

QUARTERLY REPORT

On the consolidated results for the fourth quarter ended 30 June 2022

The Directors are pleased to announce the following:

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

	Note	Quarter ended 30 June		%	Year ended 30 June		%
		2022	2021		2022	2021	
Continuing operations							
Revenue	A7	10,851	11,300	(4.0)	42,502	44,302	(4.1)
Operating expenses		(10,415)	(10,912)		(40,966)	(42,715)	
Other operating income		112	176		241	340	
Other gains and losses		(14)	(62)		(27)	236	
Operating profit		534	502	6.4	1,750	2,163	(19.1)
Share of results of joint ventures		11	(1)		54	24	
Share of results of associates		9	–		37	58	
Profit before interest and tax	A7	554	501	10.6	1,841	2,245	(18.0)
Finance income		11	11		39	35	
Finance costs		(46)	(32)		(148)	(121)	
Profit before tax	B5	519	480	8.1	1,732	2,159	(19.8)
Taxation	B6	(138)	(176)		(474)	(573)	
Profit from continuing operations		381	304	25.3	1,258	1,586	(20.7)
Discontinuing operations							
Loss from discontinuing operations		(100)	(73)		(71)	(56)	
Profit for the period		281	231	21.6	1,187	1,530	(22.4)
Attributable to owners of:							
- the Company							
- from continuing operations		376	283	32.9	1,172	1,479	(20.8)
- from discontinuing operations		(98)	(72)		(69)	(54)	
		278	211	31.8	1,103	1,425	(22.6)
- non-controlling interests							
- from continuing operations		5	21		86	107	
- from discontinuing operations		(2)	(1)		(2)	(2)	
Profit for the period		281	231	21.6	1,187	1,530	(22.4)
		Sen	Sen		Sen	Sen	
Basic earnings per share attributable to owners of the Company	B12						
- from continuing operations		5.5	4.2	31.0	17.2	21.7	(20.7)
- from discontinuing operations		(1.4)	(1.1)		(1.0)	(0.8)	
Total		4.1	3.1	32.3	16.2	20.9	(22.5)

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 financial year ended 30 June 2021.

SIME DARBY BERHAD
(Company No: 200601032645 (752404-U))

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

	Quarter ended 30 June		Year ended 30 June	
	2022	2021	2022	2021
Profit for the period	281	231	1,187	1,530
Other comprehensive (loss)/income:				
<u>Continuing operations</u>				
Items that will be reclassified subsequently to profit or loss:				
Currency translation differences	(200)	(3)	(79)	348
Share of other comprehensive loss of joint ventures and associates	(5)	(1)	(4)	(1)
Net changes in fair value of cash flow hedges	1	(4)	9	5
Tax credit/(expense)	2	–	(1)	(2)
	(202)	(8)	(75)	350
Currency translation differences on repayment of net investment and disposal of subsidiaries reclassified to profit or loss	(6)	15	(6)	14
Changes in fair value of cash flow hedges reclassified to profit or loss and inventories	(10)	(25)	–	(16)
Tax credit	3	9	–	6
	(215)	(9)	(81)	354
Items that will not be reclassified subsequently to profit or loss:				
Actuarial (loss)/gain on defined benefit pension plans	(1)	11	(1)	11
Share of actuarial gain on defined benefit pension plans of a joint venture	–	–	–	2
	(216)	2	(82)	367
<u>Discontinuing operations</u>				
Other comprehensive (loss)/income from discontinuing operations	(8)	26	42	98
Total other comprehensive (loss)/income	(224)	28	(40)	465
Total comprehensive income for the period	57	259	1,147	1,995
Attributable to owners of:				
- the Company				
- from continuing operations	162	283	1,087	1,835
- from discontinuing operations	(106)	(47)	(27)	41
	56	236	1,060	1,876
- non-controlling interests				
- from continuing operations	3	23	89	118
- from discontinuing operations	(2)	–	(2)	1
Total comprehensive income for the period	57	259	1,147	1,995

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 financial year ended 30 June 2021.

SIME DARBY BERHAD
(Company No: 200601032645 (752404-U))

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

	Note	Unaudited As at 30 June 2022	Audited As at 30 June 2021
<u>Non-current assets</u>			
Property, plant and equipment		5,740	6,225
Right-of-use assets		2,086	2,038
Investment properties		267	275
Intangible assets		1,552	1,629
Joint ventures and associates		1,063	1,236
Financial assets at fair value through profit or loss		140	130
Deferred tax assets		581	590
Tax recoverable		34	41
Derivative assets	B9(a)	4	–
Receivables and other assets		217	373
		11,684	12,537
<u>Current assets</u>			
Inventories		9,159	8,320
Financial assets at fair value through profit or loss		41	16
Receivables, contract assets and other assets		4,685	4,416
Prepayments		1,084	673
Tax recoverable		63	48
Derivative assets	B9(a)	28	4
Bank balances, deposits and cash		1,772	2,473
		16,832	15,950
Assets held for sale		1,713	–
Total assets		30,229	28,487
<u>Equity</u>			
Share capital		9,318	9,302
Reserves		6,692	6,581
Attributable to owners of the Company		16,010	15,883
Non-controlling interests		361	377
Total equity		16,371	16,260
<u>Non-current liabilities</u>			
Borrowings	B8	376	373
Lease liabilities		1,657	1,506
Payables, contract liabilities and other liabilities		266	253
Provisions		29	24
Deferred tax liabilities		328	307
		2,656	2,463
<u>Current liabilities</u>			
Borrowings	B8	2,607	1,454
Lease liabilities		389	401
Derivative liabilities	B9(a)	46	11
Payables and other liabilities		5,494	5,285
Contract liabilities		1,960	1,961
Provisions		415	420
Tax payable		164	232
		11,075	9,764
Liabilities associated with assets held for sale		127	–
Total liabilities		13,858	12,227
Total equity and liabilities		30,229	28,487
Net assets per share attributable to owners of the Company (RM)		2.35	2.33

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 financial year ended 30 June 2021.

SIME DARBY BERHAD
(Company No: 200601032645 (752404-U))

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

	Share capital	Share grant reserve	Capital reserve	Legal reserve	Hedging reserve	Exchange reserve	Retained profits	Reserves	Attributable to owners of the Company	Non-controlling interests	Total equity
Year ended 30 June 2022											
At 1 July 2021	9,302	21	243	119	(5)	624	5,579	6,581	15,883	377	16,260
Total comprehensive income/(loss) for the period	-	-	-	-	7	(49)	1,102	1,060	1,060	87	1,147
Dividends paid	-	-	-	-	-	-	(884)	(884)	(884)	(64)	(948)
Dividends payable	-	-	-	-	-	-	-	-	-	(13)	(13)
Purchase of additional interest in a subsidiary	-	-	-	-	-	-	(45)	(45)	(45)	(26)	(71)
Acquisition of non-controlling interest by a joint venture	-	-	-	-	-	-	(8)	(8)	(8)	-	(8)
Performance-based employee share scheme expenses	-	4	-	-	-	-	-	4	4	-	4
Issuance of shares under the performance-based employee share scheme	16	(16)	-	-	-	-	-	(16)	-	-	-
Transfer between reserves	-	-	3	29	-	-	(32)	-	-	-	-
At 30 June 2022	9,318	9	246	148	2	575	5,712	6,692	16,010	361	16,371

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

	Share capital	Share grant reserve	Capital reserve	Legal reserve	Hedging reserve	Exchange reserve	Retained profits	Reserves	Attributable to owners of the Company	Non-controlling interests	Total equity
Year ended 30 June 2021											
At 1 July 2020	9,300	15	233	111	3	178	5,157	5,697	14,997	416	15,413
Total comprehensive (loss)/income for the period	–	–	–	–	(8)	446	1,438	1,876	1,876	119	1,995
Dividends paid	–	–	–	–	–	–	(952)	(952)	(952)	(36)	(988)
Dividends payable	–	–	–	–	–	–	–	–	–	(15)	(15)
Disposal of non-wholly owned subsidiaries	–	–	–	–	–	–	–	–	–	(75)	(75)
Purchase of additional interest in a subsidiary	–	–	–	–	–	–	(46)	(46)	(46)	(32)	(78)
Performance-based employee share scheme expenses	–	8	–	–	–	–	–	8	8	–	8
Issuance of shares under the performance-based employee share scheme	2	(2)	–	–	–	–	–	(2)	–	–	–
Transfer between reserves	–	–	10	8	–	–	(18)	–	–	–	–
At 30 June 2021	9,302	21	243	119	(5)	624	5,579	6,581	15,883	377	16,260

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 financial year ended 30 June 2021.

SIME DARBY BERHAD
(Company No: 200601032645 (752404-U))

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

	Note	Year ended 30 June	
		2022	2021
Cash flow from operating activities			
Profit for the period from continuing operations		1,258	1,586
Adjustments for:			
Dividend income from financial assets		(48)	(113)
Share of results of joint ventures and associates		(91)	(82)
Finance income		(39)	(35)
Finance costs		148	121
Taxation		474	573
Net loss/(gain) on disposal/liquidation of associates		1	(293)
Net gain on disposal of fixed assets		(4)	(38)
Depreciation and amortisation		1,113	1,101
Impairment of fixed assets (net)		2	88
Impairment of receivables (net)		11	1
Inventory write-down and provision (net)		73	44
Fair value loss on financial assets at fair value through profit or loss ("FVTPL")		4	2
Other non-cash items		9	13
		<u>2,911</u>	<u>2,968</u>
Changes in working capital:			
Inventories		(557)	738
Rental assets		(709)	(783)
Trade, other receivables and prepayments		(736)	(281)
Trade, other payables and provisions		300	478
		<u>300</u>	<u>478</u>
Cash generated from operations		1,209	3,120
Tax paid		(572)	(608)
Dividends received from associates and joint ventures		21	125
Dividends received from financial assets		48	113
		<u>48</u>	<u>113</u>
Operating cash from continuing operations		706	2,750
Operating cash from discontinuing operations		104	34
		<u>104</u>	<u>34</u>
Net cash from operating activities		810	2,784
Cash flow from investing activities			
Finance income received		26	26
Purchase of fixed assets		(639)	(469)
Acquisition of a subsidiary	A11	(163)	–
Acquisition of businesses		–	(26)
Subscription of shares in an associate		–	(1)
Addition to financial assets at FVTPL		(46)	(2)
Proceeds from sale of associates		–	387
Proceeds from sale of fixed assets		49	176
Capital repayment by an associate		1	–
Repayment of advances by discontinuing operations		–	25
		<u>–</u>	<u>25</u>
Investing cash (used in)/from continuing operations		(772)	116
Investing cash used in discontinuing operations		(111)	(33)
		<u>(111)</u>	<u>(33)</u>
Net cash (used in)/from investing activities		(883)	83

SIME DARBY BERHAD
(Company No: 200601032645 (752404-U))

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

		Year ended 30 June	
	Note	2022	2021
Cash flow from financing activities			
Finance costs paid		(64)	(45)
Net borrowings raised/(repaid)		911	(477)
Repayment of lease liabilities		(525)	(500)
Purchase of additional interest in a subsidiary	A11	(71)	(78)
Dividends paid to shareholders		(884)	(952)
Dividends paid to non-controlling interests ¹		(79)	(46)
Financing cash used in continuing operations		(712)	(2,098)
Financing cash used in discontinuing operations		(4)	(29)
Net cash used in financing activities		(716)	(2,127)
Net (decrease)/increase in cash and cash equivalents		(789)	740
Foreign exchange differences		30	27
Cash and cash equivalents at beginning of the period		2,417	1,650
Cash and cash equivalents at end of the period		1,658	2,417

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

Bank balances, deposits and cash		1,772	2,473
Less:			
Bank overdrafts	B8	(252)	(56)
		1,520	2,417
Cash and cash equivalents included under assets held for sale		138	-
		1,658	2,417

Fixed assets consist of property, plant and equipment, right-of-use assets, investment properties and intangible assets.

¹ Dividends paid to other shareholders of non-wholly owned subsidiaries. The amount paid in the current period includes RM15 million declared in the previous financial year.

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 Malaysian Financial Reporting Standard (“MFRS”) 134 – Interim Financial Reporting and other MFRS 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 2021.

A. EXPLANATORY NOTES PURSUANT TO MFRS 134

A1. Basis of Preparation

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 2021, except as set out below.

a) New accounting pronouncements

i) Accounting pronouncements adopted for this interim financial report that do not have a material impact on the Group are set out below:

- Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16 ‘Interest Rate Benchmark Reform – Phase 2’

ii) Accounting pronouncements that are not yet effective are set out below:

Effective for annual reporting periods beginning on or after 1 January 2022

- Annual Improvements to MFRS Standards 2018 – 2020: Amendments to MFRS 9 ‘Fees in the 10% Test for Derecognition of Financial Liabilities’ and Illustrative Examples accompanying MFRS 16 ‘Lease incentives’.
- Amendments to MFRS 3 ‘Reference to Conceptual Framework’
- Amendments to MFRS 116 ‘Proceeds before Intended Use’
- Amendments to MFRS 137 ‘Onerous Contracts – Cost of Fulfilling a Contract’

Effective for annual reporting periods beginning on or after 1 January 2023

- MFRS 17 – Insurance Contracts and Amendments to MFRS 17
- Amendments to MFRS 17 ‘Initial Application of MFRS 17 and MFRS 9 – Comparative Information’
- Amendments to MFRS 101 ‘Classification of Liabilities as Current or Non-current’
- Amendments to MFRS 101 ‘Disclosure of Accounting Policies’
- Amendments to MFRS 108 ‘Definition of Accounting Estimates’
- Amendments to MFRS 112 ‘Deferred Tax related to Assets and Liabilities arising from a Single Transaction’

iii) Accounting pronouncement where the effective date has been deferred to a date to be determined by MASB is set out below:

- Amendments to MFRS 10 and MFRS 128 ‘Sale or Contribution of Assets between an Investor and its Associate or Joint Venture’

A2. Seasonal or Cyclical Factors

The Group's operations are not materially affected by seasonal or cyclical factors.

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

Except as disclosed in the financial statements on pages 1 to 7 and notes B1 and B2, there were no material unusual items affecting the Group's assets, liabilities, equity, net income or cash flows during the financial period under review.

A4. Material Changes in Estimates

Except as disclosed in notes B1 and B2, there were no material changes in the estimates of amounts reported in the previous financial years that have a material effect on the results for the current quarter under review.

A5. Debt and Equity Securities

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

Share capital

On 9 December 2021, the Company issued 1,014,400 new ordinary shares at an issue price of RM2.522 and 5,869,600 new ordinary shares at an issue price of RM2.107 under the Performance-Based Employee Share Scheme of FY2018/19. The Company also issued 497,100 new ordinary shares under the Performance-Based Employee Share Scheme of FY2019/20 at an issue price of RM2.047. With the allotment of the new shares, the Company's issued and paid-up capital has increased from 6,802,537,377 ordinary shares to 6,809,918,477 ordinary shares.

A6. Dividends Paid to Shareholders

The second interim dividend of 8.0 sen per share amounting to RM544 million and special dividend of 1.0 sen per share amounting to RM68 million which totalled RM612 million for the financial year ended 30 June 2021 was paid by way of cash on 30 September 2021.

An interim dividend of 4.0 sen per share amounting to RM272 million for the financial year ended 30 June 2022 was paid by way of cash on 11 May 2022.

SIME DARBY BERHAD
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Explanatory Notes on the Quarterly Report – 30 June 2022
Amounts in RM million unless otherwise stated

A7. Segment Information

Following the Group's announcement to divest its Weifang port operations, the results of the Logistics division for the current and previous financial years are now classified as discontinuing operations.

	Continuing operations						Discontinuing operations	
	Industrial	Motors	Healthcare	Others	Corporate/ Intra-group adjustments	Total	Logistics	Total
Year ended 30 June 2022								
Segment revenue:								
External	15,099	27,337	–	66	–	42,502	187	42,689
Inter-segment	3	13	–	2	(18)	–	–	–
	15,102	27,350	–	68	(18)	42,502	187	42,689
Profit/(loss) before interest and tax	803	1,020	45	23	(50)	1,841	(40)	1,801
Net finance (costs)/income						(109)	13	(96)
Taxation						(474)	(44)	(518)
Profit/(loss) for the period						1,258	(71)	1,187
Year ended 30 June 2021								
Segment revenue:								
External	16,004	28,235	–	63	–	44,302	181	44,483
Inter-segment	2	13	–	4	(19)	–	–	–
	16,006	28,248	–	67	(19)	44,302	181	44,483
Profit/(loss) before interest and tax	909	1,050	15	357	(86)	2,245	(64)	2,181
Net finance (costs)/income						(86)	10	(76)
Taxation						(573)	(2)	(575)
Profit/(loss) for the period						1,586	(56)	1,530

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Explanatory Notes on the Quarterly Report – 30 June 2022
Amounts in RM million unless otherwise stated

A7. Segment Information (continued)

	Continuing operations					Discontinuing operations		
	Industrial	Motors	Healthcare	Others	Corporate/ Intra-group adjustments	Total	Logistics ¹	Total
As at 30 June 2022								
Segment assets	12,669	13,017	698	149	1,095	27,628	1,923	29,551
Segment liabilities	(3,023)	(4,805)	–	(368)	(8)	(8,204)	(133)	(8,337)
Segment invested capital	9,646	8,212	698	(219)	1,087	19,424	1,790	21,214
Net tax assets						223	(37)	186
Borrowings and lease liabilities						(5,029)	–	(5,029)
Total equity						14,618	1,753	16,371
As at 30 June 2021								
Segment assets	11,973	11,792	659	154	1,337	25,915	1,893	27,808
Segment liabilities	(2,981)	(4,450)	–	(355)	(19)	(7,805)	(149)	(7,954)
Segment invested capital	8,992	7,342	659	(201)	1,318	18,110	1,744	19,854
Net tax assets						116	24	140
Borrowings and lease liabilities						(3,734)	–	(3,734)
Total equity						14,492	1,768	16,260

¹ Includes assets and liabilities of the division that are not included under assets held for sale and liabilities associated with assets held for sale.

SIME DARBY BERHAD
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Explanatory Notes on the Quarterly Report – 30 June 2022
 Amounts in RM million unless otherwise stated

A7. Segment information (continued)

Revenue from continuing operations comprise the following:

	Year ended 30 June	
	2022	2021
Revenue from contracts with customers	41,565	43,497
Rental income	937	805
	42,502	44,302

Analysis of the Group's revenue from contracts with customers is as follows:

Year ended 30 June 2022	Industrial	Motors	Others	Total
Continuing operations				
Major goods and services				
Sale of equipment and vehicles	7,293	22,498	–	29,791
Sale of parts, assembly charges and provision of after-sales services	6,827	4,150	–	10,977
Engineering services	313	–	–	313
Commission, handling fees and others	–	442	42	484
	14,433	27,090	42	41,565
Geographical location				
Malaysia	876	4,635	35	5,546
China	2,801	13,291	2	16,094
Other countries in Asia	640	4,311	5	4,956
Australasia	10,116	4,853	–	14,969
	14,433	27,090	42	41,565
Timing of revenue recognition				
At a point in time	11,425	23,334	30	34,789
Over time	3,008	3,756	12	6,776
	14,433	27,090	42	41,565

Year ended 30 June 2021	Industrial	Motors	Others	Total
Continuing operations				
Major goods and services				
Sale of equipment and vehicles	8,382	23,485	–	31,867
Sale of parts, assembly charges and provision of after-sales services	6,742	4,082	–	10,824
Engineering services	304	–	–	304
Commission, handling fees and others	–	458	44	502
	15,428	28,025	44	43,497

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Explanatory Notes on the Quarterly Report – 30 June 2022
Amounts in RM million unless otherwise stated

A7. Segment information (continued)

Analysis of the Group's revenue from contracts with customers is as follows: (continued)

Year ended 30 June 2021	Industrial	Motors	Others	Total
Geographical location				
Malaysia	904	4,057	37	4,998
China	4,632	14,053	2	18,687
Other countries in Asia	626	5,252	5	5,883
Australasia	9,266	4,663	–	13,929
	15,428	28,025	44	43,497
Timing of revenue recognition				
At a point in time	12,459	24,109	29	36,597
Over time	2,969	3,916	15	6,900
	15,428	28,025	44	43,497

A8. Capital Commitments

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

	As at 30 June 2022	As at 30 June 2021
<u>Continuing operations</u>		
- Property, plant and equipment	480	305
- Other capital expenditure	19	5
	499	310
<u>Discontinuing operations</u>		
- Property, plant and equipment	–	37
- Other capital expenditure	–	1
	–	38
	499	348

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Explanatory Notes on the Quarterly Report – 30 June 2022
 Amounts in RM million unless otherwise stated

A9. Significant Related Party Transactions

Significant related party transactions conducted during the year ended 30 June are as follows:

	2022	Year ended 30 June	2021
a. Transactions with joint ventures and associates			
<u>Continuing operations</u>			
Purchase of products and services from Sitech Construction Systems Pty Ltd	15		19
Purchase of goods from Terberg Tractors Group	1		15
Contribution paid to Yayasan Sime Darby	20		10
<u>Discontinuing operations</u>			
Loans to Weifang Sime Darby West Port Co Ltd	5		36 ¹
Loans repaid by Weifang Sime Darby West Port Co Ltd	3		36 ¹
Loans to Weifang Sime Darby Liquid Terminal Co Ltd	131		28
Loans repaid by Weifang Sime Darby Liquid Terminal Co Ltd	34		29
Purchase of non-financial assets from Weifang Sime Darby Liquid Terminal Co Ltd	–		62

¹ Relates to exercise to effect change in the lending entity

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Explanatory Notes on the Quarterly Report – 30 June 2022
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A9. Significant Related Party Transactions (continued)

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

	2022	Year ended 30 June	2021
b. Transactions between subsidiaries and non-controlling interests			
<u>Continuing operations</u>			
Contract assembly service provided by Inokom Corporation Sdn Bhd (“ICSB”) to Mazda Malaysia Sdn Bhd	77		99
Rental income received by ICSB from Mazda Malaysia Sdn Bhd	3		2
Sale of motor vehicles and parts by Jaguar Land Rover (M) Sdn Bhd to Sisma Auto Sdn Bhd	6		23
c. Transactions with Directors and key management personnel and their close family members			
<u>Continuing operations</u>			
Sale of motor vehicles by the Group	2		2
d. Transactions with shareholders and their related companies			

Permodalan Nasional Berhad (“PNB”) and the funds managed by its subsidiary, Amanah Saham Nasional Berhad together, as at 30 June 2022, own approximately 51% 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 MFRS 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.

Significant related party transactions with the Sime Darby Plantation Berhad group are as follows:

	2022	Year ended 30 June	2021
<u>Continuing operations</u>			
Sales, servicing and leasing of equipment and vehicles	31		30
Rental income	17		11
Royalty income	2		2
Foreign currency payment arrangement	–		54

On 27 October 2021, the Group entered into a Sale and Purchase Agreement with a subsidiary of Sime Darby Property Berhad for the disposal of 760.12 acres of land in Labu, Negeri Sembilan, for a cash consideration of RM280 million. Refer also to note B7.

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

There were no material events subsequent to the end of the current quarter under review to 11 August 2022, 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

Significant changes in the composition of the Group are as follows:

1. Acquisition of a subsidiary

On 1 October 2021, the Group completed the acquisition of the entire equity interest of Salmon Earthmoving Holdings Pty Ltd (“Salmon Earthmoving”) and associated properties for a total consideration of AUD121.7 million (approximately RM368 million), consisting of the purchase consideration for the equity interest and properties of AUD88.4 million (approximately RM267 million) and settlement of Salmon Earthmoving’s borrowings of AUD33.3 million (approximately RM101 million).

Salmon Earthmoving is a leading provider of rental and maintenance services in Australia servicing the civil construction, agricultural and mining sectors.

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

Fair value of net assets acquired	252
Goodwill	15
Purchase consideration	267
Less: Cash and cash equivalents of subsidiary acquired	(16)
Balance consideration payable	(88)
Net cash outflow on acquisition	163

2. Purchase of additional interest in a subsidiary

On 28 October 2021, the Group acquired the remaining 40% equity interest in Performance Premium Selection Limited (“PPSL”) for a consideration of SGD23 million (approximately RM71 million), resulting in PPSL becoming a wholly-owned subsidiary of the Group.

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A12. Contingent Liabilities – unsecured

a) Guarantees

In the ordinary course of business, the Group issues 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. Financial guarantees are also issued to financial institutions in respect of credit facilities granted to certain joint ventures. A liability from the performance and financial 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 30 June 2022	As at 30 June 2021
<u>Continuing operations</u>		
Performance guarantees and advance payment guarantees to customers of the Group	2,078	2,228
<u>Discontinuing operations</u>		
Guarantees in respect of credit facilities granted to certain joint ventures	77	197
	<u>2,155</u>	<u>2,425</u>

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 30 June 2022, the total outstanding risk sharing amount on which the Group has an obligation to pay the leasing company should the customers default, amounted to RM305 million (30 June 2021: RM431 million).

b) Claims

	As at 30 June 2022	As at 30 June 2021
Potential claims		
- continuing operations	10	13
- discontinuing operations	6	5
	<u>16</u>	<u>18</u>

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

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

B1. Review of Group Performance

	Quarter ended 30 June			Year ended 30 June		
	2022	2021	% +/(-)	2022	2021	% +/(-)
<u>Continuing operations</u>						
Revenue	<u>10,851</u>	<u>11,300</u>	(4.0)	<u>42,502</u>	<u>44,302</u>	(4.1)
Segment results:						
Industrial	280	246	13.8	803	909	(11.7)
Motors	272	295	(7.8)	1,020	1,050	(2.9)
Healthcare	8	(4)	>100.0	45	15	>100.0
Others	(7)	3	<(100.0)	23	357	(93.6)
	<u>553</u>	<u>540</u>	2.4	<u>1,891</u>	<u>2,331</u>	(18.9)
Foreign exchange gain/(loss) from repayment of net investments	6	(15)		6	(13)	
Corporate expenses	<u>(5)</u>	<u>(24)</u>		<u>(56)</u>	<u>(73)</u>	
Profit before interest and tax	554	501	10.6	1,841	2,245	(18.0)
Finance income	11	11		39	35	
Finance costs	<u>(46)</u>	<u>(32)</u>		<u>(148)</u>	<u>(121)</u>	
Profit before tax	519	480	8.1	1,732	2,159	(19.8)
Taxation	<u>(138)</u>	<u>(176)</u>		<u>(474)</u>	<u>(573)</u>	
Profit from continuing operations	381	304	25.3	1,258	1,586	(20.7)
Non-controlling interests	<u>(5)</u>	<u>(21)</u>		<u>(86)</u>	<u>(107)</u>	
Profit from continuing operations attributable to owners of the Company	376	283	32.9	1,172	1,479	(20.8)
<u>Discontinuing operations</u>						
Loss from discontinuing operations attributable to owners of the Company	<u>(98)</u>	<u>(72)</u>		<u>(69)</u>	<u>(54)</u>	
Profit attributable to owners of the Company	278	211	31.8	1,103	1,425	(22.6)

An analysis of the results for the quarter ended 30 June 2022 against the quarter ended 30 June 2021 is as follows:

The Group's profit attributable to owners of the Company ("Net Profit") was higher by 31.8% mainly due to higher profits from the Industrial division and lower tax expense.

a) Industrial

Profit before interest and tax ("PBIT") increased by 13.8% to RM280 million in the current quarter primarily due to a 33.2% increase in profits from the Australasia region from RM199 million to RM265 million. This was predominantly attributed to higher equipment and parts revenue as well as contribution from the Salmon Earthmoving business which was acquired in October 2021. This was partly offset by project losses recognised by the Malaysian operations.

B1. Review of Group Performance (continued)

An analysis of the results for the quarter ended 30 June 2022 against the quarter ended 30 June 2021 is as follows: (continued)

b) Motors

PBIT declined by 7.8% to RM272 million in the current quarter mainly due to the lower dividend income at RM48 million (previous corresponding quarter: RM113 million). Profits from the China operations were also lower due to the impact of COVID-19 restrictions and on-going inventory shortages. The previous corresponding quarter also included a RM89 million impairment of leasehold land and gain on disposal of properties of RM38 million.

c) Healthcare

The share of results from the Ramsay Sime Darby Health Care Sdn Bhd (“RSDH”) joint venture exhibited improvement as the previous corresponding quarter included write-down of deferred tax assets and impairment of assets.

d) Others

The current quarter recorded higher foreign exchange losses from the legacy oil and gas operations at RM12 million (previous corresponding quarter: foreign exchange loss of RM1 million).

e) Finance costs

The higher finance costs were predominantly due to higher average borrowings as well as higher interest rates in the current quarter.

f) Discontinuing operations (Logistics division)

The loss from discontinuing operations included net impairment of assets of RM71 million (previous corresponding quarter: RM85 million) and accrual of deferred tax liabilities arising from the proposed disposal of RM36 million.

B1. Review of Group Performance (continued)

An analysis of the results for the year ended 30 June 2022 against the year ended 30 June 2021 is as follows:

The Group's Net Profit was lower by 22.6% mainly due to the gain on disposal of the Group's 30% equity interest in Tesco Stores (Malaysia) Sdn Bhd of RM272 million (net of tax) in the previous year. Excluding this gain, the Group's Net Profit would show a 4.3% decline mainly due to lower profits from the Group's China operations.

a) Industrial

PBIT decreased by 11.7% to RM803 million predominantly due to a 45.0% decline in PBIT from the China region from RM171 million to RM94 million. This mainly stemmed from a significant contraction in the industry volume for heavy equipment. In addition, the Malaysian operations recorded weaker results due to project losses recognised.

In the Australasia region, PBIT was slightly higher than the previous corresponding period as higher contributions from New Zealand and profit from the Salmon Earthmoving operations that was acquired in the current year were largely offset by higher operating expenses.

b) Motors

PBIT was lower by 2.9% at RM1,020 million primarily due to lower profit from the China operations and lower dividend income as explained in the results for the quarter ended 30 June 2022.

This was partly mitigated by higher profit from the Malaysia operations as the operations were more significantly impacted by COVID-19 restrictions in the previous year.

c) Others

Profit from Others was significantly lower in the current year as the previous year registered a gain on disposal of Tesco Malaysia of RM294 million (before tax) and net reversal of impairment of Eastern & Oriental Berhad of RM33 million. In addition, the current year results also included a RM15 million foreign exchange loss from the legacy oil and gas operations (previous year: foreign exchange gain of RM7 million) and income of RM12 million from a legacy corporate exercise.

The variances for Healthcare, finance costs and discontinuing operations are mainly due to similar reasons as explained in the results for the quarter ended 30 June 2022.

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

	Quarter ended		%
	30 June 2022	31 March 2022	
<u>Continuing operations</u>			
Revenue	<u>10,851</u>	<u>10,524</u>	3.1
Segment results:			
Industrial	280	150	86.7
Motors	272	237	14.8
Healthcare	8	13	(38.5)
Others	<u>(7)</u>	<u>19</u>	<(100.0)
	553	419	32.0
Foreign exchange gain from repayment of net investments	6	–	
Corporate expenses	<u>(5)</u>	<u>(17)</u>	
Profit before interest and tax	554	402	37.8
Finance income	11	9	
Finance costs	<u>(46)</u>	<u>(36)</u>	
Profit before tax	519	375	38.4
Taxation	<u>(138)</u>	<u>(121)</u>	
Profit from continuing operations	381	254	50.0
Non-controlling interests	<u>(5)</u>	<u>(20)</u>	
Profit from continuing operations attributable to owners of the Company	376	234	60.7
<u>Discontinuing operations</u>			
(Loss)/profit from discontinuing operations attributable to owners of the Company	<u>(98)</u>	<u>10</u>	
Profit attributable to owners of the Company	<u>278</u>	<u>244</u>	13.9

An analysis of the results for the quarter ended 30 June 2022 against the quarter ended 31 March 2022 is as follows:

The Group's Net Profit was 13.9% higher against the preceding quarter mainly due to higher profits from the Industrial division, largely offset by the loss from discontinuing operations due to the impairment of the Logistics operations as explained in B1.

a) Industrial

PBIT increased by 86.7% to RM280 million in the current quarter predominantly due to higher profits from the Australasia operations. PBIT from Australasia more than doubled as the region registered strong equipment and parts revenue during the quarter. This was partly offset by a loss before interest and tax recorded by the Malaysian operations in the current quarter as explained in B1.

b) Motors

PBIT for the quarter increased by 14.8% to RM272 million mainly due to dividend income of RM48 million and margin improvement at the BMW operations in the Singapore. This was largely offset by lower profit from the China operations, which were significantly impacted by COVID-19 restrictions during the current quarter as explained in B1.

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

c) Healthcare

The share of profits from the RSDH joint venture was lower mainly due to higher operating expenses and higher tax expense in the current quarter.

d) Others

The loss recorded by this segment in the current quarter was mainly due to foreign exchange losses from the legacy oil and gas operations of RM12 million (preceding quarter: foreign exchange loss of RM2 million). The preceding quarter also included income from a legacy corporate exercise of RM12 million.

e) Discontinuing operations (Logistics division)

The loss from discontinuing operations was mainly due to the net impairment of assets of RM71 million and accrual of deferred tax liabilities of RM36 million as explained in B1.

B3. Prospects

The Group's operations for the year ended 30 June 2022 were impacted by COVID-19 restrictions, particularly in China, and supply chain disruptions which resulted in inventory shortages of certain models and parts.

Global economic growth forecasts have generally been revised downwards in the environment of rising interest rates and high inflation. In addition, the on-going military conflict in Ukraine and rising geo-political tensions have also resulted in increased uncertainty in general business sentiment.

The outlook for the China industrial equipment market remains uncertain as the recovery of the market volume is highly dependent on fiscal stimulus packages. In Australia, the strong demand for metallurgical coal, particularly from India and Vietnam, is expected to continue driving demand for mining equipment and product support.

Consumer sentiment is starting to be impacted by slowing economic growth, which may lead to lower motor vehicle sales. In addition, the operations in China continue to be at risk of being disrupted by COVID-19 restrictions. Despite these challenges, the division's order book remains healthy and sales are expected to improve with the anticipation of new models, subject to availability of inventories.

With expected one-off gains from disposal of non-core assets pending completion in the financial year ending 30 June 2023, the Board expects the Group's financial performance for the financial year ending 30 June 2023 to be better than that of financial year ended 30 June 2022.

B4. Variance of Actual Profit from Profit Forecast or Profit Guarantee

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

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B5. Profit before tax

	Quarter ended 30 June		Year ended 30 June	
	2022	2021	2022	2021
Included in operating profit of continuing operations are:				
Depreciation and amortisation	(287)	(275)	(1,113)	(1,101)
Inventory write-down and provision (net)	(45)	(12)	(73)	(44)
Impairment of receivables (net)	(14)	(8)	(11)	(1)
Impairment of fixed assets (net)	(2)	(89)	(2)	(88)
Net (loss)/gain on disposal/liquidation of associates	(1)	–	(1)	293
Gain on disposal of properties	–	38	–	38
Net gain/(loss) on disposal of other fixed assets	2	(2)	4	–
Net foreign exchange loss	(12)	(8)	(26)	(5)
Fair value loss on financial assets at fair value through profit or loss	(4)	–	(4)	(2)
Net gain on derivatives	3	–	1	–
Net (loss)/gain on lease modification/termination	–	(3)	1	(2)
Gain on bargain purchase	–	2	–	2
Included in share of associate results is:				
Reversal of impairment of associates	–	1	–	35

B6. Taxation

	Quarter ended 30 June		Year ended 30 June	
	2022	2021	2022	2021
Continuing operations				
Current tax:				
- current year	168	174	498	568
- previous years	(11)	7	1	14
	<u>157</u>	<u>181</u>	<u>499</u>	<u>582</u>
Deferred tax:				
- origination and reversal of temporary differences and other deferred tax adjustments	(19)	(5)	(25)	(9)
	<u>138</u>	<u>176</u>	<u>474</u>	<u>573</u>
Discontinuing operations	<u>44</u>	<u>2</u>	<u>44</u>	<u>2</u>

The effective tax rate of continuing operations (excluding share of results of associates and joint ventures) for the current quarter and year ended 30 June 2022 of 27.7% and 28.9% respectively were higher than the applicable tax rate for the current quarter and year ended 30 June 2022 of 26.9% and of 26.2 respectively.

The higher effective tax rates in the current year is mainly due to the impact of withholding taxes and non-deductible expenses, partly offset by non-taxable dividend income.

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B7. Status of Corporate Proposals

The corporate proposals announced but not completed as at 11 August 2022 are as follows:

- a) On 27 October 2021, Kumpulan Sime Darby Berhad, a wholly-owned subsidiary of the Group entered into a Sale and Purchase Agreement (“SPA”) with Sime Darby Property (MVV Central) Sdn. Bhd. (“MVV Central”), a wholly-owned subsidiary of Sime Darby Property Berhad, for the disposal of 760.12 acres of land in Labu, Negeri Sembilan, to MVV Central for a cash consideration of RM280 million.

The agreement is expected to be completed within 15 months from the date of SPA, subject to further extension as may be mutually agreed.

- b) On 22 March 2022, the Group announced that it has received a non-binding indicative proposal for its 50% joint venture interest in Ramsay Sime Darby Health Care Sdn. Bhd. The indicative proposal is subject to due diligence and negotiation and finalisation of a sale and purchase agreement.

Discussions are still on-going and no agreement has been reached in relation to the indicative proposal. There is no guarantee that an agreement will be reached in respect of the indicative proposal or that a transaction will materialise.

- c) On 3 July 2022, the Group entered into share sale agreements to divest its entire equity interest in the Weifang port companies for a total cash consideration of RMB1,920 million (approximately RM1,262 million).

The proposed divestments are expected to be completed by the fourth quarter of 2022.

B8. Group Borrowings

The breakdown of the borrowings as at 30 June 2022 is as follows:

	Secured	Unsecured	Total
<u>Long-term</u>			
Term loans	<u>31</u>	<u>345</u>	<u>376</u>
	<u>31</u>	<u>345</u>	<u>376</u>
<u>Short-term</u>			
Term loans due within one year	14	249	263
Bank overdrafts	–	252	252
Revolving credits, bankers acceptances, trade facilities and other short-term borrowings	<u>–</u>	<u>2,092</u>	<u>2,092</u>
	<u>14</u>	<u>2,593</u>	<u>2,607</u>
Total borrowings	<u>45</u>	<u>2,938</u>	<u>2,983</u>

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B8. Group Borrowings (continued)

The Group borrowings in RM equivalent analysed by currency are as follows:

	Long-term borrowings	Short-term borrowings	Total
Ringgit Malaysia	–	36	36
Australian dollar	181	1,188	1,369
Chinese renminbi	–	397	397
Hong Kong dollar	–	58	58
New Zealand dollar	164	570	734
Pacific franc	31	31	62
Singapore dollar	–	201	201
Taiwan dollar	–	15	15
Thailand baht	–	97	97
United States dollar	–	14	14
Total borrowings	<u>376</u>	<u>2,607</u>	<u>2,983</u>

Secured borrowings are secured by fixed and floating charges over property, plant and equipment and inventories in New Caledonian subsidiaries.

B9. Financial Instruments

a) Derivatives

The Group uses forward foreign exchange contracts and interest rate swap contracts to primarily manage its exposure to financial risks. The fair values of these contracts as at 30 June 2022 are as follows:

	Classification in Statement of Financial Position		Net fair value
	Assets	Liabilities	
Forward foreign exchange contracts	25	(46)	(21)
Interest rate swap contracts	7	–	7
	<u>32</u>	<u>(46)</u>	<u>(14)</u>

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 2021 other than an embedded forward contract in an agreement containing a commitment by the Group to invest in a company. The carrying value of this embedded derivative is immaterial to the financial results of the Group.

The description, notional amount and maturity profile of the derivatives are shown below:

Forward foreign exchange contracts

The forward foreign currency contracts are stated at fair value, using the prevailing market rates. Changes in fair value of the forward foreign currency contracts are recognised in other comprehensive income unless hedge accounting is not applied, in which case, the changes to the fair value of the derivatives are taken to profit or loss.

As at 30 June 2022, the notional amount, fair value and maturity tenor of the forward foreign exchange contracts are as follows:

	Notional amount	Net fair value liabilities
- less than 1 year	<u>3,418</u>	<u>(21)</u>

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B9. Financial Instruments (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 hedge accounting is not applied, in which case, the changes to the fair value of the derivatives are taken to profit or loss.

As at 30 June 2022, the notional amount, fair value and maturity tenor of the interest rate swap contracts are as follows:

	Notional Amount	Fair Value Assets
- less than 1 year	124	3
- 1 year to less than 3 years	173	4
	297	7

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.

B10. Material Litigation

Changes in material litigation since the date of the last audited annual statement of financial position up to 11 August 2022 are as follows:

a) Qatar Petroleum Project (“QP Project”), Maersk Oil Qatar Project (“MOQ Project”) and the Marine Project Civil Suit (“Oil & Gas Suit”)

On 23 December 2010, Sime Darby Berhad and four subsidiaries (collectively, “the Plaintiffs”) filed a civil suit against Dato’ Seri Ahmad Zubair @ Ahmad Zubir Hj Murshid, Dato’ Mohamad Shukri Baharom, Abdul Rahim Ismail, Abdul Kadir Alias and Mohd Zaki Othman (collectively, “the Defendants”) for damages arising from the Defendants’ negligence and breaches of duty relating to the QP Project, the MOQ Project and the project relating to the construction of a derrick lay barge for an aggregate amount of RM93 million and USD79 million (approximately RM351 million) together with general and aggravated damages and other relief.

On 13 June 2014, all the Defendants consented to an Interlocutory Judgement being recorded on the Defendants’ liability with damages to be assessed by the Court (the “Consent Judgement”). The Plaintiffs shall be permitted to enforce any final judgement entered after the assessment of damages, upon recovering all claims from the QP and MOQ projects and proceeds from the sale of the derrick lay barge, or after the expiry of 3 years from the date of final judgement, whichever is earlier.

The Plaintiffs have filed a Notice of Application for directions to assess damages.

At the Court session on 13 January 2022, the Plaintiffs submitted an oral application to rectify a clerical error in Prayer (4) of the Statement of Claim. On 8 February 2022, the Court disallowed the oral application on the basis that this formed part of the premise on which the Defendants agreed to enter into the Consent Judgement in 2014. On advice of counsel, the Plaintiffs will not be appealing the decision of the oral application and will be withdrawing their claim under Prayer (4) of the Statement of Claim against Dato’ Seri Ahmad Zubair @ Ahmad Zubir Hj Murshid (1st Defendant).

On 10 March 2022, the Plaintiffs completed their evidence for the assessment of damages hearing. The Court fixed 7 to 11 November 2022 to continue with the hearing for the assessment of damages.

b) Bakun Hydroelectric Project (“Bakun Project”) and the Indemnity Agreement Civil Suit (“Bakun Suit”)

On 24 December 2010, Sime Darby Berhad and three subsidiaries (collectively, “the Plaintiffs”) filed a civil suit against Dato’ Seri Ahmad Zubair @ Ahmad Zubir Hj Murshid, Dato’ Mohamad Shukri Baharom (“DMS”) and Abdul Rahim Ismail (collectively, “the Defendants”) for damages in connection with the Defendants’ negligence and breaches of duty relating to the Package CW2-Main Civil Works for the Bakun Project and in respect of the Receipt, Discharge and Indemnity Agreement dated 12 January 2010 given to DMS for an aggregate amount of RM91 million together with general and aggravated damages to be assessed and other relief.

On 13 June 2014, all the Defendants consented to an Interlocutory Judgement being recorded on the Defendants’ liability and for damages to be assessed by the Court. The Plaintiffs shall be permitted to enforce any final judgement entered after the assessment of damages, upon the Malaysia-China Hydro Joint Venture receiving full settlement from Sarawak Hidro Sdn Bhd or the Ministry of Finance in relation to the Bakun Project, or after the expiry of 3 years from the date of final judgement, whichever is earlier.

The Plaintiffs have filed a Notice of Application for directions to assess damages. The Registrar directed that the Plaintiffs’ application for assessment of damages for the Oil & Gas Suit and the Bakun Suit be heard separately and that the assessment of damages for the Oil & Gas Suit will be heard first before the Bakun Suit.

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B10. Material Litigation (continued)

Changes in material litigation since the date of the last audited annual statement of financial position up to 11 August 2022 are as follows: (continued)

c) B-193 Process Platform Project (“PP Project”)

Sime Darby Engineering Sdn Bhd (“SDE”) and Swiber Offshore Construction Pte Ltd (“SOC”) entered into a Consortium Agreement to govern their relationship as a consortium (“the Consortium”) to undertake works relating to the PP Project awarded by Oil and Natural Gas Corporation Ltd (“ONGC”). A contract dated 3 July 2010 was executed for a total contract price of USD618 million (approximately RM2.7 billion).

Disputes have arisen between the Consortium and ONGC and on 1 June 2016, the Consortium initiated arbitration proceedings against ONGC. SDE’s portion of the Consortium’s claim is circa USD76 million (approximately RM338 million).

On 22 March 2018, the tribunal ordered ONGC to pay the Consortium a net sum of USD5.12 million (approximately RM23 million) as full and final settlement of all claims. On 27 March 2018, ONGC filed an application at the High Court in Mumbai, India to set aside the arbitration award.

On 16 October 2020, SDE and Swiber filed an execution application against ONGC to seek recovery of the arbitration award. The warrant of attachment for movable properties was issued by the Court and the Court’s bailiff executed the warrant on 5 April 2021. On 19 April 2021, ONGC deposited a sum of INR 447 million (approximately RM25 million), which includes costs and interest, to the Court and the Consortium’s warrant of attachment against ONGC has been stayed until the Court hears ONGC’s application to set aside the arbitration award, the date of which has yet to be fixed.

B11. Dividend

The Board has declared a second interim dividend of 7.5 sen per share in respect of the financial year ended 30 June 2022. The dividend is proposed to be payable on 30 September 2022 to shareholders whose name appears in the Record of Depositors as at the close of business on 8 September 2022.

A depositor shall qualify for entitlement to the dividends only in respect of:

- a. shares transferred into the depositor’s securities account before 4.30 p.m. on 8 September 2022 in respect of transfers; and
- b. shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

The total dividends for the year ended 30 June is as follows:

	Year ended 30 June 2022		Year ended 30 June 2021	
	Per share (sen)	Total dividends	Per share (sen)	Total dividends
First interim dividend	4.0	272	2.0	136
Second interim dividend	7.5	511	8.0	544
Special dividend	–	–	5.0	340
	11.5	783	15.0	1,020

SIME DARBY BERHAD
(Company No: 200601032645 (752404-U))

Explanatory Notes on the Quarterly Report – 30 June 2022
 Amounts in RM million unless otherwise stated

B12. Earnings Per Share

	Quarter ended 30 June		Year ended 30 June	
	2022	2021	2022	2021
Basic earnings per share attributable to owners of the Company are computed as follows:				
Profit attributable to owners of the Company from:				
- continuing operations	376	283	1,172	1,479
- discontinuing operations	(98)	(72)	(69)	(54)
	<u>278</u>	<u>211</u>	<u>1,103</u>	<u>1,425</u>
Weighted average number of ordinary shares in issue (million)	<u>6,810</u>	<u>6,803</u>	<u>6,807</u>	<u>6,802</u>
Basic earnings per share (sen)				
- continuing operations	5.5	4.2	17.2	21.7
- discontinuing operations	(1.4)	(1.1)	(1.0)	(0.8)
	<u>4.1</u>	<u>3.1</u>	<u>16.2</u>	<u>20.9</u>

The diluted earnings per share of the Group is similar to the basic earnings per share as the Group does not have any material potential dilutive ordinary shares in issue.

Petaling Jaya
 17 August 2022

By Order of the Board
 Noor Zita Hassan
 Group Secretary