QUARTERLY REPORT

On the consolidated results for the fourth quarter ended 30 June 2015

The Directors are pleased to announce the following:

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

		Quarter ended 30 June			Year ended 30 June		
	Note	**2015**	**2014**	**% +/(-)**	**2015**	**2014**	**% +/(-)**
Continuing operations							
Revenue	A7	**12,864.5**	12,513.6	2.8	**43,728.7**	43,908.0	(0.4)
Operating expenses		**(12,174.7)**	(11,455.8)		**(41,607.4)**	(40,747.6)	
Other operating income		**415.2**	392.8		**988.3**	951.5	
Other gains/(losses)		**36.1**	(17.5)		**289.4**	6.7	
Operating profit	B6	**1,141.1**	1,433.1	(20.4)	**3,399.0**	4,118.6	(17.5)
Share of results of joint ventures		**27.3**	(16.2)		**(100.6)**	(39.1)	
Share of results of associates		**26.6**	14.2		**(21.4)**	139.3	
Profit before interest and tax	A7	**1,195.0**	1,431.1	(16.5)	**3,277.0**	4,218.8	(22.3)
Finance income		**68.0**	47.7		**196.3**	160.8	
Finance costs	B6	**(123.1)**	(98.2)		**(470.6)**	(415.0)	
Profit before tax		**1,139.9**	1,380.6	(17.4)	**3,002.7**	3,964.6	(24.3)
Tax expense	B7	**(124.0)**	(277.1)		**(567.0)**	(707.5)	
Profit from continuing operations		**1,015.9**	1,103.5	(7.9)	**2,435.7**	3,257.1	(25.2)
Discontinued operations							
Profit from discontinued operations (see note below)	B6	–	159.2		–	263.4	
Profit for the period		**1,015.9**	1,262.7	(19.5)	**2,435.7**	3,520.5	(30.8)
Attributable to owners of:							
- the Company							
- from continuing operations		**988.7**	1,038.1		**2,312.8**	3,112.8	
- from discontinued operations		**–**	154.8		–	239.9	
		988.7	1,192.9	(17.1)	**2,312.8**	3,352.7	(31.0)
- non-controlling interests		**27.2**	69.8	(61.0)	**122.9**	167.8	(26.8)
Profit for the period		**1,015.9**	1,262.7	(19.5)	**2,435.7**	3,520.5	(30.8)
		Sen	**Sen**		**Sen**	**Sen**	
Earnings per share attributable to owners of the Company	B13						
Basic							
- from continuing operations		**15.92**	17.10		**37.68**	51.53	
- from discontinued operations		–	2.55		–	3.97	
		15.92	19.65	(19.0)	**37.68**	55.50	(32.1)
Diluted							
- from continuing operations		**15.91**	17.10		**37.67**	51.53	
- from discontinued operations		–	2.55		–	3.97	
		15.91	19.65	(19.0)	**37.67**	55.50	(32.1)

Note : The discontinued operations in the previous year was in relation to the disposal of the power generation business under Energy & Utilities division.

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 2014.

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		
	2015	**2014**	**% +/(-)**	**2015**	**2014**	**% +/(-)**
Profit for the period	**1,015.9**	1,262.7	(19.5)	**2,435.7**	3,520.5	(30.8)
Other comprehensive income/(loss)						
Items that will be reclassified subsequently to profit or loss:						
Currency translation differences:						
- subsidiaries	**365.3**	(327.4)		**520.1**	(437.1)	
Net changes in fair value of:						
- available-for-sale investments	**10.5**	3.3		**(22.1)**	11.9	
- cash flow hedges	**13.9**	(8.2)		**194.4**	17.7	
Share of other comprehensive income/(loss) of:						
- joint ventures	**93.1**	(2.3)		**113.7**	66.1	
- associates	**16.5**	(6.8)		**18.2**	(1.2)	
Tax expense	**(18.6)**	1.0		**(73.8)**	(5.7)	
	480.7	(340.4)		**750.5**	(348.3)	
Reclassified changes in fair value of cash flow hedges to:						
- profit or loss	**(29.9)**	38.4		**(250.5)**	19.6	
- inventories	**(5.3)**	7.8		**(20.9)**	49.5	
Reclassified currency translation differences on repayment of net investment	**(3.4)**	(14.9)		**(151.5)**	(113.4)	
Reclassified currency translation differences on disposal of subsidiary	**–**	–		**0.5**	–	
Tax expense	**17.8**	(13.5)		**90.7**	(20.9)	
	(20.8)	17.8		**(331.7)**	(65.2)	
Items that will not be reclassified subsequently to profit or loss:						
Actuarial losses on defined benefit pension plans	**(6.6)**	(19.3)		**(6.6)**	(19.1)	
Share of actuarial (losses)/gains on defined benefit pension plans of a joint venture	**–**	–		**(20.9)**	17.6	
Tax expense	**1.7**	(0.2)		**1.7**	(0.2)	
	(4.9)	(19.5)		**(25.8)**	(1.7)	
Total other comprehensive income/(loss) from continuing operations	**455.0**	(342.1)	233.0	**393.0**	(415.2)	194.7
Total other comprehensive income from discontinued operations	**–**	9.7	(100.0)	**–**	8.0	(100.0)
Total comprehensive income for the period	**1,470.9**	930.3	58.1	**2,828.7**	3,113.3	(9.1)
Attributable to owners of:						
- the Company						
- from continuing operations	**1,433.5**	726.8		**2,648.9**	2,760.0	
- from discontinued operations	**–**	164.5		**–**	247.9	
	1,433.5	891.3	60.8	**2,648.9**	3,007.9	(11.9)
- non-controlling interests	**37.4**	39.0	(4.1)	**179.8**	105.4	70.6
Total comprehensive income for the period	**1,470.9**	930.3	58.1	**2,828.7**	3,113.3	(9.1)

The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying explanatory notes and the audited financial statements for the year ended 30 June 2014.

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 2015	Audited As at 30 June 2014
Non-current assets			
Property, plant and equipment		**16,488.4**	14,346.7
Biological assets		**5,850.3**	2,534.1
Prepaid lease rentals		**934.1**	868.8
Investment properties		**580.7**	656.2
Land held for property development		**823.0**	927.7
Joint ventures		**2,263.6**	1,590.3
Associates		**1,582.0**	1,521.0
Available-for-sale investments		**128.1**	171.6
Intangible assets		**3,992.7**	1,233.5
Deferred tax assets		**1,143.1**	988.6
Tax recoverable		**478.6**	396.5
Derivatives	B10(a)	**207.6**	68.2
Receivables		**544.8**	587.6
Amounts due from customers on construction contracts		**651.2**	260.4
		35,668.2	26,151.2
Current assets			
Inventories		**9,663.1**	9,510.9
Property development costs		**2,585.6**	1,917.2
Receivables		**7,486.7**	6,526.0
Accrued billings and others		**1,494.0**	1,284.3
Tax recoverable		**286.4**	215.4
Derivatives	B10(a)	**79.9**	43.0
Cash held under Housing Development Accounts		**556.1**	514.2
Bank balances, deposits and cash		**3,644.9**	4,381.8
		25,796.7	24,392.8
Non-current assets held for sale (see note below)		**128.7**	392.2
Total assets	A7	**61,593.6**	50,936.2
Equity			
Share capital	A5(a)	**3,105.6**	3,032.1
Reserves		**27,249.1**	25,556.5
Attributable to owners of the Company		**30,354.7**	28,588.6
Non-controlling interests		**1,012.0**	876.7
Total equity		**31,366.7**	29,465.3
Non-current liabilities			
Borrowings	B9	**11,745.4**	8,109.2
Finance lease obligation		**139.2**	145.9
Provisions		**17.2**	49.3
Retirement benefits		**167.4**	141.5
Deferred income		**407.5**	375.7
Deferred tax liabilities		**2,062.7**	493.4
Derivatives	B10(a)	**21.4**	2.4
		14,560.8	9,317.4
Current liabilities			
Payables		**8,418.3**	8,105.2
Progress billings and others		**196.8**	208.7
Borrowings	B9	**6,317.6**	3,065.6
Finance lease obligation		**6.8**	6.6
Provisions		**210.4**	283.4
Deferred income		**158.8**	102.2
Tax payable		**222.5**	267.9
Derivatives	B10(a)	**51.5**	29.7
		15,582.7	12,069.3
Liabilities associated with assets held for sale (see note below)		**83.4**	84.2
Total liabilities		**30,226.9**	21,470.9
Total equity and liabilities		**61,593.6**	50,936.2

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

	Unaudited As at 30 June 2015	Audited As at 30 June 2014
Net assets per share attributable to owners of the Company (RM)	**4.89**	4.71

Note:

	Unaudited As at 30 June 2015	Audited As at 30 June 2014
Non-current assets held for sale		
Non-current assets		
Property, plant and equipment	**8.2**	–
Investment properties	**0.2**	2.5
Associate	**–**	262.9
Disposal groups	**120.3**	126.8
	128.7	392.2
Liabilities associated with assets held for sale		
Disposal groups	**83.4**	84.2

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

The associate classified as non-current asset held for sale as at 30 June 2014 was in respect of the Group's 9.9% equity interest in Eastern & Oriental Berhad. The disposal was completed on 23 July 2014 (see Note A11.3).

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 2014.

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 2015	**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 2014	3,032.1	555.0	39.1	67.0	6,888.3	70.1	(39.5)	73.3	(45.2)	17,948.4	28,588.6	876.7	29,465.3
Total comprehensive income for the year	–	–	–	–	–	–	(60.4)	(25.7)	447.7	2,287.3	2,648.9	179.8	2,828.7
Transfer between reserves	–	–	–	–	(3.5)	(2.1)	–	–	–	5.6	–	–	–
Employee share scheme	–	–	(2.1)	–	–	–	–	–	–	–	(2.1)	–	(2.1)
Share of capital reserve of associates	–	–	–	–	(2.9)	–	–	–	–	–	(2.9)	–	(2.9)
Acquisition of non-wholly owned subsidiary	–	–	–	–	–	–	–	–	–	–	–	59.3	59.3
Issue of shares in a subsidiary	–	–	–	–	–	–	–	–	–	–	–	0.1	0.1
Capital repayment of a subsidiary	–	–	–	–	–	–	–	–	–	–	–	(7.3)	(7.3)
Dividends paid by way of:													
- issuance of shares *	73.5	1,241.1	–	–	–	–	–	–	–	(1,314.6)	–	–	–
- cash	–	–	–	–	–	–	–	–	–	(877.3)	(877.3)	(96.6)	(973.9)
Share issue expenses	–	(0.5)	–	–	–	–	–	–	–	–	(0.5)	–	(0.5)
At 30 June 2015	3,105.6	1,795.6	37.0	67.0	6,881.9	68.0	(99.9)	47.6	402.5	18,049.4	30,354.7	1,012.0	31,366.7

* pursuant to the Dividend Reinvestment Plan

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	(414.6)	3,351.4	3,007.9	105.4	3,113.3
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	–	–	–	–	1.9	–	–	–	–	–	1.9	–	1.9
Acquisition of non-wholly owned subsidiaries	–	–	–	–	–	–	–	–	–	–	–	41.7	41.7
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 shares *	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	6,888.3	70.1	(39.5)	73.3	(45.2)	17,948.4	28,588.6	876.7	29,465.3

* pursuant to the Dividend Reinvestment Plan

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 2014.

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 2015	2014
Profit after tax		**2,435.7**	3,520.5
Adjustments for:			
Gain on disposal of subsidiaries, a joint venture, an associate and other investments		**(209.0)**	(162.9)
Gain on disposal of properties		**(173.6)**	(107.2)
Share of results of joint ventures and associates		**122.0**	(100.2)
Finance income		**(196.3)**	(164.0)
Finance costs		**470.6**	416.9
Depreciation and amortisation		**1,259.8**	1,238.6
Tax expense		**567.0**	744.9
Other non-cash items		**(40.7)**	17.0
		4,235.5	5,403.6
Changes in working capital:			
Inventories and rental assets		**965.6**	(546.8)
Property development costs		**(575.2)**	(82.6)
Land held for property development		**(6.9)**	(31.1)
Trade and other receivables and prepayments		**(576.1)**	(1,185.5)
Trade and other payables and provisions		**(202.3)**	29.8
Cash generated from operations		**3,840.6**	3,587.4
Tax paid		**(957.6)**	(744.3)
Dividends from joint ventures and associates		**30.9**	37.2
Dividends from available-for-sale investments		**66.1**	42.8
Net cash from operating activities		**2,980.0**	2,923.1
Investing activities			
Finance income received		**181.7**	132.8
Purchase of subsidiaries and business	A11.2	**(6,022.9)**	(195.1)
Purchase/subscription of shares in joint ventures and associates		**(407.6)**	(361.0)
Purchase of available-for-sale investments		**(58.7)**	(51.3)
Purchase of property, plant and equipment		**(1,324.3)**	(1,441.2)
Cost incurred on biological assets		**(237.3)**	(202.1)
Payment for prepaid lease rental		**(49.9)**	(105.6)
Purchase of investment properties		**(2.3)**	(25.9)
Purchase of intangible assets		**(214.5)**	(166.3)
Net cash inflow from sale of subsidiaries	A11.3	**41.1**	807.9
Proceeds from sale of a joint venture and an associate		**334.1**	23.0
Proceeds from sale of available-for-sale investments		**77.1**	10.3
Proceeds from sale of property, plant and equipment		**303.9**	185.0
Proceeds from sale of investment property		**154.3**	5.2
Proceeds from sale of prepaid lease rental		**1.0**	3.9
Others		**(3.0)**	102.1
Net cash used in investing activities		**(7,227.3)**	(1,278.3)

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

	Year ended 30 June 2015	2014
Financing activities		
Capital repayment by a subsidiary to owner of non-controlling interest	**(7.3)**	–
Proceeds from shares issued to owner of non-controlling interest	**0.1**	–
Purchase of additional interest in non-controlling interest	**–**	(77.3)
Share issue expenses	**(0.5)**	(0.7)
Finance costs paid	**(585.8)**	(445.7)
Long-term borrowings raised	**3,618.5**	1,536.2
Repayments of long-term borrowings	**(1,672.6)**	(360.8)
Revolving credits, trade facilities and other short-term borrowings (net)	**2,966.1**	(415.1)
Dividends paid	**(973.9)**	(1,565.0)
Net cash from/(used in) financing activities	**3,344.6**	(1,328.4)
Net changes in cash and cash equivalents	**(902.7)**	316.4
Foreign exchange differences	**255.1**	(117.8)
Cash and cash equivalents at beginning of the year	**4,802.2**	4,603.6
Cash and cash equivalents at end of the year	**4,154.6**	4,802.2

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

	2015	2014
Cash held under Housing Development Accounts	**556.1**	514.2
Bank balances, deposits and cash	**3,644.9**	4,381.8
Less:		
Bank overdrafts (Note B9)	**(46.4)**	(93.8)
	4,154.6	4,802.2

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 2014.

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) 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 2014.

A. EXPLANATORY NOTES PURSUANT TO FRS 134

A1. Basis of Preparation

In November 2011, the MASB issued the Malaysian Financial Reporting Standards Framework (MFRS Framework). MFRS Framework is a fully IFRS-compliant framework which is applicable for all non-private entities for annual periods beginning on or after 1 January 2012, other than Transitioning Entities (TEs), which may defer adoption in view of imminent changes which may change current accounting treatments. TEs are non-private entities within the scope of MFRS 141 – Agriculture and IC Interpretation 15 – Agreements for the Construction of Real Estate, including their parent, significant investor and venturer.

On 2 September 2014, the MASB issued MFRS Agriculture: Bearer Plants (Amendments to MFRS 116 – Property, Plant and Equipment and Amendments to MFRS 141 – Agriculture) and MFRS 15 – Revenue from Contracts with Customers, which shall apply to financial statements of annual periods beginning on or after 1 January 2016 and 1 January 2017 respectively. The MASB further notifies that TEs are required to comply with MFRS Framework for annual period beginning on or after 1 January 2017.

The Group and the Company, being a TE, will continue to comply with FRS until the MFRS Framework is adopted, no later than from the financial period beginning on 1 July 2017.

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 2014, other than the adoption of the following standards:

   - 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 10 – Consolidated Financial Statements
   - Amendments to FRS 12 – Disclosure of Interests in Other Entities
   - 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 127 – Separate Financial Statements
   - Amendments to FRS 132 – Financial Instruments: Presentation
   - Amendments to FRS 136 – Impairment of Assets
   - Amendments to FRS 138 – Intangible Assets
   - Amendments to FRS 139 – Financial Instruments: Recognition and Measurement
   - Amendments to FRS 140 – Investment Property
   - IC Interpretation 21 – Levies

   The adoption of the above did not result in any significant impact on the Group's results and financial position.

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 set out below.

(i) New and amendments to standards that will be effective for annual periods beginning on or after 1 January 2016:

- FRS 14 – Regulatory Deferral Accounts
- Amendments to FRS 5 – Non-current Assets Held for Sale and Discontinued Operations
- Amendments to FRS 7 – Financial Instruments: Disclosures
- Amendments to FRS 10 – Consolidated Financial Statements
- Amendments to FRS 11 – Joint Arrangements
- Amendments to FRS 12 – Disclosure of Interests in Other Entities
- Amendments to FRS 101 – Presentation of Financial Statements
- Amendments to FRS 116 – Property, Plant and Equipment
- Amendments to FRS 119 – Employee Benefits
- Amendments to FRS 127 – Separate Financial Statements
- Amendments to FRS 128 – Investment in Associates and Joint Ventures
- Amendments to FRS 134 – Interim Financial Reporting
- Amendments to FRS 138 – Intangible Assets

(ii) New and amendments to standards that will be effective for annual periods beginning on or after 1 January 2018:

- FRS 9 – Financial Instruments
- Amendments to FRS 7 – Financial Instruments: Disclosures

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, other than changes attributable to the acquisition of New Britain Palm Oil Limited which is disclosed in Note A11.2.

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.

Amounts in RM million unless otherwise stated

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.

a) New Ordinary Shares

On 5 January 2015, the Company increased its issued and paid-up share capital from RM3,032,053,404 to RM3,105,579,143 via the issuance of 147,051,477 new ordinary shares of RM0.50 each for RM8.94 per share pursuant to the Dividend Reinvestment Plan (see Note A6). The new ordinary shares rank pari passu in all respect with the existing shares of the Company.

b) Performance-Based Employee Share Scheme

On 20 October 2014, the Company offered the 2nd Grant 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 of the Group as follows:

<u>Description of 2nd Grant Offer</u>

	GPS	**DPS**	**GES**
Number of shares offered to the eligible employees			
(i) President & Group Chief Executive	82,200	65,300	–
(ii) Other eligible employees	3,817,100	5,194,700	5,422,600
Total	3,899,300	5,260,000	5,422,600

Closing market price of the Company's shares on the date of the 2nd Grant	RM9.16
Vesting period of the 2nd Grant	Over a 3-year period commencing 1 July 2014

Vesting of the shares is subject to the eligible employees meeting their individual performance targets, 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 Nomination & Remuneration Committee, the total number of shares which will vest may be lower or higher than the total number of shares offered.

c) Redemption of Debt Securities

On 16 November 2014, the Company redeemed its 5-year RM700.0 million Islamic Medium Term Notes issued on 16 November 2009, upon its maturity.

A6. Dividends Paid

The final single tier dividend of 30.0 sen per share for the financial year ended 30 June 2014 was paid on 5 January 2015 by way of cash of RM504.6 million and by the issuance of 147,051,477 new ordinary shares of RM0.50 each in the Company at the issue price of RM8.94 per share, amounting to RM1,314.6 million following the election made by shareholders of the Company under the Dividend Reinvestment Plan.

An interim single tier dividend of 6.0 sen per share for the financial year ended 30 June 2015 amounting to RM372.7 million was paid in cash on 8 May 2015.

Amounts in RM million unless otherwise stated

A7. Segment Information

The Group has five reportable segments, which are the Group's strategic business units. These strategic business units offer different products and services, and are managed separately. Each of the strategic business units are headed by an Executive Vice President and the President & Group Chief Executive reviews the internal management reports on a monthly basis and conducts performance dialogues with the business units on a regular basis.

	Continuing operations									
	Plantation	Industrial	Motors	Property	Energy & Utilities	Others	Elimination/ Corporate expense	Total	Dis-continued operations	Total
Year ended 30 June 2015										
Segment revenue:										
External	**10,268.6**	**10,558.2**	**18,646.3**	**3,455.0**	**729.7**	**70.9**	**–**	**43,728.7**	**–**	**43,728.7**
Inter-segment	**0.3**	**63.4**	**33.9**	**175.7**	**49.2**	**9.6**	**(332.1)**	**–**	**–**	**–**
	10,268.9	**10,621.6**	**18,680.2**	**3,630.7**	**778.9**	**80.5**	**(332.1)**	**43,728.7**	**–**	**43,728.7**
Segment result:										
Operating profit	**1,180.5**	**512.4**	**466.6**	**928.6**	**134.0**	**22.2**	**154.7**	**3,399.0**	**–**	**3,399.0**
Share of results of joint ventures and associates	**(32.4)**	**8.8**	**7.0**	**(39.2)**	**(8.2)**	**(58.0)**	**–**	**(122.0)**	**–**	**(122.0)**
Profit before interest and tax	**1,148.1**	**521.2**	**473.6**	**889.4**	**125.8**	**(35.8)**	**154.7**	**3,277.0**	**–**	**3,277.0**

Amounts in RM million unless otherwise stated

A7. Segment Information (continued)

	Continuing operations									
	Plantation	**Industrial**	**Motors**	**Property**	**Energy & Utilities**	**Others**	**Elimination/ Corporate expense**	**Total**	**Dis-continued operations**	**Total**
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 joint ventures 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

Amounts in RM million unless otherwise stated

A7. Segment Information (continued)

	Plantation	Industrial	Motors	Property	Energy & Utilities	Others	Corporate	Total
As at 30 June 2015								
Segment assets:								
Operating assets	**24,728.9**[1]	**9,461.1**	**9,249.5**	**8,698.8**	**2,481.4**	**125.2**	**966.3**[2]	**55,711.2**
Joint ventures and associates	**653.6**	**196.0**	**90.7**	**2,037.9**	**233.2**	**634.2**	–	**3,845.6**
Non-current assets held for sale	**4.6**	**3.5**	–	**120.5**	**0.1**	–	–	**128.7**
	25,387.1	**9,660.6**	**9,340.2**	**10,857.2**	**2,714.7**	**759.4**	**966.3**	**59,685.5**
Tax assets								**1,908.1**
Total assets								**61,593.6**
As at 30 June 2014								
Segment assets:								
Operating assets	15,195.1	10,059.5	8,672.4	7,181.5	2,310.1	158.2	2,255.4	45,832.2
Joint ventures and associates	562.5	164.8	77.3	1,677.6	(64.7)	693.8	–	3,111.3
Non-current assets held for sale	–	–	–	392.2	–	–	–	392.2
	15,757.6	10,224.3	8,749.7	9,251.3	2,245.4	852.0	2,255.4	49,335.7
Tax assets								1,600.5
Total assets								50,936.2

Note:

1. The increase in the operating assets of Plantation is largely due to the acquisition of New Britain Palm Oil Limited (NBPOL) group (refer Note A11.2(c))
2. The reduction in the operating assets of Corporate is attributable to the utilisation of internal funds to part fund the acquisition of NBPOL.

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 2015	As at 30 June 2014
Property, plant and equipment		
- contracted	**782.7**	788.2
- not contracted	**2,143.9**	2,790.8
	2,926.6	3,579.0
Other capital expenditure		
- contracted	**175.6**	551.0
- not contracted	**170.9**	697.1
	3,273.1	4,827.1

A9. Significant Related Party Transactions

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

	Year ended 30 June 2015	2014
a) Transactions with joint ventures		
Tolling fees and sales to Emery Oleochemicals (M) Sdn Bhd and its related companies	**54.8**	68.0
Sales and services to Terberg Tractors Malaysia Sdn Bhd (TTM)	**1.5**	12.5
Purchase of terminal tractors, parts and engine from TTM	**14.1**	1.8
Disposal of a subsidiary, Sime Darby TMA Sdn Bhd, to TTM	**–**	25.0
Disposal of property, plant and equipment to Weifang Port Services Co Ltd	**315.0**	–
Sale of land to Sime Darby Sunsuria Development Sdn Bhd	**241.8**	–
Purchase of properties from Battersea Project Holding Company Limited group	**–**	40.9
b) Transactions with associates		
Sales of products and services to Tesco Stores (Malaysia) Sdn Bhd	**18.7**	19.8
Sales and services for parts to Energy Power Systems (Australia) Pty Ltd	**11.0**	–
Provision of services by Sitech Construction Systems Pty Ltd	**3.8**	5.8
Purchase of paints material from Sime Kansai Paints Sdn Bhd	**7.5**	4.2
Sale of land to Eastern & Oriental Berhad group	**239.8**	–
c) Transactions between subsidiaries and their significant owners of non-controlling interests		
Transactions between companies in which Tan Sri Dato' Ir Gan Thian Leong and Encik Mohamad Hassan Zakaria are substantial shareholders:		
- Turnkey works rendered by Brunsfield Engineering Sdn Bhd to Sime Darby Brunsfield Holding Sdn Bhd (SDBH) group	**287.9**	184.3
- Sale of Subang Avenue, an investment property by SDBH group to Subang Mall Property Sdn Bhd	**139.5**	–

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 2015	2014
c) Transactions between subsidiaries and their significant owners of non-controlling interests (continued)		
Transactions between companies in which Tan Sri Dato' Ir Gan Thian Leong and Encik Mohamad Hassan Zakaria are substantial shareholders (continued):		
- Sale of residential properties by SDBH group to Brunsfield Properties Sdn Bhd	**–**	59.4
Project management services rendered by Tunas Selatan Construction Sdn Bhd, the holding company of Tunas Selatan Pagoh Sdn Bhd to Sime Darby Property Selatan Sdn Bhd (SDPS)	**11.5**	17.0
Purchase of agricultural tractors, engines and parts by Sime Kubota Sdn Bhd from Kubota Corporation	**29.2**	31.3
Sales of vehicles and parts by Jaguar Land Rover (M) Sdn Bhd to Sisma Auto Sdn Bhd	**109.6**	4.6
Contract assembly services provided by Inokom Corporation Sdn Bhd (ICSB) to Berjaya Corporation Berhad group	**85.7**	41.2
Royalty payment to and procurement of cars, ancillary services by ICSB from Hyundai Motor Company and its related companies	**226.4**	245.1
Sales of motor vehicles by Sime Darby Auto Performance Sdn Bhd and Sime Darby Auto Britannia Sdn Bhd to Tan Sri Mokhzani Mahathir, the shareholder of Mahawangsa Holdings Sdn Bhd	**8.1**	–
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	**2.9**	12.2
e) Transactions with firms in which certain Directors of the Company are partners		
Provision of legal services by Azmi & Associates, a firm in which Dato' Azmi Mohd Ali is a partner	**0.1**	0.4
f) Transactions with Directors of the Company and their close family members		
Sales of properties and cars by the Group	**3.7**	7.1
Sales of properties by Battersea Project Phase 1 Company Limited, a joint venture	**–**	7.5
g) Transactions with key management personnel and their close family members		
Sales of properties and cars by the Group	**2.1**	4.7
Sales of properties by Battersea Project Phase 3 Residential Company Limited, a joint venture	**17.4**	–

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 53.4% as at 30 June 2015 of the issued share capital of the Company. PNB is an entity controlled by the Malaysian Government through Yayasan Pelaburan Bumiputra (YPB). The Group considers that, for the purpose of FRS 124 – Related Party Disclosures, YPB and the Malaysian Government are in the position to exercise significant influence over it. As a result, the Malaysian Government and Malaysian Government's controlled bodies (collectively referred to as government-related entities) are related parties of the Group and the Company.

Transactions entered into during the financial year 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 from Chemical Company of Malaysia Berhad and its subsidiaries, companies in which YPB has substantial indirect interest, amounting to RM46.4 million (2014: RM92.2million). Shareholders' mandate was obtained for this recurrent related party transaction during the last annual general meeting.

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

There was no material event subsequent to the end of the current quarter under review to 18 August 2015, being a date not earlier than 7 days from the date of issue of the quarterly report.

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

1. Establishment of new companies

a) On 28 September 2014, Sime Darby CEL Machinery (Guangxi) Company Limited (SDCMG) was established in the People's Republic of China with a registered share capital of RMB5 million wholly held by Sime Darby CEL (South China) Limited. The intended principal activities of SDCMG are technical development on machinery, technical consultation on machinery engineering and international business consultation.

b) On 23 December 2014, Sime Darby Commodities Europe BV (SDCE) was incorporated in The Netherlands with the issued share capital of Euro100, wholly held by Sime Darby Netherlands BV. The intended principal activities of SDCE are trading of crude palm oil and palm oil products and feedstock procurement.

Both SDCMG and SDCE have yet to commence operations.

2. Acquisition of subsidiaries

a) On 11 September 2014, Sime-Morakot Holdings (Thailand) Limited and Sime Darby Plantation Europe Ltd completed the acquisition of 199,999,000 ordinary shares 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 RM80.9 million) less the net debt position of IEC at completion of THB817.5 million (equivalent to RM81.2 million). IEC was incorporated in Thailand and is principally involved in the business of crushing, refining and distribution of edible oil.

Amounts in RM million unless otherwise stated

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

2. Acquisition of subsidiaries (continued)

b) On 5 December 2014, North Shore Motor Holdings Limited completed the acquisition of the entire 3 ordinary shares and advances in Sodor Properties Limited (SPL) at a purchase consideration of NZD9 million (equivalent to RM24.7 million). SPL was incorporated in New Zealand and owns a piece of land in Auckland, New Zealand.

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

	Book value	Fair value
Property, plant and equipment	**29.1**	**108.7**
Intangible assets	**1.7**	**1.7**
Borrowings	**(73.0)**	**(73.0)**
Deferred tax liabilities	**–**	**(13.4)**
Net current liabilities	**(7.8)**	**(7.9)**
Net assets acquired	**(50.0)**	**16.1**
Goodwill		**8.3**
Net purchase consideration		**24.4**
Less: Cash and cash equivalent of subsidiaries acquired		**–**
Net cash outflow on acquisition		**24.4**

c) On 2 March 2015, Sime Darby Plantation Sdn Bhd (SDP) completed the acquisition of 149,794,781 ordinary shares representing 98.8% equity interest in New Britain Palm Oil Limited (NBPOL) for a total cash consideration of PGK4.3 billion (equivalent to RM6.0 billion). On 21 April 2015, SDP compulsorily acquired the remaining 1.2% equity interest in NBPOL under the Papua New Guinea Takeovers Code 1998 for cash consideration of PGK50.5 million (equivalent to RM68.6 million). NBPOL was incorporated in Papua New Guinea and is principally engaged in the business of cultivation and processing of palm oil.

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

	Book value	Fair value
Property, plant and equipment	**1,903.8**	**2,178.8**
Biological assets	**2,015.0**	**2,883.5**
Intangible assets	**163.3**	**603.8**
Borrowings	**(886.4)**	**(886.4)**
Deferred tax liabilities	**(1,051.7)**	**(1,526.9)**
Net current assets	**1,003.5**	**913.5**
Net assets acquired	**3,147.5**	**4,166.3**
Goodwill		**1,867.2**
Net purchase consideration		**6,033.5**
Less: Cash and cash equivalent of subsidiaries acquired		**(35.0)**
Net cash outflow on acquisition		**5,998.5**

In accordance with FRS 3, the identifiable assets acquired and the liabilities assumed at the acquisition date shall be measured at fair value within the measurement period of one year from the date of acquisition. The Group has engaged independent professional firms to perform a purchase price allocation exercise on the acquisition of NBPOL. The fair value as stated above is based on the preliminary reports by the professional firms and the value of assets acquired, liabilities assumed and the goodwill will be adjusted upon the completion of the exercise and within the measurement period prescribed under FRS 3.

The newly acquired subsidiaries contributed RM723.4 million to the Group's revenue and RM68.1 million to the Group's profit attributable to owners of the Company for the year ended 30 June 2015. If the acquisitions were effective on 1 July 2014, the Group's revenue and profit attributable to owners of the Company for the year ended 30 June 2015 would have been RM44,999.3 million and RM2,347.7 million respectively.

Amounts in RM million unless otherwise stated

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

3. Disposal of subsidiaries, joint venture and associate (continued)

a) On 23 July 2014, the Group completed the disposal of 9.9% equity interest (excluding treasury stocks) in Eastern & Oriental Berhad (E&O) for a total cash consideration of RM319 million. The disposal resulted in a gain of RM55.5 million, net of transaction costs. Following the completion of the disposal, the Group's interest in E&O has reduced to 21.9%.

b) On 28 November 2014, Sime Darby China Oils And Fats Company Limited entered into an Equity Transfer Agreement (ETA) with Shandong Wanbao Agricultural Co Ltd to dispose 55% of its 100% equity interest in Rizhao Sime Darby Oils & Fats Co Ltd for a total cash consideration of RMB85.3 million (equivalent to RM46.5 million).

The disposal is deemed completed though certain conditions precedent are outstanding, as they are of administrative in nature.

c) On 13 January 2015, Sime Darby Brunsfield Holding Sdn Bhd disposed its entire equity interest in three dormant subsidiaries, namely Sime Darby Brunsfield Project Management Sdn Bhd, Sime Darby Brunsfield Taipan City Sdn Bhd and Sime Darby Brunsfield Property Management Sdn Bhd to Brunsfield Development Holdings Sdn Bhd and Brunsfield Technology Holdings Sdn Bhd for a total cash consideration of RM6,000.

d) On 29 June 2015, Sime Darby Property Berhad (SDPB) disposed its 50% equity interest in Sime Darby Sunsuria Development Sdn Bhd (SDSD) for a total cash consideration of RM173.4 million, including RM16.4 million shareholder's advances due and payable by SDSD to SDPB.

Details of the net assets and net cash inflow arising from the disposal of subsidiary (Rizhao Sime Darby Oils & Fats Co Ltd) is as follows:

	Year ended 30 June 2015
Property, plant and equipment	**61.0**
Prepaid lease rentals	**26.9**
Deferred tax assets	**0.2**
Net current liabilities	**(0.3)**
Net assets disposed	**87.8**
Loss on disposal	**(3.7)**
Less: Exchange loss included in the loss on disposal	**0.5**
Proceeds from disposal, net of transaction costs	**84.6**
Less: Cash and cash equivalent in subsidiary disposed	**(3.9)**
Less: Fair value of retained portion of investment	**(38.1)**
Less: Balance consideration outstanding	**(46.5)**
Net cash outflow from disposal of subsidiary during the year	**(3.9)**
Net cash outflow from disposal of subsidiary during the year	**(3.9)**
Proceeds from disposal of a subsidiary in previous year	**45.0**
Net cash inflow from disposal of subsidiary	**41.1**

Amounts in RM million unless otherwise stated

A12. Contingent Liabilities – unsecured

a) Guarantees

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

The performance guarantees and financial guarantees are as follows:

	As at 18 August 2015	**As at 30 June 2014**
Performance guarantees and advance payment guarantees to customers of the Group	**2,253.2**	2,848.2
Guarantees in respect of credit facilities granted to:		
- certain associates and a jointly controlled entity	**74.5**	44.8
- plasma stakeholders	**82.7**	61.5
	2,410.4	2,954.5

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 18 August 2015, there is no counter-indemnities held by the Group (30 June 2014: RM212.1 million).

In addition, the Group guarantees the payment from its customers under a risk sharing arrangement with a third party leasing company in connection with the sale of its equipment up to a pre-determined amount. As at 18 August 2015, the total outstanding risk sharing amount on which the Group has an obligation to pay the leasing company should the customers default, amounted to RM383.8 million (30 June 2014: RM254.0 million).

b) Claims

	As at 18 August 2015	**As at 30 June 2014**
Claims pending against the Group	**8.2**	19.4

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 2015	2014	% +/(-)
Revenue	**43,728.7**	43,908.0	(0.4)
Segment results			
Plantation	**1,148.1**	1,874.6	(38.8)
Industrial	**521.2**	1,011.8	(48.5)
Motors	**473.6**	634.5	(25.4)
Property	**889.4**	599.7	48.3
Energy & Utilities	**125.8**	20.6	510.7
Others	**(35.8)**	52.7	(167.9)
	3,122.3	4,193.9	(25.6)
Exchange gain			
Unrealised	**41.4**	0.6	
Realised	**184.5**	102.2	
Corporate expense and elimination	**(71.2)**	(77.9)	
Profit before interest and tax	**3,277.0**	4,218.8	(22.3)
Finance income	**196.3**	160.8	
Finance costs	**(470.6)**	(415.0)	
Profit before tax	**3,002.7**	3,964.6	(24.3)
Tax expense	**(567.0)**	(707.5)	
Profit from continuing operations	**2,435.7**	3,257.1	(25.2)
Profit from discontinued operations	**–**	263.4	
Profit for the year	**2,435.7**	3,520.5	(30.8)
Non-controlling interests	**(122.9)**	(167.8)	
Profit after tax and non-controlling interests	**2,312.8**	3,352.7	(31.0)

Revenue of the Group at RM43.7 billion for the financial year ended 30 June 2015, was marginally lower than that of the previous year. Group profit before tax declined by 24.3% to RM3,002.7 million due to lower profits in all business segments, except Property and Energy & Utilities.

Profit attributable to shareholders of the Company at RM2,312.8 million was lower than that of the previous year by 31.0%.

Analysis of the results of each segment is as follows:

a) Plantation

Plantation division’s earnings dropped by 38.8% compared to a year ago largely due to lower average crude palm oil (CPO) price realised at RM2,193 per tonne against RM2,451 per tonne previously and lower fresh fruit bunch (FFB) production largely in Indonesia by 11%. The lower production was mainly caused by the prolonged oil palm biological stress due to the severe drought experienced in early 2014. Oil extraction rate was marginally lower at 21.7% from 21.9%, mainly due to forced ripening as a result of heavy rainfall.

New Britain Palm Oil Limited (NBPOL) which was acquired in March 2015 contributed 650,000 MT, representing 6.7% of the Group’s FFB production for the current year, and a profit of RM102.6 million.

Contribution from midstream and downstream operations declined by 63.5% to RM55.7 million for the current year compared to RM152.4 million previously. The previous year’s results include a gain arising from adjustment to pension provision and reversal of impairment totaling RM54.0 million. Excluding these two items, the results for the current year declined by 43.4% as compared to the previous year. The lower profit was attributable to the lower sales volume to Asia Pacific, Middle East and Africa as well as lower off-take from petroleum companies due to lower crude oil prices.

B1. Review of Group Performance (continued)

b) Industrial

Industrial division registered a sharp decline in profit by 48.5%, principally due to the weak results in the Australasia region which declined by 62.3%. This was largely due to lower equipment delivery and product support sales with lower margin realisation to the mining sector. The mining sector remained subdued due to the slump in coal prices and major mining companies slashing back on capital expenditure and deferring scheduled maintenance.

The operations in Malaysia and Singapore were affected by lower equipment delivery to the mining, construction and plantation sector owing to the weak market conditions, whilst the China/Hong Kong operations faced the slowdown in the construction and mining sectors as well as deferment of infrastructure works.

c) Motors

Contribution from Motors division declined by 25.4% compared to the previous year due to lower profit from all regions except for Australia, Vietnam and New Zealand.

The tighter lending rules on hire purchase and the Goods and Services Tax (GST) have dampened the demand in the Malaysia market. In addition, the weaker Ringgit Malaysia against US Dollar has narrowed the margins and affected the competitiveness of the marques carried by the Malaysia operations resulting in lower sales volume and contribution. Elsewhere, the slowdown in the China economy and the higher cost of Certificate of Entitlement in Singapore have resulted in lower contributions from both regions.

The lower results were cushioned by the higher profits and full year contributions from the Vietnam and Australia BMW operations acquired in November 2013 and April 2014, respectively. The truck operations in New Zealand reported improved earnings of RM63.7 million attributable to the increased activities.

d) Property

Property division's contribution jumped by 48.3% or RM289.7 million compared to previous year. This was mainly attributable to the gains on the disposal of 50% equity interest in Sime Darby Sunsuria Development Sdn Bhd and the 9.9% equity interest in Eastern & Oriental Berhad of RM157.2 million and RM55.5 million respectively. On the property development operations, the division registered higher contributions from Bandar Bukit Raja, Ampar Tenang and Elmina but lower contributions from Denai Alam and Taman Pasir Putih and higher share of loss from the Battersea development project due to the higher marketing cost incurred.

e) Energy & Utilities

Profit from Energy & Utilities increased by RM105.2 million from RM20.6 million to RM125.8 million largely due to the write back of provisions amounting to RM77.1 million. Excluding the write back of provisions, the profit increased by RM28.1 million, due to higher port throughput and higher water consumption coupled with higher average tariffs.

f) Others

Other businesses recorded a loss of RM35.8 million compared to a profit of RM52.7 million in the previous year. The decline was mainly attributable to the share of losses in Tesco Stores (Malaysia) Sdn Bhd and lower contribution from insurance brokerage business.

The results of Tesco Malaysia was affected by a one-off charge of RM352.2 million being non-cash adjustment to balance sheet carrying values of property, plant and equipment and stocks. An impairment charge of RM229.7 million was made against the trading stores and, a one-off adjustment of RM122.5 million in stock-related charges following from the adoption of a forward-looking provisioning methodology which is adopted group-wide in Tesco Plc. The Group's share of the one-off charge amounted to RM89.2 million, net of tax.

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 2015	**31 March 2015**	**% +/(-)**
Revenue	**12,864.5**	9,997.8	28.7
Segment results			
Plantation	**489.4**	99.6	391.4
Industrial	**125.8**	79.2	58.8
Motors	**142.4**	83.0	71.6
Property	**416.4**	273.8	52.1
Energy & Utilities	**37.3**	19.0	96.3
Others	**12.7**	(53.9)	123.6
	1,224.0	500.7	144.5
Exchange gain/(loss):			
Unrealised	**38.7**	(11.9)	
Realised	**(50.1)**	240.0	
Corporate expense and elimination	**(17.6)**	(49.2)	
Profit before interest and tax	**1,195.0**	679.6	75.8
Finance income	**68.0**	37.5	
Finance costs	**(123.1)**	(121.9)	
Profit before tax	**1,139.9**	595.2	91.5
Tax expense	**(124.0)**	(166.8)	
Profit for the period	**1,015.9**	428.4	137.1
Non-controlling interests	**(27.2)**	(42.4)	
Profit after tax and non-controlling interests	**988.7**	386.0	156.1

Group revenue at RM12.9 billion for the quarter ended 30 June 2015 was an increase of 28.7% compared to the preceding quarter. Group profit before tax for the quarter jumped 91.5% to RM1,139.9 million largely due to higher contribution from all business segments. Net earnings of the Group improved significantly by 156.1% to RM988.7 million against RM386.0 million in the preceding quarter.

a) Plantation

Profit from Plantation surged by 391.4% in the current quarter compared to the preceding quarter. The steep increase was mainly due to the contribution from NBPOL of RM95.1 million (preceding quarter: RM7.5 million), higher average CPO price realised of RM2,242 per tonne against RM2,209 per tonne in the preceding quarter, and the sharp increase in the FFB production in Malaysia and Indonesia of 35.5% and 14.3% respectively.

Profit from midstream and downstream operations dropped to RM25.4 million from RM39.6 million in the preceding quarter mainly due to poor performance from oil and fats segments.

b) Industrial

Contribution from Industrial division rose by 58.8% to RM125.8 million largely due to improved results registered in Australia, Singapore and China/Hong Kong. Australia and Singapore reported higher sales from product support businesses to the mining and construction sectors respectively, whilst China/Hong Kong registered higher equipment and engines deliveries post the festive season in February 2015.

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

c) Motors

Motors division's profit jumped by 71.6% to RM142.4 million in the current quarter due to higher profit from all regions except Singapore and Vietnam operations.

The results for Malaysia included a dividend income of RM53.4 million whilst the gradual recovery in sales post GST was subdued due to the effect of appreciation of US Dollar against Ringgit Malaysia. Australia and New Zealand recorded higher profit due to the improved performances from BMW and Trucks operations. China/Hong Kong operations was flattish due to lower contribution from BMW operations despite the improvement in super luxury segments. Singapore and Vietnam registered higher revenue but margins narrowed due to intense competition.

d) Property

The higher profit from Property was primarily due to the gain on disposal of 50% equity interest in Sime Darby Sunsuria Development Sdn Bhd of RM157.2 million and higher contribution from Bukit Raja and Denai Alam.

e) Energy & Utilities

Energy & Utilities contributed a profit of RM37.3 million in this quarter compared to RM19.0 million in the preceding quarter. The higher profit was largely due to the adjustment for litigation and other provisions and higher contribution from water operations despite the loss on disposal of dredgers amounting to RM24.1 million.

f) Others

Other businesses comprising of Healthcare and insurance brokerage, recorded a profit of RM12.7 million for the quarter against the loss in the preceding quarter, which includes the Group's share of the one-off impairment charge by Tesco Stores (Malaysia) Sdn Bhd of RM89.2 million, net of tax.

B3. Prospects

The global economy remains challenging and is compounded by the escalating effects of the economic slowdown in China and its currency devaluation. However, economic conditions in the United States and Europe are increasingly more positive. The weak crude oil and commodity prices, coupled with the uncertainty of interest rate hikes and the volatile foreign exchange rates have resulted in continued tough operating conditions in the respective markets where the Group operates.

Crude palm oil (CPO) prices are expected to continue to remain depressed due to the anticipation of higher output of fresh fruit bunches (FFB) in the upcoming months and good production of other competing vegetable oils. The demand for biodiesel has been affected by the lower crude oil prices. The Plantation division's strategic thrust to expand its planted hectarage has borne fruit with the completion of the acquisition of New Britain Palm Oil Limited (NBPOL) in March 2015. Contribution from NBPOL is expected to increase in the coming years as the division continues to drive its synergy values and leverage for growth in Papua New Guinea. As a long-term measure, the division will continue to drive for greater cost efficiency and productivity improvements including, replanting programmes to increase yield and oil extraction rate.

The Industrial division continues to be plagued by the prolonged slump in coal prices and further exacerbated by the slowdown in economic growth, particularly in China. The effect of the slowdown has resulted in low equipment deliveries for the mining, construction, agriculture and power generation sectors. To mitigate the impact, the division had taken aggressive measures to proactively drive cost savings and re-balance manpower requirements to match demand. Going into the new financial year, the division expects demand for product support and services to increase and the benefits of the cost reductions from its earlier initiatives to contribute positively to its operations.

In Malaysia, the Motors operations, which were gradually improving post the Goods and Services Tax (GST), will be adversely impacted by continued soft market sentiment, tighter lending policies and the weakening of Ringgit Malaysia against the US Dollar and other major currencies. The stock market correction and continued government austerity policy in China will continue to affect demand for luxury brands of motor vehicles. However, the expansion of the division's footprint in Australia and into Vietnam in the previous year, has improved its contribution pool and growth prospects. To improve margins and its competiveness, the division will continue to drive for operational consolidation and cost efficiency.

The Malaysian residential property market is expected to remain subdued due to cautious consumer spending and tighter lending policies. Nevertheless, demand for the Property division's landed properties in the Greater Kuala Lumpur Region, such as the City of Elmina, Nilai and Bandar Bukit Raja townships continue to remain strong. The strategic location of the Division's landbank within proximity to transportation hubs and new growth areas, particularly the large landbank within the Vision Valley under the 11th Malaysia Plan augurs well for future growth and sustainability of the Division. On the international front, the development work on Phase 1 of the Battersea Development Project is progressing well and completion is expected towards end of 2016, which would enable the Division to recognise the contribution from this investment.

In the Energy & Utilities division, Weifang Port continues to face stiff competition from neighbouring ports following the slowdown in economic activities and also stringent government legislations. The division's on-going expansion programme to handle larger capacity vessels, increase its berthing capacity and expand its cargo range through strategic partnerships would continue to support throughput growth in the future. In addition, the Jining Ports have increased their capacities and have become a strategic centre for land transit facility for coal handling in the region.

Against the backdrop of economic uncertainty and difficult market conditions, barring any unforeseen circumstances, the Board expects the Group's performance for the financial year ending 30 June 2016 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 27 November 2014 and the results achieved by the Group for the financial year ended 30 June 2015 are as follows:

	Actual Year ended 30 June 2015	**Target Year ended 30 June 2015**
Profit attributable to owners of the Company (RM million)	2,312.8	2,500
Return on average shareholders' equity (%)	7.8	8.5

The results of the Group were adversely affected by the lower than forecasted CPO prices, low commodity prices and weak market sentiment. Consequently, the profit attributable to owners of the Company and the return on average shareholders' equity were lower than the targets announced by 7.5% and 8.2% 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**	
	2015	**2014**	**2015**	**2014**
Included in operating profit are:				
Depreciation and amortisation	**(355.2)**	(288.2)	**(1,216.1)**	(1,152.3)
Amortisation of prepaid lease rentals	**(12.1)**	(5.7)	**(43.7)**	(42.9)
Reversal of impairment/(Impairment) of				
- property, plant and equipment	**(15.3)**	11.2	**(15.0)**	24.9
- prepaid lease rentals	**1.4**	–	**1.4**	–
- biological assets	**–**	3.3	**–**	3.3
- investment properties	**(1.1)**	(6.5)	**(4.5)**	(6.5)
- intangible assets	**1.3**	(11.8)	**1.3**	(11.8)
- receivables	**(4.6)**	(38.4)	**(0.8)**	(21.7)
Write down of inventories (net)	**23.6**	(40.5)	**(119.9)**	(61.9)
Gain/(loss) on disposal of				
- subsidiaries	**–**	7.5	**(3.7)**	19.6
- joint venture	**157.2**	–	**157.2**	–
- an associate	**–**	–	**55.5**	(0.8)
- property, plant and equipment				
- land and buildings	**16.3**	53.2	**105.5**	102.4
- others	**(29.8)**	2.7	**(22.4)**	2.4
- prepaid lease rental	**(0.1)**	0.3	**–**	1.8
- investment properties	**4.0**	2.1	**68.1**	3.0
- intangible assets	**(0.1)**	–	**(0.1)**	–
- unit trusts	*****	0.1	*****	0.1
Net foreign exchange (loss)/gain	**(39.8)**	16.9	**19.2**	28.2
Gain/(loss) on cross currency swap contract	**31.6**	(38.0)	**257.2**	(21.8)
Gain/(loss) on commodity future contract	**3.8**	(1.1)	**3.8**	(1.1)
Gain/(loss) on forward foreign exchange contracts	**40.5**	4.7	**9.2**	1.4
Included in discontinued operations are:				
Depreciation and amortisation	**–**	(7.8)	**–**	(43.4)
Gain on disposal of subsidiaries	**–**	144.0	**–**	144.0

* less than RM0.1 million

Amounts in RM million unless otherwise stated

B7. Tax Expense

	Quarter ended 30 June		Year ended 30 June	
	2015	**2014**	**2015**	**2014**
Continuing operations				
In respect of the current period:				
- current tax	**175.7**	298.6	**733.4**	959.0
- deferred tax	**18.9**	17.8	**63.8**	32.2
	194.6	316.4	**797.2**	991.2
In respect of prior years:				
- current tax	**(2.4)**	(46.4)	**(29.6)**	(11.5)
- deferred tax	**(68.2)**	7.1	**(200.6)**	(272.2)
	124.0	277.1	**567.0**	707.5
Discontinued operations	**–**	6.0	**–**	37.4
	124.0	283.1	**567.0**	744.9

The effective tax rates for the current quarter and financial year ended 30 June 2015 of 10.9% and 18.9% respectively are lower than the Malaysian income tax rate of 25% due to overprovision of tax in prior years and certain income is not subjected to tax. In addition, the low effective tax rate for the financial year is due to recognition of deferred tax assets amounting to RM105.0 million on temporary differences between tax base and accounting base of certain assets.

The effective tax rates for the corresponding periods in the previous year were also lower compared to Malaysian income tax rate of 25% due to adjustment to the deferred tax arising from changes in real property gains tax rate, and the recognition of deferred tax assets amounting to RM167.4 million on temporary differences between tax base and accounting base of certain assets.

B8. Status of Corporate Proposals

There was no corporate proposal announced but not completed as at 18 August 2015.

Amounts in RM million unless otherwise stated

B9. Group Borrowings

	As at 30 June 2015		
Long-term borrowings	**Secured**	**Unsecured**	**Total**
Term loans	**592.3**	**5,885.5**	**6,477.8**
Islamic Medium Term Notes	**–**	**1,700.0**	**1,700.0**
Sukuk	**–**	**3,018.4**	**3,018.4**
Syndicated Islamic Financing	**470.5**	**–**	**470.5**
Islamic Financing	**78.7**	**–**	**78.7**
	1,141.5	**10,603.9**	**11,745.4**
Short-term borrowings			
Bank overdrafts	**–**	**46.4**	**46.4**
Term loans due within one year	**777.9**	**595.1**	**1,373.0**
Sukuk due within one year	**–**	**25.8**	**25.8**
Islamic Medium Term Notes due within one year	**–**	**7.4**	**7.4**
Revolving credits, trade facilities and other short-term borrowings	**–**	**4,865.0**	**4,865.0**
	777.9	**5,539.7**	**6,317.6**
Total borrowings	**1,919.4**	**16,143.6**	**18,063.0**

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

	Long-term borrowings	**Short-term borrowings**	**Total**
Ringgit Malaysia	**4,025.7**	**3,566.9**	**7,592.6**
Australian dollar	**580.8**	**243.4**	**824.2**
Chinese renminbi	–	**563.3**	**563.3**
Indonesian rupiah	–	**264.0**	**264.0**
New Taiwan dollar	–	**12.3**	**12.3**
New Zealand dollar	–	**80.3**	**80.3**
Pacific franc	**35.0**	**2.8**	**37.8**
Papua New Guinea kina	**106.9**	**13.8**	**120.7**
Thailand baht	**23.5**	**85.9**	**109.4**
United States dollar	**6,973.5**	**1,433.7**	**8,407.2**
Vietnamese dong	–	**51.2**	**51.2**
Total borrowings	**11,745.4**	**6,317.6**	**18,063.0**

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 2015 are as follows:

	Classification in Statement of Financial Position				
	Assets		Liabilities		
	Non-current	Current	Non-current	Current	Net Fair Value
Forward foreign exchange contracts	**16.0**	**11.0**	**(6.2)**	**(35.3)**	**(14.5)**
Interest rate swap contracts	**7.0**	**–**	**(15.2)**	**(7.6)**	**(15.8)**
Cross currency swap contract	**184.6**	**56.2**	**–**	**–**	**240.8**
Commodity futures contracts	**–**	**12.7**	**–**	**(8.6)**	**4.1**
	207.6	**79.9**	**(21.4)**	**(51.5)**	**214.6**

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 2015.

The description, notional amount and maturity profile of each derivative are as 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 2015, the notional amount, fair value and maturity period of the forward foreign exchange contracts are as follows:

	Notional Amount	Fair Value Assets/ (Liabilities)
- less than 1 year	**2,080.6**	**(24.3)**
- 1 year to 2 years	**632.2**	**9.8**
	2,712.8	**(14.5)**

Amounts in RM million unless otherwise stated

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

a) Derivatives (continued)

Interest rate swap contracts

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

The outstanding interest rate swap contracts as at 30 June 2015 are as follows:

Interest Rate Swap	**Notional Amount**	**Effective Period**	**Weighted Average Swap Rate**
Plain Vanilla	USD233.3 million	12 December 2012 to 12 December 2018	1.822% to 1.885%
Plain Vanilla	AUD200.0 million	25 September 2014 to 25 March 2019	4.353% to 4.603%
Plain Vanilla	USD275.0 million	11 June 2015 to 4 February 2022	2.85% to 2.99%
Plain Vanilla	MYR252.0 million	30 June 2015 to 17 December 2018	3.938%

As at 30 June 2015, the notional amount, fair value and maturity period of the interest rate swap contracts are as follows:

	Notional Amount	**Fair Value Liabilities**
- less than 1 year	**312.6**	**(7.6)**
- 1 year to 3 years	**1,017.7**	**(4.7)**
- 3 years to 7 years	**1,425.6**	**(3.5)**
	2,755.9	**(15.8)**

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 2015, the notional amount, fair value and maturity period of the cross currency swap contract are as follows:

	Notional Amount	**Fair Value Assets**
- less than 1 year	**336.8**	**56.2**
- 1 year to 3 years	**673.5**	**144.8**
- 3 years to 4 years	**166.5**	**39.8**
	1,176.8	**240.8**

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 2015 that are not held for the purpose of physical delivery are as follows:

	Quantity (metric tonne)	Notional Amount	Fair Value Assets/ (Liabilities)
Purchase contracts	**142,038**	**339.9**	**(3.0)**
Sales contracts	**116,751**	**320.7**	**7.1**
			4.1

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 2015	As at 30 June 2014
Total retained profits of the Company and its subsidiaries		
- realised	**25,845.2**	23,724.6
- unrealised	**5,230.6**	5,627.9
	31,075.8	29,352.5
Total share of retained profits from jointly controlled entities		
- realised	**(180.9)**	22.1
- unrealised	**120.3**	17.9
	(60.6)	40.0
Total share of retained profits from associates		
- realised	**327.9**	334.2
- unrealised	**(46.5)**	(0.5)
	281.4	333.7
Less: consolidation adjustments	**(13,247.2)**	(11,777.8)
Total retained profits of the Group	**18,049.4**	17,948.4

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 18 August 2015 are as follows:

a. 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 Hj Murshid (DSAZ), Dato' Mohamad Shukri Baharom (DMS), Abdul Rahim Ismail, Abdul Kadir Alias and Mohd Zaki 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.

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 against the Defendants 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. The Plaintiffs filed a Notice of Appointment for assessment of damages (Notice of Appointment). At the hearing of the Notice of Appointment on 9 September 2014, the Plaintiffs' counsel informed the Court that assessment of damages at this juncture was premature and requested that assessment be deferred until the Plaintiffs are in a position to assess damages. The Court directed that the Plaintiffs be at liberty to file the Notice of Appointment within 1 year of the date of the Consent Judgment or such further time as may be granted by the Court upon application by the Plaintiffs.

On 5 June 2015, the Plaintiffs filed a Notice of Application for extension of time to file the Notice of Appointment (Application for Extension). The Application for Extension was made on the basis that the legal action commenced by Sime Darby Engineering Sdn. Bhd. in Doha against Qatar Petroleum in relation to outstanding invoices and costs overruns is still ongoing, and the outcome of this action will have a direct effect on the quantum of damages that will be assessed in respect of the QP Project. At the hearing of the Application for Extension on 6 July 2015, the Court granted an extension of 1 year (from 13 June 2015) for the Plaintiffs to file the Notice of Appointment.

B11. Material Litigation (continued)

Changes in material litigation since the date of the last audited annual statement of financial position up to 18 August 2015 are as follows: (continued)

b. 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 Hj Murshid (DSAZ), Dato' Mohamad Shukri Baharom (DMS) and Abdul Rahim 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.

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 against the Defendants 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.

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. The Plaintiffs filed a Notice of Appointment for assessment of damages (Notice of Appointment). At the hearing of the Notice of Appointment on 9 September 2014, the Plaintiffs' counsel informed the Court that assessment of damages at this juncture was premature as the final accounts with Sarawak Hidro Sdn Bhd have not been closed and requested that assessment be deferred until the Plaintiffs are in a position to assess damages. The Court directed that the Plaintiffs be at liberty to file the Notice of Appointment within 1 year of the date of the Consent Judgment or such further time as may be granted by the Court upon application by the Plaintiffs.

On 5 June 2015, the Plaintiffs filed a Notice of Application for extension of time to file the Notice of Appointment (Application for Extension). The Application for Extension was made on the basis that the final accounts with Sarawak Hidro Sdn Bhd have yet to be finalized and therefore the Plaintiffs are not in a position to ascertain the full extent of the Plaintiffs' overall losses arising from the Bakun Project. At the hearing of the Application for Extension on 6 July 2015, the Court granted an extension of 1 year (from 13 June 2015) for the Plaintiffs to file the Notice of Appointment.

c. 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. SDE's Statement of Defence contained a request for the matter to be referred to arbitration and on 22 August 2011, the Court dismissed the First Suit. EMAS did not appeal against the Court's decision.

B11. Material Litigation (continued)

Changes in material litigation since the date of the last audited annual statement of financial position up to 18 August 2015 are as follows: (continued)

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

i. Proceedings at ADCCAC

On 11 December 2011, EMAS submitted a request for arbitration to the Abu Dhabi Commercial Conciliation & Arbitration Centre (ADCCAC). On 14 February 2012, SDE's counsel filed and submitted the response to EMAS's notice of arbitration to ADCCAC.

The arbitration has been stayed pending the disposal of a second suit filed by EMAS at the Judicial Department of Abu Dhabi (Second Suit).

Following the dismissal of the Second Suit by the Supreme Court on 25 December 2014, on 24 May 2015 EMAS submitted an application to proceed with the arbitration proceedings before the ADCCAC.

On 7 June 2015, SDE filed its response and challenged the ADCCAC's jurisdiction on the ground that the Agency Agreement entered into between EMAS and SDE stipulated that any dispute shall be settled by reference to the Rules of Commercial Conciliation and Arbitration of the Dubai Chamber of Commerce and Industry (DIAC). ADCCAC has instructed EMAS to file its response to SDE's challenge by 24 June 2015. The matter is now pending the ADCCAC's further instructions.

ii. Proceedings at the Judicial Department of Abu Dhabi

On 31 March 2012, EMAS filed the Second Suit against SDE. The claim of USD178.2 million by EMAS was based on the same facts and grounds as the First Suit.

After several Court hearings on procedural matters, the Court on 11 June 2013 appointed a court expert specialising in commercial agencies. On 30 July 2013, the court expert released his report recommending SDE to pay EMAS compensation of approximately USD11,240,000.

On 5 March 2014, the court expert submitted his supplemental report (which maintained the earlier findings). On 18 May 2014, despite the objection of both SDE and EMAS to the court expert's supplemental report, the Court issued judgment for the sum of AED41,046,086 (approximately USD11,174,864) against SDE.

Both SDE and EMAS appealed to the Court of Appeal against the Court's decision.

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) ("Court of Appeal's Decision").

On 1 September 2014, EMAS filed an appeal to the Supreme Court against the Court of Appeal's Decision. On 25 December 2014, the Supreme Court dismissed EMAS's appeal against the Court of Appeal's Decision. SDE's counsel has advised that by virtue of the Supreme Court's decision, EMAS has effectively exhausted all its avenues in the Abu Dhabi courts in pursuing its claim against SDE.

On 24 May 2015, EMAS submitted an application to proceed with arbitration proceedings before the ADCCAC (refer (i) above).

B11. Material Litigation (continued)

Changes in material litigation since the date of the last audited annual statement of financial position up to 18 August 2015 are as follows: (continued)

d. Qatar Petroleum (QP) Statement of Claim

On 15 August 2012, Sime Darby Engineering Sdn Bhd (SDE) filed a Statement of Claim at the Qatar Court against Qatar Petroleum (QP) for the sum of QAR1,005,359,061. The claim seeks the repayment of a liquidated performance bond, payment of outstanding invoices, compensation and additional costs incurred in relation to an offshore engineering project in Qatar undertaken by SDE pursuant to a contract dated 27 September 2006. However, the contract came into effect much earlier on 15 April 2006 and SDE had commenced work since then.

On 28 November 2012, QP filed its Statement of Defence. 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 USD277,053,378).

On 30 April 2013, the Court ordered the case to be transferred to the Administrative Court and on 18 June 2013, a panel of 3 experts (comprising an accountant and two engineering technicians) were appointed to assist the Court.

Between October 2013 and April 2014, there were several court hearings to resolve the appointment of the court experts and finally on 15 May 2014, a new panel of experts were appointed. The Court adjourned the matter to 1 April 2015 for the new experts to meet with the parties and to prepare their report.

The meetings between the experts and representatives from SDE and QP were held on 23 June 2014 and 23 October 2014, respectively. On 1 April 2015, the experts submitted their report and recommended that SDE be compensated the sum of QAR13,518,819.00 (equivalent USD3,712,294) (Expert Report). On 14 April 2015, SDE and QP submitted their respective statements objecting to the Expert Report. On 5 May 2015, SDE submitted its closing submissions. The Court fixed the matter for decision on 28 May 2015 which was subsequently adjourned to 16 June 2015.

At the hearing on 16 June 2015, the Court directed the parties to submit additional documents in respect of the issues raised by the Court. On 1 July 2015, the parties submitted their closing submissions. On 29 July 2015, the Court directed the experts to review their report and instructed them to submit the same on or before 6 October 2015.

e. 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.

On 30 September 2014, the parties executed a Settlement Agreement and on 20 November 2014, SDE paid the sum of USD12 million to SOC being full and final settlement of the claim. SOC has withdrawn the Notice of Arbitration on 21 November 2014.

On 5 December 2014, the tribunal declared the termination of the arbitration with immediate effect. Consequently, the arbitration proceedings have now come to an end.

B11. Material Litigation (continued)

Changes in material litigation since the date of the last audited annual statement of financial position up to 18 August 2015 are as follows: (continued)

f. Oil and Natural Gas Corporation Ltd (ONGC) Statement of Claim

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 arose between the Consortium and ONGC and the Consortium has invoked the referral of the dispute to arbitration pursuant to the Contract. SDE's portion of the Consortium's claim is circa USD32.5 million.

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

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 from 19 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 to 30 April 2014 during which time the Consortium made a presentation to the OEC on the Consortium's claims.

During the 3rd OEC meeting held from 21 to 23 August 2014, the OEC proposed a settlement to the Consortium. SDE presented its detailed figures at the OEC meeting on 16 October 2014 and SOC submitted its figures at the meetings on 11 and 12 November 2014.

OEC issued its report on 2 December 2014 recommending USD12 million as the full and final settlement sum, of which USD6,731,740 was apportioned to SDE and USD5,268,260 to SOC.

On 20 March 2015, the Consortium informed ONGC of its objection to the OEC's recommendation and sought a higher amount of compensation. On 19 April 2015, ONGC rejected the Consortium's request.

The Consortium is now preparing its case for arbitration in India and has appointed Indian counsels to represent the Consortium.

g. Malaysia Marine and Heavy Engineering Sdn Bhd (MMHE) Notice of Arbitration

Malaysia Marine and Heavy Engineering Sdn Bhd (MMHE) and Sime Darby Engineering Sdn Bhd (SDE) entered into Sale and Purchase Agreement dated 25 August 2011 (SPA) for the disposal of SDE's oil and gas business to MMHE for a consideration of RM393,500,000 and subsequently entered into Supplemental Agreement dated 30 March 2012 (SSPA) to vary certain terms and conditions of the SPA. The SSPA provides, inter alia, that the fabrication of KBB Topsides Contract No. KPOC/COC/2009/015 for the Kebabangan Northern Hub Development (KPOC Project) between Kebabangan Petroleum Operating Company Sdn Bhd and SDE dated 20 September 2011 shall be novated by SDE to MMHE with effect from 31 March 2012 for a consideration of RM20,000,000.

Disputes relating to the KPOC Project have since arisen between MMHE and SDE.

On 17 March 2015, SDE received a Notice of Arbitration dated 16 March 2015 (Notice) from MMHE to refer the disputes to arbitration before the Regional Centre for Arbitration Kuala Lumpur (KLRCA) in accordance with the Rules of Arbitration of the KLRCA. The claim from MMHE as stated in the Notice is RM56,870,320.

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 18 August 2015 are as follows: (continued)

g. Malaysia Marine and Heavy Engineering Sdn Bhd (MMHE) Notice of Arbitration (continued)

SDE submitted its response to the Notice on 15 April 2015 and filed an application to challenge MMHE's nominated arbitrator on the ground of conflict of interest and potential bias. On 16 April 2015, MMHE's nominated arbitrator withdrew himself as the arbitrator. KLRCA had on 5 May 2015 and 7 May 2015 confirmed the appointment of SDE's and MMHE's arbitrators, respectively. The KLRCA directed the parties to jointly nominate the Tribunal chairman by 7 June 2015. However, the parties were unable to agree on the joint nomination and requested the KLRCA to appoint the Tribunal chairman. On 10 June 2015, the KLRCA informed the parties of the appointment of the Tribunal chairman. No objections were filed by the parties on the said appointment.

On 4 August 2015~~,~~ the Tribunal directed MMHE to file its Statement of Claim on 4 September 2015 and SDE to file its Defence and Counterclaim on 23 October 2015 and has fixed the matter for hearing from 8 August 2016 to 19 August 2016.

B12. Dividend

The Board has recommended a final single tier dividend of 19.0 sen per share in respect of the financial year ended 30 June 2015 (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 2015 is 25.0 sen per share, comprising:

	Year ended 30 June 2015		Year ended 30 June 2014	
	Net Per share (sen)	Total net dividend	Net Per share (sen)	Total net dividend
Interim single tier dividend	**6.0**	**372.7**	6.0	363.8
Final single tier dividend	**19.0**	**1,180.1**	30.0	1,819.2
	25.0	**1,552.8**	36.0	2,183.0

B13. Earnings Per Share

	Quarter ended 30 June		Year ended 30 June	
	2015	**2014**	**2015**	**2014**
Earnings per share attributable to owners of the Company are computed as follows:				
<u>Basic</u>				
Profit for the period				
- from continuing operations	**988.7**	1,038.1	**2,312.8**	3,112.8
- from discontinued operations	–	154.8	–	239.9
	988.7	1,192.9	**2,312.8**	3,352.7
Weighted average number of ordinary shares in issue (million)*	**6,211.2**	6,069.8	**6,138.4**	6,040.4
Earnings per share (sen)				
- from continuing operations	**15.92**	17.10	**37.68**	51.53
- from discontinued operations	–	2.55	–	3.97
	15.92	19.65	**37.68**	55.50
<u>Diluted</u>				
Profit for the period				
- from continuing operations **	**988.5**	1,038.0	**2,312.4**	3,112.4
- from discontinued operations	–	154.8	–	239.9
	988.5	1,192.8	**2,312.4**	3,352.3
Weighted average number of ordinary shares in issue (million)*	**6,211.2**	6,069.8	**6,138.4**	6,040.4
Earnings per share (sen)				
- from continuing operations	**15.91**	17.10	**37.67**	51.53
- from discontinued operations	–	2.55	–	3.97
	15.91	19.65	**37.67**	55.50

* comparatives restated for effect of Dividend Reinvestment Plan.

** adjusted for the dilutive effect of long-term stock incentive plan of an associate of RM0.2 million (2014: RM0.1 million) and RM0.4 million (2014: RM0.4 million) for the quarter and year ended 30 June 2015, respectively.

By Order of the Board
Norzilah Megawati Abdul Rahman
Group Secretary

Kuala Lumpur
25 August 2015