

# Sime darby background



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Sime Darby Company Background Sime Darby engrossed in five main sectors : plantation, property, industrial, motors and energy & utilities, with growing businesses in healthcare. Business activities including oil palm and the company's original business, rubber, tire manufacturing, heavy equipment and motor vehicle distribution, property development, power generation, and engineering services. Other business operations include paint manufacturing, refrigeration product manufacturing, travel and tourism services, hospitals, and golf courses.

Currently, Sime Darby is listed in Bursa Malaysia Securities Berhad in the main board. The company is oen of the largest in southeast Asia and also the largest multinational company in Malaysia. They are operating in more than 20 countries and more approximately 100, 000 employees around the world. The domestic market generate 38 percent of revenue, 25 percent for Hong Kong, 14 percent for Singapore, and 11 percent for Australia. The organisation is now leading in the global business field with their experience and business heredity. They have a wide range of industries diversification.

Sime Darby Berhad, Kumpulan Guthrie Berhad and Golden Hope Plantations Berhad successfully merged and created a new organisation with a totally new vision, mission and goal. In 1910, two businessmen William Sime and Henry Darby contrived Sime, Darby Co. William Sime is a adventurer from Scotland, he venture to Malaysia in late 30s. He and other rubber claim that Malaysia has the similar jungle region with Brazil where the synthetic rubber had just been introduced by Brazil. Darby then decided to form Sime, Darby Co. , Ltd with Sime and together they put effort.

The company diversified in fertilizing palm oil and cocoa and they succeeded in these new industries with the help from Tun Tan Cheng Lock and other business leaders. They were able to produce 50 acres of rubber plantations in the jungle of Malacca where initially they faced with rigid opposition to its venture from locals. They are the minority outside investor. In 1915, the company established a marketing office in London. The company opened more jungle to deal with the increase in demand for rubber. Furthermore, the company expanded into the heavy equipment business.

In 1958, the company was incorporated in the United Kingdom as Sime Darby Holding Ltd. Sime Darby did a smart move where they were the first rubber plantations that converted to the production of palm oil and cocoa oil. They managed to increase earnings and took over Seaford Estate and incorporated Consolidated Plantations Berhad. In 1976, the Malaysian Government trading bought over Sime Darby shares on the London stock exchange. After the replacement of chairman Tun Tan Siew Sin, which is Tun Tan Cheng Lock's son, Sime Darby was reincorporated in Malaysia and moved its headquarters to Kuala Lumpur.

From 1980 to early 1990. The company almost diversified in every industry, from agricultural and manufacturing to finance and real estate. Sime Darby continued to invest in new ventures even though the company was not performing well. It took over the tire-making operations of B. F. Goodrich Philippines in 1981. In the late 1980s, Sime Darby made a mistake in investment and they tried hard to minimize risk. In 1983, because of the stiff strategy, company sales tended to drop and reached the bottom line of \$59 million in 1987. Company

board elected Tunku Ahmad Yahaya to chief executive, after all the company began a slow turnover.

In the mid-1990's and beyond, Sime Darby expand aggressively and reduce cost and spending in response to economical difficulty. Sime Darby is an international conglomerate which diversified in variety of industries. But the most vital sector for the company is still plantation persistantly. Plantatio generate the highest earning which is 70% of the corporate profits. The company also involved in the property development in eight different countries such as Malaysia, Singapore, Indonesia, Vietnam, China, Philippines, United Kingdom and Australia.

The company involved in purchasing, leasing and selling of industrial equipment in the industrial sector such as caterpillar heavy trucks and tractors. Sime Darby also owned Auto Bravia in Malaysia for the motoring industry. They have a partnership with Ford and Land Rover. Furthermore they joint-venture with Hyundai Motor Company which assembles and sells Hyundai cars in Malaysia with Inokom Corp Bhd. The company also owns Tesco stores for 30% of the Malaysian offshoot. Sime Darby act as the oil and gas service provider which provides equipment for exploring oil and gas assets in the South East Asia Region.