QUARTERLY REPORT

On consolidated results for the fourth quarter ended 30 June 2013

The Directors are pleased to announce the following:

Unaudited Condensed Consolidated Statement of Profit or Loss
Amounts in RM million

	Note	Quarter ended 30 June 2013	Quarter ended 30 June 2012	% +/(-)	Year ended 30 June 2013	Year ended 30 June 2012	% +/(-)
Continuing operations							
Revenue	A7	**12,930.3**	14,031.0	(7.8)	**46,770.5**	47,254.5	(1.0)
Operating expenses		**(12,134.7)**	(12,982.3)		**(43,702.0)**	(42,790.8)	
Other operating income		**436.9**	404.7		**1,572.6**	1,323.1	
Operating profit	B6	**1,232.5**	1,453.4	(15.2)	**4,641.1**	5,786.8	(19.8)
Share of results of jointly controlled entities		**28.4**	36.4		**25.9**	14.2	
Share of results of associates		**43.8**	10.9		**115.2**	100.4	
Profit before interest and tax	A7	**1,304.7**	1,500.7	(13.1)	**4,782.2**	5,901.4	(19.0)
Finance income		**39.7**	55.4		**127.3**	178.6	
Finance costs	B6	**(110.2)**	(124.5)		**(447.3)**	(385.5)	
Profit before tax		**1,234.2**	1,431.6	(13.8)	**4,462.2**	5,694.5	(21.6)
Tax expense	B7	**(238.5)**	(276.1)		**(983.0)**	(1,301.7)	
Profit from continuing operations		**995.7**	1,155.5	(13.8)	**3,479.2**	4,392.8	(20.8)
Discontinued operations							
Profit/(loss) from discontinued operations (see note below)	B6	**345.3**	7.3		**352.4**	(46.4)	
Profit for the period		**1,341.0**	1,162.8	15.3	**3,831.6**	4,346.4	(11.8)
Attributable to owners of:							
- the Company							
- from continuing operations		**965.3**	1,091.8		**3,348.2**	4,196.6	
- from discontinued operations		**345.3**	7.3		**352.4**	(46.4)	
		1,310.6	1,099.1	19.2	**3,700.6**	4,150.2	(10.8)
- non-controlling interests		**30.4**	63.7	(52.3)	**131.0**	196.2	(33.2)
Profit for the period		**1,341.0**	1,162.8	15.3	**3,831.6**	4,346.4	(11.8)
		Sen	**Sen**		**Sen**	**Sen**	
Earnings/(loss) per share attributable to owners of the Company	B13						
Basic							
- from continuing operations		**16.06**	18.17		**55.71**	69.83	
- from discontinued operations		**5.75**	0.12		**5.87**	(0.77)	
		21.81	18.29	19.2	**61.58**	69.06	(10.8)
Diluted							
- from continuing operations		**16.05**	18.17		**55.70**	69.83	
- from discontinued operations		**5.75**	0.12		**5.87**	(0.77)	
		21.80	18.29	19.2	**61.57**	69.06	(10.8)

Note : The discontinued operations in the current quarter and the financial year ended 30 June 2013 are in relation to the disposal of the Healthcare business, see Note A11.1(e) for details.

The unaudited Condensed Consolidated Statement of Profit or Loss should be read in conjunction with the accompanying explanatory notes and the audited financial statements for the year ended 30 June 2012.

SIME DARBY BERHAD
(Company No: 752404-U)

Unaudited Condensed Consolidated Statement of Comprehensive Income
Amounts in RM million

	Quarter ended 30 June 2013	Quarter ended 30 June 2012	% +/(-)	Year ended 30 June 2013	Year ended 30 June 2012	% +/(-)
Profit for the period	**1,341.0**	1,162.8	15.3	**3,831.6**	4,346.4	(11.8)
Other comprehensive income/(loss)						
Items that will be reclassified subsequently to profit or loss:						
Currency translation differences:						
- subsidiaries	**(316.9)**	121.0		**(639.0)**	14.0	
- jointly controlled entities	**(2.5)**	(4.6)		**(7.9)**	(6.0)	
- associates	**(6.8)**	(1.5)		**(7.9)**	(1.3)	
Net changes in fair value of:						
- available-for-sale investments	**4.5**	4.5		**17.1**	33.9	
- cash flow hedges	**40.3**	(98.5)		**59.7**	(149.1)	
Share of other comprehensive income/(loss) of:						
- jointly controlled entities	**9.9**	–		**9.9**	–	
- associates	**0.8**	1.7		**0.8**	–	
Tax expense	**(13.3)**	5.6		**(10.0)**	15.4	
	(284.0)	28.2		**(577.3)**	(93.1)	
Items that will not be reclassified subsequently to profit or loss:						
Actuarial losses on defined benefit pension plans	**(19.0)**	(33.1)		**(19.0)**	(33.1)	
Share of actuarial gains/(losses) on defined benefit pension plans of a jointly controlled entity	**3.6**	–		**(48.0)**	–	
Share of capital reserves of associates	**(0.2)**	5.5		**2.8**	5.5	
Tax expense	**2.8**	(3.0)		**2.8**	(3.0)	
	(12.8)	(30.6)		**(61.4)**	(30.6)	
Reclassification adjustments:						
Reclassified to profit or loss:						
- currency translation differences	**17.7**	–		**17.7**	(9.5)	
- changes in fair value of available-for-sale investments	**–**	(0.1)		**(0.2)**	(36.7)	
- changes in fair value of cash flow hedges	**(153.4)**	(32.8)		**(116.7)**	(4.8)	
Reclassified to inventories changes in fair value of cash flow hedges	**0.5**	(11.9)		**0.6**	(11.9)	
Tax expense	**48.1**	8.2		**37.0**	11.0	
	(87.1)	(36.6)		**(61.6)**	(51.9)	
Total other comprehensive income/(loss) from continuing operations	**(383.9)**	(39.0)	(884.4)	**(700.3)**	(175.6)	(298.8)
Other comprehensive income/(loss) from discontinued operations	**–**	–		–	(4.6)	
Total comprehensive income for the period	**957.1**	1,123.8	(14.8)	**3,131.3**	4,166.2	(24.8)
Attributable to owners of:						
- the Company						
- from continuing operations	**568.6**	1,046.4		**2,661.0**	4,022.3	
- from discontinued operations	**345.3**	7.3		**352.4**	(51.0)	
	913.9	1,053.7	(13.3)	**3,013.4**	3,971.3	(24.1)
- non-controlling interests	**43.2**	70.1	(38.4)	**117.9**	194.9	(39.5)
Total comprehensive income for the period	**957.1**	1,123.8	(14.8)	**3,131.3**	4,166.2	(24.8)

The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying explanatory notes and the audited financial statements for the year ended 30 June 2012.

SIME DARBY BERHAD
(Company No: 752404-U)

Unaudited Condensed Consolidated Statement of Financial Position
Amounts in RM million

	Note	Unaudited As at 30 June 2013	Audited As at 30 June 2012
Non-current assets			
Property, plant and equipment		**14,196.9**	14,003.7
Biological assets		**2,498.5**	2,417.1
Prepaid lease rentals		**1,140.3**	1,115.9
Investment properties		**524.9**	374.8
Land held for property development		**864.2**	835.2
Jointly controlled entities		**1,287.2**	284.1
Associates		**1,585.8**	1,492.4
Available-for-sale investments		**118.7**	111.8
Intangible assets		**915.0**	864.5
Deferred tax assets		**930.9**	819.6
Tax recoverable		**391.0**	331.8
Derivatives	B10(a)	**136.9**	3.2
Receivables		**664.8**	442.2
		25,255.1	23,096.3
Current assets			
Inventories		**8,714.5**	9,491.9
Property development costs		**2,075.9**	1,764.3
Receivables		**6,054.8**	6,932.0
Accrued billings and others		**1,240.7**	1,561.6
Tax recoverable		**287.1**	128.7
Derivatives	B10(a)	**45.3**	28.6
Cash held under Housing Development Accounts		**560.2**	540.9
Bank balances, deposits and cash		**4,093.5**	4,564.7
		23,072.0	25,012.7
Non-current assets held for sale (see note below)		**130.4**	42.2
Total assets	A7	**48,457.5**	48,151.2
Equity			
Share capital		**3,004.7**	3,004.7
Reserves		**24,097.2**	23,011.4
Attributable to owners of the Company		**27,101.9**	26,016.1
Non-controlling interests		**884.8**	873.8
Total equity		**27,986.7**	26,889.9
Non-current liabilities			
Borrowings	B9	**8,151.2**	3,930.8
Provisions		**92.0**	83.6
Retirement benefits		**153.4**	124.7
Deferred income		**290.7**	183.7
Deferred tax liabilities		**642.2**	537.1
Derivatives	B10(a)	**1.9**	52.7
		9,331.4	4,912.6
Current liabilities			
Payables		**8,135.0**	9,476.6
Progress billings and others		**78.3**	43.9
Borrowings	B9	**2,098.7**	5,872.6
Provisions		**317.7**	360.0
Deferred income		**75.1**	51.2
Tax payable		**229.3**	431.7
Derivatives	B10(a)	**115.0**	112.7
		11,049.1	16,348.7
Liabilities associated with assets held for sale (see note below)		**90.3**	–
Total liabilities		**20,470.8**	21,261.3
Total equity and liabilities		**48,457.5**	48,151.2

Unaudited Condensed Consolidated Statement of Financial Position (continued)
Amounts in RM million

	Note	Unaudited As at 30 June 2013	Audited As at 30 June 2012
Net assets per share attributable to owners of the Company (RM)		**4.51**	4.33

Note:

	Unaudited As at 30 June 2013	Audited As at 30 June 2012
Non-current assets held for sale		
Non-current assets		
Property, plant and equipment	**3.0**	7.7
Prepaid lease rentals	**0.7**	0.7
Investment properties	**–**	7.0
Associates	**23.8**	26.8
Disposal group	**102.9**	–
	130.4	42.2
Liabilities associated with assets held for sale		
Disposal group	**90.3**	–

The non-current assets held for sale and liabilities associated with assets held for sale, classified as disposal group, is in respect of Syarikat Malacca Straits Inn Sdn Bhd.

The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying explanatory notes and the audited financial statements for the year ended 30 June 2012.

SIME DARBY BERHAD
(Company No: 752404-U)

Unaudited Condensed Consolidated Statement of Changes in Equity
Amounts in RM million

Year ended 30 June 2013	**Share capital**	**Share premium**	**Revaluation reserve**	**Capital reserve**	**Legal reserve**	**Hedging reserve**	**Available-for-sale reserve**	**Exchange reserve**	**Retained profits**	**Attributable to owners of the Company**	**Non-controlling interests**	**Total equity**
At 1 July 2012	**3,004.7**	**100.6**	**67.9**	**6,748.9**	**74.8**	**(64.8)**	**45.1**	**983.5**	**15,055.4**	**26,016.1**	**873.8**	**26,889.9**
Total comprehensive income for the year	**–**	**–**	**–**	**2.8**	**–**	**(29.6)**	**17.6**	**(614.1)**	**3,636.7**	**3,013.4**	**117.9**	**3,131.3**
Transfer between reserves	**–**	**–**	**–**	**1.8**	**0.6**	**–**	**–**	**–**	**(2.4)**	**–**	**–**	**–**
Issue of shares in a subsidiary	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**9.5**	**9.5**
Acquisition of subsidiaries	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**11.3**	**11.3**
Acquisition of non-controlling interest	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(4.5)**	**(4.5)**	**(18.5)**	**(23.0)**
Disposal of subsidiaries	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(4.7)**	**(4.7)**
Liquidation of subsidiaries	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(1.0)**	**(1.0)**
Dividends paid	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(1,923.1)**	**(1,923.1)**	**(103.5)**	**(2,026.6)**
At 30 June 2013	**3,004.7**	**100.6**	**67.9**	**6,753.5**	**75.4**	**(94.4)**	**62.7**	**369.4**	**16,762.1**	**27,101.9**	**884.8**	**27,986.7**

SIME DARBY BERHAD
(Company No: 752404-U)

Unaudited Condensed Consolidated Statement of Changes in Equity (continued)
Amounts in RM million

Year ended 30 June 2012	Share capital	Share premium	Revaluation reserve	Capital reserve	Legal reserve	Hedging reserve	Available-for-sale reserve	Exchange reserve	Retained profits	Attributable to owners of the Company	Non-controlling interests	Total equity
At 1 July 2011	3,004.7	100.6	67.9	6,742.5	72.5	79.9	47.4	984.9	12,929.9	24,030.3	787.2	24,817.5
Total comprehensive income for the year	–	–	–	5.5	–	(144.7)	(2.3)	(1.4)	4,114.2	3,971.3	194.9	4,166.2
Transfer between reserves	–	–	–	0.9	2.3	–	–	–	(3.2)	–	–	–
Acquisition of a subsidiary	–	–	–	–	–	–	–	–	–	–	1.0	1.0
Acquisition of non-controlling interest	–	–	–	–	–	–	–	–	(62.4)	(62.4)	(34.2)	(96.6)
Dividends paid	–	–	–	–	–	–	–	–	(1,923.1)	(1,923.1)	(75.1)	(1,998.2)
At 30 June 2012	3,004.7	100.6	67.9	6,748.9	74.8	(64.8)	45.1	983.5	15,055.4	26,016.1	873.8	26,889.9

The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying explanatory notes and the audited financial statements for the year ended 30 June 2012.

SIME DARBY BERHAD
(Company No: 752404-U)

Unaudited Condensed Consolidated Statement of Cash Flows
Amounts in RM million

	Note	Year ended 30 June 2013	2012
Profit after tax		**3,831.6**	4,346.4
Adjustments for:			
Gain on disposal of subsidiaries, a jointly controlled entity, associates and other investments		**(356.9)**	(65.2)
Gain on disposal of properties		**(77.9)**	(68.7)
Share of results of jointly controlled entities and associates		**(141.1)**	(114.6)
Finance income		**(128.2)**	(179.2)
Finance costs		**449.3**	387.0
Depreciation and amortisation		**1,269.5**	1,160.9
Amortisation of prepaid lease rentals		**48.3**	46.1
Tax expense		**993.5**	1,319.1
Other non-cash items		**95.4**	(112.4)
		5,983.5	6,719.4
Changes in working capital:			
Inventories and rental assets		**(7.0)**	(2,226.9)
Property development costs		**(274.4)**	(216.8)
Land held for property development		**(41.6)**	(5.2)
Trade and other receivables and prepayments		**246.7**	(967.6)
Cash held under Housing Development Accounts		**(19.4)**	75.5
Trade and other payables and provisions		**(902.4)**	933.1
Cash generated from operations		**4,985.4**	4,311.5
Tax paid		**(1,397.8)**	(1,698.5)
Dividends received from jointly controlled entities and associates		**34.9**	64.2
Dividends from available-for-sale investments		**12.7**	53.9
Net cash from operating activities		**3,635.2**	2,731.1
Investing activities			
Finance income received		**120.0**	174.0
Purchase of property, plant and equipment		**(2,319.3)**	(1,514.2)
Purchase of subsidiaries and business	A11.2	**(7.3)**	(1,170.3)
Purchase/subscription of shares in jointly controlled entities and an associate		**(483.3)**	(808.7)
Purchase of investment properties		**(17.1)**	(1.3)
Cost incurred on biological assets		**(154.4)**	(70.1)
Payment for prepaid lease rental		**(113.8)**	(17.7)
Net cash outflow from sale of subsidiaries	A11.1	**(10.4)**	(1.5)
Proceeds from sale of a jointly controlled entity and associates		**19.1**	22.2
Proceeds from sale of available-for-sale investments		**40.4**	87.2
Proceeds from sale of property, plant and equipment		**785.2**	123.4
Proceeds from sale of investment property		**23.3**	59.3
Proceeds from sale of prepaid lease rental		**–**	1.1
Others		**(15.0)**	(100.1)
Net cash used in investing activities		**(2,132.6)**	(3,216.7)

Unaudited Condensed Consolidated Statement of Cash Flows (continued)
Amounts in RM million

	Year ended 30 June	
	2013	**2012**
Financing activities		
Capital repayment and distribution by a subsidiary to owners of non-controlling interest	**(1.0)**	–
Purchase of additional interest in non-controlling interest	**(23.0)**	–
Proceeds from shares issued to owner of non-controlling interest	**9.5**	–
Finance costs paid	**(438.4)**	(427.3)
Long-term borrowings raised	**4,757.5**	1,893.9
Repayments of long-term borrowings	**(2,016.3)**	(491.8)
Revolving credits, trade facilities and other short-term borrowings (net)	**(2,154.9)**	1,164.5
Dividends paid	**(2,026.6)**	(1,998.2)
Net cash (used in)/from financing activities	**(1,893.2)**	141.1
Net changes in cash and cash equivalents	**(390.6)**	(344.5)
Foreign exchange differences	**(103.0)**	(18.8)
Cash and cash equivalents at beginning of the year	**4,536.9**	4,900.2
Cash and cash equivalents at end of the year	**4,043.3**	4,536.9

For the purpose of the statement of cash flows, cash and cash equivalents comprised the following:

Bank balances, deposits and cash	**4,093.5**	4,564.7
Less:		
Bank overdrafts (Note B9)	**(50.2)**	(27.8)
	4,043.3	4,536.9

The unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the accompanying explanatory notes and the audited financial statements for the year ended 30 June 2012.

EXPLANATORY NOTES

This interim financial report is prepared in accordance with the requirements of paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and complies with the requirements of the Financial Reporting Standard (FRS) No. 134 – Interim Financial Reporting and other FRS issued by the Malaysian Accounting Standards Board. The interim financial report is unaudited and should be read in conjunction with the Group's audited annual financial statements for the financial year ended 30 June 2012.

A. EXPLANATORY NOTES PURSUANT TO FRS 134

A1. Basis of Preparation

a) General
The accounting policies and presentation adopted for this interim financial report are consistent with those adopted for the audited annual financial statements for the financial year ended 30 June 2012, other than disclosed below:

- **FRS 124 – Related Party Disclosures**
  FRS 124 simplifies the definition of related party and provides partial exemption from disclosures for government-related entities instead of full exemption.

- **Amendments to FRS 7 – Financial Instruments: Disclosures**
  Amendments to FRS 7 stipulates the disclosure requirements for all transferred financial assets that are not derecognised and also for any continuing involvement in a transferred financial asset.

- **Amendments to FRS 101 – Presentation of Financial Statements**
  FRS 101 requires items of 'other comprehensive income' including their associated tax to be presented into two groupings which consists of those that would not be reclassified subsequently to profit or loss and those that will be reclassified subsequently to profit or loss when specific conditions are met.

The adoption of the revised standard and subsequent amendments to the standards do not have any significant impact on the Group during the financial year.

The Malaysian Financial Reporting Standards Framework (MFRS Framework) is a fully IFRS-compliant framework which is applicable for all non-private entities for annual periods beginning on or after 1 January 2012, other than Transitioning Entities (TEs), which may defer adoption by three years in view of potential changes on the horizon which may change current accounting treatments.

TEs are non-private entities within the scope of MFRS 141 – Agriculture and IC Interpretation 15 – Agreements for the Construction of Real Estate, including their parent, significant investor and venturer.

The Group being a TE, will adopt the MFRS Framework with effect from 1 July 2015.

b) Financial reporting standards under the existing FRS Framework that have yet to be adopted in preparing this interim financial report are given below. These adoptions will not result in any changes to the Group's accounting policies, results and financial position.

(i) New, revision and amendments to standards that will be effective for annual periods beginning on or after 1 January 2013:

- **FRS 10 – Consolidated Financial Statements**
  FRS 10 replaces IC Interpretation 112 – Consolidation - Special Purpose Entities and the consolidation section in FRS 127 – Consolidated and Separate Financial Statements. It defines and sets out the principle of control to identify whether an investor controls an investee and establishes control as the basis for consolidation.

A1. Basis of Preparation (continued)

b) Financial reporting standards under the existing FRS Framework that have yet to be adopted in preparing this interim financial report are given below. These adoptions will not result in any changes to the Group's accounting policies, results and financial position. (continued)

(i) New, revision and amendments to standards that will be effective for annual periods beginning on or after 1 January 2013: (continued)

- **FRS 11 – Joint Arrangements**
  FRS 11 supersedes FRS 131 – Interests in Joint Ventures. It classifies joint arrangements into two types - joint operations and joint ventures by focusing on the rights and obligations of the arrangements. The option to proportionately consolidate joint venture's results and financial position in the venturer's financial statements is no longer allowed.

- **FRS 12 – Disclosure of Interests in Other Entities**
  FRS 12 provides disclosure requirements for all forms of interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities. Disclosures include significant judgements and assumptions made in determining the nature of the entity's interest in another entity and the risks associated with those interests.

- **FRS 13 – Fair Value Measurement**
  FRS 13 defines fair value, sets out the measurement framework and stipulates the disclosure requirements. It explains how to measure fair value and does not change the measurement objective as established in existing FRSs.

- **FRS 119 – Employee Benefits**
  FRS 119 eliminates the limits of the "corridor approach" where only a portion of the actuarial gains and losses is recognised to profit or loss.

- **FRS 127 – Separate Financial Statements**
  The revised FRS 127 only deals with the accounting and disclosure requirements for investments in subsidiaries, associates and joint ventures in the separate financial statements of the parent.

- **FRS 128 – Investments in Associates and Joint Ventures**
  The revised FRS 128 prescribes the accounting for investment in associates as well as joint ventures where the equity method of accounting is required in accordance with FRS 11.

- **Amendments to FRS 7 – Financial Instruments: Disclosures**
  Amendments to FRS 7 sets out the additional disclosure requirements on the effects or potential effects including any rights of a netting arrangement of a financial asset and a financial liability.

- **Amendments to FRS 101 – Presentation of Financial Statements**
  Amendments to FRS 101 clarifies the difference between the minimum required comparative information and the voluntary additional comparative information.

- **Amendments to FRS 116 – Property, Plant and Equipment**
  Amendments to FRS 116 clarifies that items such as spare parts, stand-by equipment and servicing equipment shall be recognised as property, plant and equipment when they meet the definition of property, plant and equipment. Otherwise, such items are classified as inventory.

- **Amendments to FRS 132 – Financial Instruments: Presentation**
  Amendments to FRS 132 clarifies that income tax relating to distributions to holders of an equity instrument and to transaction costs of an equity transaction shall be accounted for in accordance with FRS 112 Income Taxes.

A1. Basis of Preparation (continued)

b) Financial reporting standards under the existing FRS Framework that have yet to be adopted in preparing this interim financial report are given below. These adoptions will not result in any changes to the Group's accounting policies, results and financial position. (continued)

(i) New, revision and amendments to standards that will be effective for annual periods beginning on or after 1 January 2013: (continued)

- **Amendments to FRS 134 – Interim Financial Reporting**
  Amendments to FRS 134 clarifies that an entity shall disclose the total assets and liabilities for a particular reportable segment only when the amounts are regularly provided to the chief operating decision maker and there has been a material change from the amount disclosed in the last annual financial statements for that reportable segment.

(ii) Amendments to standard that will be effective for annual periods beginning on or after 1 January 2014:

- **Amendments to FRS 10 – Consolidated Financial Statements**
  Amendments to FRS 10 introduces exception to the principle that all subsidiaries shall be consolidated. It defines an investment entity and requires a parent that is an investment entity to measure its investment in particular subsidiaries at fair value through profit or loss instead of consolidating those subsidiaries in its consolidated financial statements.

- **Amendments to FRS 12 – Disclosure of Interests in Other Entities**
  Amendments to FRS 12 offers new disclosure requirement for a parent when it becomes or ceased to be an investment entity and also disclosure requirement for each unconsolidated subsidiary.

- **Amendments to FRS 127 – Separate Financial Statements**
  Amendments to FRS 127 clarifies that if a parent is required, in accordance with paragraph 31 of FRS 10, to measure its investment in a subsidiary at fair value through profit or loss, it shall also account for its investment in subsidiary the same way in its separate financial statements.

- **Amendments to FRS 132 – Financial Instruments: Presentation**
  Amendments to FRS 132 offers additional guidance on the criterion and right to offset a financial asset and a financial liability following amendments made to FRS 7 – Financial Instruments: Disclosures.

(iii) New and amendments to standards that will be effective for annual periods beginning on or after 1 January 2015 :

- **FRS 9 – Financial Instruments**
  FRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial instruments: amortised costs and fair value. All instruments are to be measured at fair value except for debt instruments that qualify for amortised cost accounting.

  It allows an option to present fair value changes in equity instruments in profit or loss or other comprehensive income and it is an irrevocable election on initial recognition.

  Reclassification of financial liability between fair value and amortised cost is prohibited while financial asset can only be reclassified when the entity changes its business model for managing the financial asset. Any difference between the carrying amount and fair value on reclassification is recognised in profit or loss.

- **Amendments to FRS 7 – Financial Instruments: Disclosures**
  Amendments to FRS 7 prescribes the disclosure requirements on the classifications and measurements of financial assets and liabilities in accordance with the requirement of FRS 9 upon initial application.

A2. Seasonal or Cyclical Factors

The Group's operations are not materially affected by seasonal or cyclical factors except for the fresh fruit bunch production in the Plantation Division which may be affected by the vagaries of weather and cropping patterns.

A3. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There were no material unusual items affecting the Group's assets, liabilities, equity, net income or cash flows during the financial year under review.

A4. Material Changes in Estimates

There were no material changes in the estimates of amounts reported in the prior interim periods of the current financial year or the previous financial years that have a material effect on the results for the current quarter under review.

A5. Debt and Equity Securities

On 16 November 2012, the Company redeemed its 3-year RM300.0 million Islamic Medium Term Notes (IMTN) issued on 16 November 2009, upon its maturity.

On 11 December 2012, the Company issued two IMTNs amounting to RM700.0 million under its IMTN Programme. The IMTNs are rated AAA_{ID} by Malaysian Rating Corporation Berhad. The IMTNs issued are as follows:

Tenure (years)	Profit rate (per annum)	Maturity Date	Nominal Value (RM million)
10	3.98%	11 December 2022	300
15	4.35%	11 December 2027	400
			700

On 11 January 2013, the Group received the approval of the Securities Commission Malaysia for the establishment of a Multi-Currency Sukuk Programme (Sukuk Programme) with a programme limit of up to USD1,500.0 million (or its equivalent in other currencies). The Sukuk Programme is an avenue for the Group to tap into the liquidity of the international debt capital markets and will provide the Group with the flexibility to raise funds via the issuance of sukuk in a multitude of tenors and currencies to best match the Group's requirements. The Sukuk Programme is established pursuant to a Regulation S format.

The Sukuk Programme has been accorded ratings of A by Fitch and S&P and A3 by Moody's.

On 29 January 2013, the Group issued sukuk in two tranches of USD400.0 million each as follows :

Tenure (years)	Profit rate (per annum)	Maturity Date	Nominal Value (USD million)
5	2.053%	29 January 2018	400
10	3.290%	29 January 2023	400
			800

The sukuk issued was listed on the Singapore Exchange Securities Trading Limited and on Bursa Malaysia Securities Berhad pursuant to Bursa Malaysia's exempt regime on 30 January 2013.

Save for the above, there were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the financial year under review.

A6. Dividends Paid

The final single tier dividend of 25.0 sen per share for the financial year ended 30 June 2012 amounting to RM1,502.4 million was paid on 14 December 2012.

An interim single tier dividend of 7.0 sen per share for the financial year ended 30 June 2013 amounting to RM420.7 million was paid on 10 May 2013.

The rest of this page has been intentionally left blank

Amounts in RM million unless otherwise stated

A7. Segment Information

The Group had six reportable segments but is reduced to five following the disposal of the Healthcare business (see Note A11). These strategic business units offer different products and services, and are managed separately. Each of the strategic business units are headed by an Executive Vice President and the President & Group Chief Executive reviews the internal management reports on a monthly basis and conducts performance dialogues with the business units on a regular basis.

	Continuing operations									
	Plantation	**Property**	**Industrial**	**Motors**	**Energy & Utilities**	**Others**	**Elimination/ Corporate expense**	**Total**	**Dis-continued operations (Note 1)**	**Total**
Year ended 30 June 2013										
Segment revenue:										
External	**11,672.1**	**2,324.8**	**14,058.9**	**17,265.6**	**1,378.2**	**70.9**	**–**	**46,770.5**	**373.3**	**47,143.8**
Inter-segment	**0.5**	**33.7**	**55.8**	**39.3**	**2.8**	**10.1**	**(154.4)**	**(12.2)**	**12.2**	**–**
	11,672.6	**2,358.5**	**14,114.7**	**17,304.9**	**1,381.0**	**81.0**	**(154.4)**	**46,758.3**	**385.5**	**47,143.8**
Segment result:										
Operating profit/(loss)	**1,978.0**	**522.6**	**1,283.5**	**699.1**	**209.9**	**24.1**	**(76.1)**	**4,641.1**	**364.1**	**5,005.2**
Share of results of jointly controlled entities and associates	**28.5**	**48.9**	**16.7**	**12.3**	**20.0**	**14.7**	**–**	**141.1**	**–**	**141.1**
Profit/(loss) before interest and tax	**2,006.5**	**571.5**	**1,300.2**	**711.4**	**229.9**	**38.8**	**(76.1)**	**4,782.2**	**364.1**	**5,146.3**

Amounts in RM million unless otherwise stated

A7. Segment Information (continued)

	Continuing operations									
	Plantation	Property	Industrial	Motors	Energy & Utilities	Others	Elimination/ Corporate expense	Total	Dis-continued operations (Note 1)	Total
Year ended 30 June 2012										
Segment revenue:										
External	14,126.4	2,042.9	13,168.5	16,597.0	1,178.7	141.0	–	47,254.5	1,063.1	48,317.6
Inter-segment	0.8	62.0	48.7	43.7	6.9	9.6	(182.2)	(10.5)	10.5	–
	14,127.2	2,104.9	13,217.2	16,640.7	1,185.6	150.6	(182.2)	47,244.0	1,073.6	48,317.6
Segment result:										
Operating profit/(loss)	3,214.9	431.0	1,325.7	693.7	297.2	51.0	(226.7)	5,786.8	(28.1)	5,758.7
Share of results of jointly controlled entities and associates	(11.7)	36.2	25.7	8.4	38.2	17.8	–	114.6	–	114.6
Profit/(loss) before interest and tax	3,203.2	467.2	1,351.4	702.1	335.4	68.8	(226.7)	5,901.4	(28.1)	5,873.3

Amounts in RM million unless otherwise stated

A7. Segment Information (continued)

	Plantation	Property (Note 2)	Industrial	Motors	Energy & Utilities (Note 3)	Health-care (Note 1)	Others (Note 4)	Corporate	Total
As at 30 June 2013									
Segment assets:									
Operating assets	**14,952.1**	**6,756.9**	**10,598.8**	**6,348.9**	**2,998.5**	**–**	**135.1**	**2,054.8**	**43,845.1**
Jointly controlled entities and associates	**475.6**	**1,644.4**	**128.9**	**76.8**	**(120.1)**	**–**	**667.4**	**–**	**2,873.0**
Non-current assets held for sale	**–**	**126.8**	**–**	**–**	**–**	**–**	**3.6**	**–**	**130.4**
	15,427.7	**8,528.1**	**10,727.7**	**6,425.7**	**2,878.4**	**–**	**806.1**	**2,054.8**	**46,848.5**
Tax assets									**1,609.0**
Total assets									**48,457.5**
As at 30 June 2012									
Segment assets:									
Operating assets	15,121.2	6,607.6	11,164.9	6,219.1	3,926.4	486.4	153.6	1,373.2	45,052.4
Jointly controlled entities and associates	462.0	1,189.8	113.4	64.8	(111.2)	–	57.7	–	1,776.5
Non-current assets held for sale	2.0	33.5	–	3.1	–	–	3.6	–	42.2
	15,585.2	7,830.9	11,278.3	6,287.0	3,815.2	486.4	214.9	1,373.2	46,871.1
Tax assets									1,280.1
Total assets									48,151.2

Notes:
1. Included in the segment results of Discontinued Operations is the results of the Healthcare business and the gain of RM340 million on the partial disposal of the Group's interest in Sime Darby Healthcare Sdn Bhd, see note A11.1(e). Accordingly, the segment results in the comparatives were also re-presented.
2. The increase in Property's jointly controlled entities and associates was mainly due to the investment in Battersea Project Holding Company Limited, see Note A11.4(a) for details.
3. The reduction in Energy & Utilities' operating assets was mainly due to the repayment of inter-company loan from the proceeds on the disposal of the fabrication yards.
4. The increase in Others' jointly controlled entities and associates was mainly due to the investment in Ramsay Sime Darby Health Care Sdn Bhd (formerly known as Sime Darby Global Healthcare Sdn Bhd), see note A11.1(e).

Amounts in RM million unless otherwise stated

A8. Capital Commitments

Authorised capital expenditure not provided for in the interim financial report is as follows:

	As at 30 June 2013	As at 30 June 2012
Property, plant and equipment		
- contracted	**556.3**	1,193.4
- not contracted	**2,129.5**	2,521.8
	2,685.8	3,715.2
Other capital expenditure		
- contracted	**453.2**	58.8
- not contracted	**2,336.9**	2,193.1
	5,475.9	5,967.1

A9. Significant Related Party Transactions

Related party transactions conducted during the financial year ended 30 June are as follows:

	Year ended 30 June 2013	2012
a. Transactions with jointly controlled entities		
Tolling fees and sales to Emery Oleochemicals (M) Sdn Bhd and its related companies	**78.6**	117.5
Sales and services to Terberg Tractors Malaysia Sdn Bhd	**53.2**	33.0
Sale of land to Sime Darby Brunsfield Darby Hills Sdn Bhd	**–**	17.2
b. Transactions with associates		
Provision of services by Sitech Construction Systems Pty Ltd	**9.0**	5.7
Sale of land to Tesco Stores (Malaysia) Sdn Bhd	–	35.7
c. Transactions between subsidiaries and their significant owners of non-controlling interests		
Turnkey works rendered by Brunsfield Engineering Sdn Bhd to Sime Darby Brunsfield Holding Sdn Bhd (SDBH) group, companies in which Dato' Ir Gan Thian Leong (Dato' Gan) and Encik Mohamad Hassan Zakaria (Encik Hassan) are substantial shareholders	**144.3**	156.1
Sales of properties by SDBH to Brunsfield OASIS Square Sdn Bhd, companies in which Dato' Gan and Encik Hassan are substantial shareholders	**207.0**	–
Sales of goods and provision of services by Chubb Malaysia Sendirian Berhad to Gunnebo Holdings APS and its related companies	**2.0**	12.9

Amounts in RM million unless otherwise stated

A9. Significant Related Party Transactions (continued)

Related party transactions conducted during the financial year ended 30 June are as follows: (continued)

	Year ended 30 June 2013	2012
c. Transactions between subsidiaries and their significant owners of non-controlling interests (continued)		
Purchase of agricultural tractors, engines and parts by Sime Kubota Sdn Bhd from Kubota Corporation	**48.9**	61.7
Royalty payment to and procurement of cars, ancillary services by Inokom Corporation Sdn Bhd (ICSB) from Hyundai Motor Company and its related companies	**226.5**	123.1
Contract assembly service provided by ICSB to Berjaya Corporation Berhad group	**10.5**	14.3
d. Transactions with firms in which certain Directors of the Company are partners		
Provision of legal services by Kadir, Andri & Partners, a firm in which Dato' Sreesanthan Eliathamby is a partner (Dato' Sreesanthan has since retired from the Board of Directors on 8 November 2012)	**0.6**	0.5
Provision of legal services by Azmi & Associates, a firm in which Dato' Azmi Mohd Ali is a partner	**0.7**	0.1
e. Transactions with Directors and their close family members		
Sales of properties and cars by the Group	**2.5**	6.7
Sales of properties by Battersea Project Phase 1 Company Limited, a jointly controlled entity	**12.8**	–
f. Transactions with key management personnel and their close family members		
Sales of residential properties and cars by the Group	**10.4**	13.9
Sales of properties by Battersea Project Phase 1 Company Limited, a jointly controlled entity	**14.7**	–

A9. Significant Related Party Transactions (continued)

Related party transactions conducted during the financial year ended 30 June are as follows: (continued)

g. Transactions with Yayasan Pelaburan Bumiputera (YPB) group, the Government of Malaysia and government-linked companies (GLC)

YPB, a company established by the Government of Malaysia is regarded by the Board of Directors as the ultimate holding company of the Group. Companies in which the Government of Malaysia is known to have control, joint control or significant influence are related to the Group and are hereby termed as GLC.

Transactions entered into during the financial year with YPB group, the Government of Malaysia and GLC include the sales and purchases of goods and services. These related party transactions were entered into in the ordinary course of business on normal trade terms and conditions and do not require the approval of shareholders except for the purchase of chemicals and fertilisers from Chemical Company of Malaysia Berhad and its subsidiaries, companies in which YPB has substantial indirect interest, amounting to RM138.1 million (2012: RM131.2 million). Shareholders' mandate was obtained for this recurrent related party transaction during the last annual general meeting.

In addition to the above, the Group has entered into the following transactions/arrangements during the financial year ended 30 June 2013:

i) a joint venture arrangement with SP Setia Berhad group and Kwasa Global (Jersey) Limited group (Kwasa) for the development of the Battersea project (See Note A11.4(a)). YPB has a substantial indirect interest in SP Setia Berhad while Kwasa is a wholly owned subsidiary of the Employees Provident Fund Board, a substantial shareholder of Sime Darby Berhad.

ii) concession agreements with the Government of Malaysia and universities funded by the Government of Malaysia for the development of the Pagoh Education Hub.

iii) disposal of a piece of land to the Government of Malaysia for RM50.6 million for the development of the Pagoh Education Hub.

In 2012, the Group disposed its fabrication yards to Petronas Assets Sdn Bhd and Malaysia Marine and Heavy Engineering Sdn Bhd for a total consideration of RM689.4 million. Both companies are GLC.

A10. Material Events Subsequent to the End of the Financial Period

There was no material event subsequent to the end of the current quarter under review to 22 August 2013, being a date not earlier than 7 days from the date of issue of the quarterly report.

A11. Effect of Significant Changes in the Composition of the Group

1. <u>Disposal of subsidiaries and associates</u>

Disposals during the financial year ended 30 June 2013 include the following:

a) On 17 October 2012, Sime Darby Marine (Hong Kong) Pte Ltd completed the disposal of its entire 50% equity interest in Halani Sime Offshore (L) Ltd to Halani International Ltd for a total consideration of HKD17.4 million (equivalent to RM7.0 million).

b) On 17 December 2012, Sime Darby Plantation Sdn Bhd completed the disposal of its entire 49% equity interest in Tenom Crumb Sdn Bhd to Sabah Rubber Industry Board for a total consideration of RM3.0 million.

Amounts in RM million unless otherwise stated

A11. Effect of Significant Changes in the Composition of the Group (continued)

1. Disposal of subsidiaries and associates (continued)

Disposals during the financial year ended 30 June 2013 include the following: (continued)

c) On 2 January 2013, Sime Darby Energy Sdn Bhd completed the disposal of its entire equity interest of 50% + 1 share in Sime-SIRIM Technologies Sdn Bhd to SIRIM Berhad for a total consideration of RM9.9 million.

d) On 27 May 2013, Sime Darby Property (Amston) Pte Ltd completed the disposal of its entire 49% equity interest in Bluefield Investments Pte Ltd for a total consideration of SGD3.47 million (equivalent to RM8.6 million).

e) On 30 June 2013, Sime Darby Holdings Berhad (SDH) completed the disposal of its entire 100% equity interest in Sime Darby Healthcare Sdn Bhd (SD Healthcare) to Ramsay Sime Darby Health Care Sdn Bhd (RSDHC) (formerly known as Sime Darby Global Healthcare Sdn Bhd). RSDHC was established to acquire SD Healthcare as well as AH Holdings Health Care Pty Ltd's (AHHC) Indonesian healthcare business. AHHC is a wholly owned subsidiary of Ramsay Health Care Ltd.

The consideration for the acquisition is settled via an arrangement where both SDH and AHHC were issued with an equal number of shares in RSDHC and the differential of RM390.0 million due to SDH is to be paid in cash by AHHC over a 3-year period. The first payment of RM187.3 million was received on 1 July 2013 and the balance of RM202.7 million shall be paid over a 3-year period.

Following the change of investment in the Healthcare business from a subsidiary to a jointly controlled entity, the Group has ceased to present the Healthcare business as a separate segment and the results for the previous periods is presented as discontinued operations in this interim financial report.

Net cash outflow arising from the disposals is analysed as follows:

	Year ended 30 June 2013
Non-current assets	**714.5**
Net current assets	**20.1**
Non-current liabilities	**(110.3)**
Non-controlling interest	**(4.7)**
Net assets disposed	**619.6**
Gain on disposal	**345.2**
Consideration from disposals	**964.8**
Less: Fair value of retained portion of the investment	**(592.5)**
Cash and cash equivalent in subsidiaries disposed	**(30.1)**
Balance consideration	**(362.4)**
Net cash outflow from disposals during the year	**(20.2)**
Add: Proceeds from disposals in previous year	**9.8**
Net cash outflow from disposals	**(10.4)**

2. Acquisition of subsidiaries, business and associate

Acquisitions during the financial year ended 30 June 2013 include the following:

a) On 3 July 2012, Sime Darby Motors Group (Australia) Pty Limited acquired 2 ordinary shares of AUD1.00 each in Sime Darby Motors Retail Australia Pty Limited (SDMRA), representing the entire issued and paid-up shares of SDMRA at par for cash. The principal activity of SDMRA is to operate motor dealerships in Australia. On 6 July 2012, SDMRA completed the acquisition of Porsche Centre Parramatta for a cash consideration of AUD4.3 million (equivalent to RM14.0 million).

Amounts in RM million unless otherwise stated

A11. Effect of Significant Changes in the Composition of the Group (continued)

2. Acquisition of subsidiaries, business and associate (continued)

Acquisitions during the financial year ended 30 June 2013 include the following: (continued)

b) On 9 July 2012, Hastings Deering (Australia) Ltd acquired 33.67% of the issued share capital of Nova Power Pty Ltd (Nova Power) for a cash consideration of AUD1.9 million (equivalent to RM6.3 million). The principal activity of Nova Power is the provision of low emission power to support electricity distribution networks.

c) On 1 October 2012, Sime Darby Johor Development Sdn Bhd (SDJD) acquired 2 ordinary shares of RM1.00 each in Sime Darby Property Selatan Sdn Bhd (SDPS), representing the entire issued and paid-up shares of SDPS at par for cash. On 6 November 2012, SDJD, Tunas Selatan Pagoh Sdn Bhd (TSP) and SDPS entered into a Shareholders' Agreement to regulate the relationship between SDJD and TSP as shareholders of SDPS on a 60:40 basis for the development of the Pagoh Education Hub.

Further to the above, SDPS, via four wholly-owned subsidiaries, had on 7 November 2012, entered into four separate concession agreements (CAs) with Universiti Tun Hussein Onn Malaysia, International Islamic University Malaysia, Universiti Teknologi Malaysia and the Government of Malaysia to undertake the planning, design, financing, construction, landscaping, equipping, installation, completion, testing and commissioning of facilities and infrastructures, and carry out the asset management services for the respective universities and Pagoh Polytechnic and the Shared Facilities, collectively known as the Pagoh Education Hub on a Private Finance Initiative basis under the concept of "Build-Lease-Maintain-Transfer". The concession period of the CAs is twenty three years, including the construction period of three years.

d) On 29 November 2012, Sime Darby Overseas (Hong Kong) Limited entered into equity purchase agreements with Beijing Yintong Guoji Investment Advisory Co Limited for the acquisition of the remaining 51% equity interest in its jointly controlled entities, Weifang Weigang Dredging Project Co Ltd and Weifang Weigang Tugboat Services Co Ltd for a cash consideration of RMB36.7 million and RMB15.3 million respectively (equivalent to RM18.4 million and RM7.7 million respectively). Consequently, Weifang Binhai Haiwei Dredging Project Co Ltd also became a subsidiary of the Group.

e) On 1 March 2013, Sime Darby Motors Sdn Bhd acquired 2 ordinary shares of RM1.00 each in Timeless Diamond Sdn Bhd (TDSB), representing the entire issued and paid-up shares of TDSB at par for cash. The principal activity of TDSB is to operate motor dealership in Malaysia. On 28 March 2013, TDSB changed its name to Sime Darby Auto Britannia Sdn Bhd.

Details of the assets and net cash outflow arising from the acquisitions of subsidiaries and business are as follows:

	Book value	Fair value
Property, plant and equipment	**75.0**	**75.0**
Net current liabilities	**(4.6)**	**(4.6)**
Non-controlling interest	**(11.3)**	**(11.3)**
Net assets acquired	**59.1**	**59.1**
Less: Fair value of previously held interest		**(25.4)**
Add: Goodwill		**6.4**
Less: Cash and cash equivalents of subsidiaries acquired		**(6.7)**
Balance consideration		**(26.1)**
Net cash outflow on acquisition of subsidiaries and business		**7.3**

A11. Effect of Significant Changes in the Composition of the Group (continued)

3. Acquisitions of non-controlling interests

Acquisitions of non-controlling interests during the financial year ended 30 June 2013 include the following:

a) On 6 November 2012, Sime Darby Energy Sdn Bhd completed the acquisition of the remaining 30% equity interest in Chubb Malaysia Sendirian Berhad from Gunnebo Holdings APS for a cash consideration of RM8.8 million.

b) On 3 December 2012, Sime Darby Allied Products Berhad completed the acquisition of the remaining 30% equity interest in Sime Rengo Packaging (M) Sdn Bhd (SRP) from Rengo Company Limited for a cash consideration of RM14.2 million. SRP has subsequently changed its name to Sime Darby Packaging Sdn Bhd on 11 January 2013.

4. Establishment of new companies

Companies established during the financial year ended 30 June 2013 include the following:

a) On 4 July 2012, Sime Darby Berhad, SP Setia Berhad and Kwasa Global (Jersey) Limited entered into a Subscription and Shareholders' Agreement to regulate their participation in Battersea Project Holding Company Limited (BPHC) a company established in Jersey in the agreed proportion of 40%, 40% and 20%, respectively. BPHC via its subsidiary, Battersea Project Land Company Limited, completed the acquisition of the Battersea Power Station site in London, United Kingdom on 4 September 2012.

b) On 3 August 2012, Hangzhou Sime Darby Trading Company Limited (HZSDT) was established in the People's Republic of China with a registered share capital of RMB6 million wholly held by Shanghai Sime Darby Motor Commerce Company Limited.

   The principal activities of HZSDT will be wholesale, retail, import and export of vehicles parts and accessories, lubricating oil, hardware tools, and electrical equipment parts, vehicles technology consultancy services, management and investment consultancy services.

c) On 29 November 2012, Emery Specialty Chemicals Sdn Bhd (ESC) was incorporated in Malaysia. The issued and paid-up capital of ESC of RM2.00 divided into 2 ordinary shares of RM1.00 each is held by PTT Chemical International Pte Ltd and Sime Darby Plantation Sdn Bhd. The principal activity of ESC is to carry on oleochemicals specialty business activities.

d) On 3 December 2012, Sime Darby Global Berhad (SDG) was incorporated in Malaysia with a paid-up share capital of 2 ordinary shares of RM1.00 each, held by Madam Tong Poh Keow (1 ordinary share) and Mr Phillip K.O Kunjappy (1 ordinary share). The entire issued and paid-up share capital of SDG was subsequently transferred to Sime Darby Holdings Berhad on 3 January 2013. The principal activities of SDG are the establishment of a multi-currency Islamic securities programme and to undertake all transactions in relation thereto.

e) On 28 June 2013, Weifang Sime Darby West Port Co Ltd (WSDWP), Weifang Sime Darby Liquid Terminal Co Ltd (WSDLT) and Weifang Sime Darby General Terminal Co Ltd (WSDGT) were incorporated in China with registered share capital of RMB200 million each held by Sime Darby Overseas (HK) Limited (99%) and Weifang Sime Darby Port Co Ltd (1%). The principal activities of WSDWP and WSDGT are port construction, management and operation and the principal activities of WSDLT are construction, management and operation of liquid terminal.

Amounts in RM million unless otherwise stated

A12. Contingent Liabilities – unsecured

a) Guarantees

In the ordinary course of business, the Group may issue surety bonds and letters of credit, which the Group provides to customers to secure advance payment, performance under contracts or in lieu of retention being withheld on contracts. A liability from the performance guarantees would only arise in the event the Group fails to fulfil its contractual obligations.

The performance guarantees and financial guarantees are as follows:

	As at 22 August 2013	**As at 30 June 2012**
Performance guarantees and advance payment guarantees to customers of:		
- a jointly controlled entity	–	2,788.0
- the Group	**3,235.4**	3,837.5
Guarantees in respect of credit facilities granted to:		
- certain associates and a jointly controlled entity	**28.9**	37.5
- plasma stakeholders	**76.4**	107.2
	3,340.7	6,770.2

In cases where the Group is required to issue a surety bond or letter of credit for the entire contract despite holding partial interest in a venture, the Group will seek counter-indemnity from the other venture partners. As at 22 August 2013, the Group received counter-indemnities amounting to RM212.1 million (30 June 2012: RM1,603.7 million).

b) Claims

	As at 22 August 2013	**As at 30 June 2012**
Claims pending against the Group	**1.1**	43.7

The claims include disputed amounts for the supply of goods and services.

Amounts in RM million unless otherwise stated

B. EXPLANATORY NOTES PURSUANT TO PARAGRAPH 9.22 OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. Review of Group Performance

	Year ended 30 June 2013	2012	% +/(-)
Revenue	**46,770.5**	47,254.5	(1.0)
Plantation	**2,006.5**	3,203.2	(37.4)
Property	**571.5**	467.2	22.3
Industrial	**1,300.2**	1,351.4	(3.8)
Motors	**711.4**	702.1	1.3
Energy & Utilities	**229.9**	335.4	(31.5)
Others	**38.8**	68.8	(43.6)
Segment results	**4,858.3**	6,128.1	(20.7)
Exchange gain/(loss):			
Unrealised	**3.1**	(16.8)	
Realised	**2.1**	(0.3)	
Corporate expense and elimination	**(81.3)**	(209.6)	
Profit before interest and tax	**4,782.2**	5,901.4	(19.0)
Finance income	**127.3**	178.6	
Finance costs	**(447.3)**	(385.5)	
Profit before tax	**4,462.2**	5,694.5	(21.6)
Tax expense	**(983.0)**	(1,301.7)	
Profit from continuing operations	**3,479.2**	4,392.8	(20.8)
Profit/(loss) from discontinued operations	**352.4**	(46.4)	
Profit for the year	**3,831.6**	4,346.4	(11.8)
Non-controlling interests	**(131.0)**	(196.2)	
Profit after tax and non-controlling interests	**3,700.6**	4,150.2	(10.8)

Revenue of the Group for the financial year ended 30 June 2013 was marginally lower by 1.0% compared to the previous year. Profit before tax of the Group declined by 21.6% largely due to the lower earnings from all business segments, except Property and Motors. Net earnings for the year was down by 10.8% to RM3,700.6 million from RM4,150.2 million a year ago.

a) Plantation

Plantation division's contribution declined by 37.4% compared to the previous year primarily due to lower average crude palm oil (CPO) price realised of RM2,317 per tonne against RM2,925 per tonne previously. Overall fresh fruit bunch (FFB) production was higher by 3.8% with Indonesia registering 12.8% higher production while Malaysia registered a drop of 1.2%. The overall oil extraction rate was maintained at 21.8%.

Midstream and downstream operations recorded a profit of RM108.8 million for the current year compared to a loss of RM62.3 million previously. The turnaround was largely attributable to better profit margin as a result of the lower feedstock cost, higher plant utilisation, lower losses from the refinery in Europe, net reversal of impairment of property, plant and equipment totaling RM35.4 million and the share of profit instead of loss from Emery Group, a jointly controlled entity.

B1. Review of Group Performance (continued)

b) Property

Earnings from Property rose to RM571.5 million, an increase of 22.3% compared to the previous year mainly due to the higher profit recognition from Denai Alam, Bandar Bukit Raja, Taman Pasir Putih and the new launches in Elmina East.

c) Industrial

Contribution from the Industrial division declined marginally by 3.8% to RM1,300.2 million. The lower results was largely due to the lower equipment sales to the mining sector in Australasia following the drop in coal prices and the lower deliveries in Malaysia and Singapore to the marine and oil and gas sectors resulting from continuing weak market conditions. The lower results was also attributable to the slowdown in the construction sector and delayed commencement of infrastructure projects in China.

d) Motors

The Motors division's earnings continued to improve with a 1.3% increase over that of the previous year. All regions recorded higher performances except for Singapore which was affected by weaker market sentiments and changes in government legislation. The operations in Hong Kong and Macau improved largely on the back of stronger performance by BMW whilst China continued to be affected by the lower consumer spending. Operations in Malaysia registered higher profit driven mainly by the strong sales in all of the marques.

e) Energy & Utilities

Profit from Energy & Utilities declined by 31.5% to RM229.9 million compared to the previous year due to the recognition of the deferred revenue of RM99.4 million from its power plant in Malaysia in the previous year.

The port operations in China, registered a slight decline of 2.8% attributable to a 3.1% drop in throughput at Weifang Port due to the harsh weather conditions and the slowdown in China's economy which resulted in lower demand for coal and other commodities. The water operations in China registered a lower profit of RM3.9 million compared to RM12.1 million previously due to lower sales volume and increase in raw water costs.

f) Others

Contribution from Others declined due to lower contribution from insurance brokerage business and share of profit from Tesco Stores (Malaysia) Sdn Bhd and the gain on disposal of an investment of RM29.7 million in the previous year.

g) Discontinued operations

The discontinued operations is in respect of the Healthcare business, as the Group has on 30 June 2013 completed the joint venture arrangement with Ramsay Health Care Ltd. The Group recognised a gain of RM340 million on completion of the disposal of SD Healthcare. For the year under review, profit from Healthcare declined by 7.7% mainly due to the higher overheads and initial operations of the newly opened Ara Damansara Hospital and Desa ParkCity Hospital.

In the previous year, the discontinued operations included a loss of RM66.2 million registered by the Oil & Gas business which was discontinued following the completion of the disposal of the fabrication yards.

Amounts in RM million unless otherwise stated

B2. Material Changes in Profit for the Current Quarter as Compared to the Results of the Preceding Quarter

	Quarter ended		
	30 June 2013	**31 March 2013**	**% +/(-)**
Revenue	**12,930.3**	10,844.2	19.2
Plantation	**399.4**	413.2	(3.3)
Property	**301.5**	139.3	116.4
Industrial	**369.7**	263.1	40.5
Motors	**203.9**	181.6	12.3
Energy & Utilities	**40.2**	59.4	(32.3)
Others	**10.0**	12.3	(18.7)
Segment results	**1,324.7**	1,068.9	23.9
Exchange gain/(loss):			
Unrealised	**7.9**	(4.8)	
Realised	**0.1**	(0.6)	
Corporate expense and elimination	**(28.0)**	(23.0)	
Profit before interest and tax	**1,304.7**	1,040.5	25.4
Finance income	**39.7**	19.0	
Finance costs	**(110.2)**	(124.8)	
Profit before tax	**1,234.2**	934.7	32.0
Tax expense	**(238.5)**	(220.2)	
Profit from continuing operations	**995.7**	714.5	39.4
Profit from discontinued operations	**345.3**	1.1	
Profit for the period	**1,341.0**	715.6	87.4
Non-controlling interests	**(30.4)**	(24.4)	
Profit after tax and non-controlling interests	**1,310.6**	691.2	89.6

For the fourth quarter ended 30 June 2013, the Group's pre-tax profit rose to RM1,234.2 million, an increase of 32.0% from that of the preceding quarter. Net earnings of the Group increased by 89.6% to RM1,310.6 million. The improved results was attributable to higher earnings from Property, Industrial and Motors and the gain of RM340.0 million recognised following the Group's disposal of its 50% equity interest in the Healthcare business.

a) Plantation

Plantation registered lower profit by 3.3% due to the lower CPO sales volume and seasonal decline in FFB production by 3.2% and 9.3% respectively. Higher average CPO price was realised for the quarter of RM2,250 per tonne against RM2,147 per tonne in the preceding quarter.

Midstream and downstream operations recorded a higher profit of RM64.6 million compared to RM39.7 million in the preceding quarter due to lower feedstock cost and higher share of profit from Emery Group.

b) Property

Profit from Property for the current quarter surged by 116.4% compared to the preceding quarter due to the higher profit recognition from property development in Denai Alam, Bandar Bukit Raja, Taman Pasir Putih and the new launches in Elmina East.

c) Industrial

Contribution from Industrial division was higher by 40.5% compared to the preceding quarter primarily due to higher sales in all regions, especially from equipment and product support sales to the mining sector in the Australasia region following the resumption of deliveries after the major flood in the preceding quarter.

d) Motors

Motors division registered a 12.3% jump in profit to RM203.9 million mainly attributable to strong sales in Malaysia. The contribution from China continue to decline due to slowdown in the China economy.

B2. Material Changes in Profit for the Current Quarter as Compared to the Results of the Preceding Quarter (continued)

e) Energy & Utilities

The results of Energy & Utilities declined by 32.3% largely due to the allowance for doubtful debts following the Notice of Arbitration against Tenaga Nasional Berhad as a result of the disagreement on the method of computation of the adjustment factors. The port operations in China achieved higher contribution of 24.7% during the current quarter as a result of higher average tariff rate realised and favourable weather conditions.

f) Others

Contribution from Other businesses declined by 18.7% to RM10.0 million in the quarter under review due to the lower share of profit from Tesco Stores (Malaysia) Sdn Bhd.

B3. Prospects

The global economy is gradually emerging from a lengthy period of uncertainty and major economies such as the United States, Japan and the United Kingdom are exhibiting signs of nascent economic recovery. Whilst the recovery is gaining pace, the Group expects the global economic and business environment to remain volatile while the growth outlook remains modest and gradual. In addition, the markets in which the Group operates are expected to be challenging due to soft commodity prices and concerns over sustained improvement in demand.

Although the prospects for a recovery in crude palm oil prices in the coming financial year are more encouraging than they were at the beginning of 2013, the price outlook is dependent on global demand and inventory considerations. Crude palm oil prices have continued to remain lacklustre despite inventory levels having reached current lows. Prospects for the biodiesel business are more positive following the recent Government initiative to increase its off-take. The Upstream business continues to drive the Plantation division through improvements in operational productivity and cost efficiency whilst focusing efforts to increase its planted hectarage. The Pulau Laut Refinery which is expected to be commissioned in the second quarter of financial year 2014 would add a further 825,000 MT to the existing capacity and would boost the Downstream operations through higher refined sales volume.

The on-going consolidation of the coal mining activities in Australia and the delay of major development projects in China have resulted in weaker demand for industrial machinery although demand for parts and services has remained robust. Whilst this has affected the Industrial division's performance, future prospects remain strong, especially in Malaysia and Singapore which are well supported by increased infrastructure spending and a strong demand from the oil and gas sector.

The Motors division has recorded commendable growth in a difficult market environment which was affected by poor consumer sentiment and stricter lending conditions in key markets. The sluggish demand in the luxury vehicle sector in China has intensified competition and increased pressure on margins. Notwithstanding this, the Motors division will continue its strategy to seek out new markets by expanding its operations into new geographical areas and introducing new models to stimulate demand.

The Malaysian property market is expected to grow at a more moderate pace due to the prospects of slower economic growth and more stringent credit policies imposed by the Central Bank. The Property division has continued to achieve good sales take-up as demand remains resilient for landed properties in strategic locations such as Denai Alam and the newly launched Elmina East development.

The Ports operations in China have been affected by the slower economic growth in the region. This has been mitigated to an extent by the increase in the cargo mix bearing higher tariff rates. The Group will continue to increase the Weifang Port capacity to complement the drive by the local authorities to expand demand and to tap on the rich hinterland.

Despite the challenges in the current financial year and, barring any unforeseen circumstances, the Board expects the Group's performance for the financial year ending 30 June 2014 to be satisfactory.

B4. Statement by Board of Directors on Internal Targets

The Group's key performance indicators (KPI) as approved by the Board of Directors on 26 November 2012 and the results achieved by the Group for the financial year ended 30 June 2013 are as follows:

	Actual Year ended 30 June 2013	**Target Year ended 30 June 2013**
Profit attributable to owners of the Company (RM million)	3,700.6	3,200
Return on average shareholders' equity (%)	13.9	12.0

The profit attributable to owners of the Company for the financial year ended 30 June 2013 of RM3,700.6 million is 15.6% higher than the set target.

B5. Variance of Actual Profit from Profit Forecast or Profit Guarantee

Not applicable as there was no profit forecast or profit guarantee issued.

B6. Operating Profit and Finance Costs

	Quarter ended 30 June		**Year ended 30 June**	
	2013	**2012**	**2013**	**2012**
Included in operating profit are:				
Depreciation and amortisation	**(322.2)**	(281.3)	**(1,241.3)**	(1,135.5)
Amortisation of prepaid lease rentals	**(11.3)**	(10.5)	**(48.3)**	(46.1)
(Impairment)/reversal of impairment of				
- property, plant and equipment	**56.8**	(14.0)	**48.3**	(49.1)
- biological assets	**–**	0.3	–	0.3
- investment properties	**3.5**	(1.6)	**(5.3)**	1.6
- intangible assets	**(0.5)**	(4.9)	**(0.5)**	(4.9)
- receivables	**(37.1)**	(57.6)	**(45.9)**	(17.7)
Write down of inventories (net)	**(19.2)**	(76.8)	**(59.7)**	(80.7)
Gain/(loss) on disposal of				
- subsidiaries	**–**	1.6	**5.2**	(1.2)
- a jointly controlled entity	**–**	–	**7.0**	–
- associates	**3.6**	–	**4.5**	*
- property, plant and equipment				
- land and buildings	**4.7**	(15.1)	**67.1**	37.9
- others	**1.2**	(0.4)	**2.1**	8.8
- investment properties	**9.4**	36.2	**10.3**	30.8
- quoted available-for-sale investment	**–**	3.9	–	36.7
- unquoted available-for-sale investment	**–**	29.7	–	29.7
- unit trusts	**–**	–	**0.2**	–
Net foreign exchange (loss)/gain	**(145.4)**	10.5	**(138.0)**	29.4
Gain on cross currency swap contract	**156.5**	33.8	**117.5**	6.4
Gain/(loss) on forward foreign exchange contracts	**4.0**	24.9	**8.8**	(27.7)
Included in finance costs is:				
(Loss)/gain on interest rate swap contracts	**–**	8.9	**(7.6)**	34.0

Amounts in RM million unless otherwise stated

B6. Operating Profit and Finance Costs (continued)

	Quarter ended 30 June		Year ended 30 June	
	2013	**2012**	**2013**	**2012**
Included in discontinued operations are:				
Depreciation and amortisation	**(3.7)**	(6.9)	**(28.2)**	(25.4)
Write down of inventories (net)	**0.1**	*	**0.1**	(0.1)
Gain on disposal of				
- subsidiary	**340.0**	–	**340.0**	–
- property, plant and equipment				
- land and buildings	**0.5**	–	**0.5**	–
- others	**–**	–	*****	(15.1)
Reversal of impairment/(impairment) of receivables	**0.2**	(1.1)	**0.1**	(1.1)

* Less than RM0.1 million

B7. Tax Expense

	Quarter ended 30 June		Year ended 30 June	
	2013	**2012**	**2013**	**2012**
Continuing operations				
In respect of the current period:				
- current tax	**239.7**	315.0	**1,079.0**	1,500.8
- deferred tax	**67.9**	89.7	**89.6**	(39.8)
	307.6	404.7	**1,168.6**	1,461.0
In respect of prior years:				
- current tax	**(7.4)**	(20.6)	**(112.4)**	(77.7)
- deferred tax	**(61.7)**	(108.0)	**(73.2)**	(81.6)
	238.5	276.1	**983.0**	1,301.7
Discontinued operations	**3.8**	0.8	**10.5**	17.4
	242.3	276.9	**993.5**	1,319.1

The effective tax rate for the current quarter and the year ended 30 June 2013 of 19.3% and 22.0% respectively are lower than the Malaysian income tax rate of 25% due mainly to the overprovision in prior years.

B8. Status of Corporate Proposal

The corporate proposal announced but not completed as at 22 August 2013 is as follows:

On 24 June 2013, Sime Darby Plantation Sdn Bhd entered into a Shareholders' Agreement with TNB Energy Services Sdn Bhd, a wholly owned subsidiary of Tenaga Nasional Berhad to establish a joint venture to undertake biogas project development from agricultural waste product.

The agreement is conditional upon the fulfillment of certain conditions within the period of one month from the date of the agreement or such longer period as may be agreed. The period for the fulfillment of the conditions precedent has been extended to 24 August 2013.

Amounts in RM million unless otherwise stated

B9. Group Borrowings

	As at 30 June 2013		
Long-term borrowings	**Secured**	**Unsecured**	**Total**
Term loans	**402.7**	**2,819.0**	**3,221.7**
Islamic Medium Term Notes	**–**	**2,400.0**	**2,400.0**
Sukuk	**–**	**2,529.5**	**2,529.5**
	402.7	**7,748.5**	**8,151.2**
Short-term borrowings			
Bank overdrafts	**–**	**50.2**	**50.2**
Portion of term loans due within one year	**7.1**	**20.0**	**27.1**
Revolving credits, trade facilities and other short-term borrowings	**270.0**	**1,751.4**	**2,021.4**
	277.1	**1,821.6**	**2,098.7**
Total borrowings	**679.8**	**9,570.1**	**10,249.9**

The Group borrowings in RM equivalent analysed by currencies in which the borrowings are denominated are as follows:

	Long-term Borrowings	Short-term Borrowings	Total
Ringgit Malaysia	**4,317.4**	**1,104.5**	**5,421.9**
Australian dollar	**–**	**105.0**	**105.0**
Chinese renminbi	**18.6**	**291.1**	**309.7**
New Zealand dollar	**–**	**55.3**	**55.3**
Pacific franc	**14.6**	**0.5**	**15.1**
Singapore dollar	**–**	**18.8**	**18.8**
Thailand baht	**–**	**32.5**	**32.5**
United States dollar	**3,800.6**	**491.0**	**4,291.6**
Total borrowings	**8,151.2**	**2,098.7**	**10,249.9**

Certain borrowings are secured by fixed and floating charges over property, plant and equipment, investment property and other assets of certain subsidiaries.

Amounts in RM million unless otherwise stated

B10. Financial Instruments and Realised and Unrealised Profits or Losses

a) Derivatives

The Group uses forward foreign exchange contracts, interest rate swap contracts, currency swap contracts and commodity futures contracts to manage its exposure to various financial risks. The fair values of these derivatives as at 30 June 2013 are as follows:

	Classification in Statement of Financial Position				
	Assets		Liabilities		
	Non-current	Current	Non-current	Current	Net Fair Value
Forward foreign exchange contracts	**13.2**	**42.4**	**(1.9)**	**(75.2)**	**(21.5)**
Interest rate swap contracts	**13.7**	**–**	**–**	**–**	**13.7**
Cross currency swap contract	**110.0**	**–**	**–**	**(38.1)**	**71.9**
Commodity futures contracts	**–**	**2.9**	**–**	**(1.7)**	**1.2**
	136.9	**45.3**	**(1.9)**	**(115.0)**	**65.3**

There is no change to the type of derivative financial contracts entered into, cash requirements of the derivatives, risk associated with the derivatives and the risk management objectives and policies to mitigate these risks since the financial year ended 30 June 2012.

The description, notional amount and maturity profile of each derivative are shown below:

<u>Forward foreign exchange contracts</u>

Forward foreign exchange contracts were entered into by subsidiaries in currencies other than their functional currency in order to manage exposure to fluctuations in foreign currency exchange rates on specific transactions.

The forward foreign currency contracts are stated at fair value, using the prevailing market rates. All changes in fair value of the forward foreign currency contracts are recognised in the other comprehensive income statement unless it does not meet the conditions for the application of hedge accounting, in which case, the changes to the fair value of the derivatives are taken to profit or loss.

As at 30 June 2013, the notional amount, fair value and maturity period of the forward foreign exchange contracts are as follows:

	Notional Amount	Fair Value Assets/ (Liabilities)
- less than 1 year	**3,333.0**	**(32.8)**
- 1 year to 2 years	**506.9**	**11.3**
	3,839.9	**(21.5)**

Amounts in RM million unless otherwise stated

B10. Financial Instruments and Realised and Unrealised Profits or Losses (continued)

a) Derivatives (continued)

Interest rate swap contracts

The Group has entered into interest rate swap contracts to convert floating rate liabilities to fixed rate liabilities to reduce the Group's exposure from adverse fluctuations in interest rates on underlying debt instruments. The differences between the rates calculated by reference to the agreed notional principal amounts were exchanged at periodic intervals. All changes in fair value during the period are recognised in the other comprehensive income statement unless it does not meet the conditions for the application of hedge accounting, in which case, the changes to the fair value of the derivatives are taken to profit or loss.

The outstanding interest rate swap contracts as at 30 June 2013 are as follows:

Interest Rate Swap	**Notional Amount**	**Expiry Date**	**Weighted Average Swap Rate**
Plain Vanilla	USD300.0 million	12 December 2018	1.822% to 1.885%

As at 30 June 2013, the notional amount, fair value and maturity period of the interest rate swap contracts are as follows:

	Notional Amount	**Fair Value Assets**
- 1 year to 3 years	**424.2**	–
- 3 years to 7 years	**529.1**	**13.7**
	953.3	**13.7**

Cross currency swap contract

The Group has entered into a cross currency swap contract to exchange the principal payments of a foreign currency denominated loan into another currency to reduce the Group's exposure from adverse fluctuations in foreign currency. All changes in fair value during the period are recognised in the other comprehensive income statement unless it does not meet the conditions for the application of hedge accounting, in which case, the changes to the fair value of the derivatives are taken to profit or loss.

As at 30 June 2013, the notional amount, fair value and maturity period of the cross currency swap contract are as follows:

	Notional Amount	**Fair Value Assets/ (Liabilities)**
- less than 1 year	**128.2**	**(38.1)**
- 1 year to 3 years	**259.2**	**18.0**
- 3 years to 7 years	**777.7**	**92.0**
	1,165.1	**71.9**

Amounts in RM million unless otherwise stated

B10. Financial Instruments and Realised and Unrealised Profits or Losses (continued)

a) Derivatives (continued)

Commodity futures contracts

Commodity futures contracts were entered into by subsidiaries to manage exposure to adverse movements in vegetable oil prices. These contracts were entered into and continue to be held for the purpose of receipt or delivery of the physical commodity in accordance with the Group's expected purchase, sale and usage requirements, except for those contracts shown below.

The outstanding commodity futures contracts as at 30 June 2013 that are not held for the purpose of physical delivery are as follows:

	Quantity (metric tonne)	Notional Amount	Fair Value Assets/ (Liabilities)
Purchase contracts	**23,602**	**59.8**	**(0.9)**
Sales contracts	**32,920**	**84.7**	**2.1**
			1.2

All contracts mature within one year.

b) Fair Value Changes of Financial Liabilities

Other than derivatives which are classified as liabilities only when they are at fair value loss position as at the end of the reporting period, the Group does not remeasure its financial liabilities at fair value after the initial recognition.

c) Realised and Unrealised Profits or Losses

The breakdown of realised and unrealised retained profits of the Group is as follows:

	As at 30 June 2013	As at 30 June 2012
Total retained profits of the Company and its subsidiaries		
- realised	**22,470.6**	20,899.6
- unrealised	**5,597.8**	5,656.7
	28,068.4	26,556.3
Total share of retained profits from jointly controlled entities		
- realised	**34.5**	38.6
- unrealised	**(10.1)**	(21.2)
	24.4	17.4
Total share of retained profits from associates		
- realised	**311.4**	261.3
- unrealised	**(3.8)**	(17.5)
	307.6	243.8
Less: consolidation adjustments	**(11,638.3)**	(11,762.1)
Total retained profits of the Group	**16,762.1**	15,055.4

The unrealised profits are determined in accordance with the Guidance on Special Matter No. 1 (GSM1) issued by the Malaysian Institute of Accountants.

B11. Material Litigation

Changes in material litigations since the date of the last annual statement of financial position up to 22 August 2013 are as follows:

1. PT Adhiyasa Saranamas (PTAS) commenced a legal suit on 17 September 2003 against Kumpulan Guthrie Berhad (KGB) and 6 of its Indonesian subsidiaries for an alleged breach of contract with regards to the provision of consultancy services in connection with the acquisition of subsidiaries in Indonesia. In 2008, the Supreme Court partially approved PTAS's claim and ordered KGB to pay the amount of USD25.76 million together with interest at the rate of 6% per year thereon (Indonesian Judgment). The parties have amicably settled the Indonesian Judgment and all legal actions instituted by PTAS in Indonesia during the previous financial year.

   In Malaysia, PTAS had on 11 March 2008 commenced legal proceedings against KGB to enforce the Indonesian Judgment. In light of the settlement of legal actions in Indonesia, KGB applied to amend its Amended Defence, which application was allowed by the High Court on 27 March 2012.

   The trial was concluded on 10 May 2012 and on 14 June 2012, the High Court dismissed PTAS's claim with costs (High Court Decision).

   PTAS had on 15 June 2012 filed its notice of appeal to the Court of Appeal against the High Court Decision and KGB has been served with PTAS's Record of Appeal on 28 September 2012. The Appeal is now fixed for hearing at the Court of Appeal on 12 September 2013.

2. On 23 December 2010, Sime Darby Berhad (SDB), Sime Darby Engineering Sdn Bhd, Sime Darby Energy Sdn Bhd, Sime Darby Marine Sdn Bhd and Sime Darby Marine (Hong Kong) Pte Ltd (collectively, the Plaintiffs) filed a civil suit against Dato' Seri Ahmad Zubair @ Ahmad Zubir bin Hj Murshid (DSAZ), Dato' Mohamad Shukri bin Baharom (DMS), Abdul Rahim bin Ismail, Abdul Kadir Alias and Mohd Zaki bin Othman (collectively, the Defendants) claiming, inter alia, damages arising from the Defendants' negligence and breaches of duty in relation to the Qatar Petroleum Project (QP Project), the Maersk Oil Qatar Project (MOQ Project) and the project relating to the construction of marine vessels known as the Marine Project. The aggregate amount claimed was RM329,744,755 together with general and aggravated damages to be assessed and other relief.

   The Defendants have filed their respective Statements of Defence.

   DSAZ, the 1st Defendant, filed third party notices dated 8 March 2011 against 22 individuals (DSAZ's Third Party Notices) of whom include several current members of the board of SDB. Pursuant to DSAZ's Third Party Notices, DSAZ is seeking an indemnity and/or contribution from the 22 individuals in the event DSAZ is found liable to the Plaintiffs.

   DMS, the 2nd Defendant, also filed similar third party notices dated 20 April 2011 against 12 individuals and Sime Darby Holdings Berhad (DMS's Third Party Notices), of whom comprise former management and former members of the board of SDB, its subsidiaries and Kumpulan Sime Darby Berhad and former members of the audit and supervisory committee of SDB's Energy & Utilities Division. Pursuant to DMS's Third Party Notices, DMS is seeking an indemnity and/or contribution from the third parties in the event DMS is found liable to the Plaintiffs.

   DSAZ had on 2 June 2011 and 8 June 2011 discontinued the third party proceedings against 5 individuals out of the 22 who were originally named.

   (i) Third Party Proceedings

   The remaining third parties have applied to strike out third party proceedings instituted against them by DSAZ and DMS. The High Court had, on 13 December 2011, allowed the applications by the third parties and struck out DSAZ's and DMS's third party statements of claim, set aside the third party notices and dismissed the third party proceedings on the basis, amongst others, that DSAZ's and DMS's third party proceedings were frivolous and vexatious (High Court Decision).

   On 11 January 2012, DSAZ and DMS filed their respective appeals against the High Court Decision (Appeals).

B11. Material Litigation (continued)

Changes in material litigations since the date of the last annual statement of financial position up to 22 August 2013 are as follows: (continued)

On 1 August 2012, the Court of Appeal, after hearing submissions from DSAZ's and DMS's solicitors, dismissed the Appeals with costs (Court of Appeal Decision). On 3 September 2012, DSAZ filed a notice of motion for leave to appeal to the Federal Court against the Court of Appeal Decision (DSAZ's Leave to Appeal). DSAZ's Leave to Appeal is now fixed for hearing on 18 September 2013.

(ii) Main Suit

The Court fixed DSAZ's application for discovery of documents (DSAZ's Discovery Application) for hearing on 22 January 2013.

On 8 January 2013, DSAZ filed an application for a stay of the trial of the civil suit (Stay Application). The Stay Application was filed on the basis that DSAZ's Leave to Appeal has yet to be heard. On 22 January 2013, the Court allowed DSAZ's Stay Application and ordered that the trial of the civil suit be stayed pending the disposal of DSAZ's Leave to Appeal (Stay Order). In view of the Stay Order, DSAZ's Discovery Application will not be heard until DSAZ's Leave to Appeal is finally disposed of. On 2 May 2013, the Court fixed 25 September 2013 for mention pending the disposal of DSAZ's Leave to Appeal. There is no trial date fixed for the main suit.

3. On 24 December 2010, Sime Darby Berhad (SDB), Sime Engineering Sdn Bhd, Sime Darby Holdings Berhad (SDHB) and Sime Darby Energy Sdn Bhd (collectively, the Plaintiffs) filed a civil suit against Dato' Seri Ahmad Zubair @ Ahmad Zubir bin Hj Murshid (DSAZ), Dato' Mohamad Shukri bin Baharom (DMS) and Abdul Rahim bin Ismail (collectively, the Defendants) claiming, inter alia, damages in connection with the Defendants' negligence and breaches of duty in relation to the Package CW2-Main Civil Works for the Bakun Hydroelectric Project (Bakun Project) and in respect of the Receipt, Discharge and Indemnity Agreement dated 12 January 2010 (Indemnity Agreement) given to DMS. The aggregate amount claimed was RM91,351,313 together with general and aggravated damages to be assessed and other relief.

   The Defendants have filed their respective Statements of Defence.

   DSAZ, the 1st Defendant filed third party notices dated 8 March 2011 against 22 individuals (DSAZ's Third Party Notices) of whom include several current members of the board of SDB. Pursuant to DSAZ's Third Party Notices, DSAZ is seeking an indemnity and/or contribution from the 22 individuals in the event DSAZ is found liable to the Plaintiffs.

   DMS, the 2nd Defendant, also filed similar third party notices dated 20 April 2011 against 11 individuals and SDHB (DMS's Third Party Notices), of whom comprise former members of the board of SDB, its subsidiaries and Kumpulan Sime Darby Berhad and former members of the audit and supervisory committee of SDB's Energy & Utilities Division. Pursuant to DMS's Third Party Notices, DMS is seeking an indemnity and/or contribution from the third parties in the event DMS is found liable to the Plaintiffs.

   DSAZ had on 2 June 2011 and 8 June 2011 discontinued the third party proceedings against 5 individuals out of the 22 who were originally named.

   (i) Third Party Proceedings

   The remaining third parties have applied to strike out third party proceedings instituted against them by DSAZ and DMS. The High Court had, on 13 December 2011, allowed the applications by the third parties and struck out DSAZ's and DMS's third party statements of claim, set aside the third party notices and dismissed the third party proceedings on the basis, amongst others, that DSAZ's and DMS's third party proceedings were frivolous and vexatious (High Court Decision).

   On 11 January 2012, DSAZ and DMS filed their respective appeals against the High Court Decision (Appeals).

B11. Material Litigation (continued)

Changes in material litigations since the date of the last annual statement of financial position up to 22 August 2013 are as follows: (continued)

On 1 August 2012 the Court of Appeal, after hearing submissions from DSAZ's and DMS's solicitors, dismissed the Appeals with costs (Court of Appeal Decision). On 3 September 2012, DSAZ filed a notice of motion for leave to appeal to the Federal Court against the Court of Appeal Decision (DSAZ's Leave to Appeal). DSAZ's Leave to Appeal is now fixed for hearing on 18 September 2013.

(ii) Main Suit

The Court fixed DSAZ's application for discovery of documents (DSAZ's Discovery Application) for hearing on 22 January 2013.

On 8 January 2013, DSAZ filed application for a stay of the trial of the civil suit (Stay Application). The Stay Application was filed on the basis that DSAZ's Leave to Appeal has yet to be heard. On 22 January 2013, the Court allowed DSAZ's Stay Application and ordered that the trial of the civil suit be stayed pending the disposal of DSAZ's Leave to Appeal (Stay Order). In view of the Stay Order, DSAZ's Discovery Application will not be heard until DSAZ's Leave to Appeal is finally disposed of. On 2 May 2013, the Court fixed 25 September 2013 for mention pending the disposal of DSAZ's Leave to Appeal. There is no trial date fixed for the main suit.

4. Emirates International Energy Services (EMAS) had on 13 January 2011, filed a civil suit in the Plenary Commercial Court in Abu Dhabi against Sime Darby Engineering Sdn Bhd (SDE) claiming payment of USD178.2 million (equivalent to about RM552.5 million). comprising a payment of USD128.2 million and USD50.0 million for commissions and "morale compensation" respectively.

   SDE filed its Statement of Defence and Counter Claim for the sum of AED100 million (equivalent to about RM84.4 million) on 14 August 2011.

   As SDE's Statement of Defence contained a request for the matter to be referred to arbitration (SDE's Plea), the Court adjourned the case to 22 August 2011 for a decision on SDE's Plea.

   On 22 August 2011, the Court dismissed EMAS's claim based on SDE's Plea, as contained in SDE's Statement of Defence. SDE's solicitors informed SDE that EMAS had until 21 September 2011 to file an appeal against the Court's decision but EMAS failed to do so.

   (i) Proceedings at ADCCAC

   EMAS had, on 11 December 2011, submitted a request for arbitration to the Abu Dhabi Commercial Conciliation & Arbitration Centre (ADCCAC). By way of a notice dated 26 December 2011 (Notice) which SDE received on 17 January 2012, SDE was informed that the matter has been registered for arbitration.

   SDE's local counsel had on 14 February 2012 filed and submitted the response to the Notice to ADCCAC and the arbitration is currently stayed pending EMAS's response.

B11. Material Litigation (continued)

Changes in material litigations since the date of the last annual statement of financial position up to 22 August 2013 are as follows: (continued)

(ii) Proceedings at the Judicial Department of Abu Dhabi

On 31 March 2012, EMAS filed another suit against SDE at the Judicial Department of Abu Dhabi. The claim of USD178.2 million by EMAS was based on the same facts and grounds as the First Suit.

At the hearing on 30 May 2012, the Court dismissed the case on procedural grounds, namely that EMAS did not comply with the procedures for Commercial Agency disputes as set forth in Articles 27 and 28 of the United Arab Emirates Commercial Agencies Law when EMAS failed to raise a formal claim or mediation request with the Committee of Commercial Agencies at the Ministry of Economy in the first instance.

On 21 June 2012, EMAS filed an appeal to the Court of Appeal in Abu Dhabi (Appellate Court) against the decision of the Court dated 30 May 2012 (Appeal).

On 13 August 2012, SDE submitted its rebuttal to EMAS's grounds of appeal before the Appellate Court. On 28 August 2012, the Appellate Court dismissed the Appeal and ordered for the case to be tried afresh by the court of first instance on the ground that the court of first instance has the jurisdiction to hear the dispute between EMAS and SDE.

On 15 October 2012, SDE's local counsel filed an appeal against the Appellate Court's decision. In deliberating SDE's appeal, the Supreme Court decided on 8 April 2013 that it was not timely to challenge the Appellate Court's decision as the latter's judgment was merely on procedural issues and not on the merits of the case. The matter is now proceeding in the court of first instance.

On 13 May 2013, SDE filed its submission while EMAS's submission was filed on 23 May 2013. On 11 June 2013, the Court delivered its interim order to appoint a court expert specialising in commercial agencies and ordered EMAS to pay AED45,000 being court expert fees. At the hearing on 18 June 2013, EMAS submitted proof of payment of the expert fees and the Court adjourned the hearing to 30 July 2013.

On 29 June 2013, the court expert held a session with SDE's local counsel and another session on 3 July 2013 for further deliberation at which SDE's proposal for settlement on a retainer basis was rejected by EMAS.

The matter has been adjourned to 2 October 2013 for hearing. The court expert released his report to the parties on 30 July 2013.

5. On 18 November 2011, Michael Chow Keat Thye (Applicant) filed an application pursuant to Order 53 rule 3(2) of the Rules of the High Court for judicial review against the Securities Commission of Malaysia (SC) decision made on 11 October 2011 in ruling that the acquisition of the equity interest in Eastern & Oriental Berhad (E&O) by Sime Darby Nominees Sdn Bhd (SD Nominees) has not given rise to a mandatory offer obligation and seek for an Order of the High Court to compel SD Nominees to make a mandatory offer at the price of RM2.30 per E&O share.

   The High Court granted leave for the application for Judicial Review on 8 December 2011.

   On 21 December 2011, SD Nominees was served with a copy of the cause papers in relation to the application for Judicial Review by the Applicant's lawyers. On 5 January 2012, SD Nominees filed an application to be added as a party in the Judicial Review proceedings and obtained leave to be added as 2nd Respondent on 11 January 2012.

B11. Material Litigation (continued)

Changes in material litigations since the date of the last annual statement of financial position up to 22 August 2013 are as follows: (continued)

On 25 January 2012, SC filed an application to recuse the learned judge and the recusal application was dismissed with costs on 2 April 2012. SC appealed and the Court of Appeal dismissed the appeal with costs of RM10,000.00 on 2 October 2012.

On 31 January 2012, SD Nominees filed an application to expunge that part of the Applicant's affidavit and the exhibit (JP Morgan's press interview) which alleged that SD Nominees had admitted to having obtained majority control in E&O on the basis that it constituted hearsay statements and was inadmissible. The Applicant amended its affidavit and filed a corrective affidavit on 8 January 2013. In the light of the amendments, the application to expunge was withdrawn on 16 January 2013.

Subsequent case managements were held on 18 February 2013, 17 May 2013 and 11 June 2013.

On 17 June 2013, the parties were directed to file their respective submissions by 30 September 2013, which is also fixed for case management, and their respective submissions in reply (if any) by 14 October 2013. The Court fixed the hearing of the Judicial Review on 1 November 2013.

6. On 15 August 2012, Sime Darby Engineering Sdn Bhd (SDE) filed a Statement of Claim at the Qatar Court against Qatar Petroleum (QP) for the sum of QAR1,005,353,061 (equivalent to about RM880.9 million) comprising outstanding invoices, compensation, performance bonds and additional costs in relation to an offshore engineering project in Qatar undertaken by SDE pursuant to a contract dated 27 September 2006. However, the contract came into effect much earlier on 15 April 2006 and SDE had commenced work since then.

   The contract was for the provisioning of engineering works, supply, installation and commissioning of 3 wellhead platforms (jackets and topsides), modifications to 34 existing platforms, 17 sub-sea pipelines between existing and new platforms, umbilical connections at various platforms and other works relating to development of Bul Hanine and Maydan Mahzan offshore oilfields.

   At the first hearing/case management before the Court on 9 October 2012. QP did not appear and the Court subsequently fixed another hearing on 28 November 2012.

   On 28 November 2012, QP filed its Statement of Defence together with supporting documents (which were mostly in English). The Court fixed another hearing date on 10 January 2013 for QP to submit translations of the said documents. On 10 January 2013, QP filed its supporting documents in Arabic and the Court granted SDE a further extension of time until 28 February 2013 for SDE to file its reply.

   SDE filed its reply and the Court fixed another hearing date on 19 March 2013 for QP to file its reply, which reply has been filed. SDE then applied for an extension of time to file its reply. The Court adjourned the case until 30 April 2013 to give its decision on whether:

   (i) to allow SDE to file its reply; or
   (ii) to proceed with the appointment of experts; or
   (iii) to order that the case be transferred to the Administrative Court.

   On 30 April 2013, the Court ordered the case to be transferred to the Administrative Court. The Administrative Court fixed 11 June 2013 for hearing.

   On 18 June 2013, the Administrative Court issued a preliminary judgment to appoint a panel of 3 experts (an engineer, accountant and technician) and fixed experts' fees of QAR90,000 to be paid by SDE by 9 July 2013, which SDE duly paid. The Administrative Court informed SDE's counsel that the Administrative Court's list did not have an expert who specialised in the installation of off-shore platforms and pipelines.

   The Judge asked SDE and QP to recommend experts and adjourned the case until 30 July 2013 for the parties to submit their suggestions. The matter was further adjourned to 15 November 2013 for the parties to nominate their experts.

Amounts in RM million unless otherwise stated

B11. Material Litigation (continued)

Changes in material litigations since the date of the last annual statement of financial position up to 22 August 2013 are as follows: (continued)

7. On 26 March 2013, Port Dickson Power Berhad (PDP) filed a Notice of Arbitration against Tenaga Nasional Berhad (TNB) for the adjustments of:

   (a) a claim for Fixed Operating Rate and Variable Operating Rate amounting RM56,642,029 from February 1999 to November 2011 with interest thereon; or

   (b) alternatively, a claim of RM76,133,553 from February 1999 to October 2012 with interest thereon.

   TNB submitted its response to PDP's Notice of Arbitration on 29 April 2013. The parties deliberated on the appointment of arbitrators in accordance with the Kuala Lumpur Regional Centre for Arbitration (KLRCA) Arbitration Rules. KLRCA has confirmed the appointment of arbitrators proposed by PDP and TNB and on 3 July 2013 has officiated the appointment of the Chairman of the arbitration tribunal.

   The arbitration tribunal has requested KLRCA for an extension of time for both parties to agree on the fee structure.

B12. Dividend

The Board has recommended a final single tier dividend of 27.0 sen per share in respect of the financial year ended 30 June 2013 (Final Dividend). The entitlement and payment dates for the Final Dividend will be announced later. The proposed Final Dividend is subject to the approval of the shareholders of the Company at the forthcoming Annual General Meeting.

Subject to the relevant regulatory approvals and the shareholders' approval being obtained at an Extraordinary General Meeting to be convened, the Company proposes to undertake a dividend reinvestment plan (Proposed DRP). The Board has determined that the Proposed DRP, if approved, will apply to the Final Dividend and shareholders of the Company be given an option to elect to reinvest the entire Final Dividend in new ordinary share(s) of RM0.50 each in the Company (Sime Darby Shares) in accordance with the Proposed DRP. The Board has also determined that the issue price of the new Sime Darby Shares to be issued pursuant to the Final Dividend will be at a 5% discount to the volume weighted average market price of the Sime Darby Shares for the 5 market days immediately prior to the price fixing date to be announced later.

The total net dividends for the year ended 30 June 2013 is 34.0 sen per share, comprising:

	Year ended 30 June 2013		**Year ended 30 June 2012**	
	Net Per share (sen)	**Total net dividend**	**Net Per share (sen)**	**Total net dividend**
Interim single tier dividend	**7.0**	**420.7**	10.0	601.0
Final single tier dividend	**27.0**	**1,622.5**	25.0	1,502.4
	34.0	**2,043.2**	35.0	2,103.4

B13. Earnings/(Loss) Per Share

	Quarter ended 30 June		Year ended 30 June	
	2013	**2012**	**2013**	**2012**
Earnings/(loss) per share attributable to owners of the Company are computed as follows:				
Basic				
Profit/(loss) for the period				
- from continuing operations	**965.3**	1,091.8	**3,348.2**	4,196.6
- from discontinued operations	**345.3**	7.3	**352.4**	(46.4)
	1,310.6	1,099.1	**3,700.6**	4,150.2
Weighted average number of ordinary shares in issue (million)	**6,009.5**	6,009.5	**6,009.5**	6,009.5
Earnings/(loss) per share (sen)				
- from continuing operations	**16.06**	18.17	**55.71**	69.83
- from discontinued operations	**5.75**	0.12	**5.87**	(0.77)
	21.81	18.29	**61.58**	69.06
Diluted				
Profit/(loss) for the period				
- from continuing operations *	**964.8**	1,091.8	**3,347.7**	4,196.6
- from discontinued operations	**345.3**	7.3	**352.4**	(46.4)
	1,310.1	1,099.1	**3,700.1**	4,150.2
Weighted average number of ordinary shares in issue (million)	**6,009.5**	6,009.5	**6,009.5**	6,009.5
Earnings/(loss) per share (sen)				
- from continuing operations	**16.05**	18.17	**55.70**	69.83
- from discontinued operations	**5.75**	0.12	**5.87**	(0.77)
	21.80	18.29	**61.57**	69.06

* adjusted for the dilutive effect of long-term stock incentive plan of an associate of RM0.5 million (2012: Nil) for the quarter and year ended 30 June 2013

By Order of the Board
Norzilah Megawati Abdul Rahman
Group Secretary

Kuala Lumpur
29 August 2013