QUARTERLY REPORT

On the consolidated results for the fourth quarter ended 30 June 2014

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 June 2014	Quarter ended 30 June 2013	% +/(-)	Year ended 30 June 2014	Year ended 30 June 2013	% +/(-)
Continuing operations							
Revenue	A7	**12,513.6**	12,750.6	(1.9)	**43,908.0**	46,109.0	(4.8)
Operating expenses		**(11,493.1)**	(11,844.1)		**(41,163.1)**	(42,833.2)	
Other operating income		**412.6**	311.7		**1,373.7**	1,217.6	
Operating profit	B6	**1,433.1**	1,218.2	17.6	**4,118.6**	4,493.4	(8.3)
Share of results of joint ventures		**(16.2)**	28.4		**(39.1)**	25.9	
Share of results of associates		**14.2**	43.8		**139.3**	115.2	
Profit before interest and tax	A7	**1,431.1**	1,290.4	10.9	**4,218.8**	4,634.5	(9.0)
Finance income		**47.7**	39.1		**160.8**	124.8	
Finance costs	B6	**(98.2)**	(112.7)		**(415.0)**	(445.3)	
Profit before tax		**1,380.6**	1,216.8	13.5	**3,964.6**	4,314.0	(8.1)
Tax expense	B7	**(277.1)**	(236.2)		**(707.5)**	(952.9)	
Profit from continuing operations		**1,103.5**	980.6	12.5	**3,257.1**	3,361.1	(3.1)
Discontinued operations							
Profit from discontinued operations (see note below)	B6	**159.2**	360.4		**263.4**	470.5	
Profit for the period		**1,262.7**	1,341.0	(5.8)	**3,520.5**	3,831.6	(8.1)
Attributable to owners of:							
- the Company							
- from continuing operations		**1,033.7**	950.2		**3,089.3**	3,230.1	
- from discontinued operations		**159.2**	360.4		**263.4**	470.5	
		1,192.9	1,310.6	(9.0)	**3,352.7**	3,700.6	(9.4)
- non-controlling interests		**69.8**	30.4	129.6	**167.8**	131.0	28.1
Profit for the period		**1,262.7**	1,341.0	(5.8)	**3,520.5**	3,831.6	(8.1)
		Sen	**Sen**		**Sen**	**Sen**	
Earnings per share attributable to owners of the Company	B13						
Basic							
- from continuing operations		**17.05**	15.81		**51.21**	53.75	
- from discontinued operations		**2.63**	6.00		**4.37**	7.83	
		19.68	21.81	(9.8)	**55.58**	61.58	(9.7)
Diluted							
- from continuing operations		**17.04**	15.80		**51.20**	53.74	
- from discontinued operations		**2.63**	6.00		**4.37**	7.83	
		19.67	21.80	(9.8)	**55.57**	61.57	(9.7)

Note: The discontinued operations during the year are in relation to the disposal of the power generation business under the Energy & Utilities Division, see Note A11.1 for details. In the previous year, it was in respect 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 June			Year ended 30 June		
	2014	**2013**	**% +/(-)**	**2014**	**2013**	**% +/(-)**
Profit for the period	**1,262.7**	1,341.0	(5.8)	**3,520.5**	3,831.6	(8.1)
Other comprehensive income/(loss)						
Items that will be reclassified subsequently to profit or loss:						
Currency translation differences:						
- subsidiaries	**(331.7)**	(316.9)		**(443.1)**	(639.0)	
- joint ventures	**1.5**	(2.5)		**50.0**	(7.9)	
- associates	**(1.7)**	(6.8)		**5.3**	(7.9)	
Net changes in fair value of:						
- available-for-sale investments	**2.8**	4.5		**11.4**	17.1	
- cash flow hedges	**(8.2)**	37.6		**17.7**	57.0	
Share of other comprehensive income/(loss) of:						
- joint ventures	**(3.8)**	9.9		**16.1**	9.9	
- associates	**0.6**	(2.2)		**(0.8)**	0.8	
Tax expense	**1.0**	(17.1)		**(5.7)**	(13.8)	
	(339.5)	(293.5)		**(349.1)**	(583.8)	
Items that will not be reclassified subsequently to profit or loss:						
Actuarial losses on defined benefit pension plans	**(19.3)**	(19.0)		**(19.1)**	(19.0)	
Share of other comprehensive income of a joint venture	**–**	3.6		**17.6**	(48.0)	
Tax expense	**(0.2)**	2.8		**(0.2)**	2.8	
	(19.5)	(12.6)		**(1.7)**	(64.2)	
Reclassification adjustments:						
Reclassified to profit or loss:						
- currency translation differences	**(2.5)**	17.7		**(101.0)**	17.7	
- changes in fair value of available-for-sale investments	**(0.1)**	–		**(0.1)**	(0.2)	
- changes in fair value of cash flow hedges	**38.5**	(150.7)		**19.7**	(114.0)	
Reclassified changes in fair value of cash flow hedges to inventories	**7.8**	0.5		**49.5**	0.6	
Tax expense	**(13.5)**	46.3		**(20.9)**	35.2	
	30.2	(86.2)		**(52.8)**	(60.7)	
Total other comprehensive loss from continuing operations	**(328.8)**	(392.3)	16.2	**(403.6)**	(708.7)	43.1
Total comprehensive income for the period	**933.9**	948.7	(1.6)	**3,116.9**	3,122.9	(0.2)
Attributable to owners of:						
- the Company						
- from continuing operations	**735.7**	545.1		**2,748.1**	2,534.5	
- from discontinued operations	**159.2**	360.4		**263.4**	470.5	
	894.9	905.5	(1.2)	**3,011.5**	3,005.0	0.2
- non-controlling interests	**39.0**	43.2	(9.7)	**105.4**	117.9	(10.6)
Total comprehensive income for the period	**933.9**	948.7	(1.6)	**3,116.9**	3,122.9	(0.2)

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 June 2014	Audited As at 30 June 2013
Non-current assets			
Property, plant and equipment		**14,061.3**	14,096.4
Biological assets		**2,534.1**	2,498.5
Prepaid lease rentals		**1,160.9**	1,141.1
Investment properties		**656.2**	633.4
Land held for property development		**927.7**	864.2
Joint ventures		**1,601.8**	1,295.8
Associates		**1,521.0**	1,585.8
Available-for-sale investments		**171.6**	118.7
Intangible assets		**1,184.4**	915.0
Deferred tax assets		**989.2**	924.0
Tax recoverable		**396.5**	391.0
Derivatives	B10(a)	**69.7**	136.9
Receivables		**588.0**	656.5
		25,862.4	25,257.3
Current assets			
Inventories		**9,469.6**	8,714.5
Property development costs		**1,910.6**	2,068.3
Receivables		**6,559.2**	6,057.2
Accrued billings and others		**1,534.7**	1,244.2
Tax recoverable		**194.6**	287.1
Derivatives	B10(a)	**41.4**	45.3
Cash held under Housing Development Accounts		**514.2**	560.3
Bank balances, deposits and cash		**4,381.8**	4,093.5
		24,606.1	23,070.4
Non-current assets held for sale (see note below)		**392.2**	130.4
Total assets	A7	**50,860.7**	48,458.1
Equity			
Share capital		**3,032.1**	3,004.7
Reserves		**25,556.5**	24,091.6
Attributable to owners of the Company		**28,588.6**	27,096.3
Non-controlling interests		**848.5**	884.8
Total equity		**29,437.1**	27,981.1
Non-current liabilities			
Borrowings	B9	**8,130.4**	7,993.4
Finance lease obligation		**145.9**	157.8
Provisions		**49.3**	92.0
Retirement benefits		**141.5**	154.5
Deferred income		**375.7**	291.0
Deferred tax liabilities		**472.4**	642.2
Derivatives	B10(a)	**3.1**	1.9
		9,318.3	9,332.8
Current liabilities			
Payables		**8,079.3**	8,235.8
Progress billings and others		**207.0**	80.0
Borrowings	B9	**3,044.5**	2,092.2
Finance lease obligation		**6.6**	6.5
Provisions		**284.2**	233.5
Deferred income		**102.1**	61.6
Tax payable		**268.4**	229.3
Derivatives	B10(a)	**29.0**	115.0
		12,021.1	11,053.9
Liabilities associated with assets held for sale (see note below)		**84.2**	90.3
Total liabilities		**21,423.6**	20,477.0
Total equity and liabilities		**50,860.7**	48,458.1

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

	Unaudited As at 30 June 2014	Audited As at 30 June 2013
Net assets per share attributable to owners of the Company (RM)	**4.71**	4.51

Note:

	Unaudited As at 30 June 2014	Audited As at 30 June 2013
Non-current assets held for sale		
Non-current assets		
Property, plant and equipment	**–**	3.0
Prepaid lease rentals	**–**	0.7
Investment properties	**2.5**	–
Associates	**262.9**	23.8
Disposal group	**126.8**	102.9
	392.2	130.4
Liabilities associated with assets held for sale		
Disposal group	**84.2**	90.3

The non-current assets held for sale and liabilities associated with assets held for sale, include the following:

i. Syarikat Malacca Straits Inn Sdn Bhd and Sime Darby Australia Limited group, classified as disposal group

ii. the Group's 9.9% equity interest in Eastern & Oriental Berhad, see Note A10 for details.

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

Year ended 30 June 2014	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
At 1 July 2013	3,004.7	100.6	–	67.9	6,753.5	75.4	(100.0)	62.7	369.4	16,762.1	27,096.3	884.8	27,981.1
Total comprehensive income for the year	–	–	–	–	–	–	60.5	10.6	(411.0)	3,351.4	3,011.5	105.4	3,116.9
Transfer between reserves	–	–	–	(0.9)	132.9	(5.3)	–	–	–	(126.7)	–	–	–
Employee share Scheme	–	–	39.1	–	–	–	–	–	–	–	39.1	–	39.1
Share of capital reserve of associates	–	–	–	–	(1.7)	–	–	–	–	–	(1.7)	–	(1.7)
Acquisition of non-wholly owned subsidiaries	–	–	–	–	–	–	–	–	–	–	–	13.5	13.5
Acquisition of non-controlling interest	–	–	–	–	–	–	–	–	–	(52.0)	(52.0)	(25.3)	(77.3)
Disposal of a subsidiary	–	–	–	–	–	–	–	–	–	–	–	(68.8)	(68.8)
Dividends paid by way of:													
- issuance of new shares pursuant to the Dividend Reinvestment Plan	27.4	455.1	–	–	–	–	–	–	–	(482.5)	–	–	–
- cash	–	–	–	–	–	–	–	–	–	(1,503.9)	(1,503.9)	(61.1)	(1,565.0)
Share issue expenses	–	(0.7)	–	–	–	–	–	–	–	–	(0.7)	–	(0.7)
At 30 June 2014	3,032.1	555.0	39.1	67.0	6,884.7	70.1	(39.5)	73.3	(41.6)	17,948.4	28,588.6	848.5	29,437.1

SIME DARBY BERHAD
(Company No: 752404-U)

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

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	–	(35.2)	17.6	(614.1)	3,636.7	3,007.8	117.9	3,125.7
Transfer between reserves	–	–	–	1.8	0.6	–	–	–	(2.4)	–	–	–
Issue of shares in a subsidiary	–	–	–	–	–	–	–	–	–	–	9.5	9.5
Acquisition of non-wholly owned subsidiaries	–	–	–	–	–	–	–	–	–	–	11.3	11.3
Acquisition of non-controlling interest	–	–	–	–	–	–	–	–	(4.5)	(4.5)	(18.5)	(23.0)
Disposal of non-wholly owned subsidiaries	–	–	–	–	–	–	–	–	–	–	(4.7)	(4.7)
Liquidation of subsidiaries	–	–	–	–	–	–	–	–	–	–	(1.0)	(1.0)
Dividends paid in cash	–	–	–	–	–	–	–	–	(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	(100.0)	62.7	369.4	16,762.1	27,096.3	884.8	27,981.1

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	Year ended 30 June 2014	2013
Profit after tax		**3,520.5**	3,831.6
Adjustments for:			
Gain on disposal of subsidiaries, a joint venture, an associate and other investments		**(162.8)**	(357.5)
Gain on disposal of properties		**(107.2)**	(76.9)
Share of results of joint ventures and associates		**(100.2)**	(141.1)
Finance income		**(164.0)**	(128.2)
Finance costs		**416.9**	449.3
Depreciation and amortisation		**1,198.2**	1,269.5
Amortisation of prepaid lease rentals		**50.1**	48.3
Tax expense		**744.9**	993.5
Other non-cash items		**100.3**	(56.3)
		5,496.7	5,832.2
Changes in working capital:			
Inventories and rental assets		**(504.7)**	(6.6)
Property development costs		**(99.0)**	(273.8)
Land held for property development		**(31.6)**	(41.6)
Trade and other receivables and prepayments		**(1,504.5)**	398.5
Trade and other payables and provisions		**57.8**	(909.5)
Cash generated from operations		**3,414.7**	4,999.2
Tax paid		**(722.3)**	(1,397.8)
Dividends from joint ventures and associates		**37.2**	34.9
Dividends from available-for-sale investments		**42.8**	64.4
Net cash from operating activities		**2,772.4**	3,700.7
Investing activities			
Finance income received		**180.9**	120.0
Purchase of property, plant and equipment		**(1,361.8)**	(2,222.4)
Purchase of subsidiaries and business	A11.2	**(189.5)**	(7.3)
Purchase/subscription of shares in joint ventures and associates		**(360.5)**	(483.3)
Purchase of investment properties		**(25.9)**	(15.6)
Purchase of available-for-sale investments		**(51.3)**	(30.2)
Purchase of intangible assets		**(161.3)**	(73.9)
Cost incurred on biological assets		**(212.0)**	(154.1)
Net cash inflow from sale of subsidiaries	A11.1	**806.6**	(10.4)
Payment for prepaid lease rental		**(176.0)**	(101.0)
Proceeds from sale of an associate		**23.0**	23.9
Proceeds from sale of available-for-sale investments		**10.3**	40.4
Proceeds from sale of property, plant and equipment		**170.7**	786.7
Proceeds from sale of investment property		**5.2**	26.6
Proceeds from sale of prepaid lease rental		**3.9**	–
Others		**102.0**	(60.8)
Net cash used in investing activities		**(1,235.7)**	(2,161.4)

SIME DARBY BERHAD
(Company No: 752404-U)

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

	Year ended 30 June 2014	2013
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	**(77.3)**	(23.0)
Share issue expenses	**(0.7)**	–
Proceeds from shares issued to owner of non-controlling interest	**–**	9.5
Finance costs paid	**(419.1)**	(443.9)
Long-term borrowings raised	**1,536.2**	4,757.5
Repayments of long-term borrowings	**(360.8)**	(2,182.1)
Revolving credits, trade facilities and other short-term borrowings (net)	**(333.6)**	(2,000.9)
Dividends paid	**(1,565.0)**	(2,026.6)
Net cash used in financing activities	**(1,220.3)**	(1,910.5)
Net changes in cash and cash equivalents	**316.4**	(371.2)
Foreign exchange differences	**(117.8)**	(103.0)
Cash and cash equivalents at beginning of the period	**4,603.6**	5,077.8
Cash and cash equivalents at end of the period	**4,802.2**	4,603.6

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

	2014	2013
Cash held under Housing Development Accounts	**514.2**	560.3
Bank balances, deposits and cash	**4,381.8**	4,093.5
Less:		
Bank overdrafts (Note B9)	**(93.8)**	(50.2)
	4,802.2	4,603.6

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 International Financial Reporting Standards (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 will change some of the accounting treatments under the MFRS Framework.

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 and IC Interpretation 15.

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 the adoption of the following standards:

- FRS 10 – Consolidated Financial Statements
- FRS 11 – Joint Arrangements
- FRS 12 – Disclosure of Interests in Other Entities
- FRS 13 – Fair Value Measurement
- FRS 119 – Employee Benefits
- FRS 127 – Separate Financial Statements
- FRS 128 – Investment in Associates and Joint Ventures
- Amendments to FRS 7 – Financial Instruments: Disclosures
- Amendments to FRS 101 – Presentation of Financial Statements
- Amendments to FRS 116 – Property, Plant and Equipment
- Amendments to FRS 132 – Financial Instruments: Presentation
- Amendments to FRS 134 – Interim Financial Reporting

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

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.

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

- Amendments to FRS 10 – Consolidated Financial Statements
- Amendments to FRS 12 – Disclosure of Interests in Other Entities
- Amendments to FRS 127 – Separate Financial Statements
- Amendments to FRS 132 – Financial Instruments: Presentation
- Amendments to FRS 136 – Impairment of Assets
- Amendments to FRS 139 – Financial Instruments: Recognition and Measurement
- IC Interpretation 21 – Levies

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

- Amendments to FRS 1 – First-time Adoption of Financial Reporting Standards
- Amendments to FRS 2 – Share-based payment
- Amendments to FRS 3 – Business Combinations
- Amendments to FRS 8 – Operating Segments
- Amendments to FRS 13 – Fair Value Measurement
- Amendments to FRS 116 – Property, Plant and Equipment
- Amendments to FRS 119 – Employee Benefits
- Amendments to FRS 124 – Related Party Disclosures
- Amendments to FRS 140 – Investment Property

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

- Amendments to FRS 7 – Financial Instruments: Disclosures

(iv) New standard that was issued without the mandatory effective date:

- FRS 9 – Financial Instruments

The adoption of the above standards will not result in any significant 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 year under review.

Amounts in RM million unless otherwise stated

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

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

New ordinary shares
On 24 January 2014, the Company increased its issued and paid-up share capital from RM3,004,731,915 to RM3,032,053,404 via the issuance of 54,642,978 new ordinary shares of RM0.50 each for RM8.83 per share. The issuance is pursuant to the Dividend Reinvestment Plan as approved by the shareholders of the Company on 21 November 2013. The new ordinary shares rank pari passu in all respect with the existing shares of the Company.

Employee Share Scheme
The Company had on 7 October 2013 granted the 1st Grant Offer of ordinary shares of RM0.50 each of the Company under the Performance-Based Employee 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:

<u>Description of 1st Grant Offer</u>

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 number of shares which will be vested may be lower or higher than the total number of shares offered under the Grant.

A6. Dividends Paid

The final single tier dividend of 27.0 sen per share for the financial year ended 30 June 2013 amounting to RM1,622.6 million was approved by the shareholders on 21 November 2013. Shareholders were given the option to reinvest the entire dividend or a portion thereof in new ordinary shares in the Company in accordance with the Dividend Reinvestment Plan at the issue price of RM8.83 per share. On 24 January 2014, based on the election made by shareholders, the Company issued 54,642,978 new ordinary shares of RM0.50 each and the remaining portion of the final dividend of RM1,140.1 million was paid in cash.

An interim single tier dividend of 6.0 sen per share for the financial year ended 30 June 2014 amounting to RM363.8 million was paid on 9 May 2014.

SIME DARBY BERHAD
(Company No: 752404-U)

Explanatory Notes on the Quarterly Report – 30 June 2014
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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**
Year ended 30 June 2014										
Segment revenue:										
External	**10,953.5**	**11,665.2**	**17,745.2**	**2,791.7**	**676.6**	**75.8**	**–**	**43,908.0**	**659.8**	**44,567.8**
Inter-segment	**0.4**	**51.3**	**29.2**	**27.9**	**25.8**	**10.3**	**(144.9)**	**–**	**–**	**–**
	10,953.9	**11,716.5**	**17,774.4**	**2,819.6**	**702.4**	**86.1**	**(144.9)**	**43,908.0**	**659.8**	**44,567.8**
Segment result:										
Operating profit	**1,904.5**	**997.7**	**630.5**	**528.7**	**6.5**	**25.8**	**24.9**	**4,118.6**	**299.5**	**4,418.1**
Share of results of jointly controlled entities and associates	**(29.9)**	**14.1**	**4.0**	**71.0**	**14.1**	**26.9**	**–**	**100.2**	**–**	**100.2**
Profit before interest and tax	**1,874.6**	**1,011.8**	**634.5**	**599.7**	**20.6**	**52.7**	**24.9**	**4,218.8**	**299.5**	**4,518.3**

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A7. Segment Information (continued)

	Continuing operations									
	Plantation	**Industrial**	**Motors**	**Property**	**Energy & Utilities**	**Others**	**Elimination/ Corporate expense**	**Total**	**Dis-continued operations**	**Total**
Year ended 30 June 2013										
Segment revenue:										
External	11,672.1	14,058.9	17,265.6	2,366.6	674.9	70.9	–	46,109.0	1,076.6	47,185.6
Inter-segment	0.5	55.8	39.3	33.7	2.8	10.1	(154.4)	(12.2)	12.2	–
	11,672.6	14,114.7	17,304.9	2,400.3	677.7	81.0	(154.4)	46,096.8	1,088.8	47,185.6
Segment result:										
Operating profit/(loss)	1,978.0	1,283.5	699.1	522.6	62.2	24.1	(76.1)	4,493.4	511.7	5,005.1
Share of results of jointly controlled entities and associates	28.5	16.7	12.3	48.9	20.0	14.7	–	141.1	–	141.1
Profit/(loss) before interest and tax	2,006.5	1,300.2	711.4	571.5	82.2	38.8	(76.1)	4,634.5	511.7	5,146.2

Amounts in RM million unless otherwise stated

A7. Segment Information (continued)

	Plantation	**Industrial**	**Motors** [Note 1]	**Property**	**Energy & Utilities**	**Others**	**Corporate**	**Total**
As at 30 June 2014								
Segment assets:								
Operating assets	**15,215.8**	**10,059.5**	**8,588.6**	**7,215.7**	**2,313.7**	**158.1**	**2,214.0**	**45,765.4**
Jointly controlled entities and associates	**562.5**	**164.7**	**77.3**	**1,689.1**	**(64.7)**	**693.9**	**–**	**3,122.8**
Non-current assets held for sale	–	–	–	**392.2**	–	–	–	**392.2**
	15,778.3	**10,224.2**	**8,665.9**	**9,297.0**	**2,249.0**	**852.0**	**2,214.0**	**49,280.4**
Tax assets								**1,580.3**
Total assets								**50,860.7**
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

Note:
1 The substantial increase in Motors' operating assets is mainly in inventories and receivables attributable to the acquisition of distributorship rights for BMW in Vietnam and dealership for BMW in Brisbane, Australia and the launches of new models during the financial year.

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 2014	**As at 30 June 2013**
Property, plant and equipment		
- contracted	**754.8**	556.8
- not contracted	**2,105.4**	2,213.5
	2,860.2	2,770.3
Other capital expenditure		
- contracted	**584.4**	453.5
- not contracted	**1,382.5**	2,246.9
	4,827.1	5,470.7

A9. Significant Related Party Transactions

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

	Year ended 30 June	
	2014	**2013**
a) **Transactions with joint ventures**		
Tolling fees and sales to Emery Oleochemicals (M) Sdn Bhd and its related companies	**68.0**	78.6
Sales and services to Terberg Tractors Malaysia Sdn Bhd (TTM)	**12.5**	53.2
Disposal of a subsidiary, Sime Darby TMA Sdn Bhd, to TTM	**25.0**	–
Sale of land to Sime Darby Capitamalls Asia (Melawati Mall) Sdn Bhd	**–**	64.8
b) **Transactions with associates**		
Provision of services by Sitech Construction Systems Pty Ltd	**5.8**	9.0
Purchase of paints material from Sime Kansai Paints Sdn Bhd	**4.2**	1.8
Sale of products and services to Tesco Stores (Malaysia) Sdn Bhd	**4.8**	0.1
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 Tan Sri Dato’ Ir Gan Thian Leong (Tan Sri Dato’ Gan) and Encik Mohamad Hassan Zakaria (Encik Hassan) are substantial shareholders	**184.3**	146.6
Sales of properties by SDBH to Brunsfield OASIS Square Sdn Bhd, companies in which Tan Sri Dato’ Gan and Encik Hassan are substantial shareholders	**–**	207.0
Sale of residential properties to Brunsfield Properties Sdn Bhd, a company in which Tan Sri Dato’ Gan and Encik Hassan are substantial shareholders	**59.4**	–
Sales of goods and provision of services by Chubb Malaysia Sendirian Berhad to Gunnebo Holdings APS and its related companies	**–**	2.0

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 2014	2013
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	**31.3**	48.9
Royalty payment to and procurement of cars, ancillary services by Inokom Corporation Sdn Bhd (ICSB) from Hyundai Motor Company and its related companies	**245.1**	226.5
Contract assembly service provided by ICSB to Berjaya Corporation Berhad group	**41.2**	10.5
Procurement of hotel operation management and technical advice from Hotel Equatorial Management Sdn Bhd	**1.9**	2.2
Project management services rendered to Sime Darby Property Selatan Sdn Bhd (SDPS) by Tunas Selatan Construction Sdn Bhd, the holding company of Tunas Selatan Pagoh Sdn Bhd	**17.0**	–
d) Transactions between subsidiary and company in which the subsidiary's director has equity interest		
Architectural services rendered to SDPS by Akitek Jururancang (M) Sdn Bhd, a company in which Tan Sri Dato' Sri Hj Esa, a director of SDPS has an equity interest	**12.2**	–
e) 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
Provision of legal services by Azmi & Associates, a firm in which Dato' Azmi Mohd Ali is a partner	**0.4**	0.7
f) Transactions with Directors and their close family members		
Sales of properties and cars by the Group	**7.1**	2.5
Sales of properties by Battersea Project Phase 1 Company Limited, a joint venture	**7.5**	12.8
g) Transactions with key management personnel and their close family members		
Sales of residential properties and cars by the Group	**4.7**	10.4
Sales of properties by Battersea Project Phase 1 Company Limited, a joint venture	**–**	14.7

A9. Significant Related Party Transactions (continued)

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

h) **Transactions with shareholders and Government**

Permodalan Nasional Berhad (PNB) and the funds managed by its subsidiary, Amanah Saham Nasional Berhad, together owns 51.4% as at 30 June 2014 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. Hence, 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 period under review 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 amounting to RM92.2 million (2013: RM138.1 million) from Chemical Company of Malaysia Berhad and its subsidiaries, companies in which YPB has substantial indirect interest. Shareholders' mandate was obtained for this recurrent related party transaction at the last annual general meeting.

In addition to the above, the Group has on 30 April 2014 disposed its entire 75% equity interest in Port Dickson Power Berhad and 100% equity interest in Sime Darby Biofuels Sdn Bhd to Hypergantic Sdn Bhd (Hypergantic) and Malakoff Power Berhad (Malakoff), respectively for a total cash consideration of RM300.0 million. Both Hypergantic and Malakoff are subsidiaries of MMC Corporation Berhad. The Group considers this as a related party transaction by virtue of YPB's interests in MMC Corporation Berhad through funds managed by its subsidiary.

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 August 2014, being a date not earlier than 7 days from the date of issue of the quarterly report.

a) On 28 May 2014, Sime Darby Nominees Sendirian Berhad (SDN), a wholly-owned subsidiary of Sime Darby Berhad (SDB) had entered into a conditional share sale agreement to dispose of 110,000,000 ordinary stock units of RM1.00 each in Eastern & Oriental Berhad (E&O), representing approximately 9.9% equity interest in E&O (excluding treasury stocks), to Morning Crest Sdn Bhd for a total cash consideration of RM319 million or approximately RM2.90 per E&O stock. The disposal was completed on 23 July 2014. Following the completion of the disposal, the indirect interest held by SDB, through SDN has reduced from 353,978,000 to 243,978,000 ordinary stock units of RM1.00 each representing 22.06% equity interest in E&O.

b) Following the completion of the CW2 Package for the main civil works for the Bakun Hydroelectric Project (CW2 Contract) by the Malaysian-China Hydro Joint Venture (MCH JV), Sime Engineering Sdn Bhd (SESB) has on 11 August 2014, entered into:

(i) a Supplemental Agreement to the Joint Venture Agreement (Supplemental Agreement) in respect of the MCH JV dated 12 June 2002 with all the other parties to the MCH JV, namely Sinohydro Corporation (Sinohydro), WCT Berhad (formerly known as WCT Engineering Berhad) (WCT), MTD Capital Berhad (MTD), Edward & Sons (EM) Sdn Bhd, Ahmad Zaki Resources Berhad and Syarikat Ismail Ibrahim Sdn. Bhd.; and
(ii) a Settlement Agreement in respect of the CW2 Contract with Sinohydro, WCT and MTD (Settlement Agreement).

Pursuant to the Supplemental Agreement, each of the parties to the MCH JV has agreed to release, waive, relinquish, withdraw and discharge any and all claims, actions, causes of actions, obligations, liabilities, judgments, orders and demands whatsoever nature whether known or unknown, related to and/or arising out of the MCH JV and/or the CW2 Contract which it had instituted or may now have or may hereafter have against each other in accordance with and subject to the terms under the Supplemental Agreement.

A10. Material Events Subsequent to the End of the Financial Period (continued)

Further, pursuant to the Settlement Agreement, SESB, Sinohydro, WCT and MTD have collectively agreed to assume, bear and settle all costs in relation to MCH JV's pre-existing and future rights, obligations and liabilities in relation to the CW2 Contract in accordance with the agreed proportions and on terms and conditions as set out in the Settlement Agreement.

Sime Darby, through SDE and SESB, has an effective interest of 35.7% in the MCH JV.

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

1. Disposal of subsidiaries and associate

a) 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 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. The disposal resulted in a gain of RM12.1 million.

b) On 23 December 2013, Sime Darby Property Berhad completed the disposal of its entire 30% equity interest in Brunsfield Embassyview Sdn Bhd comprising 428,571 ordinary shares of RM1.00 each and 179,585 redeemable preference shares of RM0.01 each to Brunsfield Development Holdings Sdn Bhd for a total cash consideration of RM23.0 million. The disposal resulted in a loss of RM0.8 million.

c) On 30 April 2014, Sime Darby Energy Sdn Bhd completed the disposal of:

   i) its entire 75% equity interest in Port Dickson Power Berhad comprising 112,500 ordinary shares of RM1.00 each and 112,500 redeemable preference shares of RM1.00 each, to Hypergantic Sdn Bhd, and
   ii) its entire 100% equity interest in Sime Darby Biofuels Sdn Bhd, comprising 2 ordinary shares of RM1.00 each to Malakoff Power Berhad

   for a total cash consideration of RM300.0 million. The disposals resulted in a gain of RM60.5 million.

d) On 17 December 2013, Sime Darby Plantation Sdn Bhd (SDP) had increased its equity interest in Sime Darby Alif Retort Pack Product Sdn Bhd (SDAR) from 60% to 100% by acquiring the remaining 40% equity interest in SDAR (see note A11.3(c)). On 27 June 2014 SDP completed the disposal of its entire equity interest in SDAR to Kumpulan Amanah Ikhtiar Malaysia Berhad for a total consideration of RM6.8 million. The disposal resulted in a gain of RM7.5 million.

e) On 30 June 2014, Sime Darby Energy Pte Ltd completed the disposal of its entire 100% equity interest in Sime Darby Power Co Limited, Sime Darby LCP Power Co Ltd (SDLCP) and Sime Darby O&M (Thailand) Co Ltd to B.Grimm Power Limited (BGPL) for a cash consideration of USD126.7 million (approximately RM407.6 million). The disposal resulted in a gain of RM83.5 million.

   Concurrent with the divestment, Sime Darby Far East (1991) Limited disposed its receivables due from SDLCP to BGPL for a cash consideration of USD36.2 million (approximately RM116.2 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 associate (continued)

Net cash inflow arising from disposal of subsidiaries are analysed as follows:

	Year ended 30 June 2014
Non-current assets	**484.3**
Net current assets	**249.8**
Non-current liabilities	**(29.9)**
Non-controlling interest	**(68.8)**
Net assets disposed	**635.4**
Gain on disposal	**163.6**
Less: Exchange loss included in the gain on disposal	**12.4**
Consideration from disposals, net of transaction costs	**811.4**
Less: Cash and cash equivalent in subsidiaries disposed	**(208.8)**
Net cash inflow from disposal of subsidiaries during the period	**602.6**
Add: Proceeds from disposal of subsidiaries in previous year	**204.0**
Net cash inflow from disposal of subsidiaries	**806.6**

2. Acquisition of subsidiaries and associates

a) 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.

b) On 13 March 2014, Haynes Mechanical Pty Ltd completed the acquisition of 70% equity interest in TFP Engineering Pty Ltd (TFPE), a company incorporated in Australia, for a cash consideration of AUD3.2 million (equivalent to RM9.5 million). The principal activity of TFPE is labour hire/contracting, services and repair of mining machinery parts, as well as crane hire business.

c) On 4 April 2014, Sime Darby Motors Wholesale Australia Pty Ltd (SDMWA) completed the acquisition of 70% equity stake of LMM Holdings Pty Ltd (LMMH) and 70% of units in the Brisbane BMW Unit Trust (BBUT) for a total cash consideration of AUD22.7 million (equivalent to RM66.5 million).

LMMH is incorporated in Australia and as trustee of BBUT, LMMH effectively operates BBUT's BMW, MINI and Lamborghini motor dealership businesses in Brisbane, Australia. LMMH has a wholly owned subsidiary, Brisbane Bodyshop Pty Ltd, which operates the business of BMW parts, panels and accessories. BBUT is a trust which owns the BMW, MINI and Lamborghini motor dealership businesses in Brisbane, Australia.

d) On 16 May 2014, Sime Darby Plantation Europe Ltd entered into a shares sale agreement to acquire 40% equity interest in Thai Eastern Trat Co Ltd, a company incorporated in Thailand, to develop a palm oil mill in Eastern Region Thailand for a cash consideration of THB100 million (equivalent to RM9.9 million).

Amounts in RM million unless otherwise stated

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

2. Acquisition of subsidiaries and associates (continued)

e) On 12 June 2014, Sime Darby Plantation Sdn Bhd entered into a Series 4 Preferred Stock Purchase Agreement to acquire 30% equity interest in Verdezyne Inc, a company incorporated in the State of Delaware, United States of America for a total cash consideration of USD30 million (equivalent to RM96.3 million). As at 30 June 2014, the first injection of USD12.0 million (equivalent to RM38.7 million) has been paid. The remaining balance will be paid upon achievement of performance milestone as set out in the agreement. Verdezyne is involved in producing drop-in alternatives to petroleum-derived chemicals from sustainable materials, including palm-based products and by-products.

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

	Book value	Fair value
Property, plant and equipment	**36.8**	**36.8**
Intangible assets	**48.3**	**112.1**
Net current assets	**33.6**	**33.6**
Non-controlling interest	**(13.5)**	**(13.5)**
Net assets acquired	**105.2**	**169.0**
Add: Goodwill		**20.9**
Purchase consideration		**189.9**
Less: Cash and cash equivalents of subsidiaries acquired		**(26.5)**
Net cash outflow on acquisition of subsidiaries during the period		**163.4**
Add: Payment for subsidiaries acquired in previous year		**26.1**
Net cash outflow on acquisition of subsidiaries		**189.5**

3. Acquisition of non-controlling interests

a) 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) On 3 October 2013, PT Perkasa Subur Sakti and PT Aneka Inti Persada completed the acquisition of the remaining 23.53% and 1.00% respectively in PT Padang Palma Permai (PT PPP) from Tuan Ibrahim Risjad for a purchase consideration of USD9.1 million (equivalent to RM28.7 million). Consequently PT PPP became a wholly owned subsidiary of the Group.

c) On 17 December 2013, Sime Darby Plantation Sdn Bhd acquired the remaining 40% equity interest in Sime Darby Alif Retort Pack Products Sdn Bhd (SDAR) from Ruzainum Abdul Halim and Mohd Arif Farhan Mohd Zahiri for a total purchase consideration of RM2. Concurrently, SDAR acquired the remaining 20% equity interest in Sime Darby Alif Food Industries Sdn Bhd (SDAF) from Ruzainum Abdul Halim for a purchase consideration of RM1. Consequently, both SDAR and SDAF became wholly owned subsidiaries of the Group prior to their disposal on 27 June 2014 (see Note A11.1(d)).

4. Establishment of new companies

a) On 23 August 2013, Sime Darby Kia Taiwan Co Ltd (SDKT) was incorporated in the Republic of Taiwan with a registered share capital of TWD5 million (equivalent to RM0.5 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.

b) On 4 September 2013, Sime Darby Plantation Sdn Bhd entered into a Shareholders' Agreement with Felda Agricultural Services Sdn Bhd and A-Bio Sdn Bhd to spearhead the national biomass agenda via the establishment of MyBiomass Sdn Bhd on a 30:30:40 basis.

Amounts in RM million unless otherwise stated

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

4. Establishment of new companies (continued)

c) On 6 March 2014, Weifang Sime Darby Port Co Ltd entered into Shareholders' Agreement with Weifang Port Co Ltd and Shandong Hi-speed Transport & Logistics Investment Co Ltd to establish a joint venture company known as Weifang Port Services Co Ltd (WPS) for the construction, management and maintenance of the sea channel, anchorage and other port infrastructure within the Weifang Central Port region on a 37:38:25 basis. WPS was incorporated on 28 March 2014 with the registered share capital of RMB1 billion.

d) On 11 March 2014, Sime Darby TNBES Renewable Energy Sdn Bhd (SDTNBES) was incorporated pursuant to a Shareholders' Agreement between Sime Darby Plantation Sdn Bhd (SDP) and TNB Energy Services Sdn Bhd (TNBES), a wholly owned subsidiary of Tenaga Nasional Berhad for the purpose of undertaking biogas project development from agricultural waste product. SDTNBES's paid up share capital of 2 ordinary shares of RM1.00 each are held by Datuk Franki Anthony Dass and Encik Jamel Ibrahim. The shares will be transferred to SDP and TNBES accordingly, whilst the issued and paid-up share capital of SDTNBES will be increased to RM50,000 divided into 50,000 ordinary shares of RM1.00 each and will be held by SDP and TNBES on a 51:49 basis.

e) On 15 May 2014, Sime Darby Auto Kia Co Ltd (SDAK) was incorporated in the Republic of Taiwan with a registered share capital of TWD30.2 million (equivalent to RM3.2 million) wholly held by Sime Darby Motor Group (Taiwan) Sdn Bhd. The principal activities of SDAK will be retail of vehicles, parts and accessories and repairs and maintenance of vehicles.

f) On 18 June 2014, Weifang Ocean Shipping Tally Co Ltd (WOST) was incorporated in the People's Republic of China as a 40% owned associate company of Weifang Sime Darby Port Co Ltd. The principal activities of WOST are tallying service for international and domestic cargoes and containers, containers loading and cargo and water gauge measurement.

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 August 2014	**As at 30 June 2013**
Performance guarantees and advance payment guarantees to customers of the Group	**2,848.2**	2,938.1
Guarantees in respect of credit facilities granted to:		
- certain associates and a jointly controlled entity	**44.8**	30.1
- plasma stakeholders	**61.5**	81.1
	2,954.5	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 August 2014, the Group received counter-indemnities amounting to RM212.1 million (30 June 2013: RM212.1 million).

b) Claims

	As at 21 August 2014	**As at 30 June 2013**
Claims pending against the Group	**18.1**	1.3

The claims represent 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 2014	2013	% +/(-)
Revenue	**43,908.0**	46,109.0	(4.8)
Segment results			
Plantation	**1,874.6**	2,006.5	(6.6)
Industrial	**1,011.8**	1,300.2	(22.2)
Motors	**634.5**	711.4	(10.8)
Property	**599.7**	571.5	4.9
Energy & Utilities	**20.6**	82.2	(74.9)
Others	**52.7**	38.8	35.8
	4,193.9	4,710.6	(11.0)
Exchange gain			
Unrealised	**0.6**	3.1	
Realised	**102.2**	2.1	
Corporate expense and elimination	**(77.9)**	(81.3)	
Profit before interest and tax	**4,218.8**	4,634.5	(9.0)
Finance income	**160.8**	124.8	
Finance costs	**(415.0)**	(445.3)	
Profit before tax	**3,964.6**	4,314.0	(8.1)
Tax expense	**(707.5)**	(952.9)	
Profit from continuing operations	**3,257.1**	3,361.1	(3.1)
Profit from discontinued operations	**263.4**	470.5	
Profit for the period	**3,520.5**	3,831.6	(8.1)
Non-controlling interests	**(167.8)**	(131.0)	
Profit after tax and non-controlling interests	**3,352.7**	3,700.6	(9.4)

Revenue of the Group at RM43.9 billion for the financial year ended 30 June 2014 was a decline of 4.8% compared to the previous year. Profit before tax of the Group declined by 8.1% largely due to lower profits from all business segments, except Property and Others.

Net earnings for the current year declined by 9.4% from that of the previous year. The lower net earnings at RM3.35 billion was mainly due to the lower segment results and lower profit from discontinued operations. The disposal of the power business during the year registered a gain of RM144.0 million as compared to the previous year's gain on the 50% divestment of the Group's interest in Sime Darby Healthcare Sdn Bhd of RM340.6 million. The tax expense for the year was lower compared to that of the previous year largely due to the recognition of deferred tax assets attributable to the transfer of certain assets within the Group and the adjustment to deferred tax arising from the change in the Real Property Gains Tax rates and the imminent change to the Malaysian income tax rate.

Analysis of the results of each segment is as follows:

a) Plantation

Plantation's performance declined by 6.6% compared to a year ago as a result of lower crude palm oil (CPO) sales volume by 7.4% and lower fresh fruit bunch (FFB) production by 7.0% despite the higher average CPO price realised of RM2,451 per tonne against RM2,317 per tonne realised previously. FFB production in Indonesia declined by 13.2% attributable largely to the delay in peak cropping and prolonged dry weather, whilst Malaysia declined by a slight 3.1%. Oil Extraction Rate (OER) improved slightly to 21.9% as compared to the previous year at 21.8%.

Profit from midstream and downstream operations jump by 40% to RM152.4 million for the current year compared to RM108.8 million previously. The higher profit was largely due to the turnaround of the refinery in Europe recording a profit of RM5.4 million, which includes a gain of RM27.9 million arising from adjustment to pension provision.

B1. Review of Group Performance (continued)

b) Industrial

The Industrial division which was affected by the consolidation of the mining sector in Australia recorded a profit of RM1,011.8 million, a decline by 22.2%. After three years of strong growth, unfavourable coal prices has taken a toll on the Australian mining sector which has extended longer than envisaged. The operations in Australia has been affected by lower equipment deliveries and product support sales. Included in the Australasia results is a gain of RM42 million on the disposal of a property in Papua New Guinea.

In China/Hong Kong, the improved market conditions and various cost control initiatives as well as volume rebates from achieving Caterpillar targets have boosted its results for the current year as compared to the previous year. Malaysia and Singapore have also registered better results and margins mainly due to cost savings on completed projects.

c) Motors

Contribution from Motors division declined by 10.8% compared to the previous year due to lower profit from all regions except for China/Hong Kong and New Zealand. The division's performance was affected by the changes in government legislation in Singapore, political uncertainty in Thailand and the drop in demand following the slowdown in the mining industry and stiff competition in the mass brand vehicles segment in Australia. The result of the Malaysia operations declined by 9.2% largely due to lower profit from BMW despite the higher contributions from Hyundai, Ford and the Hertz franchised car rental operations.

China/Hong Kong's improved results was on account of the improved performances from all operations whilst the improved performance from New Zealand operations is contributed by Trucks operations.

d) Property

Property's earnings increased by 4.9% from that of the previous year largely attributable to higher contribution from Elmina East following the successful launches to date and the profit recognition from the commencement of the construction works at the Pagoh Education Hub. Higher contribution was also recognised from Isola project and Taman Pasir Putih whilst Denai Alam and Bandar Bukit Raja recorded lower profit.

e) Energy & Utilities

Profit from Energy & Utilities declined by 74.9% to RM20.6 million.

The lower contribution was attributable to the Non-China operations, excluding the Power Generation business, which registered a loss of RM49.3 million largely due to additional cost provisions for the previous oil and gas projects.

The port and water operations in China improved by 31.6% from RM53.1 million to RM69.9 million as a result of the increase in throughput and higher average tariff rate achieved, and including a compensation for the closure of operations in Guozhuang port in Jining. The higher throughput for port operations is mainly attributable to the new container terminal which was completed in April 2013.

f) Others

Contribution from Others improved by RM13.9 million mainly due to the share of profit of Healthcare business and the higher contribution from both the insurance brokerage business and 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 June 2014	**31 March 2014**	**% +/(-)**
Revenue	**12,513.6**	10,101.9	23.9
Segment results			
Plantation	**657.7**	454.8	44.6
Industrial	**202.5**	220.6	(8.2)
Motors	**231.6**	142.9	62.1
Property	**356.5**	105.5	237.9
Energy & Utilities	**6.9**	(2.4)	387.5
Others	**3.3**	25.3	(87.0)
	1,458.5	946.7	54.1
Exchange gain:			
Unrealised	**0.6**	–	
Realised	**2.6**	98.5	
Corporate expense and elimination	**(30.6)**	(13.8)	
Profit before interest and tax	**1,431.1**	1,031.4	38.8
Finance income	**47.7**	39.9	
Finance costs	**(98.2)**	(110.9)	
Profit before tax	**1,380.6**	960.4	43.8
Tax expense	**(277.1)**	(109.2)	
Profit from continuing operations	**1,103.5**	851.2	29.6
Profit from discontinued operations	**159.2**	30.8	
Profit for the year	**1,262.7**	882.0	43.2
Non-controlling interests	**(69.8)**	(29.5)	
Profit after tax and non-controlling interests	**1,192.9**	852.5	39.9

Group revenue at RM12.5 billion and pre-tax profit at RM1,380.6 million were 23.9% and 43.8% respectively higher than those of the preceding quarter. Net earnings of the Group improved by 39.9% to RM1,192.9 million largely attributable to higher earnings from all the segments except Industrial and the gain on disposal of the power business of RM144.0 million.

a) Plantation

Profit from Plantation improved by 44.6% in the current quarter despite the lower average CPO price realised of RM2,474 per tonne against RM2,573 per tonne in the preceding quarter largely attributable to the higher CPO sales volume of 12.6%. FFB production was higher by 8.9% principally from improved production in Indonesia by 16.7%.

Profit from midstream and downstream operations surged to RM84.6 million compared to RM19.5 million in the preceding quarter mainly due to the profit from the refinery in Europe (Unimills) and lower share of losses from Emery Group arising from improved margin realised. The higher profit arose from an adjustment of RM27.9 million to pension provision in Unimills, the reversal of impairment of downstream assets amounting to RM15.4 million following the improved performance and the gain on disposal of Alif Retort group of RM7.5 million.

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

b) Industrial

Contribution from Industrial division was lower by 8.2% largely due to lower equipment deliveries and product support sales to the mining sector in Australia and a provision for staff cost of RM47 million. The lower performance in Australia was partially mitigated by better results in the other regions due to the low seasonal trend during the Lunar festive season in the preceding quarter.

c) Motors

Contribution from Motors division surged by 62.1% to RM231.6 million due to the improved performances from all regions.

The operations in Malaysia recorded improved profits on the back of stronger performance from Hyundai, Ford and Hertz franchised car rental operation. Profit from China/Hong Kong was higher attributable to the improved performances from BMW. Improved performance was registered in Australia and New Zealand largely due to the newly-acquired BMW operations and Trucks operations respectively. Profit from Singapore was also higher attributable to special vehicle sales.

d) Property

Profit from Property for the current quarter increased more than three-fold compared to the preceding quarter primarily due to the profit recognition from the commencement of construction works at the Pagoh Education Hub and the higher profit recognition from property development in Bandar Bukit Raja and Denai Alam.

e) Energy & Utilities

Energy & Utilities contributed a profit of RM6.9 million in this quarter compared to a loss of RM2.4 million in the preceding quarter which included an additional cost provision for the previous oil and gas projects. Both the port and water operations in China registered higher throughput and the results include the compensation for closure of operations in Guozhuang port.

f) Others

Contribution from Other businesses declined to RM3.3 million in the quarter under review due to the impairment of trademark of RM3.3 million as well as lower share of profit from Tesco Stores (Malaysia) Sdn Bhd and Ramsay Sime Darby Healthcare Sdn Bhd.

B3. Prospects

The global economy continues to remain challenging with the weaker-than-expected projected economic growth in the United States, Europe and China, and the increasing geopolitical tensions in Ukraine and the Middle East. In addition, the uncertainty on the movements in interest rates have also stalled economic recovery. The weak commodity prices and volatile foreign exchange environment would continue to affect the Group's businesses.

The Plantation division has been negatively impacted by the declining crude palm oil (CPO) prices, dragged down by the forecast of abundant supply of competing oilseeds alongside the expected surge in palm output. The lower probability and degree of the El-Nino phenomenon have also negatively impacted prices. Nevertheless, the longer term price outlook for CPO remains positive due to demand from population growth and better consumption from the biodiesel industry. The upstream operations will remain focused on cost efficiency and productivity improvements to increase yield and oil extraction rate. The division will continue to evaluate selected growth opportunities to increase its planted hectarage. Higher contributions from the midstream and downstream operations are also expected from the increased utilisation of the two new refineries and the production of more specialty products with higher margins.

The Industrial division is expected to be adversely affected by the continued contraction in the mining sector in Australia and the lower mineral prices, with further cost cutting and deferment of capital and maintenance projects by customers. This has resulted in intense pricing for new equipment and machinery and profit margin pressure on product support services. In the Asian region, demand for oil rigs remain strong and is expected to drive the growth of the power systems business. In Malaysia and Singapore, the demand for industrial equipment continues to be supported by major infrastructure projects.

The Motors division has expanded its geographical footprint by taking on the Kia distributorship in Taiwan and the BMW distributorship/dealership in Hanoi, Vietnam and Brisbane, Australia. These new operations are expected to contribute positively to the division's performance in the coming years. However, the continued tightening of credit and lending policies in most markets will affect consumer sentiment and demand for vehicles and after sales services.

The property market in Malaysia is expected to be challenging following the recent interest rate hike and the expectation of further hikes and the introduction of more stringent lending conditions. The market is also expected to be affected by the uncertainties of the impact on the implementation of GST effective 1 April 2015. Nonetheless, the division's recent launches have continued to receive strong take-up rates due to their strategic locations and the strong demand for landed properties in the Klang Valley.

Although the Chinese economy is beset by challenging macroeconomic policies and credit risk exposures, the development of the local economy in Weifang and its rich hinterland, continues to support the expansion of the container handling services and the growth of the Port operations. The current expansion programme in Weifang Port would bode well for it to capitalise on any increase in business activity in the region.

Despite the challenges in the market environment, and barring any unforeseen circumstances, the Board expects the Group's performance for the financial year ending 30 June 2015 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 28 November 2013 and the results achieved by the Group for the financial year ended 30 June 2014 are as follows:

	Actual Year ended 30 June 2014	**Target Year ended 30 June 2014**
Profit attributable to owners of the Company (RM million)	3,352.7	2,800
Return on average shareholders' equity (%)	12.0	10.0

On both the KPIs announced by the Board of Directors, i.e. the profit attributable to owners of the Company and the return on average shareholders' equity, the Group exceeded the targets by 19.7% and 20.0% respectively.

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**	
	2014	**2013**	**2014**	**2013**
Included in operating profit are:				
Depreciation and amortisation	**(290.7)**	(308.6)	**(1,154.8)**	(1,191.5)
Amortisation of prepaid lease rentals	**(12.9)**	(11.3)	**(50.1)**	(48.3)
Reversal of impairment/(Impairment) of				
- property, plant and equipment	**12.0**	56.8	**25.7**	48.3
- investment properties	**(6.5)**	(5.3)	**(6.5)**	(5.3)
- intangible assets	**(11.7)**	(0.5)	**(11.7)**	(0.5)
- receivables	**(38.3)**	15.2	**(21.6)**	6.4
Write down of inventories (net)	**(40.5)**	(20.4)	**(61.9)**	(60.9)
Gain/(loss) on disposal of				
- subsidiaries	**7.5**	–	**19.6**	5.2
- a joint venture	–	–	–	7.0
- an associate	–	3.6	**(0.8)**	4.5
- property, plant and equipment				
- land and buildings	**53.2**	3.3	**102.4**	65.7
- others	**0.3**	4.1	–	5.0
- prepaid lease rental	**0.3**	–	**1.8**	–
- investment properties	**2.1**	9.8	**3.0**	10.7
- unit trusts	–	–	–	0.2
Net foreign exchange gain/(loss)	**20.6**	(139.9)	**31.9**	(132.7)
(Loss)/gain on cross currency swap contract	**(38.0)**	156.5	**(21.8)**	117.5
Gain/(loss) on forward foreign exchange contracts	**2.4**	4.0	**(0.9)**	8.8
Included in finance costs is:				
Loss on interest rate swap contracts	**–**	–	**–**	(7.6)

Amounts in RM million unless otherwise stated

B6. Operating Profit and Finance Costs (continued)

	Quarter ended 30 June		Year ended 30 June	
	2014	**2013**	**2014**	**2013**
Included in discontinued operations is:				
Depreciation and amortisation	**(7.8)**	(17.4)	**(43.4)**	(78.0)
Impairment of receivables	**–**	(31.3)	**–**	(31.8)
Gain on disposal of				
- subsidiaries	**144.0**	340.6	**144.0**	340.6
- property, plant and equipment				
- land and building	**–**	0.5	**–**	0.5
Net foreign exchange (loss)/gain	**(3.2)**	(0.1)	**(3.2)**	0.1

B7. Tax Expense

	Quarter ended 30 June		Year ended 30 June	
	2014	**2013**	**2014**	**2013**
Continuing operations				
In respect of the current period:				
- current tax	**300.1**	225.2	**960.5**	1,031.1
- deferred tax	**(3.4)**	95.7	**11.1**	123.0
	296.7	320.9	**971.6**	1,154.1
In respect of prior years:				
- current tax	**(46.3)**	(7.4)	**(11.5)**	(112.4)
- deferred tax	**26.7**	(77.3)	**(252.6)**	(88.8)
	277.1	236.2	**707.5**	952.9
Discontinued operations	**6.0**	6.1	**37.4**	40.6
	283.1	242.3	**744.9**	993.5

The effective tax rate for the current quarter and financial year ended 30 June 2014 of 20.1% and 17.8% respectively are lower than the Malaysian income tax rate of 25%. The lower effective tax rate for the current quarter is mainly due to overprovision of tax in prior years and certain income not subjected to tax. The lower effective tax rate for the financial year is principally due to adjustment to the deferred tax arising from changes in Real Property Gains Tax rate and the impending change to the Malaysian income tax rate from 25% to 24%. In addition, the recognition of deferred tax assets amounting to RM167.4 million on temporary differences between tax base and accounting base of certain assets further contributed to the lower effective tax rate.

B8. Status of Corporate Proposals

The corporate proposals announced but not completed as at 21 August 2014 are as follows:

a) On 20 June 2014, Sime-Morakot Holdings (Thailand) Limited and Sime Darby Plantation Europe Ltd entered into a conditional Sale and Purchase Agreement (SPA) with Sub Sri Thai Public Company Limited to acquire 199,999,000 fully paid-up ordinary shares at the par value of THB1.00 each representing 99.9995% equity interest in Industrial Enterprises Co Ltd (IEC) for a total purchase consideration of THB815 million (equivalent to RM80.4 million). IEC is incorporated in Thailand and is principally involved in the business of crushing, refining and distribution of edible oil. The proposed acquisition is expected to be completed by the end of August 2014 or such other date as agreed by the parties in writing.

Amounts in RM million unless otherwise stated

B8. Status of Corporate Proposals (continued)

The corporate proposals announced but not completed as at 21 August 2014 are as follows: (continued)

b) On 31 July 2014, Sime Darby Berhad (SDB) announced that Kulim (Malaysia) Berhad (Kulim) has selected SDB as the preferred party with which to negotiate a sale of all of Kulim's 48.97% equity interest in New Britain Palm Oil Limited. Kulim and SDB have now entered into exclusive discussions to finalise the terms of the transaction.

B9. Group Borrowings

		As at 30 June 2014	
Long-term borrowings	Secured	Unsecured	Total
Term loans	872.2	3,000.1	3,872.3
Islamic Medium Term Notes	–	1,700.0	1,700.0
Sukuk	–	2,558.1	2,558.1
	872.2	7,258.2	8,130.4
Short-term borrowings			
Bank overdrafts	–	93.8	93.8
Portion of term loans due within one year	2.8	434.7	437.5
Portion of Islamic Medium Term Notes due within one year	–	701.1	701.1
Revolving credits, trade facilities and other short-term borrowings	76.1	1,736.0	1,812.1
	78.9	2,965.6	3,044.5
Total borrowings	951.1	10,223.8	11,174.9

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	3,579.4	1,190.8	4,770.2
Australian dollar	907.2	133.6	1,040.8
Chinese renminbi	13.4	847.0	860.4
Indonesian rupiah	–	38.7	38.7
New Zealand dollar	–	150.3	150.3
Pacific franc	39.1	2.8	41.9
Singapore dollar	–	23.4	23.4
Thailand baht	34.6	45.5	80.1
United States dollar	3,556.7	572.3	4,129.0
Others	–	40.1	40.1
Total borrowings	8,130.4	3,044.5	11,174.9

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 2014 are as follows:

	Classification in Statement of Financial Position				
	Assets		Liabilities		
	Non-current	Current	Non-current	Current	Net Fair Value
Forward foreign exchange contracts	**2.4**	**36.2**	**(3.1)**	**(6.8)**	**28.7**
Interest rate swap contracts	**10.8**	**–**	**–**	**(4.3)**	**6.5**
Cross currency swap contract	**56.5**	**–**	**–**	**(12.8)**	**43.7**
Commodity futures contracts	**–**	**5.2**	**–**	**(5.1)**	**0.1**
	69.7	**41.4**	**(3.1)**	**(29.0)**	**79.0**

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:

Forward foreign exchange contracts

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 2014, 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	**2,340.9**	**29.4**
- 1 year to 2 years	**126.1**	**(0.7)**
	2,467.0	**28.7**

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 2014 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 2014, 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	**214.3**	**(4.3)**
- 1 year to 3 years	**428.7**	**5.1**
- 3 years to 7 years	**320.3**	**5.7**
	963.3	**6.5**

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 2014, 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	**285.8**	**(12.8)**
- 1 year to 3 years	**571.6**	**18.0**
- 3 years to 7 years	**427.1**	**38.5**
	1,284.5	**43.7**

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 2014 that are not held for the purpose of physical delivery are as follows:

	Quantity (metric tonne)	Notional Amount	Fair Value Assets/ (Liabilities)
Purchase contracts	**47,020**	**121.3**	**(4.8)**
Sales contracts	**25,647**	**69.3**	**4.9**
			0.1

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 2014	As at 30 June 2013
Total retained profits of the Company and its subsidiaries		
- realised	**23,724.6**	22,470.6
- unrealised	**5,627.9**	5,597.8
	29,352.5	28,068.4
Total share of retained profits from jointly controlled entities		
- realised	**22.1**	34.5
- unrealised	**17.9**	(10.1)
	40.0	24.4
Total share of retained profits from associates		
- realised	**334.2**	311.4
- unrealised	**(0.5)**	(3.8)
	333.7	307.6
Less: consolidation adjustments	**(11,777.8)**	(11,638.3)
Total retained profits of the Group	**17,948.4**	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 August 2014 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 on 6 December 2011.

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).

On 15 June 2012, PTAS 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.

On 5 December 2013, PTAS filed a notice of motion for leave to appeal to the Federal Court against the Court of Appeal decision (Leave Application). Case management which was fixed on 5 February 2014 was postponed at PTAS's counsel's request to 27 February 2014. On 27 February 2014, the Federal Court fixed the hearing of the Leave Application on 22 May 2014 and directed the parties to file written submissions by 8 May 2014.

At the hearing on 22 May 2014, PTAS's counsel failed to attend court and had by a letter of the same date, requested for a postponement of the hearing. The Federal Court rejected their application and proceeded with the hearing. KGB's counsel submitted that the parties had already entered into a binding settlement of the Indonesian Judgment, which is a matter determined under Indonesian law. The Federal Court held that the cause of action had been extinguished and dismissed the Leave Application with costs of RM10,000. The Federal Court also ordered the deposit of RM1,000 to be paid to KGB as part of the costs. Consequently, the Malaysian legal proceedings have now come to an end.

b) Qatar Petroleum Project (QP Project), Maersk Oil Qatar Project (MOQ Project) and the Marine Project Civil Suits (O&G Suit)

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.

DSAZ and DMS filed third party notices dated 8 March 2011 and 20 April 2011 respectively against certain individuals and Sime Darby Holdings Berhad, of whom comprise former management and current 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, seeking indemnity and/or contribution from the third parties in the event DSAZ and DMS are found liable to the Plaintiffs. The third parties have applied to strike out third party proceedings instituted against them by DSAZ and DMS.

B11. Material Litigation (continued)

Changes in material litigation since the date of the last audited annual statement of financial position up to 21 August 2014 are as follows: (continued)

b) Qatar Petroleum Project (QP Project), Maersk Oil Qatar Project (MOQ Project) and the Marine Project Civil Suits (O&G Suit) (continued)

The third party proceedings have been dismissed by the High Court, the Court of Appeal and by the Federal Court on 18 September 2013. Following the Federal Court's decision, third party proceedings instituted against the third parties in this suit have for all intents and purposes come to an end.

In respect of the civil suit, the Defendants have filed their respective Statements of Defence.

On 23 March 2011, DSAZ filed an application for discovery of documents (DSAZ's Discovery Application). On 13 June 2011, the High Court ordered DSAZ's Discovery Application hearing to be adjourned pending the completion of the discovery process.

Following the Federal Court's dismissal of DSAZ's third party proceedings, the High Court on 25 November 2013 fixed tentative trial dates as follows: July 2014 – 7 to 10, 21 to 24, August 2014 – 4 to 7, 18 to 21 and September 2014 – 8 to 12.

At the hearing of DSAZ's Discovery Application on 16 April 2014, DSAZ's counsel argued that they are entitled to (i) the consultants' reports; and (ii) the full set of the minutes of board meetings (instead of redacted minutes). The Plaintiffs' counsel argued that the reports were subject to legal privilege and the submission of redacted minutes was a common practice and was necessary to preserve confidentiality.

On 30 April 2014, the Court dismissed DSAZ's Discovery Application with costs. The judge rejected DSAZ's counsel's oral application for a stay of the trial pending the filing of an appeal and directed that the trial proceed on the dates fixed earlier. The Court also directed that the issues to be tried and common bundle of documents to be filed by the next case management on 13 June 2014.

On 13 June 2014, all the Defendants consented to judgment being recorded on the following terms (Consent Judgment):

(i) Judgment be entered for the Plaintiffs in respect of the claims as set out in Prayers (1), (2), (3), (4), (5), (6), (7), (8) and (9) of the Statement of Claim dated 23 December 2010;
(ii) The amount of damages in respect of these claims is to be assessed by the Court except for the matters pleaded with respect to Incobliss Consulting Sdn Bhd, and thereupon final Judgment be entered for the Plaintiffs for the assessed amount with costs; and
(iii) the Plaintiffs shall be permitted to levy execution upon any such final judgment or otherwise enforce the same against any of the Defendants only upon the Plaintiffs recovering all claims from the respective employers for the QP Project and the MOQ Project and the proceeds of sale of the derrick lay barge in regards to the Marine Project or after the expiry of 3 years from the date when final judgment for the assessed amount is entered, whichever is the earlier.

With the filing of the Consent Judgment, the issue of the Defendants' liability has now come to an end. The amount of damages will be assessed by the Court at a later stage. Pursuant to the Rules of Court, the Plaintiffs have filed a Notice of Appointment for assessment of damages. At the hearing of the said Application, the Plaintiffs' counsel will explain to the Court that assessment of damages at this juncture is still premature and will request that assessment be deferred until the Plaintiffs are in a position to assess damages.

B11. Material Litigation (continued)

Changes in material litigation since the date of the last audited annual statement of financial position up to 21 August 2014 are as follows: (continued)

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

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 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.

DSAZ and DMS filed third party notices dated 8 March 2011 and 20 April 2011 respectively against certain individuals and SDHB, of whom comprise former management and current 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, seeking indemnity and/or contribution from the third parties in the event DSAZ and DMS are found liable to the Plaintiffs. The third parties have applied to strike out third party proceedings instituted against them by DSAZ and DMS.

The third party proceedings have been dismissed by the High Court, the Court of Appeal and by the Federal Court on 18 September 2013. Following the Federal Court's decision, third party proceedings instituted against the third parties in this suit have for all intents and purposes come to an end.

In respect of the civil suit, the Defendants have filed their respective Statements of Defence.

On 23 March 2011, DSAZ filed an application for discovery of documents (DSAZ's Discovery Application). On 13 June 2011, the High Court ordered DSAZ's Discovery Application hearing to be adjourned pending the completion of the discovery process.

Following the Federal Court's dismissal of DSAZ's third party proceedings, the High Court on 25 November 2013 fixed tentative trial dates as follows: July 2014 – 7 to 10, 21 to 24, August 2014 – 4 to 7, 18 to 21 and September 2014 – 8 to 12.

At the hearing of DSAZ's Discovery Application on 16 April 2014, DSAZ's counsel argued that they are entitled to (i) the consultants' reports; and (ii) the full set of the minutes of board meetings (instead of redacted minutes). The Plaintiffs' counsel argued that the reports were subject to legal privilege and the submission of redacted minutes was a common practice and was necessary to preserve confidentiality.

On 30 April 2014, the Court dismissed DSAZ's Discovery Application with costs. The judge rejected DSAZ's counsel's oral application for a stay of the trial pending the filing of an appeal and directed that the trial proceed on the dates fixed earlier. The Court also directed that the issues to be tried and common bundle of documents to be filed by the next case management on 13 June 2014.

On 13 June 2014, all the Defendants consented to judgment being recorded on the following terms (Consent Judgment):

(i) Judgment be entered for the Plaintiffs in respect of the claims as set out in Prayers (1), (2), (3), (4), (7), (8) and (9) of the Statement of Claim dated 24 December 2010;
(ii) the amount of damages in respect of these claims are to be assessed by the Court and thereupon final Judgment be entered for the Plaintiffs for the assessed amount with costs; and
(iii) the Plaintiffs shall be permitted to levy execution upon any such final judgment or otherwise enforce the same against any of the Defendants only upon the Malaysia-China Hydro Joint Venture receiving all that is due and payable as full settlement from Sarawak Hidro Sdn Bhd or the Ministry of Finance and/or an assignee or successor in title thereof in relation to the Bakun Project or after the expiry of 3 years from the date when final judgment for the assessed amount is entered, whichever is the earlier.

B11. Material Litigation (continued)

Changes in material litigation since the date of the last audited annual statement of financial position up to 21 August 2014 are as follows: (continued)

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

With the filing of the Consent Judgment, the issue of the Defendants' liability has now come to an end. The amount of damages will be assessed by the Court at a later stage. Pursuant to the Rules of Court, the Plaintiffs have filed a Notice of Appointment for assessment of damages. At the hearing of the said Appointment, the Plaintiffs' counsel will explain to the Court that assessment of damages at this juncture is still premature as the final accounts with Sarawak Hidro Sdn Bhd have not been closed and will request that assessment be deferred until the Plaintiffs are in a position to assess damages.

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), 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).

SDE's counsel had on 14 February 2012 filed and submitted the response to EMAS's notice of arbitration (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 (Judicial Department). 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 Judicial Department dismissed the case on procedural grounds. On 21 June 2012, EMAS filed an appeal to the Court of Appeal in Abu Dhabi (Appellate Court) against the decision of the Judicial Department 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 (Court) on the ground that the Court has the jurisdiction to hear the dispute between EMAS and SDE.

On 15 October 2012, SDE 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.

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.

B11. Material Litigation (continued)

Changes in material litigation since the date of the last audited annual statement of financial position up to 21 August 2014 are as follows: (continued)

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

(ii) Proceedings at the Judicial Department of Abu Dhabi (continued)

On 29 June 2013, the court expert held a session with SDE's 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 session SDE's proposal for settlement based on amounts payable had there been a retainer 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 adjourned 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.

On 5 March 2014, the court expert submitted his supplemental report (which maintained his earlier findings). SDE filed a formal objection to the court expert's supplemental report on 19 March 2014. The case was then fixed for decision on 18 May 2014.

On 18 May 2014, the court issued a judgment for the sum of AED41,046,086 (approximately USD11,174,864) against SDE which is about the same amount recommended by the court expert.

On 18 June 2014, SDE filed an appeal to the Court of Appeal against the Court's decision. EMAS's appeal against the Court's decision was filed on 20 May 2014.

On 2 July 2014, the Court of Appeal reversed the finding of the Court. The Court of Appeal, in its judgment, held that the Court is barred from making its ruling on the case due to *res judicata* (i.e a party cannot bring the same issue before the court once it has been decided) of the 2011 case. EMAS has 60 days from 2 July 2014 to file its appeal to the Supreme Court. Alternatively, EMAS can revive the arbitration proceedings at the ADCCAC upon payment of the requisite filing fee.

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.

At the hearing of the Judicial Review 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.

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 (High Court Decision).

B11. Material Litigation (continued)

Changes in material litigation since the date of the last audited annual statement of financial position up to 21 August 2014 are as follows: (continued)

e) Michael Chow Keat Thye (the Applicant) (continued)

On 9 December 2013, the Applicant filed notice of appeal to the Court of Appeal against the High Court Decision (Appeal).

On 21 April 2014, the Applicant's solicitors wrote to SD Nominees' solicitors seeking SD Nominees' consent to the withdrawal of the Appeal on the grounds that given the price per share had now exceeded RM2.30, the continuance of the Judicial Review proceedings would be an academic exercise. On 29 April 2014, the Applicant's solicitors filed a Notice of Discontinuance of the Appeal in which the parties agreed that the Appeal would be withdrawn without liberty to file afresh and without an order as to costs. Following the filing of the Notice of Discontinuance, the Applicant's solicitors obtained confirmation from the Court of Appeal that the Notice of Discontinuance was in order. The Appeal was therefore disposed of and this matter has now been concluded.

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 (approximately USD276,105,851). 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.

On 28 February 2013, in its reply to QP's Statement of 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 (approximately USD276,862,952). On 19 March 2013, QP filed its reply.

On 30 April 2013, the Court ordered the case to be transferred to the Administrative Court. 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 SDE to pay the experts' fees of QAR90,000.

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 was transferred to the Circuit Court and the hearing before the new court was fixed on 7 November 2013.

On 7 November 2013, the parties submitted their respective nominations for Court experts. The case was adjourned to 28 November 2013 on which date, QP requested for a further adjournment to allow the parties to nominate Arabic-speaking candidates which they did during the hearing on 16 January 2014. Solicitors for SDE and QP also informed the Court of their agreement on various matters pertaining to the appointment of the court experts. On 30 January 2014, the Court finalised the appointment of 3 court experts (comprising 2 engineers nominated by each of SDE and QP and an accountant from the Court's list), revised the court experts' fees and fixed 3 April 2014 for hearing.

On 3 April 2014, QP contested the appointment of the court expert from its earlier list of nominees. The Court fixed the next hearing date on 8 May 2014 which was subsequently adjourned to 15 May 2014 to decide on the appointment of QP's nominee.

B11. Material Litigation (continued)

Changes in material litigation since the date of the last audited annual statement of financial position up to 21 August 2014 are as follows: (continued)

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

On 15 May 2014, the Court appointed a new panel of experts and on 21 May 2014, issued written judgment, identifying the new experts. The Court adjourned the case to 23 October 2014 for the new experts to meet with the parties and to prepare their report.

g) Tenaga Nasional Berhad Notice of Arbitration

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

On 30 April 2014, Sime Darby Energy Sdn Bhd completed the disposal of its entire 75% equity interest in PDP to Hypergantic Sdn Bhd (Hypergantic), a wholly- owned subsidiary of Malakoff Corporation Berhad. Consequently, this matter will be managed by Hypergantic and will be removed from future reports.

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 USD47,217,857.

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 raised 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 the timeline for the arbitration including SDE's preliminary objection on the jurisdictional issue.

The parties submitted on the jurisdictional issue on 10 January 2014. On 29 January 2014, the tribunal confirmed that it had the jurisdiction to hear the arbitration and hearing was fixed for 5 January 2015.

SOC has also submitted an application to the tribunal for security for the claim amount of USD47,217,857 by way of a bank guarantee or parental guarantee (SOC's Application). On 9 April 2014, the tribunal dismissed SOC's Application. SDE filed its Defence and Counterclaim on 18 April 2014 and SOC filed its Reply on 13 June 2014.

The parties have been directed to file and exchange their respective witness statements by 26 September 2014.

Amounts in RM million unless otherwise stated

B11. Material Litigation (continued)

Changes in material litigation since the date of the last audited annual statement of financial position up to 21 August 2014 are as follows: (continued)

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 and ONGC submitted its Statement of Defence on 9 January 2014. The 1st OEC meeting was held in New Delhi from 19 March 2014 to 21 March 2014 during which time the Consortium submitted its reply to ONGC's Statement of Defence.

The 2nd OEC meeting was held from 28 April 2014 to 30 April 2014 during which time the Consortium made a presentation to the OEC on the Consortium's claims.

The 3rd OEC meeting which had been fixed from 17 July 2014 to 19 July 2014 has been rescheduled to 21 August 2014 until 23 August 2014 during which time the OEC is expected to deliberate on the possible settlement between the parties.

B12. Dividend

The Board has recommended a final single tier dividend of 30.0 sen per share in respect of the financial year ended 30 June 2014 (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 (AGM).

Subject to the relevant regulatory approvals being obtained and shareholders' approval at the forthcoming AGM for the renewal of the authority to allot and issue new ordinary shares of RM0.50 each in the Company (new Sime Darby Shares) for the purpose of the implementation of the Dividend Reinvestment Plan (DRP), the Board of Directors, in its absolute discretion, recommend that the shareholders of the Company be given an option pursuant to the DRP to reinvest their entire Final Dividend into new Sime Darby Shares at an issue price to be determined and announced at a later date.

The total net dividends for the year ended 30 June 2014 is 36.0 sen per share, comprising:

	Year ended 30 June 2014		Year ended 30 June 2013	
	Net Per share (sen)	Total net dividend	Net Per share (sen)	Total net dividend
Interim single tier dividend	**6.0**	**363.8**	7.0	420.7
Final single tier dividend	**30.0**	**1,819.2**	27.0	1,622.6
	36.0	**2,183.0**	34.0	2,043.3

B13. Earnings Per Share

	Quarter ended 30 June		Year ended 30 June	
	2014	**2013**	**2014**	**2013**
Earnings per share attributable to owners of the Company are computed as follows:				
Basic				
Profit for the period				
- from continuing operations	**1,033.7**	950.2	**3,089.3**	3,230.1
- from discontinued operations	**159.2**	360.4	**263.4**	470.5
	1,192.9	1,310.6	**3,352.7**	3,700.6
Weighted average number of ordinary shares in issue (million)	**6,064.1**	6,009.5	**6,033.1**	6,009.5
Earnings per share (sen)				
- from continuing operations	**17.05**	15.81	**51.21**	53.75
- from discontinued operations	**2.63**	6.00	**4.37**	7.83
	19.68	21.81	**55.58**	61.58
Diluted				
Profit for the period				
- from continuing operations *	**1,033.5**	949.7	**3,088.9**	3,229.6
- from discontinued operations	**159.2**	360.4	**263.4**	470.5
	1,192.7	1,310.1	**3,352.3**	3,700.1
Weighted average number of ordinary shares in issue (million)	**6,064.1**	6,009.5	**6,033.1**	6,009.5
Earnings per share (sen)				
- from continuing operations	**17.04**	15.80	**51.20**	53.74
- from discontinued operations	**2.63**	6.00	**4.37**	7.83
	19.67	21.80	**55.57**	61.57

* adjusted for the dilutive effect of long-term stock incentive plan of an associate of RM0.2 million (2013: RM0.5 million) and RM0.4 million (2013: RM0.5 million) for the quarter and year ended 30 June 2014, respectively.

By Order of the Board
Norzilah Megawati Abdul Rahman
Group Secretary

Kuala Lumpur
28 August 2014