFIELD

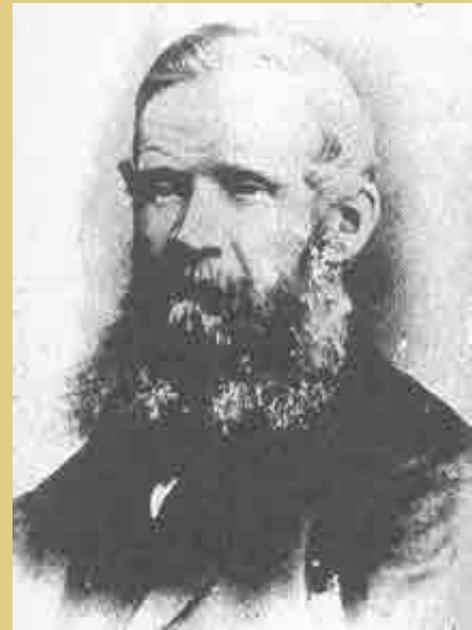
Daniel Harrison was born on 10 March 1795 at Countersett Hall in Wensleydale, Yorkshire, to a Quaker family that had farmed lands in the North West Riding of Yorkshire for centuries. In 1794 and 1797, however, bad weather proved ruinous to farming and Daniel's father Reuben consequently removed his family to Lancashire, which at the time was growing rapidly as a result of its cotton mills and the development of Britain's international trade in textiles.

Daniel later moved to Liverpool where he worked in partnership with Octavius Waterhouse,¹⁵ the son of one of the city's leading cotton-brokers Nicholas Waterhouse. The partners did well enough that by 1840 Daniel considered retirement but, during a visit to London in the spring of that year, Waterhouse made "a most disastrous speculation" which Daniel feared would have the result of ruining them both.

¹⁵ Octavius Waterhouse (22 April 1810 – 7 October 1847) married Elizabeth Crosfield, the aunt of Joseph Crosfield (see *Annals of Smith of Cantly, Balby, and Doncaster*, Oxford University Press 1878). He was uncle to the architect Alfred Waterhouse and accountant Edwin Waterhouse (a founder of the firm PricewaterhouseCoopers)—both first cousins of Joseph.



*LEFT: One of the Harrison brothers.
BELOW: Joseph Crosfield was the
third partner in the firm of Harrisons
& Crosfield. By the 1860s the firm
had become the third largest tea
trader. (With kind permission of
Elementis Holdings Ltd)*





An undated photo of a tea plantation. (Courtesy of Arkib Negara)

However, six years earlier the Charter Act of 1833 finally broke the East India Company's monopolies on tea and general trade with India and Malaya, and Daniel Harrison looked to the tea and coffee trade for his financial recovery. By 1843 he was in a sound enough position to form a partnership with his younger brother Smith Harrison, and the 23-year-old Joseph Crosfield, laying the foundations for what would become one of Britain's greatest enterprises.

Smith Harrison was born in 1818 and even as a youth showed a remarkable aptitude for trade. On behalf of the firm, he travelled every fortnight to tea auctions at Mincing Lane in London and, by 1854, would open and manage the firm's headquarters at 3 Great Tower Street—the same building where Edward Lloyd (the forerunner of Lloyd's of London) established his first coffee shop in the mid-17th century.



An artist's impression of Great Tower Street before the 1910 construction.



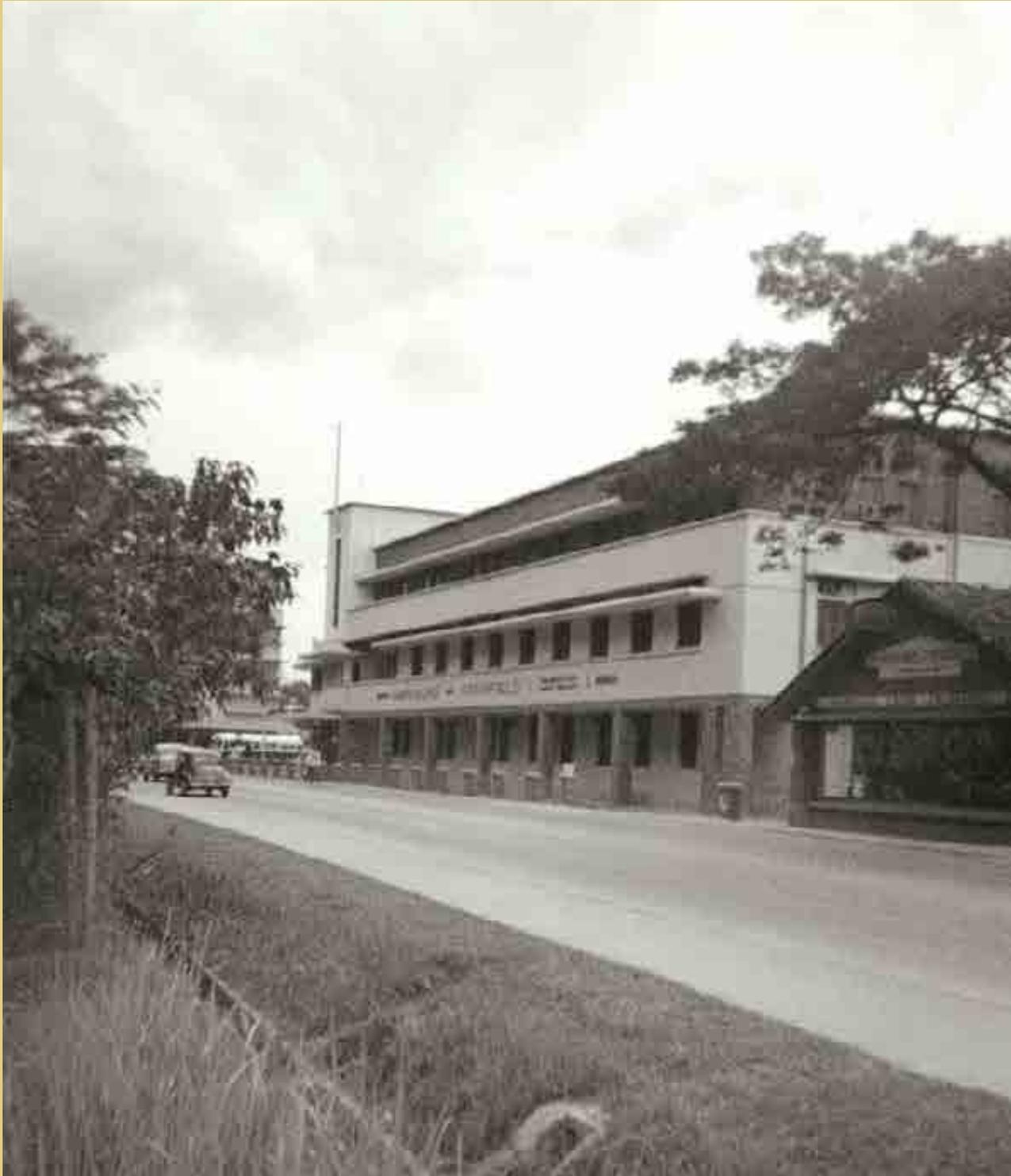
*The original Harrisons & Crosfield's tea sale room at Great Tower Street, once described as the finest tea sale room in London.
(With kind permission of Elementis Holdings Ltd)*



In 1959 Harrisons & Crosfield acquired land on Carey Island. Seen here is Edward Valentine Carey, founder of Carey Island, and his family.

The third member of the firm, Joseph Crosfield, was born in Liverpool in April 1821. Young Joseph was a keenly ambitious man and was initially reluctant to surrender his mercantile independence in forming a partnership, but his father George persuaded him not to branch out on his own and join the experienced Harrison brothers instead.

By the 1860s the firm had become the third-largest tea trader with sales of between 2.5 and 2.75 million lbs—a staggering achievement considering the fact that the three partners had built the enterprise in under a decade. Over the next decades its business grew to include trade in a wide variety of goods, and eventually rubber and palm oil, becoming Golden Hope Plantations Berhad before merging with Sime Darby Berhad.



The Harrisons & Crosfield office at 70, Jalan Ampang, Kuala Lumpur, in 1963.



Tractors Singapore Dyno test bay.

SIME DARBY INDUSTRIAL: MOVING THE EARTH AND MORE

In 2007, Sime Darby Berhad established Sime Darby Industrial. A key division of Sime Darby today, Sime Darby Industrial is a global leader in heavy equipment and industrial solutions, and continues to represent the Caterpillar brand through Tractors Malaysia, Tractors Singapore Limited, China Engineers Limited, Terra Cat and Hastings Deering.



Hastings Deering.

Part of the solution to running an efficient multinational business was to implement a very flat management structure: “We have regional management teams that operate as relatively independent businesses and they interface with Caterpillar and other partners locally. We then all get together as a leadership team to deal with things we have in common, such as systems and processes for sustainability and governance. This has been a particularly successful way of doing it, for us,” said Cameron.

“There are a lot of brands to manage,” says Scott Cameron, who was Executive Vice President of the Industrial Division from 2007 and Managing Director of Sime Darby Industrial from 2015 until his retirement in 2019. “You’ve got the dealer brand, the manufacturer brand, and of course the Sime Darby brand. It’s all about communications at different levels, and the best things Sime Darby does for the brands internally are the *teh tarik* sessions and the talks initiated by the then Sime Darby Group CEO Tan Sri Mohd Bakke Salleh, which let people interact and ask questions, which makes a huge difference even to this day. You have to make Sime Darby a part of the conversation—it’s too easy *not* to do that, but all our values and our codes of conduct are anchored in Sime Darby.”



Tractors Malaysia.

“When people think of multinationals, they tend to think of big pyramids—but ours was very flat at the top. Sime Darby Industrial has no physical ‘head office’, but senior management stays in contact all the time through technology. We have regional operational heads in China, Malaysia and Singapore; with the Chief Financial Officer in Malaysia, the Chief Information Officer and the head of sustainability in Australia, and so forth.”



Hastings Deering sells, rents, and offers support and parts distribution services for customers across a range of industries. These include mining, construction, civil transport, power systems, government, primary industries and marine.

Since its establishment as an independent division in 2007, Sime Darby Industrial has grown tremendously in the regional markets, with the key acquisition of Gough Group Limited (whose interests include the New Zealand Caterpillar dealership) in 2019. “We also expanded our business in China, going from 20 branches to nearly 100. Credit must go to Dato’ Jeffri Davidson who went to China to execute that strategy. It was quite exceptional—we went from a nowhere-ranking market share to peaking at number three or four behind the local Chinese brands. At the same time, we also completely re-engineered Sime Darby Industrial to go digital,” says Cameron.

“It might not be very exciting, but one of the biggest changes we made was to implement the same systems throughout the division. It’s an enormous investment in people and processes, but it’s created a platform for Sime Darby Industrial to become a major digital player for the next generation.

“The customer experience will change in the years to come: they will be able to buy parts online without having to come into the dealership. The whole marketplace will have to adapt to this new environment—but customer relationships will remain important. There will be relationships at different levels that are constructed in different ways, and Sime Darby Industrial is really well-positioned for that journey,” Cameron says.

A technician at Tractors Singapore Limited conducting diagnostic tests on an engine.









Since its establishment as an independent division in 2007, Sime Darby Industrial has grown tremendously in the regional markets.

Generator sets at Tractors Singapore Limited.

GOVERNANCE AND ACCOUNTABILITY: A CORE FOCUS

No two events in Sime Darby's recent history have exerted a greater influence on the company's fortunes and future than the 2007 merger with Kumpulan Guthrie Berhad and Golden Hope Plantations Berhad, and the subsequent pure play exercise a decade later. However, three years into the merger came challenges that put Sime Darby's resolve to the test and ultimately were equally important in charting the course of the company in the new millennium. It took the bold step of announcing an investigation into irregularities within its business, and followed this swiftly with improvements to its corporate governance.

The questions began on 13 May 2010 when media outlets in Malaysia and elsewhere were abuzz with startling news of cost overruns in Sime Darby Energy and Utilities. At the financial year ending 30 June 2010, company officials disclosed that total losses from the division amounted to RM2.09 billion.¹⁶ By the end of November the company revealed that its first-quarter results for the new financial year had returned to profitability, borne amongst other things by the continued resilience of its mainstay plantations business.

The troubles with the Energy and Utilities Division had precipitated much-needed self-evaluation throughout the Group and highlighted the critically important role played by the Board of Directors in the active management of the company's strategy, governance and accountability.



Tun Musa Hitam.

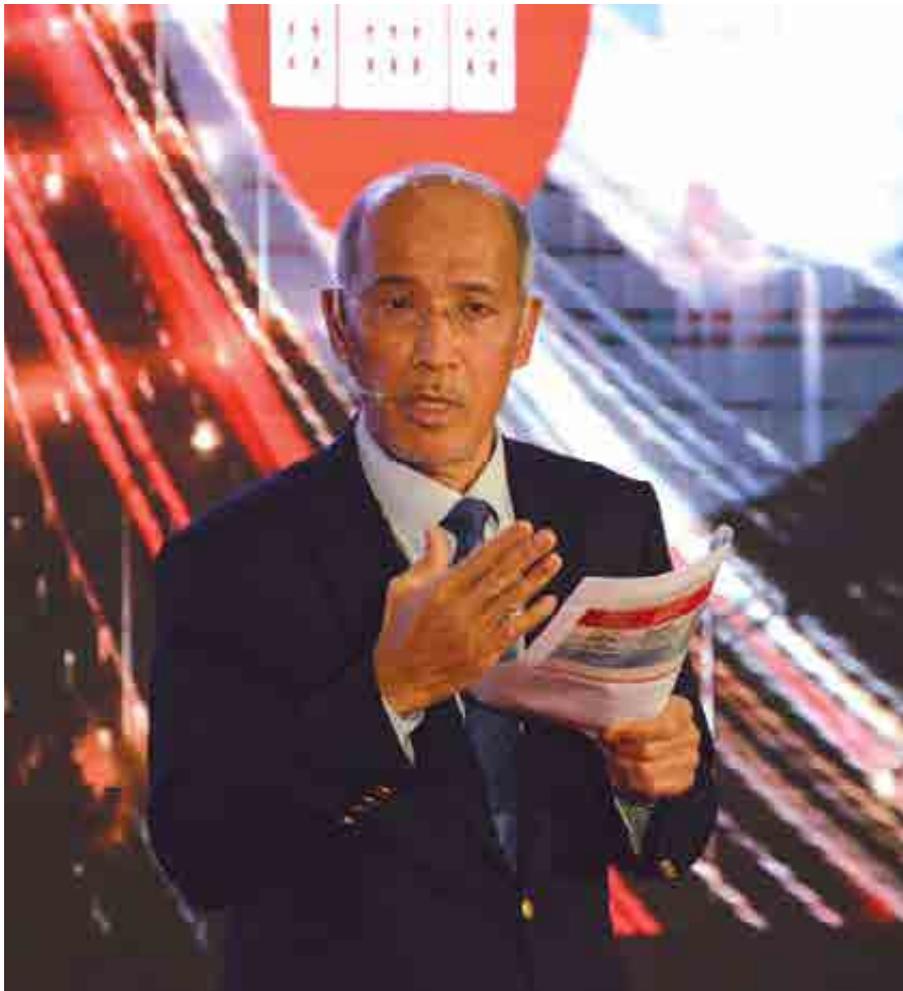
¹⁶ On 27 May 2010 it was reported that Sime Darby had posted a January-March net loss of RM308.6 million and that an internal probe into its energy and utilities projects had resulted in provisions of RM964 million for cost overruns in projects including the Bakun hydroelectric dam and Maersk Oil Qatar. The Energy and Utilities Division posted a loss of RM1.02 billion in the nine months to March, and a net loss of RM910 million for the third quarter of the 2010 financial year.

Tun Musa Hitam served as Chairman of Sime Darby from 2007 to 2012. Taking on his new appointment just after the merger, he said: “I was excited by the Group’s size and its global reach: 100,000 people working in 20 countries in many areas. Indeed, someone told me that being Chairman of Sime Darby was like being Prime Minister—but the point is that I had confidence in the team: there were many experts here with plenty of experience.”

In 2010 when the Board found problems with the projects in Qatar under the Energy and Utilities Division, an in-house task force was set up with the goal of looking into the questions that had been troubling the Board.

“I was excited by the Group’s size and its global reach: 100,000 people working in 20 countries in many areas. Indeed, someone told me that being Chairman of Sime Darby was like being Prime Minister—but the point is that I had confidence in the team: there were many experts here with plenty of experience.”

– *Tun Musa Hitam*



Tan Sri Dato' Seri Mohd Bakke Salleh.

“We saw that we had a very big problem on our hands and that we had to admit it without hesitation,” said Tun Musa. “There would be no cover-up, no request for a government bail-out. We would assume responsibility and initiate steps to procure a forensic audit, and we would formulate and implement plans to remedy the situation. We had to put things right—this was our responsibility. Now, putting aside our modesty, it is very rare that a conglomerate, especially a government-linked company, would literally expose its weaknesses to the public. The Board debated this course of action for hours, and we exposed the weaknesses ourselves. This was the right thing to do, and I’d like to congratulate the Board for its courage.”

The Board’s next task was to appoint a new Chief Executive. Sime Darby found that person ultimately in Tan Sri Dato’ Seri Mohd Bakke Salleh. “I thank God that, despite all that the Group had been through, it has a lot of other strengths and reserves that have allowed it to deal with the problems it has had to face,” said Mohd Bakke not long after his appointment. “The turnaround itself began before I came aboard, and, in terms of coming out of the problem areas, it was quite fast for a group of this size. This has been due to the tenacity and resilience of the Group: I think that this is the kind of experience that is important to share. Sime Darby was in a position to withstand the onslaught and has the reserves to handle this. Had it been another company, it might have gone under.”

Board members played a major role in remedying the situation, Mohd Bakke said, and this was supported by Sime Darby’s employees: “Individuals certainly have a strong conviction in wanting to see the organisation grow and be put back on the corporate map,” he said, “and I’ve always subscribed to the principle that an organisation is only as good as its people. You can have all the organisational controls in the world, but if you have individuals with misplaced intentions, these controls will mean nothing. It’s about people. People are entrusted with the responsibility of delivering results and improving or enhancing stakeholder value.”

“We must trust in the strength of individuals.

If you really have to watch and look over the shoulder of an employee all the time, then you are already doing that person’s work. You’re micromanaging. And I must say that we had a good line-up of individuals in Sime Darby. I was very impressed by the quality of staff and I was proud to be a part of this organisation—indeed I’ve never had the opportunity of working in a Malaysian organisation with so many intelligent and capable people.

“You can certainly sleep well at night if you know that once certain tasks have been assigned, those tasks will be carried out efficiently and properly. The people of Sime Darby were well qualified and had the necessary experience. They upheld good values and were proud of their work. They really held themselves up very well, and, on the work front, I did sleep soundly at night.”

By September 2010, Mohd Bakke was quietly confident that Sime Darby would soon return to a position of strength. Its gearing ratio was low and, despite the crisis earlier in the year, the Group was still performing within the threshold of criteria it had set itself.

“Of course, when we hold positions that come with heavy responsibilities, naturally we will think up odd events or stretch our imaginations to worry about things,” Bakke said. “But as individuals who uphold certain religious beliefs and consider ourselves to be close to our Creator, we must acknowledge that we can only plan for contingencies. If God wants something to happen, nobody can stop it.”

“The people of Sime Darby were well qualified and had the necessary experience. They upheld good values and were proud of their work. They really held themselves up very well...”

– *Tan Sri Dato’ Seri Mohd Bakke Salleh*



In healthcare, Sime Darby hopes to cater to people's needs with state-of-the-art technology and world-class expertise.

“That said, as far as Sime Darby was concerned, I felt a lot more confident of the future. Before I joined, I didn’t know much about the Group. Most of us find out about an organisation only through what we’ve read or via the people we know who are working there. I knew that Sime Darby was strong in plantations, a market leader in vehicle distribution, and that it was a major player in industrial equipment, healthcare and so on. When we look at Sime Darby as a whole, the problems we experienced were very much confined to one part of the Group’s operations, whereas other areas have continued to do well.

“In terms of prospects for the future, we were involved in business activities that were food-based. The population was growing and people needed edible oil and other products linked to the use of edible oil. Being food-based gave us a comparative advantage in the market, unlike traditional manufacturing where the demand for products was more important.



In China, the logistics business continues to grow with the country's development.

“Likewise, property demand is determined by the needs of a growing population—more and more people will need a roof over their heads, and the future augured well for Sime Darby in that regard, and in the motor business, a growing population obviously would have an increasing need for cars. Sime Darby provides cars from the lower segment all the way up to the luxury range, and with the rising affluence of Malaysians, and South-east Asians in general, there was likely to be stronger demand for luxury brands as time went by. Again, we were privileged to be doing a business that was linked to the growing population and the growing sophistication of tastes and preferences.



“Our industrial business was related more to interconnectivity, and we had been riding on the mining boom in Australia as well as the development boom in China. These two countries transformed the Industrial Division by increasing demand for equipment and machines. And in healthcare, what we did was also correlated to population growth and rising affordability. We had many patients willing to seek treatment in private hospitals, and as Malaysia moved towards developed status, we started to see a lot more of the “good-life syndrome” and related ailments—not that we would encourage people to fall ill, but we had health services that cater to people’s needs.”



TOP: Sime Darby distributes a wide range of cars from mass-market brands to super luxury names. ABOVE: Economic growth, particularly in the mining sector, has driven transformation in Sime Darby’s Industrial Division.



The Motors Division is one of Sime Darby Berhad's four core divisions. In 2004, Sime Darby acquired the Inkom assembly plant in Kedah, Malaysia, assembling various Hyundai passenger and commercial vehicles. In 2008, assembly operations for BMW and Land Rover were relocated to Inkom. The MINI and Mazda brands were added in 2011.



For Sime Darby Berhad, the evolution into pure play has unlocked immense value for the company, as it has been able to focus on its core Divisions.



EVOLVING TO PURE PLAY

In many ways, these same strengths set the stage for the Group's evolution into pure play organisations in 2017. There were mixed feelings about the development—some senior executives believed that the Group was stronger as a single entity, and that the pure play exercise undermined the conglomerate structure fought for and won in the 2007 consolidation with Guthrie and Golden Hope. Others, however, believed that the ability to focus on core businesses would open up new opportunities for development: the conglomerate was worth about RM55 billion in market capitalisation in 2016 and was weighed down by a conglomerate discount on the market, which many financial analysts attributed to the diversity of the Group's portfolio of operations. The evolution into pure play would allow each new pure play to focus on capital management and growth, as well as unlock value for shareholders, provide greater portfolio choice for investors and enhance investor awareness.

"In general, the diversity of its core businesses made it difficult to sustain a healthy earnings growth trajectory given differing fortunes in any given financial year," said a report in *The Edge Weekly*.¹⁷ "The cyclical nature of many of its divisions also posed a hurdle. For example, it worked towards the listing of its motor business back in 2015 but missed the opportunity when market conditions turned."

The Jaguar Land Rover showroom in Parramatta, Sydney.

¹⁷ Khairie Hisyam Aliman, "A year post-demerger, Sime Darby continues value creation path", *The Edge Weekly*, 6 November 2018.



By 2016, the Group had developed such a diverse group of interests that proposals were considered for the next phase of its evolution: reorganisation into pure plays grouped around the company's plantation, property and trading interests. To effect the change, the Group distributed 100 per cent of its stakes in Sime Darby Plantation Sdn Bhd and Sime Darby Property Berhad to entitled shareholders, enabling those shareholders to hold shares directly in Sime Darby Plantation Berhad and Sime Darby Property Berhad in the same proportion as their original holdings in Sime Darby Berhad.



The Group announced the reorganisation in January 2017 and completed the exercise by the end of the year. Today, Sime Darby Plantation Berhad and Sime Darby Property Berhad chart their own paths and continue to go from strength to strength. For Sime Darby Berhad, the evolution into pure play has unlocked immense value for the company, as it has been able to focus on its core divisions: Industrial, which as mentioned in the previous chapter, is one of the largest Caterpillar

Listing ceremony of Sime Darby Berhad in 2017. (TOP) (from left) Tan Sri Dato' Seri Mohd Bakke Salleh, Tan Sri Dato' Abdul Ghani Othman, Dato' Jeffri Salim Davidson, Tan Sri Dato' Sri Wan Abdul Aziz Wan Abdullah, Dato' Sri Amrin Awaluddin and Tan Sri Abdul Wahid Omar. (ABOVE) Hitting the gong to mark the start of trading.



The Jaguar Land Rover Showroom in Parramatta, Sydney. Sime Darby acquired the Jaguar dealership in 2019.

dealerships in the world; Motors, with 30 brands represented in the Asia Pacific region, annual sales of more than 80,000 vehicles, and annual assembly of more than 35,000 vehicles as well as one of the largest BMW dealerships in the world; Healthcare, Logistics and others.

“With the pure play, Sime Darby Berhad now has a Board of Directors that is highly engaged with this part of the business,” says Scott Cameron, who was Managing Director of Sime Darby Industrial from 2015 to 2019. “We’ve got a lot of focus and a lot more understanding amongst the Board about who we are and what we do; what’s important to us and what’s not. This is an enormous step forward, and having a Board that’s also really engaged at a much more micro level has been fantastic.”



Hastings Deering is committed to serving its customers wherever they may be located.

The task of charting the path to the future now rests on a rejuvenated team led by Group Chief Executive Officer Dato' Jeffri Salim Davidson, who was already a Sime Darby veteran of more than 20 years before taking the helm. "It was inevitable that there would be some confusion in the market with the change into pure play, at least initially," he says. "The Sime Darby brand and identity as a conglomerate was very, very strong, and indeed the three pure plays still maintain very close ties today," he says. "We have common shareholders and share a common history—each of the three companies is very careful about preserving the value and heritage of the 'Sime Darby' name, so we call one another up and talk about the things we're dealing with."

The three companies abide by stringent brand guidelines, he said, and a joint brand council meets biannually. "The three chief executive officers and chief financial officers meet to talk about issues in growing the brand together, but in the next five to ten years the conversation that needs to happen is how the three companies can continue to expand and enrich their shared heritage in the years to come."

For Sime Darby Berhad, the future holds promise of greater diversity in terms of geographical reach and exposure. With operations already stretching from New Zealand in the south to the Xinjiang Province of China in the north, and from Christmas Island in the Indian Ocean to New Caledonia in the Pacific, Sime Darby Berhad relies on a broad range of localised management expertise. "We currently do 88 per cent of our business outside Malaysia," says Jeffri, "and while we do have cross-pollination, we also have strong, stable and well-respected management teams in each location." As such, he expects that Sime Darby Berhad will continue to grow more international in outlook, in a similar spirit as that which guided the company during its years as a major Agency House in the British colonial period.



ParkCity Medical Centre, located in Desa Park City, Kuala Lumpur, was launched in 2013. It was the first hospital under the Ramsay Sime Darby Health Care (RSDH) banner. RSDH is the culmination of a joint venture between Sime Darby Healthcare and Australia's largest private hospital group, Ramsay Health Care Limited.



Sime Darby Berhad's Logistics Division is the primary operator of Weifang Port in the Shandong Province of China. Its shipping network services customers throughout north-east China, southern China, East Asia and South-east Asia.

“We became a multinational corporation organically—it was very much a normal part of our business growth,” says Jeffri. “For example, we have a long history in Singapore and Hong Kong, and as new markets developed and grew, Singapore opened the doors to Australia and New Zealand; and Hong Kong opened the door to China. This is very much how Sime Darby has evolved in the past, and it is also very much the trajectory of the company’s development in the future.”

Jeffri is candid and circumspect about Sime Darby’s past—like many large conglomerates, the company has faced and overcome several setbacks in the past three decades. “There were three or four serious missteps,” says Jeffri, “and these include a foray into banking, the Energy and Utilities issues in 2010, and we lost money in China (at first)—but the important thing is that Sime Darby recovered, and its reputation has always been rebuilt by dedicated people within the company.

“At the same time, Sime Darby Berhad has articulated its vision for the future very clearly since the change into pure play: we are first and foremost a trading company, much like Sime, Darby & Co 110 years ago. In the global environment today, we are one of the largest trading partners in the world for major brands such as BMW and Caterpillar, and we are a partner of choice for many original equipment manufacturers in this part of the world because of our legacy and success as a trading company.”

Since becoming a pure play, Sime Darby Berhad has increased its global footprint—in 2019 it acquired the Gough Group of New Zealand, which owns the Caterpillar dealership in that country as well as interests in transport and materials handling in Australia; and in 2019 it acquired three luxury car dealerships in Sydney, Australia, representing BMW, MINI, Volkswagen, Jaguar and Land Rover. These were important developments in themselves, but they also represented the first steps of a much longer-term vision for the company. “We are very clear where we want to grow in terms of our core businesses in the industrial, motors and healthcare sectors,” said Jeffri, “and our identity and ethos today is very much informed and enriched by our heritage.”

For 110 years, the name Sime Darby has grown from that of a small firm of planter-managers to a major Agency House and ultimately one of Malaysia's leading multinationals. This history is embedded deeply in the company's internationalist outlook and appetite for challenge and discovery, but its long years have also taught it the value of sustainability and responsibility to the wider community, which have now become inseparable from its corporate mission.

It is perhaps no accident that for Sime Darby Berhad, the strength of many of its core businesses—particularly in industrial solutions and automobile trade—has been built up from the principle activities of the original Sime, Darby & Co. which operated out of the small Melaka office a century earlier; and just as the company's present strength has been built sustainably in the past, it will continue to build a sustainable future for tomorrow.

Sime Darby Berhad today remains focused on the future, and that future for Sime Darby shines brighter than ever.



Sime Darby Motors City in Ara Damansara, Selangor.



Sime Darby Berhad today remains
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Sime Darby shines brighter than ever.





3

THE LEADERS OF SIME DARBY



TUN TAN SIEW SIN

Tun Tan Siew Sin was the first Asian Chairman of Sime Darby Berhad. He was appointed to the position on 10 December 1976 after the company came under Malaysian management.

Tun Tan Siew Sin was no stranger to Sime Darby (his father Tun Sir Tan Cheng Lock had been a founding director of Sime, Darby & Co), and he had served the Malaysian Government as Minister of Finance and economic advisor.

This, combined with his reputation for being incorruptible, did much to reassure Sime Darby shareholders who were concerned about the change of ownership of the company from British to Malaysian hands, and under Tun Tan Siew Sin's stewardship, Sime Darby grew to become a truly Malaysian company with a range of diverse interests.



Tun Tan Siew Sin with Tun Abdul Razak, second Prime Minister of Malaysia.

As Datuk Paddy Bowie noted:

His appointment [to the chairmanship of the company] predictably was hailed by Sime Darby supporters, past as well as present. You got pensioners writing in from 8,000 miles away [saying that] “with Tun Tan at the helm you have international guidelines of ethical control which were missing in the immediate post-War period.” Wise management was Tun Tan’s hallmark—he hated waste of any kind.¹

Tun Tan Siew Sin was born on 21 May 1916 in Melaka to a prominent Straits Chinese family, and was a leading member of the Malayan independence movement. He was educated at the Raffles College in Singapore and was called to the Bar at Middle Temple. Returning to Melaka in 1939, he worked on the family plantations, but this was soon interrupted by the Second World War. His father was a known supporter of Dr Chiang Kai-shek’s resistance movement against the Japanese in China, and consequently the family found itself “marked” as the Japanese Imperial Army invaded the Malayan peninsula.

¹ Bowie, *op. cit.*, p. 50.

The family withdrew to Singapore, and then to Colombo, Ceylon. Here, Tun Sir Tan Cheng Lock and Tun Tan Siew Sin helped organise relief for Malaysians displaced by the invasion, and at the end of the war, both father and son played an important and outspoken part in gaining the independence of the country.



Tun Tan Siew Sin, then Finance Minister, on his way to present the 1965 Budget. (Courtesy of Arkib Negara)

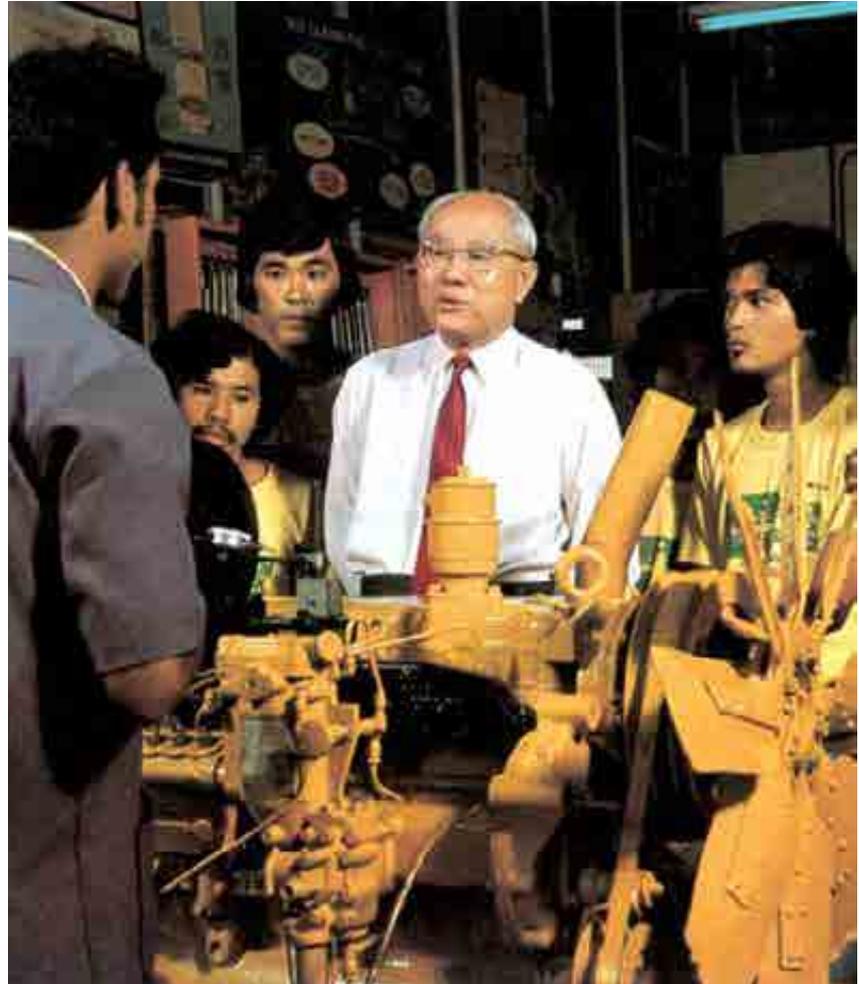
Tun Tan Siew Sin entered politics in December 1945 as an assistant councillor on the Melaka Chinese Affairs Council. The following year he became commissioner of the Melaka Town Hall and in 1948 was appointed to the Federal Legislative Council.

As an office-bearer of the Malayan Chinese Association—the political party his father helped found—Tun Tan Siew Sin won the Melaka parliamentary constituency at the country’s first direct elections in 1955, becoming Minister of Commerce and Industry in 1957, and treasurer of the Alliance coalition after the country gained independence.

In 1958 he was appointed the new country’s first Minister of Finance and held this portfolio until his resignation, for reasons of health, on 8 April 1974—by which time he was the longest-serving finance minister in the Commonwealth.

After his retirement from politics, Tun Tan Siew Sin applied the same skills, principles and leadership to his role in Sime Darby, bringing stability and growth to the company.

Tun Tan led Sime Darby until his death from a heart attack on 17 March 1988.



ABOVE RIGHT: Tun Tan Siew Sin—seen here talking to a training instructor—became the first Malaysian Chairman of Kumpulan Sime Darby on 10 December 1976. RIGHT: Tun Tan Siew Sin “dotting the eye” of the dragon in Hong Kong on 24 February 1977. Looking on is Gus Kou, Managing Director of C.E. Construction Equipment Ltd (later known as China Engineers Ltd, a subsidiary of Sime Darby Group).

TUN ISMAIL MOHAMED ALI

Tun Ismail Mohamed Ali was Chairman of Sime Darby Berhad from 1988 to 1996. Succeeding Tun Tan Siew Sin, he brought to Sime Darby the same uncompromising integrity and efficiency that had defined his tenure as Governor of Bank Negara and later Chairman of Permodalan Nasional Berhad.

This clarity and commitment built on the foundations established by Tun Tan Siew Sin and was one of the forces that helped Sime Darby grow to become a leading multinational conglomerate.

Born on 16 September 1918 in Port Klang, Tun Ismail was the second child and “academic star” of the ten children of Mohamed Ali Taib, an official assignee of the courts, and Khadijah Ahmad. He was educated at the Batu Road Boys’ School and the Victoria Institution (1931 to 1938) in Kuala Lumpur before winning a Queen’s Scholarship to read economics at Trinity Hall, Cambridge.

On graduating he read for the Bar at Middle Temple but found himself stuck in England as a result of the Second World War. He became a fireman (just as William Sime in Scotland kept a lookout for German air raids), taught Malay at the University of London, and did some broadcasting for the BBC—which at least allowed his family in Malaya to know that he was safe and sound.

At the end of the war, he returned to Malaya in 1946 to join the civil service as one of its first non-European direct recruits. Tun Ismail rose quickly to the post of Assistant State Secretary of Selangor in



A project undertaken by Sime Darby in the late 1980s, during Tun Ismail Mohamed Ali's term as Chairman, was the electrical works at Route 5 which links Tsuen Wan to Shah Tin in the New Territories in Hong Kong.



Tun Ismail Mohamed Ali was a great believer in local talent. The Sime Darby Nursing and Health Sciences College (formerly the SJMC Academy of Nursing and Health Services) was established in 1995. It was a pioneer in nursing education in Malaysia.

1948, then economic officer in Penang in mid-1954, and comptroller of the Federation Trade Division in February 1956—a position previously occupied only by Europeans. He then spent three years helping to establish the Malayan Embassy in Washington DC before being elected an Executive Director of the World Bank, where he achieved notoriety for his fearsome commitment to professional competence.

He was deeply interested in the establishment of Bank Negara on 26 January 1959, and Prime Minister Tunku Abdul Rahman appointed him Deputy Governor of the central bank the following year. On 26 July 1962, he succeeded Tan Sri W.H. Wilcock as Governor and remained in that capacity for 18 years, working closely with his colleague in government and predecessor at Sime Darby, Tun Tan Siew Sin.



Tun Ismail Mohamed Ali's illustrious career included serving as Governor of Bank Negara. He succeeded Tan Sri W.H. Wilcock on 26 July 1962, and headed the nation's central bank for 18 years.

"He had the final word, and he was not a very patient man," said former Sime Darby Group Chief Executive Tunku Ahmad Yahaya. "But everything he did was for Malaysia. He was one of the heroes, if not *the* hero during that period of development. If he had not been the Governor of Bank Negara at that particular time, I'd hate to think what the Malaysian banking system would have been like. He was a very tough, strict person and I worked under him for a long time, beginning as a member of the Bank Negara board."

Tunku Ahmad recalled an incident that occurred when he was still working at Dunlop: he was due to attend a meeting with then Prime Minister Tunku Abdul Rahman and Tun Ismail, but was stuck in another meeting.

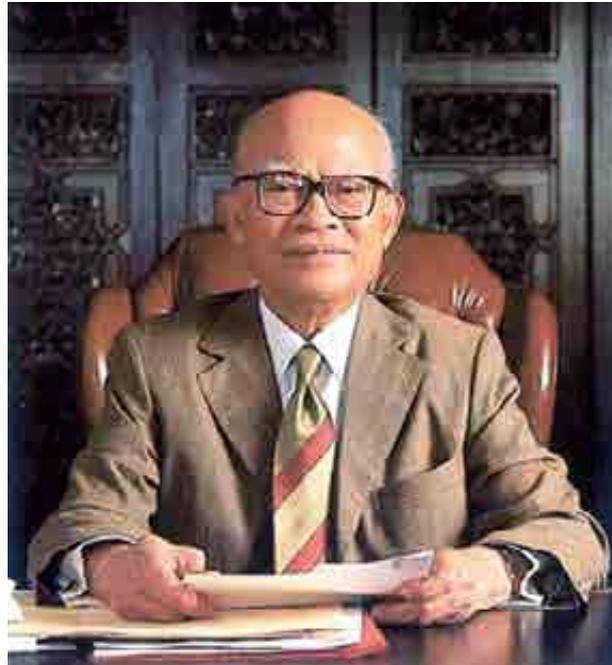
“Tunku Abdul Rahman was not always absolutely on time, and I thought I could get my meeting done with and be there ahead of him—but it went on for a little bit too long and when I arrived, the Tunku had just gone in and the door was closed. I was stuck outside and waited for about half an hour until the meeting was over.

“The Tunku came out with Ismail. I was standing there, waiting, trying to say I was sorry I was late, and the Tunku said: ‘Oh Ahmad, you’re always late! Why is that?’ Tun Ismail looked daggers at me and didn’t speak to me at Bank meetings for six months! But it had its effect: I was never, ever late for a meeting with Tun Ismail after that.”

When he was appointed Chairman of Sime Darby, Tun Ismail’s vision involved not only bringing Sime Darby back into Malaysian hands but also to propel the company onto the world stage, and his exacting standards helped in many ways to establish the company’s reputation for prudence and profitability.

“He is a great believer in personal accountability and eschews the trappings of power that can so easily mesmerise, in favour of doing a job well and to the highest personal standards,” wrote Datuk Paddy Bowie of Ismail’s term as Chairman.

“Sime Darby staff may as well be warned they will be answering to an arch-perfectionist.”²



*TOP: Tun Ismail Mohamed Ali’s vision and exacting standards helped ensure the company remained known for best business practices.
ABOVE: Inside the Port Dickson Power Plant (PDP).
It was during Tun Ismail’s time as Chairman in 1994 that PDP became the country’s first Independent Power Producer (IPP) to fire its gas turbine generators at its Tanjung Gemuk plant.*

² Bowie, *op. cit.*, p. 75.



The official opening of Sime Darby Tyre Technology Centre in 1994. From right to left: Then Prime Minister Tun Mahathir Mohamad, Sime Darby Chairman Tun Ismail Mohamed Ali, and Executive Deputy Chairman Tunku Ahmad Yahaya.

Tun Ismail, Tunku Ahmad said, was a deeply patriotic man who was closely concerned with the development of the native people of Malaysia (i.e. the Bumiputera) “but he never took it too far. He wanted development to take place in the context of a wider Malaysia—and while he was keen on development for the Bumiputera, he didn’t do it in an abusive political way. He was the first person, for example, to introduce Permodalan Nasional Berhad (PNB) unit trusts to the non-Bumiputera.”

Likewise in Sime Darby, Tun Ismail’s principle concern was merit. Amongst his first moves as Chairman of the Malaysianised Sime Darby was to appoint a new Managing Director—the expatriate Jim Scott. “He was probably the best person at that time. Both Tun Ismail and Tun Tan Siew Sin’s first priority was to get the person who could do the job—and Scott recognised the importance of making Sime Darby a Malaysian company. One of the first things he did, in turn, was to move the company headquarters from Singapore to Kuala Lumpur.”

Tun Ismail Mohamed Ali died on 19 July 1998 following a short illness brought on by influenza.

TUNKU TAN SRI AHMAD TUNKU YAHAYA

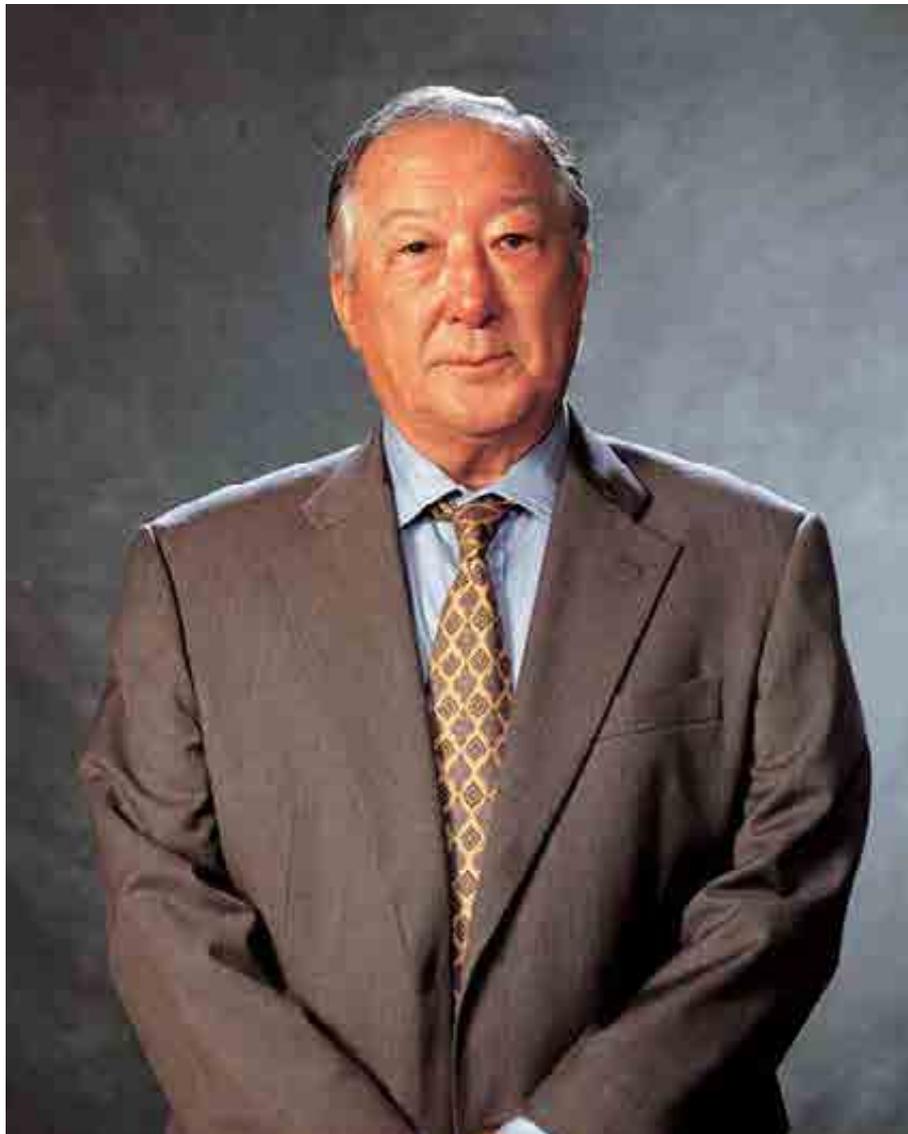
Tunku Tan Sri Ahmad Tunku Yahaya was the first Bumiputera to lead Sime Darby when he succeeded Managing Director Jim Scott as Group Chief Executive in 1982.

He held this position until 1993 when he became Deputy Chairman of the Group. Under his leadership, Sime Darby pursued a strategy of business growth guided by a strong sense of corporate responsibility and social duty.

Tunku Ahmad was born on 10 February 1929 into the royal house of Kedah: his father, Tunku Yahaya, was the son of Sultan Abdul Halim Shah, and Malaysia's first Prime Minister Tunku Abdul Rahman was Tunku Ahmad's uncle.

Educated in Britain, he graduated with honours in economics from Bristol University, and qualified as an accountant. Returning to Malaya, he joined the Kedah civil service as a member of the Treasury staff before joining Dunlop Estates as a junior accountant. When Dunlop started its tyre manufacturing factory in 1962, he moved to the nascent Dunlop Malaysia Industries Berhad as a sales secretary before becoming Sales Manager, Tyres; Sales Director; and Managing Director in 1973. He remained at the helm until 1979 when he joined Sime Darby Berhad as Deputy Managing Director.

“Sime Darby was intended to be *the* Malaysian international company—but it was not something that could be done overnight,” Tunku Ahmad said in an interview. “At that time, it was essentially a plantation company with a few other things around it, all in the South-east Asian region. The intention of Tun Ismail Mohamed Ali and then-Finance Minister Tengku Razaleigh Hamzah was to create an international company for Malaysia, and the first thing to do was to find a base—and the base they chose was Sime Darby.



Tunku Tan Sri Ahmad Tunku Yahaya was Group Chief Executive from 1982 to 1993.



“It wasn’t easy to find the people Tun Ismail was looking for, and pluck them out of very safe and secure appointments,” he said.

“We were lucky to get the right people. We got through these crucial years with a lot of people really working above themselves and doing things that maybe they would never have had the opportunity otherwise to do.”

Under Tunku Ahmad’s leadership, Sime Darby successfully returned the company to Malaysian shores and oversaw its decoupling from the processes of government in order to embrace fully the challenge of competitive private enterprise and diversification.

Tunku Ahmad recalled that Sime Darby wasn’t yet a plantation blueblood and was one of the “hustling companies” –Guthrie and Harrisons & Crosfield were already major corporations, while Sime Darby was always looking for opportunities to expand and grow. At the same time, Tunku Ahmad also needed to find suitably qualified staff to propel Sime Darby’s growth under Malaysianisation.



ABOVE: At Sime Darby’s 75th anniversary celebration in 1985. From left to right: Tun Tan Siew Sin, former Prime Minister Tunku Abdul Rahman, and Tunku Tan Sri Ahmad Tunku Yahaya. RIGHT: Tunku Tan Sri Ahmad presenting a Yayasan Sime Darby scholarship to a young student.



Land Rover Malaysia Sdn Bhd, the sole franchise holder for Malaysia and Brunei, was established in 1981. Signing the agreement in London are Tunku Tan Sri Ahmad and Mr M.S. Hodgkinson, Managing Director of Land Rover Ltd.

“I am an accountant. I was conscious, as I think most people are, that the bottom line must be an important factor at all times. And you’re always concerned if it looks as if it was not going in the right direction—and more so during that period we were always worried that if there was a downturn it would be a bigger problem for us than for others. We had to be seen to be improving, making progress, and it wasn’t easy.”

Tunku Ahmad retired as Deputy Chairman in 2007. Besides his service to Dunlop and Sime Darby, he was also a Director of Bank Negara for 28 years before retiring in 1995, and was the first Chairman of the Malaysian External Trade Development Corporation as well as a founder of the Malaysian Business Council.

TUN AHMAD SARJI ABDUL HAMID

Tun Ahmad Sarji Abdul Hamid was Chairman of Sime Darby from 1998 until 2007, succeeding Tun Ismail Mohd Ali and overseeing the transformation of Sime Darby as it merged with Kumpulan Guthrie Berhad and Golden Hope Plantations Berhad. His leadership was marked by a commitment to integrity, accountability and good governance gained over a lifetime of public service.

Tun Ahmad Sarji was born on 16 September 1938 and grew up in Tapah, Perak, before attending the University of Malaya, the Institute of Social Studies at the Hague, and Harvard University.

On graduating, he entered government service as a District Officer before being transferred to the Federal service, where he rose quickly from Assistant Secretary in the Federal Establishment Office to Secretary in the Cabinet and Constitution Division of the office of the second Prime Minister, Tun Abdul Razak Hussein.

In 1973, he became the founding Director-General of the Farmers' Organisation Authority, and remained there until 1979 when he returned to the Prime Minister's Department as Deputy Director-General (sectoral) of the Economic Planning Unit. He was later promoted to Director-General of Majlis Amanah Rakyat.



Tun Ahmad Sarji Abdul Hamid served as Chairman from 1998 to 2007.



He headed his first ministerial service in 1985 as Secretary-General of Trade and Industry and as Chairman of the Malaysian Industrial Development Authority. Five years later he rose to the pinnacle of government service as Chief Secretary to the Government and Cabinet Secretary.

Besides his chairmanship of Sime Darby, Tun Ahmad Sarji was also Chairman of PNB from 1996 to 2016. Here, he continued to build on his predecessor Tun Ismail Mohd Ali's practices of prudent financial management for the benefit of PNB's many unit trust-holders: with his stewardship, PNB today is one of the largest fund managers in Malaysia and remains true to its vision of providing investment opportunities for underprivileged Malaysians.



*Notable highlights during Tun Ahmad Sarji Abdul Hamid's service with the company:
 ABOVE LEFT: The RM65 million Putra Heights Interchange was completed in early 2009. Putra Heights is strategically located along the ELITE Highway leading to Putrajaya, Cyberjaya and KLIA.
 LEFT: The Laem Chabang Power Plant in Thailand. Sime Darby first ventured into power generation in Thailand in the early 2000s.*



Before the merger, Tun Ahmad Sarji Abdul Hamid was Chairman of Golden Hope Plantations. Seen here is Hatter's Castle, a bungalow on Carey Island that once housed the company's estate managers.

A prolific reader and author, Tun Ahmad Sarji has written several notable works on public administration, heritage and management; and maintains his dedication to serving others through active engagement in various public and private organisations such as the Malaysian Centre for Commonwealth Studies in Cambridge (of which he is joint-Chairman), the Oxford Centre for Islamic Studies (of which he is a trustee), and the Malaysian Heritage Trust (of which he is President).

TAN SRI NIK MOHAMED NIK YAACOB

Tan Sri Nik Mohamed Nik Yaacob was Group Chief Executive of Sime Darby from 1993 until his retirement in 2004. Succeeding Tunku Ahmad Tunku Yahaya, Nik Mohamed helped Sime Darby Berhad enhance its professional management capabilities through a potent blend of esprit de corps, integrity and the courage to seize opportunities.

Under his leadership Sime Darby weathered the storm of the Asian Financial Crisis and emerged from it in a strong and financially secure position.

Nik Mohamed was born in 1949, in Kota Bharu, Kelantan, the son of a civil servant. He received his early education at the Sultan Ismail College in Kelantan before attending the Malay College, Kuala Kangsar.



Tan Sri Nik Mohamed Nik Yaacob served as Group Chief Executive from 1993 to 2004.

After graduating with a degree in mechanical engineering from Monash University, Australia, he joined Dunlop Malaysia Industries Bhd in 1974 as a management trainee, but resigned four years later while holding the position of maintenance manager, in order to read for an MBA (together with his wife) at the Asian Institute of Management in the Philippines. "Engineering was not exactly my cup of tea," he said. "I wanted change. I wanted excitement."



TOP LEFT: Tan Sri Nik Mohamed Nik Yaacob being presented with the Business Times-American Express Malaysia's 'CEO of the Year 1995' Award.
TOP RIGHT: A view of the lake at Planters' Haven. This exclusive residential development in Negeri Sembilan was launched in 1996 when Tan Sri Nik Mohamed Nik Yaacob was Group CEO.
ABOVE: Sime Darby acquired the Kuala Lumpur Golf and Country Club (now known as TPC KL) in 1997, the same year Tan Sri Nik Mohamed Nik Yaacob steered Kumpulan Sime Darby through the Asian Financial Crisis.

Returning to Malaysia in 1980 he proceeded to help a relative manage a company before venturing out on his own, in 1984, to manufacture plastic bottles in Shah Alam, but the desire to return to corporate life would soon prove impossible to resist.



By 1997 Subang Jaya Medical Centre had already attained the MS ISO 9002 certification for its entire hospital operations, including all support services.

He returned to corporate life as General Manager of Sime Darby's Century Batteries in 1985 and then rose very quickly within the Group: he became Regional Director, Malaysia region, in 1988; then Director of Operations, Malaysia, in 1990 (joining the Board of Sime Darby Berhad later that year), and finally Group Chief Executive in 1993.

Nik Mohamed retired on 12 June 2004, and was appointed Executive Director of the Perdana Leadership Foundation, a non-governmental organisation dedicated to preserving the intellectual contributions of Malaysia's past Prime Ministers, and is currently Chairman of Iris Corporation Berhad.

DATO' SERI AHMAD ZUBIR MURSHID

Dato' Seri Ahmad Zubir Murshid was appointed Group Chief Executive of Kumpulan Sime Darby Berhad from 2004, succeeding Tan Sri Nik Mohamed Nik Yaacob. Ahmad Zubir played a key role in the 2007 merger of Sime Darby with Kumpulan Guthrie Berhad and Golden Hope Plantations Berhad.

Ahmad Zubir then served as President and Group Chief Executive Officer of Sime Darby Berhad from 2007 to 2010 post-merger, and was instrumental in growing the Group's Energy and Utilities Division.

Educated at the University of Wales, where he graduated with a degree in industrial engineering, Ahmad Zubir joined Kumpulan Sime Darby Berhad in 1981. He was appointed Divisional Director of the Group's Heavy Equipment/Power and Allied Products Division, and Managing Director of Continental Sime Tyres PJ Sdn Bhd, before becoming Group Chief Executive of Kumpulan Sime Darby Berhad.



Dato' Seri Ahmad Zubir Murshid was President and Group Chief Executive Officer of Sime Darby Berhad from 2007 to 2010.

TUN MUSA HITAM

Tun Musa Hitam served as Chairman of Sime Darby Berhad from 2007 until his retirement in 2012, presiding over the new Sime Darby enlarged through the merger of Kumpulan Guthrie Berhad, Golden Hope Plantations Berhad and Sime Darby.

A conscientious leader with extensive experience in public service and politics, Tun Musa brought a fresh sense of corporate governance and accountability to the organisation. He was also an active proponent of corporate social responsibility, serving as founding Chairman of Yayasan Sime Darby from 2009 until 2018.

Tun Musa was born on 18 April 1934 in Segamat, Johor, and had his early education at the English College (now Sultan Abu Bakar College) in Johor Bahru before reading for an arts degree at the University of Malaya.

He was elected to Parliament in 1969 and, as a member of the Executive Council of the United Malays National Organisation (UMNO), rose to prominence on the platform of education. From 1969 to 1971 he obtained an MA in international relations at the University of Sussex before he returned to Malaysia where he was elected Deputy Chief of UMNO Youth (in the same year, he also became Chairman of the Federal Land Development Authority).

Two years later, he became Deputy Minister of Trade and Industry and member of the UMNO Supreme Council, after which his rise was meteoric: he was appointed Minister of Primary Industries in 1974 and Minister of Education in 1978. His rise within UMNO was equally spectacular, from Vice-President in 1978 to Deputy President at the party polls of 1981, which was an achievement that brought with it the post of Deputy Prime Minister. He served in this capacity until 1986 when he retired from active politics.

From 1990 to 1991 he was Malaysia's special envoy to the United Nations, and also led the Malaysian delegation to the UN Commission on Human Rights from 1993 to 1998. He served as Chairman of the Commission's 52nd Session in 1995 and in that same year was appointed to the Commonwealth Ministerial Action Group. He also served as the first Chairman of the Malaysian Human Rights Commission from 2000 to 2002.



Tun Musa Hitam was Chairman of Sime Darby Berhad from 2007 to 2012.

TAN SRI ABDUL GHANI OTHMAN

Tan Sri Abdul Ghani Othman took up the position of Chairman of Sime Darby Berhad in 2013, succeeding Tun Musa Hitam. A successful and respected politician and administrator, Abdul Ghani's many years of experience were a rich asset to the Group's continuing efforts to enhance accountability, transparency and good governance.

An academic by training, Abdul Ghani graduated with an honours degree in economics from La Trobe University, Melbourne, Australia, before taking a Master's degree in political economy from the University of Queensland, Australia. On returning to Malaysia, he lectured at the Faculty of Economics, the University of Malaya, before rising to become Dean of Economics and Administration at the same university in 1980.

Four years later, he began a new career in national politics, serving first as Senator in 1984 before being elected Member of Parliament for Ledang in 1986. He then served as Deputy Minister of Energy, Telecommunications and Posts, and Deputy Minister of Finance before becoming Minister of Youth and Sports in 1993.

In 1995, Abdul Ghani transitioned to the Johor State Legislative Assembly and served as Menteri Besar (Chief Minister) until his retirement from politics in 2013. Upon Sime Darby Berhad's evolution into three pure play organisations, Abdul Ghani was appointed Chairman of Sime Darby Plantation Berhad and continued to serve in that position until his retirement in June 2020.



Tan Sri Abdul Ghani Othman was Chairman of Sime Darby Berhad from 2013 to 2017.

TAN SRI DATO' SERI MOHD BAKKE SALLEH

Tan Sri Mohd Bakke Salleh was President and Group Chief Executive of Sime Darby Berhad from 2010 to 2017. Succeeding Dato' Seri Ahmad Zubir Murshid, Mohd Bakke oversaw Sime Darby's consolidation, rationalisation and return to profitability.

With a long and extensive career in the senior management of major government-linked companies, Mohd Bakke brought a strong sense of integrity, efficiency and responsibility that allowed Sime Darby to navigate the changes of the new millennium and thrive in an ever-changing global economic arena.

After graduating from the London School of Economics and qualifying as an accountant, Mohd Bakke began his career as an auditor at Ernst and Young before becoming Chief Executive Officer of Lembaga Tabung Haji in 2001, Group Managing Director of Felda Holdings in 2005 and Chairman of Bank Islam from 2008 to 2010, among others.

Mohd Bakke's steady leadership of Sime Darby, as well as his well-deserved reputation for integrity, helped smoothen the transition of the Group to three pure play corporations, after which he became Deputy Chairman and Managing Director of Sime Darby Plantation Berhad.



Tan Sri Dato' Seri Mohd Bakke Salleh was President and Group Chief Executive of Sime Darby Berhad from 2010 to 2017.

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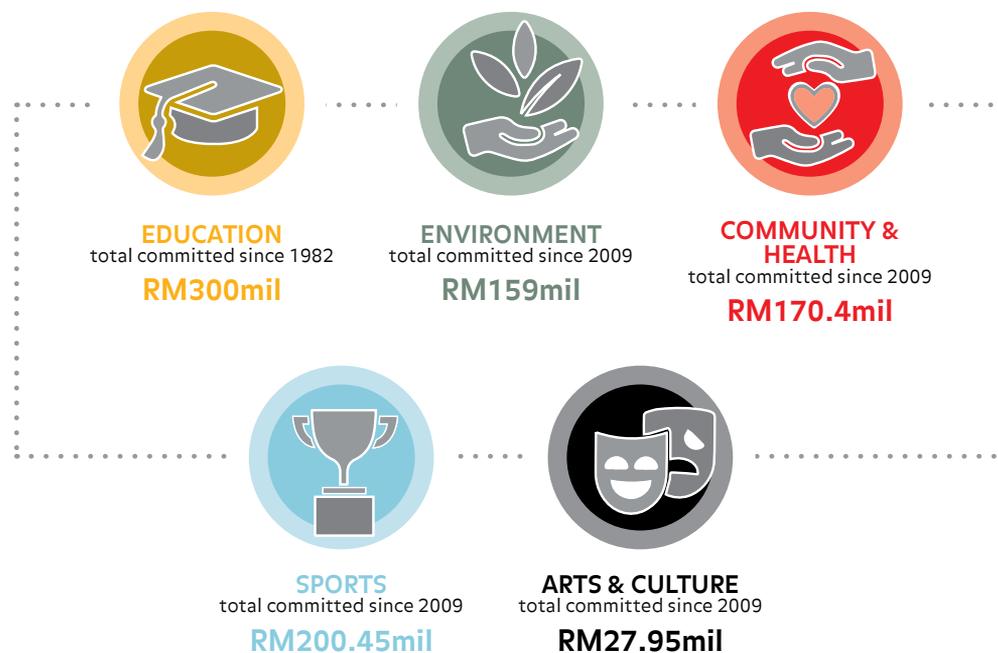
COMMITMENT TO
COMMUNITY



Employees of the Sime Darby companies participating in the tree-planting workshop conducted by a Yayasan Sime Darby (YSD) beneficiary, Global Environment Centre (GEC).

For many years, Sime Darby Berhad worked at the front lines of sustainability and environmental conservation both as a global leader in the production and supply of palm oil and as a responsible multinational corporation committed to delivering sustainable solutions and futures for stakeholders in the communities where it operated. This commitment was demonstrated, among others, in the financial and social assistance to the many communities in plantations and trade throughout Asia and the world.

**Total funds committed by Yayasan Sime Darby (YSD)
(as at October 2020)**





Most of the Group's philanthropic engagements are undertaken by YSD, which was established in 1982. In August 2009, under the supervision of seven independent governors selected from within and outside the Group, YSD was relaunched with an expanded scope of work. It carries out activities in areas of community development; education; youth, sports and recreation; arts and culture; and conservation of the environment and protection of the ecosystems. Seen here at the relaunching event are then Prime Minister Dato' Sri Najib Tun Razak and Tun Musa Hitam.

The seeds of Sime Darby Berhad's modern philanthropic initiatives were planted in 1982 when the company established a foundation—Yayasan Sime Darby (YSD)—as its principal philanthropic vehicle. The purpose then, was to make a positive impact to the nation's development through educational sponsorship.

In recent years, YSD widened its reach beyond education to embrace what are now the five pillars of its mission: Environment, Community & Health, Sports, Arts & Culture and, of course, Education.



TOP: Bursary recipients with YSD leaders at the launch of the YSD Skill Enrichment Programme in January 2020.

ABOVE RIGHT: The YSD Huluran Kasih programme is a volunteerism platform for employees, aimed at nurturing the spirit of volunteerism whilst promoting awareness of the causes supported by the foundation. Seen here at the launch on 26 September 2019, are (from left to right) YSD CEO Dr Yatela Zainal Abidin, Sime Darby Plantation Berhad Group Managing Director Tn Hj Mohamad Helmy Othman Basha, YSD Governing Council Member Datin Paduka Zaitoon Dato' Othman, YSD Chairman Y.A.M. Tunku Tan Sri Imran Ibni Almarhum Tuanku Ja'afar, Sime Darby Property Berhad Chief People Officer Pn Nurashikin Md Sharif and Sime Darby Berhad's Group Chief Strategy Officer Datuk Thomas Leong.

ABOVE LEFT AND LEFT: In April 2020, YSD committed more than RM4.4 million to support various efforts that addressed the immediate needs of individuals and communities impacted by the Covid-19 pandemic. Initiatives included sponsoring MERCY Malaysia's food packs that were distributed to B40 communities and distributing hand sanitiser to police check zones within Klang Valley.



The YSD Arts Festival showcases the best of Malaysian arts and culture.



Participants of the Sime Darby Football Development Programme.

“Yayasan Sime Darby’s vision is to lead and make a sustainable impact and a difference in the lives of others,” says YSD Chief Executive Officer Dr Yatela Zainal Abidin, who joined Sime Darby Berhad in 1996. “Our mission is to enhance lives and deliver sustainable value through the five pillars, while practising ethical values and observing good corporate governance. By covering these pillars, we effectively cover the most critical areas that need assistance within our country.”



Kota Damansara Community Forest Reserve Honorary Advisor YBhg. Tan Sri Dato' Seri Dr Salleh Mohd Nor flags off mountain bikers at the launch of the Salleh trail in December 2017. The Salleh trail was established via a collaboration between Persatuan Rimba Komuniti Kota Damansara and YSD. It aims to increase awareness and appreciation for the forest reserve as well as highlight the importance of biodiversity and environmental conservation.

EDUCATION

Education remains the cornerstone of YSD's efforts and is central to Sime Darby's core philosophy of developing and nurturing human potential. As such, YSD works to facilitate better access for the underprivileged and supports initiatives to reduce inequities, particularly among rural and urban communities, the marginalised, the disabled and others who are on the periphery of society.



In conjunction with Malaysia's 63rd Merdeka celebration, YSD launched the YSD THRIVE programme in August 2020, previously known as the Scholarship Development Programme (SDP) with a three-day hybrid development course dedicated to developing students to become well-rounded individuals.

“There are so many young underprivileged people who just don’t get the break they need even though they’re very talented. They are excluded just because they can’t afford education,” said Dr Yatela. This was one of the prime motivations for YSD to continue providing better access to education for the underprivileged both at university level as well as in technical and vocational education and training.



From 1982 to 2019, YSD supported a large range of educational programmes including 356 scholarships and bursaries worth RM282.2 million as well as long-term projects such as the Education Support Scheme, a programme to fund teachers’ salaries at the Sime Darby Plantation Community School in Liberia, and the Sime Darby Young Innovators Challenge, which among other things, assists in soft-skills development in the young as well as their teachers and the university students who mentor them.

TOP AND ABOVE: Since its inception in 2016, the YSD Young Innovators Challenge has reached 8,213 secondary students nationwide, and trained 784 undergraduate students, 608 school teachers and seven Sime Darby employees as innovation mentors. The winning team in the 2019 edition was from Sabah.



Jahai children from Kampung Orang Asli Klewang in Royal Belum State Park reading books donated by YSD.

COMMUNITY & HEALTH

Under its Community & Health pillar, YSD supports community-based programmes and sustainable initiatives to improve the wellbeing of the disadvantaged and to reduce socio-economic disparities. Besides this, the foundation also supports national policy initiatives to protect basic rights and improve the quality of life for the disadvantaged and marginalised, as well as encourage research and advocacy towards improving community health.

Since 2009, YSD has supported more than 24 community and health organisations with a total funding commitment of RM170.4 million to date. Programmes have included HIV and AIDS advocacy (for which YSD was recognised with the prestigious Patron Award for Excellence in Corporate Social Responsibility at the Tun Dr Siti Hasmah Gala Dinner 2018), as well as financial assistance for underprivileged Malaysians in need of urgent coronary angioplasties, and much more.



YSD also supports the OrphanCare Foundation (a Malaysian organisation that works to end the placement of children in institutional care) and the Malaysian AIDS Foundation, assisting almost 400 people living with HIV who cannot afford the necessary medication.

Another initiative that YSD is proud to support is Cancer Research Malaysia (CRM), which among other things assists underprivileged women with breast cancer.

YSD and the Malaysian AIDS Foundation (MAF) extended their partnership in May 2020 for another three years to strengthen the latter's national advocacy and community efforts for people living with HIV (PLHIV). In the picture, YSD Governing Council Member Datin Paduka Zaitoon Dato' Othman (centre) receives the Patron Award at the Tun Dr Siti Hasmah Award Gala Dinner 2018 from MAF Chairman Prof Datuk Dr Adeeba Kamarulzaman (left) and MAF Patron Datin Paduka Marina Mahathir (right).

YSD supports community-based programmes and sustainable initiatives to improve the wellbeing of the disadvantaged and to reduce socio-economic disparities. It also supports national policy initiatives to protect basic rights and improve the quality of life for the disadvantaged and marginalised, as well as encourage research and advocacy towards improving community health.

FIGHTING CANCER ON ALL FRONTS

In 1997, then-Deputy Chairman of Sime Darby Berhad Tunku Tan Sri Ahmad Yahaya was approached by his alma mater, the University of Bristol, to support an oral cancer research group led by Professor Stephen Prime at the university. Tunku Ahmad felt it was a worthy cause as the majority of oral cancer cases occurred in Asia and there was very little advancement in treatments for the disease.

Motivated by the idea, Tunku Ahmad roped in Professor Datin Paduka Dr Teo Soo-Hwang OBE, who would serve as Chief Scientific Officer and Founding CEO of Cancer Research Malaysia (CRM). A YSD Scholar, Prof Teo was then working as a post-doctoral research scientist at the University of Cambridge.



Celebrating World Reverse Cancer Day in 2018.



Prof Datin Paduka Dr Teo Soo-Hwang is Chief Scientific Officer and Founding CEO of Cancer Research Malaysia.

Through Tunku Ahmad's network, Toh Puan Dr Aishah Ong was brought on board to assist as a Founding Trustee. They then approached the Malaysian Totalisator Board, Yayasan Lim (representing the late Tan Sri Lim Goh Tong and Tan Sri Lim Kok Thay of Genting Berhad) and PETRONAS as founding donors.

There was little cancer research in Malaysia at that time. "In the beginning, there was so much uncertainty about whether a small group of Malaysian scientists could really take on such a big challenge of curing the 'Big C', but our goal was simple: we wanted to create the building blocks of fundamental research that would enable us to understand oral cancer better, so that treatments could be developed," Prof Teo says.

When CRMY was set up in 2001, it was groundbreaking and it established an oral cancer biobank that would enable the study of the disease. The team also brought in technologies that would help unlock the weak points of cancers in order to develop treatments that could improve survival.

CRMY relied solely on charitable funding and research grants, and YSD was one such donor that had been continuously supporting its efforts.

"It is YSD's emphasis on talent development and the Malaysian agenda that have helped CRMY grow. YSD's scholarship programme has been running for decades, and, to date, three Sime Darby scholars have worked at CRMY. YSD has helped us put Malaysia on the world map for cancer research, and has given new hope to cancer patients that there is an organisation fighting in their corner, finding cures for Asian cancers," Prof Teo says.

Today, CRMY has developed a vaccine for oral cancer, which gets rid of cancer when used with immunotherapy in animal models. Human trials are anticipated by 2021. It will be Malaysia's first cancer therapy.



Many young Malaysians have joined CRMY in the belief that they, too, through their work, can make a difference.

CRMY has also created the largest genomic map of Asian breast cancers, increasing the proportion of Asian genomic maps from two per cent to 20 per cent. "We have launched the first clinical trial in Malaysia to choose treatments based on the 'Asian-ness' of cancers," says Prof Teo.

“YSD has helped us put Malaysia on the world map for cancer research, and has given new hope to cancer patients that there is an organisation fighting in their corner, finding cures for Asian cancers.”

– *Prof Datin Paduka Dr Teo Soo-Hwang*

CRMV also hosted the largest genetic study of Asian breast cancers, focusing on understanding why some women are more likely to develop breast cancer compared to others.

With CRMV’s help, genetic counselling services have expanded from four centres to 23 centres nationally, and access to counselling has increased from four per cent to 65 per cent. This makes Malaysia the first country in Asia to provide nationwide access to genetic counselling and genetic testing for ovarian cancer.

There is also the Patient Navigation Programme, which is the first partnership model (with the Malaysian Ministry of Health) that has improved the survival of low-income breast cancer patients who previously experienced delays in accessing treatment.

Setting up CRMV was not easy. Much of the success in the formation of CRMV has been attributed to Tunku Ahmad’s vision and commitment to making it a reality.

What kept Prof Teo on track were the people around her. “There was a long-term volunteer who had lost his 18-year-old daughter to cancer, and who challenged me to ensure that CRMV always provided a beacon of hope to those suffering,” she says. And there have been many more who have given their personal time to help CRMV raise funds and run events, each with their own stories of battling cancer whether personally or for loved ones.

“There are also teams of doctors who have made our work very real—surgeons who are able to incorporate genetic test results in their surgical planning practices, oncologists who can give new hope to patients because of new therapies which we have enabled, and nurses who can offer comfort to patients because of systems that we create.”

“Many young Malaysians have joined CRMV in the belief that they, too, through their work, can make a difference by working behind the scenes on our research programmes. Donors, volunteers, doctors and staff put their trust in us, and we hold that with diligence, integrity and respect as we work towards making sure our work is and continues to be impactful.”



Mangrove conservation efforts at Kuala Gula, Perak, were part of a collaboration between YSD, the Global Environment Centre (GEC) and Sahabat Hutan Bakau Kuala Gula. The project was launched in February 2020.

ENVIRONMENT

YSD actively engages in the protection and preservation of the environment and conservation of biodiversity. The foundation prioritises vulnerable as well as endangered species and the preservation of forest reserves and marine parks, and supports world-class scientific research while also developing highly capable local scientists, researchers and custodians. At the community level, YSD supports initiatives and campaigns that empower communities to adopt green and sustainable practices in their lives. This in turn helps provide sustainable livelihoods to the communities involved.



From 1982 to 2020, YSD committed RM159 million in funding to various environmental organisations and projects. A major endeavour has been the Stability of Altered Forest Ecosystems (SAFE) project, which Sime Darby Berhad began supporting in mid-2010 with a financial commitment of RM30 million over ten years.

The SAFE Project was a long-term collaboration between YSD and the South-East Asia Rainforest Research Programme (SEARRP) of the Royal Society of the United Kingdom and the Commonwealth Academy of Science. Under the programme, a strong interdisciplinary team of leading scientists from a range of world-class institutions conducted a series of field research projects in the Maliau Basin of the Kalabakan region, Sabah.

“For the Orang Asli, these programmes provide not just employment in roles such as ranger patrols, they also help them understand the importance of communicating to the younger generation the importance of preventing poaching, and why it is critical to conserve our flora and fauna for the future,” Dr Yatela says. On Tioman Island, YSD assists the local community to develop waste management processes that help maintain reefs and instil in the community a sense of ownership over the project.



TOP: YSD supports the Management and Ecology of Malaysian Elephants (MEME) project which aims to make available the first human-elephant conflict (HEC) resolution mechanism. Seen here, the MEME team collecting a variety of fruits that have fallen on the rainforest floor to understand the interactions between fruits and animals in 2020. (Courtesy of Ghaneshwaran Balachandran/MEME)
ABOVE: Wild Asian elephants foraging in the jungles of Malaysia. (Courtesy of Ghaneshwaran Balachandran/MEME)

From 1982 to 2020, YSD committed RM159 million in funding to various environmental organisations and projects.

Collectively, the SAFE project enabled researchers to study the ecological and other environmental changes that occurred when natural landscapes were developed for agricultural purposes.

Other major projects supported by YSD's Environment pillar included the reforestation and rehabilitation of orangutan habitats in the Northern Ulu Segama Forest Reserve of Sabah which involved a RM25 million commitment from 2008 to 2017 and the Sime Darby Plant-a-Tree Project in Jentor, Pahang, entailing funding of RM13 million from 2007 to 2019.

To date, YSD has supported the planting of some 1.3 million trees throughout Malaysia, often in

partnership with other major organisations such as Nestlé.

"One of our goals is to pioneer the implementation of environmental best practices to encourage other major corporations to come on board," Dr Yatela says. Key projects in this area include YSD's RM5.2 million funding support for the Management and Ecology of the Malaysian Elephant (MEME), which seeks to find solutions to human-elephant conflicts and to address issues in both elephant conservation and in plantation communities in Malaysia, as well as the Pongo Alliance, which brings together NGOs and plantation companies in an effort to find better and more sustainable ways for humans and orangutans to coexist.



Since 2009 YSD has been supporting sports, from cycling (through the sponsorship of national cyclists and the Sime Darby Track Cycling Team) to rugby (through the Malaysia Rugby Development Programme which supports talent scouting, elite training camps and participation in tournaments).

SPORTS

Under the Sports pillar, YSD encourages grassroots initiatives that promote healthy lifestyles, unity and inclusion among children and youth, as well as disadvantaged and marginalised groups—through active participation in sports. The foundation also supports development programmes for athletes and provides resources for sporting activities to help youths realise their full potential.

YSD has supported a variety of sports development initiatives including the Sime Darby Track Cycling Team as well as football programmes for disadvantaged youth, and the new world-class cricket facility at Universiti Kebangsaan Malaysia in 2019.

“One of our biggest achievements is in supporting the career development of national track cyclist Azizulhasni Awang who represented Malaysia in the 2016 Olympics and won a bronze medal, and who went on to win the UCI Track Cycling World Championship-Men’s keirin in 2017,” says Dr Yatela.



YSD supports the development of women athletes by encouraging participation from young.

“We also provide a special focus on female talent development because we see so many charities and foundations already focusing on men in sports.”

In this respect, YSD is fortunate to have as its Chairman, the noted sportsperson and sports patron YAM Tunku Tan Sri Imran Ibni Almarhum Tuanku Ja’afar, who has been instrumental in pushing forward the women’s agenda in this field.

“We need not just to help all those who are up and coming but also to tell the country: Yayasan Sime Darby is here to provide assistance and support women who need it, so don’t be afraid; don’t be wary about any stigma against women and girls participating in sports,” says Dr Yatela.



Anis Amira is part of the Sime Darby Foundation Track Cycling Team.



YSD has supported the career development of national track cyclist Azizulhasni Awang (left) who represented Malaysia and won the bronze medal in the 2016 Olympics. He is seen here with coach John Beasley (centre) and fellow cyclist Muhammad Shah Firdaus Sahrom (right).



Hubs for Good is an arts and culture programme supported by YSD in collaboration with British Council Malaysia. The programme was launched in September 2020.

ARTS & CULTURE

YSD supports a wide range of arts and cultural initiatives, including the preservation of heritage and traditional arts. The foundation funds endeavours that encourage arts and cultural development as well as efforts to increase demand for and appreciation of the arts while also providing the arts industry with educational opportunities to enhance knowledge and skills that can deepen and enrich Malaysia's unique cultural heritage.



The Yayasan Sime Darby Arts Festival produced in collaboration with KLPAC is a Malaysian community project that brings artistes together.

YSD has funded 16 major arts organisations with a total commitment of RM27.95 million. This has included financial assistance to fund the operational costs of the Kuala Lumpur Performing Arts Centre (KLPAC), which is a vital platform and venue for a broad spectrum of performing and visual arts in Malaysia, as well as direct interventions such as the development of programme toolkits in collaboration with the British Council in Malaysia to develop a creative hub at the University of Malaya, and the establishment of Malaysia's first and only living printing press museum—The Royal Press (TRP)—in the historic city of Melaka. Established in 1938, TRP is one of the oldest surviving letterpress printing firms in the world—making it a rare and important cultural and historical resource.

The biennial two-day Yayasan Sime Darby Arts Festival, which is notable for providing free public access to a vast variety of performance and visual arts including live theatre, music, dance, art exhibitions, craft and skills workshops, and much more, continues to be a highlight of YSD's Arts & Culture initiative.

STRINGENT SELECTION, TANGIBLE IMPACT

A key part of YSD's success lies in selecting beneficiaries who are willing and able to meet the criteria set by the foundation's Governing Council. Candidates for funding must be able to contribute towards the advancement of a focus area within the five pillars, have a long-term plan towards financial independence and a sufficient track record to increase the chances of the project successfully achieving the desired impact. The impact must be tangible and measurable. It must be monitored, and demonstrate a critical need. Beneficiaries must also have in place robust governance measures and transparency processes.

One such example was KLPAC which approached YSD at a time when it was in danger of closing. In the initial stages of the project, YSD provided the arts centre with RM1 million a year for three years, which was enough for it to get back on its feet. Today, YSD continues to support it with half a million a year, on the condition that the team moves towards financial independence. In this manner, YSD hopes to promote sustainability in all its beneficiaries as opposed to a dependence on handouts.



In 2018, YSD committed to its third round of funding to prepare the Malaysian track cycling team for the Olympics. YSD had previously supported the Sime Darby Foundation Track Cycling Team en route to two Olympic Games – the London 2012 Olympic Games and Rio De Janeiro 2016 Olympic Games. Under its Sports pillar, YSD provides resources to promote sporting activities to help youths realise their full potential, cultivate sportsmanship and raise the standard of sports. In the picture (from left), Muhammad Fadhil Mohd Zonis, Muhammad Shah Firdaus Sahrom, Y.A.M. Tunku Tan Sri Imran Ibni Almarhum Tuanku Ja'afar, Anis Amira Rosidi and National Track Cycling Head Coach John Beasley. The three cyclists have been preparing for the Tokyo Olympics.

Candidates for funding must have a long-term plan towards financial independence and a sufficient track record.



Performers at the YSD Arts Festival held at KLPAC. YSD provided KLPAC RM1 million a year for three years, to get the arts centre back on its feet. YSD requires that their beneficiaries demonstrate the ability to move towards financial independence.

“We are very clear about our objectives in supporting each beneficiary, and we prepare them in advance by telling them that we will not be able to fund them indefinitely,” Dr Yatela says. “YSD will be there—but what we can give will not be enough, and the beneficiaries must find ways to become self-sustaining. Often this forces them to be very innovative.”

An important example in sustainability can be found in the establishment of the ASK Dance Company, which was established in 2011 by Professor Dr Joseph Gonzales. A former Dean of Dance at the National Academy of Arts, Culture and Heritage, Malaysia (ASWARA), Dr Gonzales approached YSD seeking assistance for ASWARA dance graduates who had a great deal to contribute to Malaysia because of their

talent but had no means or platform to earn a living from it. “Some of these traditional dances were in danger of dying out,” says Dr Yatela. “We needed to share them with the community, in schools, and the next generation—but for this to be sustainable, the dancers needed to have a professional dance company. They knew we would not be able to support them unless they were formally organised.

“It was hard work—they are dancers and were not used to dealing with bureaucracy and so forth, but they did it: they got the dance company up and running, and we then worked together to build up their organisation. They are still dancers—but now they are also entrepreneurs, accountants and process innovators.”

IDENTIFYING PATHWAYS

While the day-to-day management of YSD is overseen by Dr Yatela and her team, the foundation as a whole is governed by a Council of eminent leaders from all parts of society who have strong track records of contributing to the foundation’s five pillars.

“Each member of the Council has his or her own expert area. Chairman Tunku Imran is very experienced in sports, so when we wanted to develop our Sports pillar, he came forward to help us identify pathways and strategies to achieve our goals. Likewise, Tan Sri Dato’ Seri Dr Wan Mohd Zahid Mohd Noordin served as Director-General of Education, and he guides us on our educational initiatives, while Ms Caroline Russell who owns Boh Plantations assists us on the Environment pillar where she has done a lot of work from her earliest days at Boh. She also assists us in Arts & Culture—Boh has been a long-term supporter of the arts in Malaysia through the Boh Cameronian Arts Awards. We also have Datin Paduka Zaitoon Othman, a prominent lawyer and former member of the Malaysian Human Rights Commission, who is the best person to guide us on Community & Health.”



YSD council members that govern the foundation are committed to seeing through activities on the ground.

These Council members are complemented by additional members from within the Sime Darby family, including former Sime Darby Berhad President and Group Chief Executive Tan Sri Dato' Seri Mohd Bakke Salleh, and current Sime Darby Berhad Group Chief Executive Officer Dato' Jeffri Salim Davidson.

Moving forward into the future, YSD is invigorated by Sime Darby's evolution into pure play, which

allows the foundation to make contributions to society that are more focused and impactful. "We now have the ability to work hand-in-hand with the three Sime Darby companies on social interventions in areas of mutual interest," Dr Yatela says. "We have more areas to focus on, and there is more fulfilment in terms of providing the best solutions to meet critical needs. We have three times the number of channels to promote liaison, communication and better understanding of issues, and this bodes very well for the future."



Not all initiatives achieve their projected outcomes but even so, their outcomes can have positive effects. In collaboration with the Borneo Rhino Alliance (BORA) and the Sabah Wildlife Department (SWD), YSD had supported conservation efforts to save Sumatran rhinos in Sabah from 2009 to 2017, with a total allocation of RM15.7 million. However, the last of its kind, Iman, died in 2019. YSD has forged forward to use the lessons learnt in this project and continue the fight for wildlife. YSD is now collaborating with the Sabah Forestry Department with a commitment of RM4 million to train and deploy an anti-poaching squad under its Enforcement, Tactical, Operational and Protection squad or 'Protect Team' to combat wildlife poaching and trafficking in Sabah. Seen here, Borneo Rhino Alliance (BORA) veterinarian Dr Zainal Zainuddin feeding Kertam, the last male of its species, during a visit by BORA Executive Director Dr John Payne and YSD CEO Dr. Hjh. Yatela Zainal Abidin at the Borneo Rhino Sanctuary, Tabin Wildlife Resort.



SFD's Indra Purwandita H. Sunjoto (left) and his colleague at the project site in 2016.

THE REPLANTING OF ULU SEGAMA

A 2005 census by WWF Malaysia on the orangutan distribution in Sabah included a survey on the Bukit Piton area—an area of 11,000 hectares in northern Ulu Segama. Here they found a population of about 180 to 250 orangutan that were essentially trapped in the area as it had been cut off from the main forest due to fires.

Bukit Piton was a severely degraded area with treeless areas and disconnected canopy. It was a surprise that the orangutan could still survive in such a habitat—orangutan, which usually swing from canopy to canopy, were found walking on the ground. “They have changed their behaviour to adapt to the degraded area,” says Indra Sunjoto, who is the Sabah Deputy Chief Conservator of Forests at the Sabah Forestry Department (SFD).



An orangutan on a tree that had been planted through the Ulu Segama project a decade earlier.

A discussion soon ensued between conservationists in Sabah and the SFD about how to improve the condition of the area to ensure that this isolated population of orangutan could survive at least in the medium term.

The SFD then initiated a project in 2006 called the Ulu Segama-Malua Sustainable Forest Management Project which covered about 240,000 hectares, including Bukit Piton but the progress was slow. “We were running out of time. The orangutan could not survive much longer in the area and we needed to have a large-scale restoration programme,” says Indra.

In mid-2008, Indra met the then-Managing Director of Sime Darby Plantation and raised the subject of the orangutan. By the end of the year, an agreement was in place between Sime Darby Plantation and SFD—Sime Darby Plantation allocated RM25 million over 10 years to rehabilitate an area of 5,400 hectares within Bukit Piton.

“We were excited,” says Indra. “It was the first time that Sabah Forestry would be involved in the restoration of a wildlife habitat on such a scale. Previously our enrichment and planting projects were to restore timber stocks for commercial purposes. With this project, the approach was going to be different.

“We started the project using our own staff. We got seedlings and planting materials and started growing seedlings in our own nursery. We had planned to replant 1,000 hectares each year, but by 2010, we had only achieved about 100 hectares. Progress was slow,” Indra says.

This was when YSD came into the picture. SFD was given one year to turn the project around or risk losing its funding. With the help of YSD and Sime Darby Plantation, SFD was able to appoint three contractors to undertake the replanting.

At the same time, SFD also began engaging with the local community in the area, the Dusun Subpan who lived right next to the project area. “We appointed about 40 youths to be involved in the planting process and maintenance. We taught them how to germinate the seedlings and paid them RM3 per seedling,” Indra says.

This had a remarkable effect on the community, which started off with very little knowledge and sense of belonging to the project. By being involved directly in the replanting, the community began to understand the importance of wildlife conservation.

“We educated them on forest restoration and its importance. We stressed how the orangutan was a unique species in the area,” says Indra.

“Even after the project was completed, some of them still work with us as honorary forest rangers while others continue to grow seedlings in their nurseries, which they sell to other projects.”

One of the most remarkable achievements, Indra says, was that the state government decided to upgrade the status of the area—from a commercial forest to a totally protected area in 2012. “The State was convinced by the commitment of organisations such as YSD, which had put in so much funds as well as by the amount of effort put in by the state government and NGOs.”



5

FUTURE
FOCUSED



Caterpillar in New Zealand is represented by Terra Cat, a dealership acquired by Sime Darby in 2019.

For Sime Darby Berhad in the year 2020, the future holds as much promise as it did in 1910 when Sime, Darby & Co first opened its doors for business. Having evolved from a plantation management company to a major Agency House deeply engaged in the import and distribution business throughout Asia Pacific, and growing into one of Malaysia's largest and most influential conglomerates, Sime Darby Berhad remains firmly grounded in its roots as a diversified trading business. Today, it is a major Malaysian multinational corporation with operations stretching from New Zealand in the south to the Xinjiang Province of China in the north, and from Christmas Island in the Indian Ocean to New Caledonia in the Pacific.

For Dato' Abdul Rahman Ahmad, Chairman of Sime Darby Berhad from 2019 to 2020 and a proponent of the pure play exercise during his stint at Permodalan Nasional Berhad, the biggest beneficiary of the exercise was the "remnant", the grouping of industrial and motors businesses that is today Sime Darby Berhad. Sime Darby Berhad benefitted from the added focus, attention and more importantly capital that the pure play afforded, enabling it to deliver RM1 billion in net profits even during the toughest of times.

Dato' Abdul Rahman Ahmad.



The pure play brought added focus and attention to the industrial and motors businesses.

"Sime Darby Berhad represents a uniquely Malaysian brand and story," says Abdul Rahman, who was President and Group Chief Executive Officer of majority shareholder Permodalan Nasional Berhad from 2016 to 2019. "It is a truly Malaysian multinational with operations in many parts of the Asia Pacific region—the company earns 80 per cent of its revenue outside Malaysia, and of this figure, some 40 to 50 per cent comes from China. In my view, Sime Darby Berhad is one of the few Malaysian companies that have managed to make a success of their operations in China. The company has really made its international business work, and my hope is that the company will never lose this part of its character."



Sime Darby Motors' MINI Clubman show 2020 in Hong Kong.

Sime Darby Berhad has a strong Malaysian history. Its corporate headquarters is physically located in Malaysia, and its principal shareholder is linked closely to the Government of Malaysia—but beyond this, the company is very much a multinational and multicultural organisation, says Dato' Jeffri Salim Davidson, who is the current Group Chief Executive Officer of Sime Darby Berhad. "This is reflected in our management, which is staffed by individuals of various nationalities, Australians, Chinese, and others. We are still working towards better gender diversity especially in traditionally male-dominated environments such as heavy industry, but we are firmly committed to making real changes and entrenching inclusivity throughout Sime Darby Berhad."

Dato' Jeffri Salim Davidson.





BMW safety car at the Macau GP. Sime Darby holds sole distributorship rights for the BMW motor vehicle franchise in Hong Kong and Macau.

This diversity and leadership will be crucial factors in facing the challenge of improving the company's return on equity (ROE) post pure play in an increasingly competitive economic environment. Abdul Rahman believes that Sime Darby Berhad's primary duty of delivering returns to our shareholders can be achieved only if the company can generate best-in-class returns on invested capital. "Moving forward, the challenge for the company will be to develop a clear framework to enhance ROE. If it's successful in this, Sime Darby Berhad then has a very real chance of becoming a leading global distribution company particularly in the industrial and motors sectors," he says.



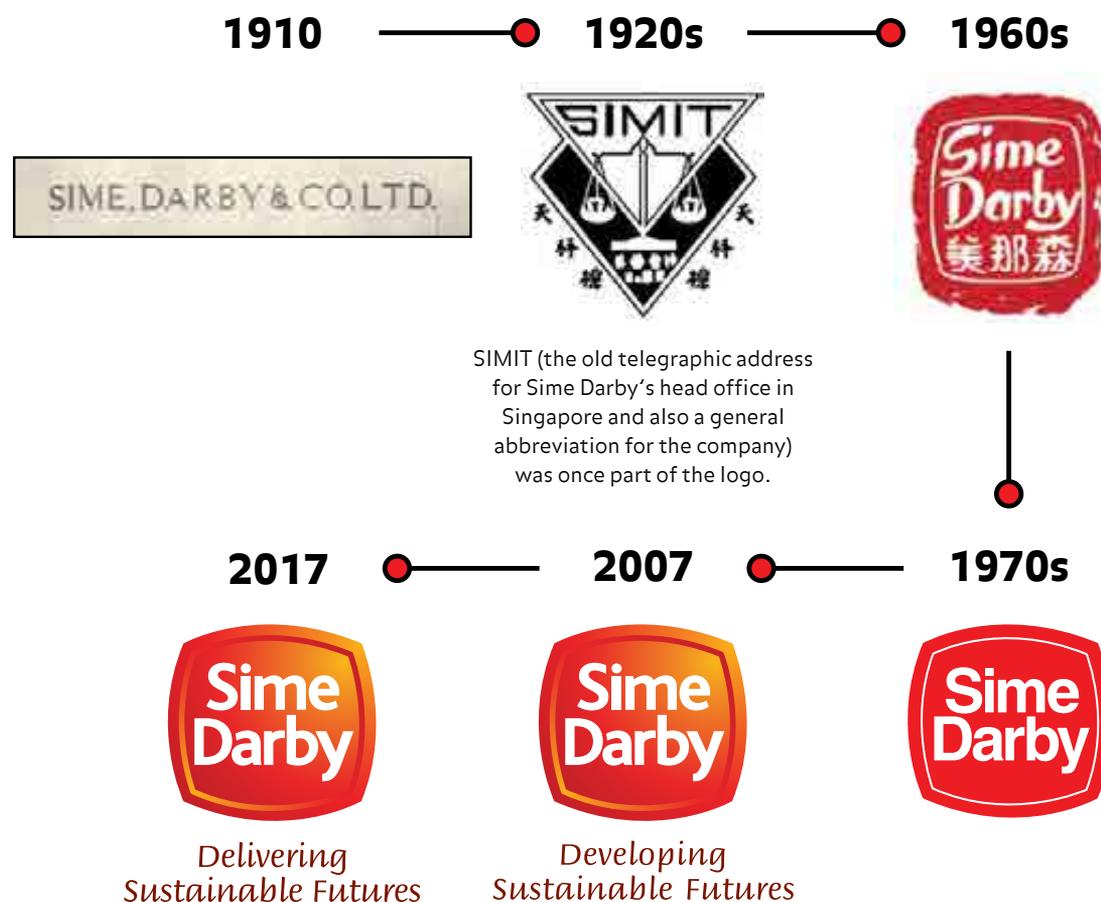
Tractors Engineering Complex in Puchong, Selangor, Malaysia. It is the Malaysian headquarters of Sime Darby's Industrial Division.

CREATING SUSTAINABLE VALUE

A central part of the company’s focus on the future is its Value Creation Plan, which was formulated in 2018 to guide Sime Darby Berhad in the four major tasks of revenue enhancement, cost optimisation, business expansion and portfolio rationalisation.

“For Sime Darby Industrial, we foresee that mining operations in Australia would continue to form a major contribution to the company’s business,” says Abdul Rahman. “At the same time, we believe that infrastructure development in China would also play a crucial role in business growth in the coming decades. The key now is to grow Sime Darby Berhad’s non-mining businesses—mining will be positive and will continue to progress—and the challenge in growing our non-mining business will require Sime Darby to consider what other products it can offer as well as what it can do to develop its geographical reach both in China and in new markets.”

The evolution of the Sime Darby logo





Terra Cat has a national network of 17 branches in New Zealand from Whangarei to Invercargill.



The Value Creation Plan also calls for a major transition in the industrial and motors businesses from traditional sales to after-sales service. “Our businesses are no longer what they used to be: it can’t be just about selling and adding a margin on the sale,” says Abdul Rahman. “There’s been a paradigm shift in the business model, and we need to provide a full range of post-sale service for all the brands we represent. So, instead of selling a machine and then a second machine, Sime Darby Berhad is now in the business of providing a complete array of services *after* you buy a product.”

This, Abdul Rahman says, is a key initiative that goes hand-in-hand with Sime Darby Berhad’s drive to expand into adjacent businesses in order to build a more balanced portfolio. To achieve this, the company will invest more resources in understanding clients’ perspectives—what they need and when they need it. “For example, we need to think about what miners in Australia consume and what services they require, rather than just carry on a one-product business,” Abdul Rahman says. “In China, meanwhile, we do business with many smaller businesses rather than a few large corporations, so we need to think about what other products and services we can provide them besides what we already do. It’s about building tenure and depth—long-term relationships and deepening these relationships.”

A similar dynamic applies within Sime Darby Berhad’s Motors Division, which Abdul Rahman believes has faced a number of dynamic challenges in common with the rest of the industry: on one hand, what was once a lucrative business driven by relatively high margins on sales has been disrupted by pressure from principals to reduce costs. This has effectively reduced the margins distributors make, and at the same time, competition among distributors has eroded these margins further as savings made are passed on to the consumer.



The evolution to pure play has enabled Ramsay Sime Darby Health Care to build on its strengths as a healthcare provider throughout the region.

In healthcare, the company expects demand for quality healthcare to grow across the region, but a particular pain point that must be addressed is cost inflation. “Healthcare costs just keep rising, and Sime Darby Berhad’s strategic plan will be to focus on providing top quality care and personalised service at prices that are accessible to the average patient,” says Abdul Rahman. He adds that prior to the pure play exercise, Sime Darby was reluctant to invest heavily in healthcare due to its strong commitments to plantations and property. “The evolution to pure play has allowed Ramsay Sime Darby Health Care to build on long-standing strengths as a healthcare provider throughout the region,” Abdul Rahman says.

“Distributors are being really squeezed,” says Abdul Rahman. “Those who don’t have the necessary scale, resources and capabilities are unable to survive and are getting out of the business altogether. What Sime Darby Berhad has is the strength and ability to thrive in this highly competitive market. It has the resources, location, capital, systems and above all the people. However, as it moves from selling to servicing, it will need to invest in a strong platform, skilled personnel and very good call centres. We will also need to invest in enhancing the customer touchpoint, and Sime Darby Berhad has the skill to do all this profitably. I’m very confident that the company will continue to prosper in this changing market.”



Subang Jaya Medical Centre, one of the most successful hospitals under Ramsay Sime Darby Health Care, Sime Darby’s 50:50 joint venture with Ramsay Health Care.

A LONG-TERM VISION

Much of Sime Darby Berhad's current trajectory towards sustainable value creation can be attributed to the stewardship of three individuals: besides Abdul Rahman and Jeffri, former Chairman of Sime Darby Berhad Tan Sri Dr Wan Abdul Aziz Wan Abdullah was also instrumental in shaping the company's long-term vision.

Dr Wan Abdul Aziz—a career civil servant with a PhD in business economics—had served as Secretary-General of the Treasury in the Malaysian Ministry of Finance, and was Alternate Executive Director of the World Bank Group, representing the South East Asia Group, among other responsibilities.

Throughout his tenure as Chairman of Sime Darby Berhad from 2017 to 2019, Dr Wan Abdul Aziz led an active Board and championed clear corporate purpose and sound governance that went beyond legal and statutory compliance. Under his leadership, Sime Darby Berhad focused on changing entire cultures and behaviours as a principal means of evolving the way the Group did business.

Integrity, respect, responsibility, excellence and enterprise became the Group's watchwords, embedded at the very highest levels of the Board and practised daily in all aspects of Sime Darby Berhad's operations. It was through this cohesion and constant communication that the Group was able to implement its Value Creation Plan with success and with the assurance of continuity when Dr Wan Abdul Aziz retired.



Tan Sri Dato' Sri Dr Wan Abdul Aziz Wan Abdullah.



For decades, the Industrial Division has brought strength to Sime Darby.

Sime Darby Berhad's long-term strategies as well as its constant commitment to operational excellence, shareholder value and the highest standards of corporate governance and care, have laid the foundation for a bright and secure future for the Group in the years to come.

Taking up the reins as Chairman, Abdul Rahman continued to foster growth and positive change within the organisation, whether in terms of expanding capacity and developing new competencies among members of the Sime Darby family, in harnessing the new power of the digital revolution, or in ensuring that all aspects of the Group's growth remained sustainable.

Linking the Board's vision to the daily management of the Group, Jeffri continues to oversee the implementation of Sime Darby Berhad's long-term strategies as well as its constant commitment to operational excellence, shareholder value and the highest standards of corporate governance and care, laying the foundation for a bright and secure future for the Group in the years to come.

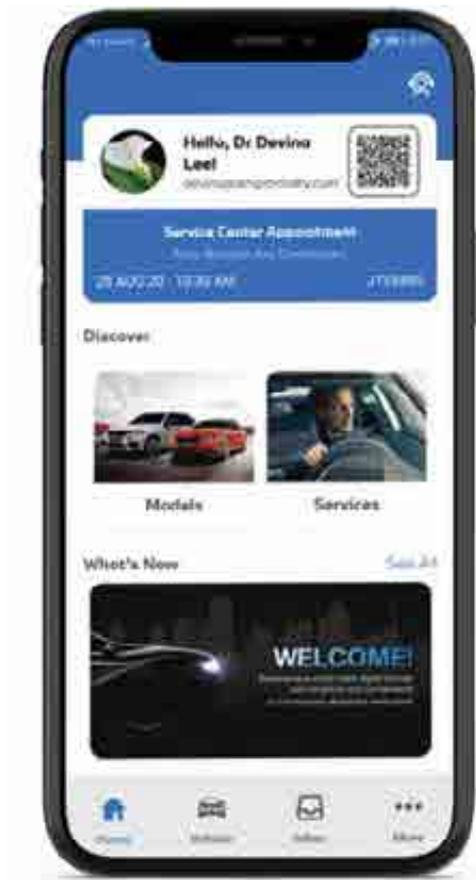


The Motors Division remains a core part of the Group's future, and will power growth in the coming years.

EMBRACING THE DIGITAL FUTURE

Another critical aspect in the ongoing transformation of Sime Darby Berhad is the digitalisation of both its backroom operations as well as its front end. In Abdul Rahman's view, the process will continue to unfold in three primary categories.

The first affects the customer journey: "In the traditional way of selling, there are a lot of human touchpoints," he says. "Today, people and businesses want to have more touchpoints through digital platforms, which are more efficient, support more transparent pricing, and allow customers to do their own research." This is crucial even in the Industrial Division, he said—although it might be difficult to imagine selling a tractor over a website, an increasing number of customers use digital platforms to source for spare parts and book timeslots for maintenance and repairs, which are crucial to growing the service side of the business.



"In the old days a customer would come to the office and describe the issue and be attended to," says Jeffri. "Now, through automation and digitalisation, when the customer comes in, we already know if he needs to fix a brake, for example, and all the parts will be ready for him. There's a huge gain in efficiency and effectiveness—and even in healthcare, advances in telemedicine allow patients to make contact with their doctors via the internet, all without having to leave their homes.

"Digitalisation actually forces us to make a leap forward in all our businesses," Jeffri says. "Everybody in traditional businesses and industries needs to take this revolution seriously—if you don't, you'll miss out. It's even changing the way people buy cars: they do their research online and then they come into the showroom to physically touch the car and talk to a salesperson. They will still need the physical interaction—a car is after all the second largest consumer purchase after a house—but how we catch those customers at the earliest possible stage of the journey is what will change this industry the most."

At Auto Bavaria, the Sime Darby BMW dealer in Malaysia, digitalisation has enhanced customer engagement.

"Digitalisation actually forces us to make a leap forward in all our businesses. Everybody in traditional businesses and industries needs to take this revolution seriously—if you don't, you'll miss out."
–Dato' Jeffri Salim Davidson



Virtual showrooms have become popular with customers seeking the convenience of browsing, and even purchasing, online.

The second component of the digitalisation journey consists of data analytics: “All our excavators are equipped with GPS systems that are constantly feeding us data every day, every hour and every minute to enhance our maintenance and repair systems as well as generate future sales,” Jeffri says. This allows engineers to determine where and when the machines are working, when they are *not* working, and also allows for the ability to record efficiency levels in great detail in real time.

“This information is critical in enabling Sime Darby Berhad to serve our customers better and also to reduce costs,” says Abdul Rahman. “It applies to both Industrial as well as Motors divisions, where we can use data analytics to inform strategies on how to sell better, how to better leverage on our customer relationships, and how to provide better after-sales service and more.”

The third aspect of digitalisation involves the back-office processes from finance and inventory to purchasing and managing customer bookings. “We’ve re-engineered the business to be ready to go digital,” says former Managing Director of Sime Darby Industrial Scott Cameron. “That’s the sexy way of putting it, but beneath it all is a lot of process re-engineering and investment in people, and the aim is to help us become a digital player in the next generation. I have to say, this was the riskiest thing I did in my career—but it’s probably going to have the longest-term payoff,” he adds.

A FUTURE IN PEOPLE

Sime Darby Berhad is today a complex organisation that imposes heavy demands on all members of its large and multinational family. In any consideration of the company's future, its most important resource by far is its people. "It's a story about commitment, loyalty and vision," says Abdul Rahman. "It's about how each person in the Sime Darby family has contributed to building a strong legacy within the company. They are all vested in it because they all believe in it."

The strength of that belief depends on the example, vision and dedication of the company's top leadership, particularly its Board of Directors and senior management, who must possess a sound understanding of global, regional and local economic and social issues, as well as demonstrate the highest standards of governance, ethics and leadership.

"We have been quite fortunate so far to have been able to rely on truly committed people at all levels, and especially the decision-makers on the Board," Jeffri says. "These are people of excellent standing and proven record, who have set an example not just for the company, but also for future generations of the Sime Darby family and the country at large." The company's first Malaysian Chairman, for example, was former Finance Minister Tun Tan Siew Sin, and its second Chairman was the former Governor of Bank Negara Malaysia Tun Ismail Mohd Ali.



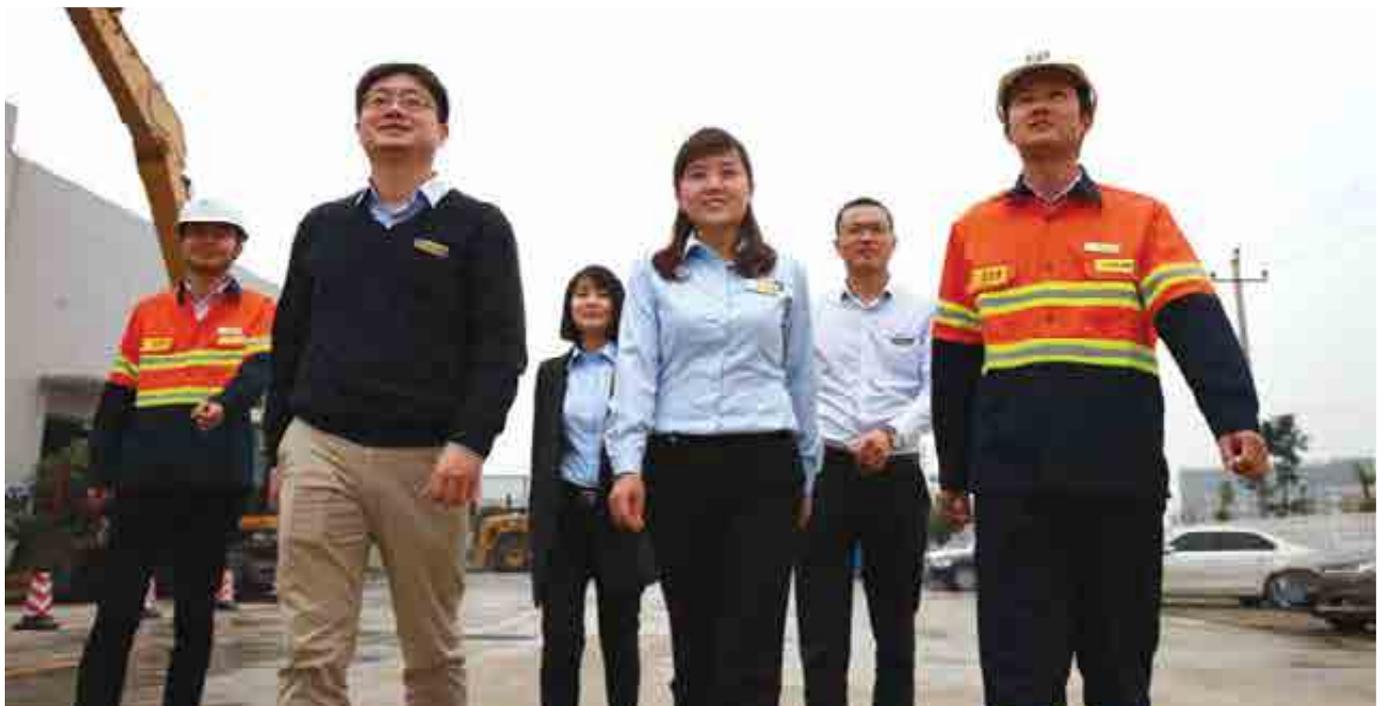


In the decades, and perhaps even the next century to come, it will be the people of Sime Darby who will determine the company's future and success. "From the very beginning, when it was just a small plantation management company and then a trading company—and right up to this very day, the success of Sime Darby is due to its people," says Abdul Rahman.

"It is the people of Sime Darby who have made this amazing story." 

"Since then, we have had a former Deputy Prime Minister of Malaysia, Tun Musa Hitam, a former Menteri Besar [Chief Minister] Tan Sri Abdul Ghani Othman, as well as corporate leaders such as Dato' Abdul Rahman Ahmad and senior civil servants such as Tun Ahmad Sarji Abdul Hamid and the current chairman [as of July 2020] Tan Sri Samsudin Osman, who have both served as Chief Secretary to the Government of Malaysia, and also Tan Sri Wan Abdul Aziz Wan Abdullah, who served as Secretary-General of the Treasury. These were exemplary leaders in their chosen professions before coming to Sime Darby," Jeffri says, "and they brought vitality, energy and masses of experience with them."







From the glories of the past to **futures made better**, it is the people of Sime Darby who will continue to determine the journey ahead.



*Delivering
Sustainable Futures*



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