QUARTERLY REPORT
On the consolidated results for the first quarter ended 30 September 2013

The Directors are pleased to announce the following:

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

	Note	Quarter ended 30 September 2013	Quarter ended 30 September 2012	% +/(-)
Continuing operations				
Revenue	A7	**10,759.2**	11,741.9	(8.4)
Operating expenses		**(10,304.2)**	(10,749.1)	
Other operating income		**321.7**	337.8	
Operating profit	B6	**776.7**	1,330.6	(41.6)
Share of results of jointly controlled entities		**0.9**	(6.4)	
Share of results of associates		**21.6**	26.4	
Profit before interest and tax	A7	**799.2**	1,350.6	(40.8)
Finance income		**24.7**	36.8	
Finance costs	B6	**(109.7)**	(104.2)	
Profit before tax		**714.2**	1,283.2	(44.3)
Tax expense	B7	**(198.0)**	(249.6)	
Profit from continuing operations		**516.2**	1,033.6	(50.1)
Discontinued operations				
Profit from discontinued operations (see note below)	B6	**–**	4.9	
Profit for the period		**516.2**	1,038.5	(50.3)
Attributable to owners of:				
- the Company				
- from continuing operations		**489.0**	985.4	
- from discontinued operations		**–**	4.9	
		489.0	990.3	(50.6)
- non-controlling interests		**27.2**	48.2	(43.6)
Profit for the period		**516.2**	1,038.5	(50.3)
		Sen	**Sen**	
Earnings per share attributable to owners of the Company	B13			
Basic				
- from continuing operations		**8.14**	16.40	
- from discontinued operations		**–**	0.08	
		8.14	16.48	(50.6)
Diluted				
- from continuing operations		**8.14**	16.40	
- from discontinued operations		**–**	0.08	
		8.14	16.48	(50.6)

Note : The discontinued operations was in relation to the disposal of the Healthcare business.

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 2013.

SIME DARBY BERHAD
(Company No: 752404-U)

Unaudited Condensed Consolidated Statement of Comprehensive Income
Amounts in RM million unless otherwise stated

	Quarter ended 30 September 2013	Quarter ended 30 September 2012	% +/(-)
Profit for the period	**516.2**	1,038.5	(50.3)
Other comprehensive income/(loss)			
Items that will be reclassified subsequently to profit or loss:			
Currency translation differences:			
- subsidiaries	**(158.8)**	(202.6)	
- jointly controlled entities	**7.0**	(9.6)	
- associates	**6.2**	(2.8)	
Net changes in fair value of:			
- available-for-sale investments	**11.6**	6.9	
- cash flow hedges	**14.4**	26.7	
Share of other comprehensive income of:			
- jointly controlled entities	**14.7**	0.1	
- associates	**0.1**	2.5	
Tax expense	**(8.1)**	3.2	
	(112.9)	(175.6)	
Item that will not be reclassified subsequently to profit or loss:			
Actuarial gains on defined benefit pension plans	**0.2**	–	
	0.2	–	
Reclassification adjustments:			
Reclassified to profit or loss:			
- changes in fair value of cash flow hedges	**15.9**	34.0	
Reclassified to inventories:			
- changes in fair value of cash flow hedges	**27.9**	–	
Tax expense	**(13.8)**	(10.7)	
	30.0	23.3	
Total other comprehensive loss from continuing operations	**(82.7)**	(152.3)	45.7
Total comprehensive income for the period	**433.5**	886.2	(51.1)
Attributable to owners of:			
- the Company			
- from continuing operations	**440.2**	848.1	(48.1)
- from discontinued operations	–	4.9	
	440.2	853.0	(48.4)
- non-controlling interests	**(6.7)**	33.2	(120.2)
Total comprehensive income for the period	**433.5**	886.2	(51.1)

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 2013.

SIME DARBY BERHAD
(Company No: 752404-U)

Unaudited Condensed Consolidated Statement of Financial Position
Amounts in RM million unless otherwise stated

	Note	Unaudited As at 30 September 2013	Audited As at 30 June 2013
Non-current assets			
Property, plant and equipment		**14,192.9**	14,096.4
Biological assets		**2,455.7**	2,498.5
Prepaid lease rentals		**1,100.2**	1,141.1
Investment properties		**634.4**	633.4
Land held for property development		**909.5**	864.2
Jointly controlled entities		**1,316.6**	1,295.8
Associates		**1,635.9**	1,585.8
Available-for-sale investments		**180.3**	118.7
Intangible assets		**942.8**	915.0
Deferred tax assets		**919.1**	924.0
Tax recoverable		**348.7**	391.0
Derivatives	B10(a)	**125.1**	136.9
Receivables		**613.1**	656.5
		25,374.3	25,257.3
Current assets			
Inventories		**8,730.2**	8,714.5
Property development costs		**2,081.4**	2,068.3
Receivables		**6,326.0**	6,057.2
Accrued billings and others		**1,160.1**	1,244.2
Tax recoverable		**299.4**	287.1
Derivatives	B10(a)	**69.9**	45.3
Cash held under Housing Development Accounts		**558.4**	560.3
Bank balances, deposits and cash		**4,033.9**	4,093.5
		23,259.3	23,070.4
Non-current assets held for sale (see note below)		**220.4**	130.4
Total assets	A7	**48,854.0**	48,458.1
Equity			
Share capital		**3,004.7**	3,004.7
Reserves		**24,517.1**	24,091.6
Attributable to owners of the Company		**27,521.8**	27,096.3
Non-controlling interests		**834.2**	884.8
Total equity		**28,356.0**	27,981.1
Non-current liabilities			
Borrowings	B9	**8,327.6**	7,993.4
Finance lease obligation		**156.2**	157.8
Provisions		**95.6**	92.0
Retirement benefits		**154.5**	154.5
Deferred income		**285.1**	291.0
Deferred tax liabilities		**640.3**	642.2
Derivatives	B10(a)	**0.4**	1.9
		9,659.7	9,332.8
Current liabilities			
Payables		**8,065.4**	8,235.8
Progress billings and others		**77.4**	80.0
Borrowings	B9	**1,910.3**	2,092.2
Finance lease obligation		**6.8**	6.5
Provisions		**257.1**	233.5
Deferred income		**31.6**	61.6
Tax payable		**246.8**	229.3
Derivatives	B10(a)	**96.7**	115.0
		10,692.1	11,053.9
Liabilities associated with assets held for sale (see note below)		**146.2**	90.3
Total liabilities		**20,498.0**	20,477.0
Total equity and liabilities		**48,854.0**	48,458.1

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

	Unaudited As at 30 September 2013	Audited As at 30 June 2013
Net assets per share attributable to owners of the Company (RM)	**4.58**	4.51

Note:

	Unaudited As at 30 September 2013	Audited As at 30 June 2013
Non-current assets held for sale		
Non-current assets		
Property, plant and equipment	**2.9**	3.0
Prepaid lease rentals	**0.7**	0.7
Associates	**23.9**	23.8
Disposal group	**192.9**	102.9
	220.4	130.4
Liabilities associated with assets held for sale		
Disposal group	**146.2**	90.3

The non-current assets held for sale and liabilities associated with assets held for sale, classified as disposal group, are in respect of Syarikat Malacca Straits Inn Sdn Bhd and Sime Darby TMA 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 2013.

SIME DARBY BERHAD
(Company No: 752404-U)

Unaudited Condensed Consolidated Statement of Changes in Equity
Amounts in RM million unless otherwise stated

	Share capital	Share premium	Share grant reserve	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
Quarter ended 30 September 2013													
At 1 July 2013	**3,004.7**	**100.6**	–	**67.9**	**6,753.6**	**75.4**	**(100.0)**	**62.7**	**369.3**	**16,762.1**	**27,096.3**	**884.8**	**27,981.1**
Total comprehensive income for the period	–	–	–	–	–	–	**38.0**	**10.9**	**(97.9)**	**489.2**	**440.2**	**(6.7)**	**433.5**
Transfer between reserves	–	–	–	**(0.9)**	–	–	–	–	–	**0.9**	–	–	–
Employee share scheme	–	–	**12.7**	–	–	–	–	–	–	–	**12.7**	**0.1**	**12.8**
Acquisition of non-controlling interest	–	–	–	–	–	–	–	–	–	**(27.4)**	**(27.4)**	**(21.2)**	**(48.6)**
Dividends paid	–	–	–	–	–	–	–	–	–	–	–	**(22.8)**	**(22.8)**
At 30 September 2013	**3,004.7**	**100.6**	**12.7**	**67.0**	**6,753.6**	**75.4**	**(62.0)**	**73.6**	**271.4**	**17,224.8**	**27,521.8**	**834.2**	**28,356.0**
Quarter ended 30 September 2012													
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 period	–	–	–	–	2.5	–	53.2	6.9	(199.9)	990.3	853.0	33.2	886.2
Dividends paid	–	–	–	–	–	–	–	–	–	–	–	(8.8)	(8.8)
At 30 September 2012	3,004.7	100.6	–	67.9	6,751.4	74.8	(11.6)	52.0	783.6	16,045.7	26,869.1	898.2	27,767.3

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 2013.

SIME DARBY BERHAD
(Company No: 752404-U)

Unaudited Condensed Consolidated Statement of Cash Flows
Amounts in RM million unless otherwise stated

	Note	Quarter ended 30 September 2013	2012
Profit after tax		**516.2**	1,038.5
Adjustments for:			
Gain on disposal of properties		**(44.8)**	(30.2)
Share of results of jointly controlled entities and associates		**(22.5)**	(20.0)
Finance income		**(24.7)**	(36.8)
Finance costs		**109.7**	104.2
Depreciation and amortisation		**313.0**	322.8
Amortisation of prepaid lease rentals		**12.4**	11.4
Tax expense		**198.0**	250.1
Other non-cash items		**66.1**	20.2
		1,123.4	1,660.2
Changes in working capital:			
Inventories and rental assets		**51.5**	(401.6)
Property development costs		**(42.9)**	(159.9)
Land held for property development		**(11.4)**	(9.1)
Trade and other receivables and prepayments		**(330.6)**	15.4
Trade and other payables and provisions		**(324.8)**	(502.8)
Cash generated from operations		**465.2**	602.2
Tax paid		**(169.7)**	(330.1)
Dividends received from jointly controlled entities and associates		**1.6**	–
Dividends from available-for-sale investments		**0.4**	0.4
Net cash from operating activities		**297.5**	272.5
Investing activities			
Finance income received		**20.3**	47.0
Purchase of property, plant and equipment		**(457.7)**	(344.3)
Purchase of subsidiaries and business		**–**	(14.0)
Purchase/subscription of shares in jointly controlled entities and associates		**(23.3)**	(430.1)
Purchase of investment properties		**(0.2)**	–
Cost incurred on biological assets		**(43.9)**	(24.9)
Payment for prepaid lease rental		**(22.5)**	(4.1)
Proceeds from sale of a subsidiary in previous year		**187.3**	–
Proceeds from sale of property, plant and equipment		**64.3**	704.5
Proceeds from sale of investment property		**0.9**	1.2
Others		**72.2**	(4.4)
Net cash used in investing activities		**(202.6)**	(69.1)

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

	Quarter ended 30 September	
	2013	**2012**
Financing activities		
Purchase of additional interest in a subsidiary	**(48.6)**	–
Finance costs paid	**(83.5)**	(56.9)
Long-term borrowings raised	**277.0**	340.0
Repayments of long-term borrowings	**(10.2)**	(168.5)
Revolving credits, trade facilities and other short-term borrowings (net)	**(263.5)**	(624.6)
Dividends paid	**(22.8)**	(8.8)
Net cash used in financing activities	**(151.6)**	(518.8)
Net changes in cash and cash equivalents	**(56.7)**	(315.4)
Foreign exchange differences	**(31.4)**	(103.4)
Cash and cash equivalents at beginning of the period	**4,603.6**	5,077.8
Cash and cash equivalents at end of the period	**4,515.5**	4,659.0

For the purpose of the Statement of Cash Flows, cash and cash equivalents comprised the following:

	2013	**2012**
Cash held under Housing Development Accounts	**558.4**	484.3
Bank balances, deposits and cash	**4,033.9**	4,226.9
Less:		
Bank overdrafts (Note B9)	**(76.8)**	(52.2)
	4,515.5	4,659.0

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 2013.

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 (MASB). 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 2013.

A. EXPLANATORY NOTES PURSUANT TO FRS 134

A1. Basis of Preparation

General

In November 2011, the MASB issued the Malaysian Financial Reporting Standards Framework (MFRS 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 in view of imminent changes 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 when the MASB concludes the changes to be made to MFRS 141.

a) 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 2013, other than disclosed below:

- **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.

- **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.

A1. Basis of Preparation (continued)

a) 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 2013, other than disclosed below: (continued)

- **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.

- **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.

The adoption of the above do not have any significant impact on the Group during the financial period.

b) Financial reporting standards under the existing FRS Framework that have yet to be adopted in preparing this interim financial report are given below.

(i) Amendments to standards and interpretations 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 requirements for a parent when it becomes or ceased to be an investment entity and also disclosure requirements 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.

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. (continued)

(i) Amendments to standards and interpretations that will be effective for annual periods beginning on or after 1 January 2014: (continued)

- **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.

- **Amendments to FRS 136 – Impairment of Assets**
Amendments to FRS 136 clarifies that recoverable amount (determined based on fair value less costs of disposal) is required to be disclosed only when an impairment loss is recognised or reversed. In addition, there are new disclosure requirements about fair value measurement when impairment or reversal of impairment is recognised.

- **Amendments to FRS 139 – Financial Instruments: Recognition and Measurement**
Amendments to FRS 139 provides relief from discontinuing hedge accounting in a situation where a derivative, which has been designated as a hedging instrument is novated to effect clearing with a central counterparty as a result of laws or regulation, if specific conditions are met (in this context, a novation indicates that parties to a contract agree to replace their original counterparty with a new one).

- **IC Interpretation 21 – Levies**
The Interpretation clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy and that the liability to pay a levy is recognised progressively if the obligating event occurs over a period of time. If an obligation to pay a levy is triggered when a minimum threshold is reached, the liability to pay a levy is recognised when that minimum activity threshold is reached.

(ii) 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.

The adoption of the above standards will not result in any changes to the Group’s accounting policies, results and financial position.

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 period 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 previous financial years that have a material effect on the results for the current quarter under review.

A5. Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the financial period under review.

A6. Dividends Paid

No dividend has been paid during the quarter ended 30 September 2013.

SIME DARBY BERHAD
(Company No: 752404-U)

Explanatory Notes on the Quarterly Report – 30 September 2013
Amounts in RM million unless otherwise stated

A7. Segment Information

The Group has five reportable segments, which are the Group's strategic business units. 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	Industrial	Motors	Property	Energy & Utilities	Others	Elimination/ Corporate expense	Total	Dis-continued operations	Total
Quarter ended 30 September 2013										
Segment revenue:										
External	2,497.7	3,381.0	4,098.3	417.7	348.1	16.4	–	10,759.2	–	10,759.2
Inter-segment	0.1	12.7	8.9	8.2	2.2	2.1	(34.2)	–	–	–
	2,497.8	3,393.7	4,107.2	425.9	350.3	18.5	(34.2)	10,759.2	–	10,759.2
Segment result:										
Operating profit/(loss)	254.7	321.6	105.0	60.9	55.5	6.0	(27.0)	776.7	–	776.7
Share of results of jointly controlled entities and associates	(0.1)	5.6	1.6	4.6	1.3	9.5	–	22.5	–	22.5
Profit/(loss) before interest and tax	254.6	327.2	106.6	65.5	56.8	15.5	(27.0)	799.2	–	799.2

Amounts in RM million unless otherwise stated

A7. Segment Information (continued)

	Continuing operations									
	Plantation	**Industrial**	**Motors**	**Property**	**Energy & Utilities**	**Others**	**Elimination/ Corporate expense**	**Total**	**Dis-continued operations**	**Total**
Quarter ended 30 September 2012										
Segment revenue:										
External	2,943.1	4,037.9	4,071.1	370.8	300.5	18.5	–	11,741.9	89.3	11,831.2
Inter-segment	0.1	10.3	10.2	8.6	0.3	2.4	(34.3)	(2.4)	2.4	–
	2,943.2	4,048.2	4,081.3	379.4	300.8	20.9	(34.3)	11,739.5	91.7	11,831.2
Segment result:										
Operating profit/(loss)	674.7	379.4	158.5	59.2	57.2	5.4	(3.8)	1,330.6	5.4	1,336.0
Share of results of jointly controlled entities and associates	(2.8)	3.0	2.8	10.3	1.0	5.7	–	20.0	–	20.0
Profit/(loss) before interest and tax	671.9	382.4	161.3	69.5	58.2	11.1	(3.8)	1,350.6	5.4	1,356.0

Amounts in RM million unless otherwise stated

A7. Segment Information (continued)

	Plantation	Industrial	Motors	Property	Energy & Utilities	Others	Corporate	Total
As at 30 September 2013								
Segment assets:								
Operating assets	**14,740.6**	**10,521.7**	**7,250.3**	**6,557.4**	**3,104.9**	**132.1**	**1,806.9**	**44,113.9**
Jointly controlled entities and associates	**489.4**	**143.5**	**79.0**	**1,673.0**	**(109.2)**	**676.8**	–	**2,952.5**
Non-current assets held for sale	**–**	**90.5**	**–**	**126.3**	**–**	**3.6**	**–**	**220.4**
	15,230.0	**10,755.7**	**7,329.3**	**8,356.7**	**2,995.7**	**812.5**	**1,806.9**	**47,286.8**
Tax assets								**1,567.2**
Total assets								**48,854.0**
As at 30 June 2013								
Segment assets:								
Operating assets	14,952.1	10,598.8	6,348.9	6,753.8	2,998.5	135.1	2,056.8	43,844.0
Jointly controlled entities and associates	475.6	128.9	76.8	1,644.4	(111.5)	667.4	–	2,881.6
Non-current assets held for sale	–	–	–	126.8	–	3.6	–	130.4
	15,427.7	10,727.7	6,425.7	8,525.0	2,887.0	806.1	2,056.8	46,856.0
Tax assets								1,602.1
Total assets								48,458.1

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 September 2013	As at 30 June 2013
Property, plant and equipment		
- contracted	**387.0**	556.8
- not contracted	**2,245.7**	2,213.5
	2,632.7	2,770.3
Other capital expenditure		
- contracted	**503.7**	453.5
- not contracted	**1,951.8**	2,246.9
	5,088.2	5,470.7

A9. Significant Related Party Transactions

Related party transactions conducted during the quarter ended 30 September are as follows:

	Quarter ended 30 September	
	2013	**2012**
a. Transactions with jointly controlled entities		
Tolling fees and sales to Emery Oleochemicals (M) Sdn Bhd and its related companies	**23.8**	23.6
Sales and services to Terberg Tractors Malaysia Sdn Bhd	**11.3**	11.1
b. Transactions with associates		
Provision of services by Sitech Construction Systems Pty Ltd	**2.7**	2.3
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	**30.3**	23.8
Sales of properties by SDBH to Brunsfield OASIS Square Sdn Bhd, companies in which Dato' Gan and Encik Hassan are substantial shareholders	**–**	82.5
Sales of goods and provision of services by Chubb Malaysia Sendirian Berhad to Gunnebo Holdings APS and its related companies	**–**	1.9
Purchase of agricultural tractors, engines and parts by Sime Kubota Sdn Bhd from Kubota Corporation	**4.4**	13.5
Royalty payment to and procurement of cars, ancillary services by Inokom Corporation Sdn Bhd (ICSB) from Hyundai Motor Company and its related companies	**46.8**	28.0
Contract assembly service provided by ICSB to Berjaya Corporation Berhad group	**6.8**	3.8

Amounts in RM million unless otherwise stated

A9. Significant Related Party Transactions (continued)

Related party transactions conducted during the quarter ended 30 September are as follows: (continued)

	Quarter ended 30 September 2013	2012
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)	**–**	0.1
Provision of legal services by Azmi & Associates, a firm in which Dato' Azmi Mohd Ali is a partner	**0.1**	–
e. Transactions with Directors and their close family members		
Sales of properties and cars by the Group	**0.2**	0.2
f. Transactions with key management personnel and their close family members		
Sales of residential properties and cars by the Group	**–**	0.6

g. Transactions with shareholders and Government

Permodalan Nasional Berhad (PNB) and the funds managed by its subsidiary, Amanah Saham Nasional Berhad, together owns 51.8% as at 28 June 2013 of the issued share capital of the Company. PNB is an entity controlled by the Malaysian Government through Yayasan Pelaburan Bumiputra (YPB). The Group considers that, for the purpose of FRS 124 – Related Party Disclosures, YPB and the Malaysian Government are in the position to exercise significant influence over it. As a result, the Malaysian Government and Malaysian Government's controlled bodies (collectively referred to as government-related entities) are related parties of the Group and the Company.

Transactions entered into during the financial year with government-related entities 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 RM14.2 million (2012: RM22.4 million). Shareholders' mandate was obtained for this recurrent related party transaction during the last annual general meeting.

Amounts in RM million unless otherwise stated

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

Other than stated below, there was no material event subsequent to the end of the current quarter under review to 21 November 2013, being a date not earlier than 7 days from the date of issue of the quarterly report.

a) Performance-Based Employee Share Scheme (Share Scheme)

The Company had on 7 October 2013 announced the 1st Grant Offer of ordinary shares of RM0.50 each of the Company under the Share Scheme which comprises the Group Performance Share (GPS) Grant, Division Performance Share (DPS) Grant and General Employee Share (GES) Grant to eligible employees and/or grantees of the Group as follows:

Description of 1st Grant Offer

Date of 1st Grant Offer: 7 October 2013

Number of shares offered to the eligible employees under the Share Scheme:	GPS	DPS	GES
(i) President & Group Chief Executive	82,200	65,300	–
(ii) Other eligible employees	4,017,800	5,472,400	5,300,500
Total	4,100,000	5,537,700	5,300,500

Closing market price of the Company's shares on the date of 1st Grant Offer: RM9.54

Vesting period of the 1st Grant Offer: Over a 3-year period from the commencement date of 1 July 2013.

Vesting of the shares is subject to the Group/Division meeting certain financial/strategic targets and/or the market price of the Company's shares exceeding certain thresholds.

Depending on the level of achievement of the performance targets as determined by the Long Term Incentive Plan Committee, the total amount of shares which will vest may be lower or higher than the total amount of shares offered.

b) On 15 November 2013, Sime Singapore Limited (SSL) acquired 19,558,539 ordinary shares, representing 89.15% of the total issued and paid-up share capital of Europe Automobiles Corporation Holdings Pte. Ltd. (EACH) at a total cash consideration of USD29.6 million (equivalent to RM93.7 million) and 5,865,842 ordinary shares, representing 16.02% of the total issued and paid-up share capital of Europe Automobiles Corporation (EAC) at a total cash consideration of Vietnamese Dong (VND) 134.8 billion (equivalent to RM20.2 million).

EACH holds 82.98% equity interest in EAC and together, SSL's effective interest in EAC stands at 90%.

EAC is a joint stock company registered in Vietnam and holds the distribution rights of BMW and MINI vehicles in Vietnam. EACH is a private company limited by shares incorporated in Singapore and is an investment holding company.

c) On 25 October 2013, Sime Darby Industrial Sdn Bhd (SDI) completed the disposal of its entire 100% equity interest in Sime Darby TMA Sdn Bhd comprising 3,000,000 ordinary shares of RM1.00 each to Terberg Tractors Malaysia Sdn Bhd (TTM) at a consideration of RM25.0 million. TTM is a joint venture company between SDI and Terberg Group BV.

Amounts in RM million unless otherwise stated

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

a) Acquisition of non-controlling interests

On 26 August 2013, PT Langgeng Muaramakmur acquired the remaining 6.53% equity interest in PT Paripurna Swakarsa (PS) from PT Risjahdson Sejahtera for a purchase consideration of USD16.4 million (equivalent to RM48.6 million). Consequently, PS became a wholly owned subsidiary of the Group.

b) Establishment of new company

On 23 August 2013, Sime Darby Kia Taiwan Co Ltd (SDKT) was established in the Republic of Taiwan with a registered share capital of NT5 million wholly held by Sime Darby Motor Group (Taiwan) Sdn Bhd. The principal activities of SDKT will be the distributorship and retail of vehicles, parts and accessories and repairs and maintenance of vehicles and other automotive services.

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 21 November 2013	As at 30 June 2013
Performance guarantees and advance payment guarantees to customers of the Group:	**2,959.8**	2,938.1
Guarantees in respect of credit facilities granted to:		
- certain associates and a jointly controlled entity	**37.5**	30.1
- plasma stakeholders	**73.5**	81.1
	3,070.8	3,049.3

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 21 November 2013, the Group received counter-indemnities amounting to RM212.1 million (30 June 2013: RM212.1 million).

b) Claims

	As at 21 November 2013	As at 30 June 2013
Claims pending against the Group	**0.2**	1.3

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

	Quarter ended 30 September 2013	2012	% +/(-)
Revenue	**10,759.2**	11,741.9	(8.4)
Plantation	**254.6**	671.9	(62.1)
Industrial	**327.2**	382.4	(14.4)
Motors	**106.6**	161.3	(33.9)
Property	**65.5**	69.5	(5.8)
Energy & Utilities	**56.8**	58.2	(2.4)
Others	**15.5**	11.1	39.6
Segment results	**826.2**	1,354.4	(39.0)
Exchange gain/(loss):			
Unrealised	**0.8**	1.3	
Realised	**–**	1.2	
Corporate expense and elimination	**(27.8)**	(6.3)	
Profit before interest and tax	**799.2**	1,350.6	(40.8)
Finance income	**24.7**	36.8	
Finance costs	**(109.7)**	(104.2)	
Profit before tax	**714.2**	1,283.2	(44.3)
Tax expense	**(198.0)**	(249.6)	
Profit from continuing operations	**516.2**	1,033.6	(50.1)
Profit from discontinued operations	**–**	4.9	
Profit for the period	**516.2**	1,038.5	(50.3)
Non-controlling interests	**(27.2)**	(48.2)	
Profit after tax and non-controlling interests	**489.0**	990.3	(50.6)

Revenue of the Group for the first quarter ended 30 September 2013 was marginally lower by 8.4% compared to the corresponding period of the previous year. Profit before tax of the Group declined by 44.3% largely due to the lower earnings from all business segments, except Others. Net earnings for the period was down by 50.6% to RM489.0 million from RM990.3 million a year ago.

a) Plantation

Plantation division’s contribution declined by 62.1% compared to the previous year as a result of lower average crude palm oil (CPO) price realised of RM2,331 per tonne against RM2,707 per tonne previously and lower fresh fruit bunch (FFB) production by 16.0%. Indonesia and Malaysia registered lower production by 28.3% and 8.4% respectively. The drop in Indonesia FFB production is attributable largely to change in cropping pattern and delay in peak cropping and the impact is particularly profound in Kalimantan. The overall oil extraction rate was also lower at 21.4% as compared to 21.6% the previous year.

Midstream and downstream operations recorded a profit of RM11.0 million for the current quarter compared to a loss of RM24.9 million previously. The turnaround was largely due to lower losses from Unimills and the share of profit instead of loss from Emery Group, a jointly controlled entity.

B1. Review of Group Performance (continued)

b) Industrial

Contributions from the Industrial division declined by 14.4% to RM327.2 million. The lower results was largely due to the lower equipment and product support sales to the mining sector in Australasia as unfavourable commodity prices continue to weaken the Australian mining sector. Included in the Australasia results is the gain on disposal of property of RM42 million. However, in China/Hong Kong, the improved results were contributed from higher engine sales in the marine, oil and gas and Electrical Power Generation sectors and machine sales to the construction sector benefitting from the recovery of market sentiments.

c) Motors

The Motors division's earnings declined by 33.9% despite a 0.6% increase in revenue compared to the previous year. All regions recorded lower performances except for Malaysia. The lower performance was mainly due to weaker market sentiments and changes in government legislation in Singapore, economic slowdown in Australia, Thailand and China and coupled with stiff competition faced in China's luxury car segment which has squeezed margins.

d) Property

Property registered a 12.3% improvement in revenue but earnings dropped by 5.8% compared to the previous year. The higher revenue is mainly due to higher sales and percentage of completion from Elmina East, Bandar Bukit Raja and Putra Heights. Earnings was lower due to lower share of profits from associates.

e) Energy & Utilities

Profit from Energy & Utilities declined by 2.4% to RM56.8 million compared to the similar period of the previous year due to lower profit from power sector. The port operations in China registered higher profit by 87% attributable to a 23% increase in throughput and higher average tariff rate achieved.

f) Others

Contribution from Others improved by RM4.4 million due to higher contribution from insurance brokerage business and share of profit from Tesco Stores (Malaysia) Sdn Bhd.

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 September 2013	**30 June 2013**	**% +/(-)**
Revenue	**10,759.2**	12,930.3	(16.8)
Plantation	**254.6**	399.4	(36.3)
Industrial	**327.2**	369.7	(11.5)
Motors	**106.6**	203.9	(47.7)
Property	**65.5**	301.5	(78.3)
Energy & Utilities	**56.8**	40.2	41.3
Others	**15.5**	10.0	55.0
Segment results	**826.2**	1,324.7	(37.6)
Exchange gain/(loss):			
Unrealised	**0.8**	7.9	
Realised	**–**	0.1	
Corporate expense and elimination	**(27.8)**	(28.0)	
Profit before interest and tax	**799.2**	1,304.7	(38.7)
Finance income	**24.7**	39.7	
Finance costs	**(109.7)**	(110.2)	
Profit before tax	**714.2**	1,234.2	(42.1)
Tax expense	**(198.0)**	(238.5)	
Profit from continuing operations	**516.2**	995.7	(48.2)
Profit from discontinued operations	**–**	345.3	
Profit for the period	**516.2**	1,341.0	(61.5)
Non-controlling interests	**(27.2)**	(30.4)	
Profit after tax and non-controlling interests	**489.0**	1,310.6	(62.7)

For the first quarter ended 30 September 2013, the Group's pre-tax profit at RM714.2 million was 42.1% lower than that of the preceding quarter. Net earnings of the Group declined by 62.7% to RM489.0 million. The drop was attributable to lower earnings from all divisions except Energy & Utilities and Others.

a) Plantation

Plantation registered lower profit by 36.3% despite the higher average CPO price realised for the quarter of RM2,331 per tonne against RM2,250 per tonne in the preceding quarter due to the lower CPO sales volume of 11.0%. FFB production was higher by 22.0% with Malaysia and Indonesia registering higher production by 34.7% and 2.3% respectively.

Midstream and downstream operations recorded a lower profit of RM11.0 million compared to RM64.6 million in the preceding quarter mainly due to lower share of profit from Emery Group and the net reversal of impairment of property, plant and equipment totaling RM35.4 million recognised in the preceding quarter.

b) Industrial

Contribution from Industrial division was lower by 11.5% compared to the preceding quarter primarily due to lower sales from equipment and product support to the mining sector in Australia but mitigated by higher equipment deliveries to the mining sector in Papua New Guinea and the gain on disposal of property of RM42 million.

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

c) Motors

Motors division registered a 47.7% drop in profit to RM106.6 million mainly attributable to the weaker market sentiment in Singapore and Thailand and the continued stiff competition in China with heavy discounting in the luxury car segment, adversely affecting margins.

d) Property

Profit from Property for the current quarter declined by 78.3% compared to the preceding quarter due to the lower profit recognition from property development in Elmina East and Denai Alam and the recognition for the sale of industrial lots in the preceding quarter for Bandar Bukit Raja, Taman Pasir Putih and Elmina East.

e) Energy & Utilities

The results of Energy & Utilities improved by 41.3% largely due to the allowance for doubtful debts in the preceding quarter following the Notice of Arbitration against Tenaga Nasional Berhad on the method of computation of the adjustment factors for the operating rates. The port operations in China registered lower profit of 31.3% for the current quarter as a result of lower throughput and higher operating expenses for the newly completed additional berth facilities.

f) Others

Contribution from Other businesses improved by RM5.5 million in the quarter under review due to the higher share of profit from Tesco Stores (Malaysia) Sdn Bhd.

B3. Prospects

The global economic environment remains challenging and uncertain although the recovery of certain major economies are appearing to be slowly gaining traction. The business environments in the markets in which the Group operates are expected to be difficult as they continue to be affected by volatile commodity prices, continued weakness in consumer sentiment and the inability to sustain growth.

Crude palm oil prices are still subdued despite the palm oil inventory having declined to its current low level. However, the demand for biodiesel has increased and the timely implementation of higher biodiesel mandates in Malaysia and Indonesia may provide a boost to the palm oil sector. The Group's 825,000 MT refinery in Pulau Laut, Kalimantan is scheduled to commence operations in December 2013, allowing the Group to capitalise on the current low feedstock cost and better refining margins. The Group is also on-track in its strategy to expand the planted hectarage, with the acceleration of new planting in Liberia.

The Industrial division remains affected by the slowdown in the mining sector in Australia, plagued by low commodity prices. This has resulted in lower deliveries of industrial equipment but the demand for parts and services and rental equipment remains strong. In China, the market has turned positive with demand picking-up in the construction and power sectors while in Malaysia, demand for industrial equipment continues to be well supported by the increased infrastructure spending.

The performance of the Motors division has been affected by the persistently adverse market conditions in most of the countries in which it operates. In China, the stiff competition in the luxury and super-luxury vehicle sectors has resulted in price discounts and greater pressure on margins. The weak market sentiment, coupled with changes in regulatory policies and tighter credit limits are expected to have an impact on vehicle demand. Notwithstanding this, the division has continued with its strategy to expand into new markets and adding new marques, as seen by its recent investments into the Kia and BMW/Mini distributorships in Taiwan and Vietnam respectively.

The Malaysian 2014 Budget announced recently has included the launching of the goods and services tax (GST) for implementation on 1 April 2015. It has also introduced a series of other measures aimed to curb the rising property prices. The property market has grown at a more moderate pace following the stringent credit policies imposed by the Central Bank. Nevertheless, demand for landed properties in strategic locations remains resilient and the Group will be focusing on this sector of the market in its future launches in the Klang Valley. On the Battersea Power Station Project, Phase II of the project is expected to be launched early next year, following the very successful launch of Phase I.

The Ports operations in China have been affected by the slower economic growth in the region. The impact however, has been mitigated by the increase in the port capacity with the completion of the 1x20,000 MT berth and the container terminal. These have resulted in higher throughput and an increase in cargo mix and tariff rates. The Weifang Port is expected to increase its throughout capacity as the additional 2x20,000 MT berths will be operationalised in January 2014. The Group, with its planned capacity expansion in the Weifang Port is aligned to the strategic plans of the local authorities to accelerate the growth in the region.

Despite the difficult and challenging market conditions and, barring any unforeseen circumstances, the Board is optimistic that the Group's performance for the financial year ending 30 June 2014 will be satisfactory.

B4. Statement by Board of Directors on Internal Targets

The Board of Directors wish to announce the following key performance indicators (KPI) for the financial year ending 30 June 2014:

	Target Year ending 30 June 2014
Profit attributable to owners of the Company (RM million)	2,800
Return on average shareholders' equity (%)	10.0

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 September	
	2013	**2012**
Included in operating profit are:		
Depreciation and amortisation	**(313.0)**	(315.3)
Amortisation of prepaid lease rentals	**(12.4)**	(11.4)
(Impairment)/reversal of impairment of		
- property, plant and equipment	**(0.9)**	0.5
- receivables	**2.4**	–
Write down of inventories (net)	**1.9**	–
Gain/(loss) on disposal of		
- property, plant and equipment		
- land and buildings	**44.0**	29.7
- others	**(0.6)**	1.3
- investment properties	**0.8**	0.5
Net foreign exchange loss	**(63.6)**	(6.2)
Gain/(loss) on cross currency swap contract	**17.6**	(35.8)
(Loss)/gain on forward foreign exchange contracts	**(12.3)**	14.1
Included in finance costs is:		
Loss on interest rate swap contracts	–	(2.9)
Included in discontinued operations is:		
Depreciation and amortisation	–	(7.5)

Amounts in RM million unless otherwise stated

B7. Tax Expense

	Quarter ended 30 September	
	2013	**2012**
Continuing operations		
In respect of the current period:		
- current tax	**206.2**	325.3
- deferred tax	**1.3**	(16.5)
	207.5	308.8
In respect of prior years:		
- current tax	**(8.4)**	(66.4)
- deferred tax	**(1.1)**	7.2
	198.0	249.6
Discontinued operations	–	0.5
	198.0	250.1

The effective tax rate for the current quarter ended 30 September 2013 of 27.7% is higher than the Malaysian income tax rate of 25% due mainly to certain expenses being disallowed for tax purposes.

B8. Status of Corporate Proposal

The corporate proposal announced but not completed as at 21 November 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 including the final agreed form of the palm oil mill effluent supply agreement and land lease agreement, which are still under negotiation.

Amounts in RM million unless otherwise stated

B9. Group Borrowings

	As at 30 September 2013		
Long-term borrowings	**Secured**	**Unsecured**	**Total**
Term loans	**520.6**	**2,836.7**	**3,357.3**
Islamic Medium Term Notes	**–**	**2,400.0**	**2,400.0**
Sukuk	**–**	**2,570.3**	**2,570.3**
	520.6	**7,807.0**	**8,327.6**
Short-term borrowings			
Bank overdrafts	**–**	**76.8**	**76.8**
Portion of term loans due within one year	**0.5**	**15.2**	**15.7**
Revolving credits, trade facilities and other short-term borrowings	**–**	**1,817.8**	**1,817.8**
	0.5	**1,909.8**	**1,910.3**
Total borrowings	**521.1**	**9,716.8**	**10,237.9**

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	**4,416.6**	**487.8**	**4,904.4**
Australian dollar	**–**	**132.4**	**132.4**
Chinese renminbi	**19.0**	**578.7**	**597.7**
Indonesian Rupiah	**–**	**86.4**	**86.4**
New Zealand dollar	**–**	**121.9**	**121.9**
Pacific franc	**30.5**	**0.5**	**31.0**
Singapore dollar	**–**	**10.7**	**10.7**
Thailand baht	**–**	**71.9**	**71.9**
United States dollar	**3,861.5**	**420.0**	**4,281.5**
Total borrowings	**8,327.6**	**1,910.3**	**10,237.9**

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 September 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	**27.0**	**67.0**	**(0.3)**	**(51.5)**	**42.2**
Interest rate swap contracts	**14.1**	**–**	**(0.1)**	**(4.1)**	**9.9**
Cross currency swap contract	**84.0**	**–**	**–**	**(39.6)**	**44.4**
Commodity futures contracts	**–**	**2.9**	**–**	**(1.5)**	**1.4**
	125.1	**69.9**	**(0.4)**	**(96.7)**	**97.9**

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 2013.

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 September 2013, the notional amount, fair value and maturity period of the forward foreign exchange contracts are as follows:

	Notional Amount	Fair Value Assets
- less than 1 year	**3,193.1**	**15.5**
- 1 year to 2 years	**355.4**	**26.7**
	3,548.5	**42.2**

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 September 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 September 2013, the notional amount, fair value and maturity period of the interest rate swap contracts are as follows:

	Notional Amount	**Fair Value Assets/ (Liabilities)**
- less than 1 year	–	**(4.1)**
- 1 year to 3 years	**431.0**	**(0.1)**
- 3 years to 7 years	**537.5**	**14.1**
	968.5	**9.9**

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 September 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	–	**(39.6)**
- 1 year to 3 years	**574.6**	**5.0**
- 3 years to 7 years	**716.6**	**79.0**
	1,291.2	**44.4**

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 September 2013 that are not held for the purpose of physical delivery are as follows:

	Quantity (metric tonne)	**Notional Amount**	**Fair Value Assets**
Purchase contracts	**31,263**	**75.0**	**0.1**
Sales contracts	**23,550**	**58.0**	**1.3**
			1.4

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 September 2013	**As at 30 June 2013**
Total retained profits of the Company and its subsidiaries		
- realised	**23,063.8**	22,470.6
- unrealised	**5,903.9**	5,597.8
	28,967.7	28,068.4
Total share of retained profits from jointly controlled entities		
- realised	**65.3**	34.5
- unrealised	**(11.8)**	(10.1)
	53.5	24.4
Total share of retained profits from associates		
- realised	**398.5**	311.4
- unrealised	**(0.9)**	(3.8)
	397.6	307.6
Less: consolidation adjustments	**(12,194.0)**	(11,638.3)
Total retained profits of the Group	**17,224.8**	16,762.1

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

B11. Material Litigation

Changes in material litigation since the date of the last audited annual statement of financial position up to 21 November 2013 are as follows:

a. PT Adhiyasa Saranamas (PTAS)

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 (Appeal). At the hearing of the Appeal on 7 November 2013, the Court of Appeal unanimously dismissed the Appeal with costs of RM20,000.

b. Qatar Petroleum Project (QP Project), Maersk Oil Qatar Project (MOQ Project) and the Marine Project Civil Suits

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 in the High Court 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.

B11. Material Litigation (continued)

Changes in material litigation since the date of the last audited annual statement of financial position up to 21 November 2013 are as follows: (continued)

b. Qatar Petroleum Project (QP Project), Maersk Oil Qatar Project (MOQ Project) and the Marine Project Civil Suits (continued)

(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).

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). On 18 September 2013, the Federal Court dismissed DSAZ's Leave to Appeal with costs (Federal Court Decision). Following the Federal Court Decision, third party counsels sent notices of demand requiring DSAZ and DMS to pay the costs awarded by the court (together with interest at the rate of 5% from the date of the court order until the date of payment) within 21 days from the date of the notices. The total aggregate sum demanded from DSAZ was RM120,000 while the aggregate sum demanded from DMS was RM95,000. On 30 October 2013, all the third party counsels received the costs demanded from DSAZ. However, DMS has yet to settle the costs awarded.

(ii) Main Suit

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

On 9 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). At the case management on 25 September 2013, the parties updated the High Court of the Federal Court Decision. The High Court fixed 25 November 2013 for mention before the new presiding judge, Datin Hajjah Azizah Bt. Haji Nawawi. The High Court has scheduled the next case management on 8 January 2014 pending the completion of the discovery process. There is no trial date fixed for the main suit.

c. Bakun Hydroelectric Project (Bakun Project) and the Indemnity Agreement Civil Suits

On 24 December 2010, Sime Darby Berhad (SDB), Sime Engineering Sdn Bhd (SESB), Sime Darby Holdings Berhad (SDHB) and Sime Darby Energy Sdn Bhd (collectively, the Plaintiffs) filed a civil suit in the High Court 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 RM91,351,313.49 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.

B11. Material Litigation (continued)

Changes in material litigation since the date of the last audited annual statement of financial position up to 21 November 2013 are as follows: (continued)

c. Bakun Hydroelectric Project (Bakun Project) and the Indemnity Agreement Civil Suits (continued)

DMS, the 2nd Defendant, also filed similar third party notices dated 20 April 2011 against 11 individuals, SESB 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 all 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).

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). On 18 September 2013, the Federal Court dismissed DSAZ's Leave to Appeal with costs (Federal Court Decision). Following the Federal Court Decision, third party counsels sent notices of demand requiring DSAZ and DMS to pay the costs awarded by the court (together with interest at the rate of 5% from the date of the court order until the date of payment) within 21 days from the date of the notices. The total aggregate sum demanded from DSAZ was RM120,000 while the aggregate sum demanded from DMS was RM95,000. On 30 October 2013, all the third party counsels received the costs demanded from DSAZ. However, DMS has yet to settle the costs awarded.

(ii) Main Suit

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

On 9 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). At the case management on 25 September 2013, the parties updated the High Court of the Federal Court Decision. The High Court fixed 25 November 2013 for mention before the new presiding judge, Datin Hajjah Azizah Bt. Haji Nawawi. The High Court has scheduled the next case management on 8 January 2014 pending the completion of the discovery process. There is no trial date fixed for the main suit.

d. Emirates International Energy Services (EMAS)

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) (First Suit) claiming payment of USD178.2 million comprising (a) a payment of USD128.2 million for commissions; and (b) a payment of USD50.0 million as "morale compensation".

SDE filed its Statement of Defence and Counter Claim for the sum of AED100 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.

B11. Material Litigation (continued)

Changes in material litigation since the date of the last audited annual statement of financial position up to 21 November 2013 are as follows: (continued)

d. Emirates International Energy Services (EMAS) (continued)

On 22 August 2011, the Court dismissed EMAS's claim based on SDE's Plea. EMAS did not file an appeal against the Court's decision.

(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. The arbitration has now been stayed pending the disposal of the suit filed by EMAS at the Judicial Department of Abu Dhabi.

(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 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 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. 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 proceeded in the court of first instance.

On 11 June 2013, the Court of first instance delivered its interim order to appoint a court expert specialising in commercial agencies and ordered EMAS to pay AED45,000 being court expert fees.

On 29 June 2013, the court expert held a session with SDE's local counsel to understand SDE's position in this matter. Another session was fixed on 3 July 2013 for further deliberation with the court expert, at which SDE's proposal for settlement on a retainer basis was rejected by EMAS. The court expert released his report to the parties on 30 July 2013 and recommended that SDE pays EMAS compensation of approximately USD11,240,000.

At the hearing on 2 October 2013, SDE and EMAS challenged the findings of the court expert. At the postponed hearing on 8 October 2013, the court directed the court expert to address each of the objections raised by SDE and EMAS, and to submit his supplemental report by 11 December 2013.

B11. Material Litigation (continued)

Changes in material litigation since the date of the last audited annual statement of financial position up to 21 November 2013 are as follows: (continued)

e. Michael Chow Keat Thye (the Applicant)

On 18 November 2011, Michael Chow Keat Thye (the 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)'s 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 take-over offer obligation and seek for an Order of the High Court to compel SD Nominees to make a mandatory take-over 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 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.

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 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 filed a corrective affidavit on 8 January 2013 to correct the impugned paragraphs in his affidavit. In light of the corrective affidavit, the application to expunge was withdrawn on 16 January 2013.

The Court fixed the hearing of the Judicial Review on 1 November 2013.

At the hearing on 1 November 2013, counsel for the SC raised a jurisdictional issue as a preliminary objection. This jurisdictional issue was premised on the Applicant's failure to exhaust the statutory remedies available under the Securities Commission Act 1993 (SCA) and/or the Capital Markets and Services Act 2007 (CMSA) prior to filing the application for judicial review and his failure to make full and frank disclosure of the fact that he had not exhausted the statutory remedies at the ex-parte hearing for leave for judicial review. The judge postponed the matter to 14 November 2013 to deliver judgment on the jurisdictional point.

On 14 November 2013, the judge allowed the preliminary objection taken by the SC and held that the Applicant's failure to pursue alternative remedies available under the SCA and the CMSA was fatal to the Applicant's application for Judicial Review. The application for Judicial Review was consequently struck out. The Applicant has one month to appeal to the Court of Appeal.

f. Qatar Petroleum (QP) Statement of Claim

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 QAR1,005,359,061. The claim seeks the repayment of a liquidated performance bond, payment of outstanding invoices, compensation and additional costs incurred 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.

On 28 November 2012, QP filed its Statement of Defence and the supporting documents in Arabic were filed on 10 January 2013.

B11. Material Litigation (continued)

Changes in material litigation since the date of the last audited annual statement of financial position up to 21 November 2013 are as follows: (continued)

f. Qatar Petroleum (QP) Statement of Claim (continued)

On 28 February 2013, in its reply to QP's Defence, SDE made an upward revision to the amount claimed in respect of the performance bond. The total claim currently stands at QAR1,008,115,825. On 19 March 2013, QP to file its reply.

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 (which comprise of an accountant and two engineering technicians) and ordered experts' fees of QAR90,000 to be paid by SDE by 9 July 2013. On 9 July 2013, the judge informed the parties that there are no technicians within the Administrative Court's list who is expert in the installation of offshore platforms and pipelines and adjourned the case to 23 July 2013 for the parties to submit suggestions as to the experts to be appointed.

On 23 July 2013, QP submitted the names of 2 candidates for the engineering expert positions. On 30 July 2013, SDE nominated 3 candidates for the same positions. The Administrative Court fixed 5 November 2013 for hearing.

On 24 October 2013, SDE's solicitors were informed that the matter has now been transferred to a new circuit court and the hearing before the new court has been fixed on 7 November 2013.

On 7 November 2013, the parties submitted their respective nominations for court experts. The case has been adjourned to 28 November 2013 to allow the parties to file their submissions and recommendations for the court to decide on the appointment of the experts.

g. Tenaga Nasional Berhad (TNB) Notice of Arbitration

On 26 March 2013, Port Dickson Power Berhad (PDP) filed a Notice of Arbitration against Tenaga Nasional Berhad (TNB) claiming:

(a) adjustments to a claim for Fixed Operating Rate and Variable Operating Rate amounting to RM56,642,029.42 from February 1999 to November 2011 with interest thereon; or

(b) alternatively, a claim of RM76,133,552.75 from February 1999 to October 2012 with interest thereon.

TNB submitted its response to PDP's Notice of Arbitration on 29 April 2013. The Kuala Lumpur Regional Centre for Arbitration (KLRCA) confirmed the appointment of the parties' arbitrators on 28 May 2013 and 7 June 2013, respectively. On 3 July 2013, KLRCA officiated the appointment of the Chairman of the arbitration tribunal.

The tribunal issued the Arbitrators' Fees structure on 22 July 2013, which was duly accepted by PDP and TNB. A Statement of Claim has been filed by PDP with the tribunal on 30 September 2013. TNB filed its Statement of Defence on 31 October 2013 while PDP filed its reply to TNB's Statement of Defence on 14 November 2013. The tribunal has proposed that a preliminary meeting be held on 9 or 10 December 2013.

B11. Material Litigation (continued)

Changes in material litigation since the date of the last audited annual statement of financial position up to 21 November 2013 are as follows: (continued)

h. Swiber Offshore Construction Pte Ltd (SOC) Notice of Arbitration

Swiber Offshore Construction Pte Ltd (SOC) and Sime Darby Engineering Sdn Bhd (SDE) entered into Consortium Agreement dated 3 July 2010 (CA) to govern their relationship as a consortium for the Process Platform for B-193 Project (Project) awarded by Oil and Natural Gas Corporation Ltd (ONGC) via a Notification of Award dated 19 May 2010 for a total contract price of USD618,376,022.

Disputes and differences relating to the Project have since arisen between SOC and SDE.

On 29 August 2013, SDE received a Notice of Arbitration dated 28 August 2013 (Notice) from SOC to refer, pursuant to the provisions of the CA, the disputes and differences in relation to its claim against SDE to arbitration before the Singapore International Arbitration Centre (SIAC) in accordance with the UNCITRAL Rules. The claim from SOC as stated in the Notice is in excess of USD30 million.

SDE submitted its response to the Notice on 27 September 2013 and informed SOC of SDE's intention to file a counterclaim. SOC served its Statement of Claim on 4 October 2013.

SDE has been advised by its lawyers to raise a preliminary objection based on jurisdictional issues as the dispute resolution process set out in Article 12 of the CA had not been complied with.

On 14 November 2013, the parties met the arbitrator to discuss on the timeline for the arbitration including SDE's preliminary objection on the jurisdictional issue.

The tribunal fixed 10 January 2014 to hear the jurisdictional issue, and 5 January 2015 for the arbitration proceeding.

i. Oil and Natural Gas Corporation Ltd (ONGC)

Sime Darby Engineering Sdn Bhd (SDE) and Swiber Offshore Construction Pte Ltd (SOC) entered into a Consortium Agreement dated 23 February 2010 (CA) to govern their relationship as a Consortium in relation to the execution and performance of the 05 Well Head Platform Project (05WHP Project) awarded by Oil and Natural Gas Corporation Ltd (ONGC). A contract dated 26 February 2010 (Contract) was executed for a total contract price of USD188,884,887.

Disputes and differences relating to the 05WHP Project have since arisen between the Consortium and ONGC. The Consortium has invoked the referral of the dispute to arbitration pursuant to Clause 1.3.2 of the Contract. SDE's portion of the Consortium's claim is circa USD32.5 million.

The Consortium and ONGC have now agreed to refer the dispute to an Outside Expert Committee (OEC) as prescribed in the Contract. The OEC proceedings will be conducted in accordance with Part III of the Arbitration and Conciliation Act 1996 of the laws of India and will be held in New Delhi, India.

By a letter dated 28 August 2013 received by SDE on 5 September 2013, ONGC notified the Consortium of the constitution of the OEC panel and the proposed timeline for the OEC proceedings.

The Consortium filed its Statement of Claim on 23 October 2013 while ONGC was expected to file its Statement of Defence by 14 November 2013 but to-date, SDE has not received ONGC's Statement of Defence.

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) which is not taxable in the hands of the shareholders pursuant to paragraph 12B of Schedule 6 of the Income Tax Act 1967. The proposed dividend was approved by members at the Annual General Meeting held on 21 November 2013.

B12. Dividend (continued)

At an Extraordinary General Meeting held on 21 November 2013, the dividend reinvestment plan was also approved by the members. The Board has determined that the dividend reinvestment plan applies 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 dividend reinvestment plan, the Board has also determined that the issue price of new Sime Darby Shares to be issued pursuant to the Final Dividend will be at 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. The price fixing date will be announced at a later date.

B13. Earnings/(Loss) Per Share

	Quarter ended 30 September	
	2013	**2012**
Earnings per share attributable to owners of the Company are computed as follows:		
Basic		
Profit for the period		
- from continuing operations	**489.0**	985.4
- from discontinued operations	–	4.9
	489.0	990.3
Weighted average number of ordinary shares in issue (million)	**6,009.5**	6,009.5
Earnings per share (sen)		
- from continuing operations	**8.14**	16.40
- from discontinued operations	–	0.08
	8.14	16.48
Diluted		
Profit for the period		
- from continuing operations *	**488.9**	985.4
- from discontinued operations	**–**	4.9
	488.9	990.3
Weighted average number of ordinary shares in issue (million)	**6,009.5**	6,009.5
Earnings per share (sen)		
- from continuing operations	**8.14**	16.40
- from discontinued operations	–	0.08
	8.14	16.48

* adjusted for the dilutive effect of long-term stock incentive plan of an associate of RM0.1 million (2012: Nil) for the quarter ended 30 September 2013

By Order of the Board
Norzilah Megawati Abdul Rahman
Group Secretary

Kuala Lumpur
28 November 2013