

Sime Darby registers lower profits last year: Najib
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Sime Darby Bhd registered a lower pre-tax profit of RM3.165 billion in 2009, against a pre-tax profit of RM5.248 billion, chalked up in 2008.

Revenue was reduced at RM31.013 billion last year from RM34.04 billion registered previously, Prime Minister Najib Abdul Razak told the Dewan Rakyat today.

The lower profits was due to cost overruns incurred by Sime Darby Bhd's energy and utilities division in the financial year ended June 30 2009.

The Sime Darby board established a work group in October last year to review the division's operations.

"This included the Qatar Petroleum Project, Maersk Oil Qatar project, the construction of two tug boats and a barge for use in the Qatar project and the Bakun hydro-electric dam project in Sarawak," Najib said in his written reply to Wee Choo Keong (Ind-Wang Maju).

Wee asked the prime minister for the breakdown of the losses incurred by Sime Darby and its subsidiaries between 1989 and 2009 and the action taken to address the losses for each of those years.

Conglomerate Sime Darby is involved in oil palm plantations in Malaysia and Indonesia besides other core businesses in property development, energy and utilities, industrial and automotive.

Najib, who is also finance minister, said when the first phase of the review was completed, the president and group chief executive were held responsible for the staggering losses.

"Yet, the review is still on-going and necessary action will be taken, based on recommendations made by the board appointed work group to ascertain the causes of and to quantify the losses at the division," he added.

Najib said on May 27, Sime Darby announced a second review of the organisation and reporting structure of Sime Darby.

"This is a follow-up to the findings made by the work group.

"Weaknesses in the management, organisation and reporting were highlighted by the work group and several recommendations were made to solve the problems," he added.

The Sime Darby board appointed an accounting and audit firm to review Sime Darby's organisation and reporting structure.

"Besides, a legal firm was also appointed to independently conduct follow-through investigations to determine culpability, based on the findings of the work group on the four key projects in the division.

Golden Hope registered a pre-tax profit of RM610.4 million in 2007, while Kumpulan Guthrie Bhd recorded a pre-tax profit of RM546 million in 2006.

- Bernama

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