

QUARTERLY REPORT

On the consolidated results for the third quarter ended 31 March 2024

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 31 March		%	Three quarters ended 31 March		%
		2024	2023	+/(-)	2024	2023	+/(-)
Continuing operations							
Revenue	A7	18,835	11,528	63.4	48,339	35,002	38.1
Operating expenses		(18,259)	(11,213)		(46,826)	(34,067)	
Other operating income		80	65		216	164	
Other gains and losses		(13)	17		293	41	
Operating profit		643	397	62.0	2,022	1,140	77.4
Share of results of joint ventures and associates		116	8		158	37	
Profit before interest and tax	A7	759	405	87.4	2,180	1,177	85.2
Finance income		49	24		105	47	
Finance costs		(206)	(81)		(502)	(206)	
Profit before tax	B5	602	348	73.0	1,783	1,018	75.1
Taxation	B6	(151)	(108)		(445)	(308)	
Profit from continuing operations		451	240	87.9	1,338	710	88.5
Discontinuing/Discontinued operations							
(Loss)/Profit from discontinuing/discontinued operations		(11)	13		2,040	166	
Profit for the period		440	253	73.9	3,378	876	>100.0
Attributable to owners of:							
- the Company							
- from continuing operations		349	227	53.7	1,175	670	75.4
- from discontinuing/discontinued operations		(9)	13		2,042	166	
		340	240	41.7	3,217	836	>100.0
- perpetual sukuk							
- from continuing operations		17	-		21	-	
- non-controlling interests							
- from continuing operations		85	13		142	40	
- from discontinuing operations		(2)	-		(2)	-	
Profit for the period		440	253	73.9	3,378	876	>100.0
		Sen	Sen		Sen	Sen	
Basic earnings/(loss) per share attributable to owners of the Company	B12						
- from continuing operations		5.1	3.3	54.5	17.2	9.8	75.5
- from discontinuing/discontinued operations		(0.1)	0.2		30.0	2.4	
Total		5.0	3.5	42.9	47.2	12.2	>100.0

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 2023.

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

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

	Quarter ended 31 March		Three quarters ended 31 March	
	2024	2023	2024	2023
Profit for the period	440	253	3,378	876
Other comprehensive (loss)/income:				
<u>Continuing operations</u>				
Items that will be reclassified subsequently to profit or loss:				
Currency translation differences	(45)	8	9	(142)
Share of other comprehensive income/(loss) of joint ventures and associates	4	(4)	8	1
Net changes in fair value of cash flow hedges	5	(15)	(9)	(22)
Tax (expense)/credit	(1)	6	3	5
	(37)	(5)	11	(158)
Currency translation differences on repayment of net investment reclassified to profit or loss	-	(7)	(25)	(19)
Changes in fair value of cash flow hedges reclassified to profit or loss and inventories	5	22	2	(2)
Tax (expense)/credit	(2)	(3)	(1)	1
Other comprehensive (loss)/income from continuing operations	(34)	7	(13)	(178)
<u>Discontinuing/Discontinued operations</u>				
Other comprehensive (loss)/income from discontinuing/discontinued operations	(4)	5	(2)	(101)
Total other comprehensive (loss)/income	(38)	12	(15)	(279)
Total comprehensive income for the period	402	265	3,363	597
Attributable to owners of:				
- the Company				
- from continuing operations	325	232	1,177	495
- from discontinuing/discontinued operations	(12)	18	2,040	65
	313	250	3,217	560
- perpetual sukuk				
- from continuing operations	17	-	21	-
- non-controlling interests				
- from continuing operations	75	15	127	37
- from discontinuing operations	(3)	-	(2)	-
Total comprehensive income for the period	402	265	3,363	597

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 2023.

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 31 March 2024	Audited As at 30 June 2023
<u>Non-current assets</u>			
Property, plant and equipment		12,291	7,990
Right-of-use assets		2,940	2,669
Investment properties		662	258
Intangible assets		3,216	2,306
Joint ventures and associates		3,274	1,175
Financial assets at fair value through profit or loss		75	66
Deferred tax assets		886	648
Derivative assets	B9(a)	–	5
Receivables and other assets		202	296
		<u>23,546</u>	<u>15,413</u>
<u>Current assets</u>			
Inventories		14,071	11,454
Financial assets at fair value through profit or loss		425	78
Receivables, contract assets and other assets		7,962	5,930
Prepayments		1,229	920
Tax recoverable		84	129
Derivative assets	B9(a)	20	27
Bank balances, deposits and cash		3,593	3,086
		<u>27,384</u>	<u>21,624</u>
Disposal group and assets held for sale ²		711	3
Total assets		<u>51,641</u>	<u>37,040</u>
<u>Equity</u>			
Share capital		9,330	9,330
Reserves		9,823	7,596
Attributable to owners of the Company		<u>19,153</u>	<u>16,926</u>
Perpetual sukuk		1,115	–
Non-controlling interests		2,586	357
Total equity		<u>22,854</u>	<u>17,283</u>
<u>Non-current liabilities</u>			
Borrowings	B8	4,750	2,246
Lease liabilities		2,192	2,162
Derivative liabilities	B9(a)	– ¹	–
Payables, contract liabilities and other liabilities		740	307
Deferred tax liabilities		656	448
		<u>8,338</u>	<u>5,163</u>
<u>Current liabilities</u>			
Borrowings	B8	7,366	3,611
Lease liabilities		518	435
Derivative liabilities	B9(a)	14	27
Payables and other liabilities		9,313	7,384
Contract liabilities		2,243	2,567
Provisions		480	427
Tax payable		293	143
		<u>20,227</u>	<u>14,594</u>
Liabilities associated with disposal group ²		222	–
Total liabilities		<u>28,787</u>	<u>19,757</u>
Total equity and liabilities		<u>51,641</u>	<u>37,040</u>
Net assets per share attributable to owners of the Company (RM)		<u>2.81</u>	<u>2.48</u>

¹ Less than RM1 million.

² Disposal group relates to the UMW Komatsu Heavy Equipment Sdn Bhd (“UKHE”) group, which is intended to be disposed within 12 months after the completion of the UMW acquisition.

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 2023.

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	Capital reserve	Legal reserve	Hedging reserve	Exchange reserve	Retained profits	Reserves	Attributable to owners of the Company	Perpetual sukuk	Non-controlling interests	Total equity
Three quarters ended 31 March 2024											
At 1 July 2023	9,330	223	136	–	760	6,477	7,596	16,926	–	357	17,283
Total comprehensive income for the period	–	–	–	1	– ¹	3,216	3,217	3,217	21	125	3,363
Dividends paid	–	–	–	–	–	(886)	(886)	(886)	–	(23)	(909)
Acquisition of non-wholly owned subsidiaries	–	–	–	–	–	–	–	–	1,094	4,297	5,391
Purchase of additional interest in subsidiaries	–	–	–	–	–	(104)	(104)	(104)	–	(2,170)	(2,274)
Transfer between reserves	–	–	4	–	–	(4)	–	–	–	–	–
At 31 March 2024	9,330	223	140	1	760	8,699	9,823	19,153	1,115	2,586	22,854

¹ Less than RM1 million.

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
Three quarters ended 31 March 2023											
At 1 July 2022	9,318	9	246	148	2	575	5,712	6,692	16,010	361	16,371
Total comprehensive (loss)/income for the period	–	–	–	–	(17)	(259)	836	560	560	37	597
Dividends paid	–	–	–	–	–	–	(715)	(715)	(715)	(12)	(727)
Purchase of additional interest in subsidiaries	–	–	–	–	–	–	7	7	7	(35)	(28)
Disposal of non-wholly owned subsidiaries	–	–	–	–	–	–	–	–	–	(9)	(9)
Reclassification upon disposal of subsidiaries	–	–	(23)	(28)	–	–	51	–	–	–	–
Performance-based employee share scheme expenses	–	3	–	–	–	–	–	3	3	–	3
Issuance of shares under the performance-based employee share scheme	12	(12)	–	–	–	–	–	(12)	–	–	–
Transfer between reserves	–	–	–	11	–	–	(11)	–	–	–	–
At 31 March 2023	9,330	–	223	131	(15)	316	5,880	6,535	15,865	342	16,207

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 2023.

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

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

	Note	Three quarters ended 31 March	
		2024	2023
Cash flow from operating activities			
Profit for the period from continuing operations		1,338	710
Adjustments for:			
Share of results of joint ventures and associates		(158)	(37)
Finance income		(105)	(47)
Finance costs		502	206
Taxation		445	308
Net gain on disposal of fixed assets		(277)	(2)
Depreciation and amortisation		1,416	879
Impairment of fixed assets/(Reversal of impairment of fixed assets) (net)		2	(1)
Impairment of receivables (net)		7	5
Inventory write-down and provision		155	118
Fair value gain on financial assets at fair value through profit or loss		(3)	(2)
Other non-cash items		(14)	(22)
		<u>3,308</u>	<u>2,115</u>
Changes in working capital:			
Inventories		124	(1,243)
Rental assets		(1,279)	(887)
Trade, other receivables and prepayments		(931)	(292)
Trade, other payables and provisions		(1,642)	601
Cash (used in)/generated from operations		<u>(420)</u>	<u>294</u>
Tax paid (net)		(334)	(345)
Dividends received from associates		28	4
Operating cash flow used in continuing operations		(726)	(47)
Operating cash flow from/(used in) discontinuing/discontinued operations		19	(18)
Net cash flow used in operating activities		<u>(707)</u>	<u>(65)</u>
Cash flow from investing activities			
Finance income received		96	39
Purchase of fixed assets		(696)	(635)
Acquisition of subsidiaries ¹	A11	(2,149)	(128)
Acquisition of an associate		–	(9)
Addition to financial assets at fair value through profit or loss		(169)	(12)
Movement in deposits placement with maturity of more than 3 months		24	–
Movement in deposits placement restricted by banks		2	–
Proceeds from sale of subsidiaries		27 ²	–
Proceeds from sale of financial assets at fair value through profit or loss		256	44
Proceeds from sale of fixed assets		270	80
Investing cash flow used in continuing operations		(2,339)	(621)
Investing cash flow from discontinuing/discontinued operations	A11	2,842	1,319 ³
Net cash flow from investing activities		<u>503</u>	<u>698</u>

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

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

		Three quarters ended	
		31 March	
	Note	2024	2023
Cash flow from financing activities			
Finance costs paid		(411)	(122)
Net borrowings raised		4,770	1,137
Repayment of lease liabilities		(503)	(392)
Purchase of additional interest in subsidiaries	A11	(2,267)	(28)
Dividends paid to shareholders		(886)	(715)
Dividends paid to non-controlling interests ⁴		(44)	(25)
Financing cash flow from/(used in) continuing operations		<u>659</u>	<u>(145)</u>
Financing cash flow used in discontinuing/discontinued operations		<u>(8)</u>	<u>(4)</u>
Net cash flow from/(used in) financing activities		<u>651</u>	<u>(149)</u>
Net increase in cash and cash equivalents		447	484
Foreign exchange differences		10	(47)
Cash and cash equivalents at beginning of the period		<u>2,938</u>	<u>1,658</u>
Cash and cash equivalents at end of the period		<u>3,395</u>	<u>2,095</u>

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

Bank balances, deposits and cash		3,593	2,198
Less:			
Bank overdrafts	B8	(112)	(103)
Deposits with maturity of more than 3 months		(337)	–
Deposits restricted by bank		(55)	–
		<u>3,089</u>	<u>2,095</u>
Cash and cash equivalents included under disposal group		<u>306</u>	–
		<u>3,395</u>	<u>2,095</u>

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

¹ Includes part payment of the consideration payable for the acquisition of Salmon Earthmoving Holdings Pty Ltd.

² Relates to balance consideration from the disposal of Jining ports.

³ Include proceeds from disposal of Weifang port companies.

⁴ Dividends paid to other shareholders of non-wholly owned subsidiaries. The amount paid in the current period includes RM29 million declared in the previous financial year (previous corresponding period: RM13 million).

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 financial year ended 30 June 2023.

EXPLANATORY NOTES

This interim financial report is prepared in accordance with the requirements of paragraph 9.22 and Appendix 9B 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. 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 2023.

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 2023, 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 in the current period are set out below:

- 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 and MFRS Practice Statement 2 ‘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’
- Amendments to MFRS 112 ‘International tax reform – Pillar Two model rules’

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

Effective for annual reporting periods beginning on or after 1 January 2024

- Amendments to MFRS 16 ‘Lease liability in a sale and leaseback’
- Amendments to MFRS 101 ‘Classification of liabilities as current or non-current’
- Amendments to MFRS 101 ‘Non-current liabilities with covenants’
- Amendments to MFRS 107 and MFRS 7 ‘Supplier finance arrangements’

Effective for annual reporting periods beginning on or after 1 January 2025

- Amendments to MFRS 121 ‘Lack of Exchangeability’

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 ‘Consolidated financial statements’
- MFRS 128 ‘Investments in associates and joint ventures - sale or contribution of assets between an investor and its associate or joint venture’

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

Explanatory Notes on the Quarterly Report – 31 March 2024
Amounts in RM million unless otherwise stated

A1. Basis of Preparation (continued)

b) Change in accounting policy – basis of consolidation

In the previous quarter, the Group changed its accounting policy on the basis of consolidation for business combinations under common control.

Business combinations under common control are either accounted for using the predecessor method of merger accounting or acquisition accounting depending on the substance and the specific facts and circumstances surrounding the business combination under common control.

The policy was revised to provide more relevant information on the effects for business combinations under common control under different scenarios.

Prior to the adoption of this revised policy, business combinations under common control are accounted for using the predecessor method of merger accounting (refer to Note 3(a)(ii)) of the audited annual financial statements for the financial year ended 30 June 2023.

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 A11, 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

Sukuk

The Group had established an unrated Islamic commercial papers and Islamic medium term notes programme based on the Shariah principle of Murabahah (via Tawarruq arrangement) for the issuance of Sukuk Murabahah of up to RM10.0 billion in nominal value ("Sukuk Murabahah Programme"), irrevocably and unconditionally guaranteed by Sime Darby Berhad. On 11 December 2023, Tranche 1 of the Sukuk Murabahah at an issue size of RM3.0 billion in nominal value was issued. The proceeds were used to part finance the acquisition of UMW Holdings Berhad ("UMW").

On 5 January 2024, the Group had partially redeemed RM500 million of the Sukuk Murabahah.

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

A6. Dividends Paid to Shareholders

The second interim dividend of 10.0 sen per share amounting to RM682 million for the financial year ended 30 June 2023 was paid by way of cash on 29 September 2023.

An interim dividend of 3.0 sen per share amounting to RM204 million for the financial year ending 30 June 2024 was paid by way of cash on 27 March 2024.

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

Explanatory Notes on the Quarterly Report – 31 March 2024
Amounts in RM million unless otherwise stated

A7. Segment information

The results of the Healthcare division for the current and previous financial years have been reclassified as discontinued operations in view of the disposal of the Group's entire equity interest in Ramsay Sime Darby Health Care Sdn Bhd. Following the completion of the acquisition of approximately 61.2% equity interest in UMW by Sime Darby Enterprise Sdn Bhd on 13 December 2023, the results of Sime Darby Enterprise and its subsidiaries are reported as a new segment (i.e. UMW)¹. The UKHE group (part of UMW division), which is involved in the business of importation and distribution of heavy equipment under the Komatsu Brand, has been classified as discontinuing operations (UKHE).

	Continuing operations						Discontinuing/Discontinued operations			Total
	Industrial	Motors	UMW	Others	Corporate/ Intra-group adjustments	Total	Logistics	Healthcare	UKHE	
Three quarters ended 31 March 2024										
Segment revenue:										
External	14,968	28,025	5,287	59	–	48,339	–	–	204	48,543
Inter-segment	3	16	7	9	(35)	–	–	–	–	–
	14,971	28,041	5,294	68	(35)	48,339	–	–	204	48,543
Profit/(Loss) before interest and tax	1,068	575	309	290	(62)	2,180	–	2,052	(6)	4,226
Net finance (costs)/income						(397)	–	–	2	(395)
Taxation						(445)	–	–	(8)	(453)
Profit/(Loss) for the period						1,338	–	2,052	(12)	3,378
Three quarters ended 31 March 2023										
Segment revenue:										
External	11,617	23,338	–	47	–	35,002	58	–	–	35,060
Inter-segment	4	10	–	3	(17)	–	–	–	–	–
	11,621	23,348	–	50	(17)	35,002	58	–	–	35,060
Profit/(Loss) before interest and tax	676	497	–	51	(47)	1,177	112	48	–	1,337
Net finance (costs)/income						(159)	2	–	–	(157)
Taxation						(308)	4	–	–	(304)
Profit for the period						710	118	48	–	876

¹ The business segments under UMW include Automotive, Equipment, Manufacturing and Engineering and others.

SIME DARBY BERHAD
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Explanatory Notes on the Quarterly Report – 31 March 2024
Amounts in RM million unless otherwise stated

A7. Segment Information (continued)

	Continuing operations						Discontinuing/ Discontinued operations		
	Industrial	Motors	UMW	Others	Corporate/ Intra-group adjustments	Total	Healthcare	UKHE	Total
As at 31 March 2024									
Segment assets	18,932	17,060	13,149	333	546	50,020	–	651	50,671
Segment liabilities	(4,008)	(5,684)	(2,645)	(442)	(11)	(12,790)	–	(222)	(13,012)
Segment invested capital	14,924	11,376	10,504	(109)	535	37,230	–	429	37,659
Net tax assets						21	–	–	21
Borrowings and lease liabilities						(14,826)	–	–	(14,826)
Total equity						22,425	–	429	22,854
As at 30 June 2023									
Segment assets	16,809	15,803	–	416	2,476	35,504	759	–	36,263
Segment liabilities	(4,501)	(5,732)	–	(466)	(13)	(10,712)	–	–	(10,712)
Segment invested capital	12,308	10,071	–	(50)	2,463	24,792	759	–	25,551
Net tax assets						186	–	–	186
Borrowings and lease liabilities						(8,454)	–	–	(8,454)
Total equity						16,524	759	–	17,283

SIME DARBY BERHAD
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Explanatory Notes on the Quarterly Report – 31 March 2024
Amounts in RM million unless otherwise stated

A7. Segment information (continued)

Revenue from continuing operations comprise the following:

	Three quarters ended 31 March	
	2024	2023
Revenue from contracts with customers	46,538	34,190
Rental income	1,801	812
	48,339	35,002

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

Three quarters ended 31 March 2024	Industrial	Motors	UMW	Others	Total
<u>Continuing operations</u>					
<u>Segment revenue</u>					
Sale of equipment and vehicles	5,565	23,161	3,910	–	32,636
Sale of parts, assembly charges and provision of after-sales services	7,656	3,953	1,085	–	12,694
Engineering services	286	–	210 ¹	9	505
Commission, handling fees and others	–	663	4	36	703
	13,507	27,777	5,209	45	46,538
<u>Geographical location</u>					
Malaysia	901	6,528	5,127	41	12,597
China	1,802	11,632	10	–	13,444
Other countries in Asia	711	5,011	72	4	5,798
Australasia	10,093	4,606	–	–	14,699
	13,507	27,777	5,209	45	46,538
<u>Timing of revenue recognition</u>					
At a point in time	10,864	24,021	5,208	30	40,123
Over time	2,643	3,756	1	15	6,415
	13,507	27,777	5,209	45	46,538

Three quarters ended 31 March 2023	Industrial	Motors	Others	Total
<u>Continuing operations</u>				
<u>Segment revenue</u>				
Sale of equipment and vehicles	4,762	19,215	–	23,977
Sale of parts, assembly charges and provision of after-sales services	6,090	3,469	–	9,559
Engineering services	187	–	–	187
Commission, handling fees and others	–	435	32	467
	11,039	23,119	32	34,190

¹ Includes revenue from the manufacturing and engineering operations.

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Explanatory Notes on the Quarterly Report – 31 March 2024
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)

Three quarters ended 31 March 2023	Industrial	Motors	Others	Total
Geographical location				
Malaysia	689	4,708	28	5,425
China	1,918	10,732	–	12,650
Other countries in Asia	597	3,634	4	4,235
Australasia	7,835	4,045	–	11,880
	<u>11,039</u>	<u>23,119</u>	<u>32</u>	<u>34,190</u>
Timing of revenue recognition				
At a point in time	8,744	19,952	21	28,717
Over time	2,295	3,167	11	5,473
	<u>11,039</u>	<u>23,119</u>	<u>32</u>	<u>34,190</u>

A8. Capital Commitments

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

	As at 31 March 2024	As at 30 June 2023
Property, plant and equipment	671	962
Other capital expenditure	33	15
	<u>704</u>	<u>977</u>

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A9. Significant Related Party Transactions

Significant related party transactions conducted during the three quarters ended 31 March are as follows:

	Three quarters ended 31 March	
	2024	2023
a. Transactions with joint ventures and associates		
<u>Continuing operations</u>		
Purchase of products and services from Sitech Construction Systems Pty Ltd	14	17
Contribution paid to Yayasan Sime Darby	30	10
Sale of goods and services to Perusahaan Otomobil Kedua Sdn Bhd and its subsidiaries and associates	176	–
Purchase of goods and services from Perusahaan Otomobil Kedua Sdn Bhd and its subsidiaries and associates	205	–
Sale of goods to UMW Toyotsu Motors Sdn Bhd	63	–
Purchase of goods and services from UMW Toyotsu Motors Sdn Bhd	15	–
<u>Discontinued operations</u>		
Loans repaid by Weifang Sime Darby Liquid Terminal Co Ltd	–	6
b. Transactions between subsidiaries and non-controlling interests or their affiliated companies		
<u>Continuing operations</u>		
Contract assembly service provided by Inokom Corporation Sdn Bhd (“ICSB”) to Mazda Malaysia Sdn Bhd	82	72
Contract assembly service provided by ICSB to Kia Malaysia Sdn Bhd	30	17
Rental income received by ICSB from Mazda Malaysia Sdn Bhd and Bermaz Motor Trading Sdn Bhd	3	2
Sale of goods and services to Toyota Motors Corporation, Japan and its subsidiaries and Toyota Tsusho Corporation, Japan and its subsidiaries	553	–
Purchase of goods and services from Toyota Motors Corporation, Japan and its subsidiaries and Toyota Tsusho Corporation, Japan and its subsidiaries	1,972	–
Purchase of goods and services from Toyota Industries Corporation, Japan and its subsidiaries	91	–
Purchase of goods and services from Kayaba Industry Co Ltd and its subsidiaries	13	–
Sale of goods and services to Kayaba Industry Co Ltd and its subsidiaries	29	–
<u>Discontinuing operations</u>		
Purchase of goods and services from Komatsu Ltd, Japan and its subsidiaries	106	–

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A9. Significant Related Party Transactions (continued)

Significant related party transactions conducted during the three quarters ended 31 March are as follows (continued):

c. Transactions with major shareholders and companies with common major shareholders

Permodalan Nasional Berhad (“PNB”) and the funds managed by its subsidiary, Amanah Saham Nasional Berhad together, as at 31 March 2024, own approximately 44% of the issued share capital of the Company. PNB is an entity controlled by the Malaysian Government through Yayasan Pelaburan Bumiputera (“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:

	Three quarters ended 31 March	
	2024	2023
<u>Continuing operations</u>		
Sales, servicing and leasing of equipment and vehicles	18	14
Rental income	8	10
Royalty income invoiced	2	2

On 13 December 2023, the Group completed the acquisition of approximately 61.2% equity interest in UMW from PNB and Amanahraya Trustees Berhad for a total cash consideration of RM3,574 million.

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 17 May 2024, being a date not earlier than 7 days from the date of issue of the quarterly report.

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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 subsidiaries

- i. On 1 November 2023, the Group completed the acquisition of the entire equity interest in Cavpower group, the Caterpillar dealer in South Australia, for a provisional purchase consideration of AUD535 million (RM1,615 million), subject to finalisation of the completion accounts.

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

Fair value of net assets acquired	792
Goodwill (provisional)	823
Purchase consideration	<u>1,615</u>
Less: balance consideration payable	(30)
Less: cash and cash equivalents of subsidiaries acquired	<u>(120)</u>
Net cash outflow on acquisition	<u>1,465</u>

The fair value of net assets and goodwill in the above acquisition are provisional and will be adjusted, where applicable, upon completion of the purchase price allocation as allowed under MFRS 3.

- ii. On 13 December 2023, the Group completed the acquisition of approximately 61.2% equity interest in UMW from Permodalan Nasional Berhad and Amanahraya Trustees Berhad for a purchase consideration of RM3,574 million. Acquisition accounting was adopted for this acquisition.

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

Fair value of net assets acquired	8,787
Perpetual sukuk	(1,094)
Non-controlling interests	(4,297)
Goodwill (provisional)	<u>178</u>
Purchase consideration	3,574
Less: cash and cash equivalents of subsidiaries acquired	<u>(2,920)</u>
Net cash outflow on acquisition	<u>654</u>

The fair value of net assets and goodwill in the above acquisition are provisional and will be adjusted, where applicable, upon completion of the purchase price allocation as allowed under MFRS 3.

On 27 December 2023, the Group had offered to acquire all the remaining ordinary shares in UMW not already held for a cash consideration of RM5.00 per ordinary share pursuant to an unconditional mandatory general offer. On 21 March 2024, the Group has completed the compulsory acquisition of all the remaining UMW shares in accordance with subsection 222(1) of the Capital Markets and Services Act 2007. Following this, UMW is now an indirect wholly-owned subsidiary of the Group. Details of the net cash outflow are as follows:

Purchase consideration inclusive of transaction costs	2,274
Less: balance transaction costs payable	<u>(7)</u>
Net cash outflow on acquisition of additional interest in subsidiaries	<u>2,267</u>

2. Disposal of joint venture

On 28 December 2023, the Group completed the disposal of its entire 50% equity interest in Ramsay Sime Darby Health Care Sdn Bhd ("RSDH") for a cash consideration of approximately RM2,842 million. Details of the net cash inflow are as follows:

Cash consideration received	2,842
Less: transaction costs paid	<u>(32)</u>
Net cash inflow on disposal	<u>2,810</u>

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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. A liability from the performance would only arise in the event the Group fails to fulfil its contractual obligations.

The performance guarantees are as follows:

	As at 31 March 2024	As at 30 June 2023
Performance guarantees and advance payment guarantees to customers of the Group	<u>2,196</u>	<u>2,184</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 31 March 2024, the total outstanding risk sharing amount on which the Group has an obligation to pay the leasing company should the customers default, amounted to RM129 million (30 June 2023: RM197 million).

b) Claims

	As at 31 March 2024	As at 30 June 2023
Potential claims	<u>14</u>	<u>12</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 31 March			Three quarters ended 31 March		
	2024	2023	% +/(-)	2024	2023	% +/(-)
<u>Continuing operations</u>						
Revenue	<u>18,835</u>	<u>11,528</u>	63.4	<u>48,339</u>	<u>35,002</u>	38.1
Segment results:						
Industrial	359	236	52.1	1,068	676	58.0
Motors	180	170	5.9	575	497	15.7
UMW	262	–		309	–	
Others	<u>(2)</u>	<u>15</u>	<(100.0)	<u>11</u>	<u>51</u>	(78.4)
	<u>799</u>	<u>421</u>	89.8	<u>1,963</u>	<u>1,224</u>	60.4
Gain on disposal of Malaysia Vision Valley (“MVV”) land	–	–		279	–	
Foreign exchange gain from repayment of net investments	–	7		25	19	
Corporate expenses	<u>(40)</u>	<u>(23)</u>		<u>(87)</u>	<u>(66)</u>	
Profit before interest and tax	759	405	87.4	2,180	1,177	85.2
Finance income	49	24		105	47	
Finance costs	<u>(206)</u>	<u>(81)</u>		<u>(502)</u>	<u>(206)</u>	
Profit before tax	602	348	73.0	1,783	1,018	75.1
Taxation	<u>(151)</u>	<u>(108)</u>		<u>(445)</u>	<u>(308)</u>	
Profit from continuing operations	451	240	87.9	1,338	710	88.5
Perpetual sukuk	(17)	–		(21)	–	
Non-controlling interests	<u>(85)</u>	<u>(13)</u>		<u>(142)</u>	<u>(40)</u>	
Profit from continuing operations attributable to owners of the Company	349	227	53.7	1,175	670	75.4
<u>Discontinuing/Discontinued operations</u>						
(Loss)/Profit from discontinuing/discontinued operations attributable to owners of the Company	<u>(9)</u>	<u>13</u>		<u>2,042</u>	<u>166</u>	
Profit attributable to owners of the Company	340	240	41.7	3,217	836	>100.0

B1. Review of Group Performance (continued)

An analysis of the results for the quarter ended 31 March 2024 against the quarter ended 31 March 2023 is as follows:

The Group's profit from continuing operations attributable to owners of the Company ("Net Profit") was 53.7% higher at RM349 million mainly due to higher profits from the Industrial division and post acquisition profit contribution from UMW, partly offset by higher finance costs.

a) Industrial

Profit before interest and tax ("PBIT") increased by 52.1% to RM359 million in the current quarter, mainly attributed to higher profit from the Australasia operations. The higher profit was contributed by higher product support and mining equipment deliveries as well as profit from Onsite Rental (acquired in April 2023) and Cavpower group (acquired in November 2023).

b) Motors

PBIT increased by 5.9% to RM180 million in the current quarter. PBIT for Malaysia increased by 57.1% to RM121 million, supported by higher margins while PBIT more than doubled in Singapore mainly due to higher electric vehicle sales.

The China operations recorded a loss before interest and tax of RM21 million (compared to a PBIT of RM24 million in the previous corresponding period), mainly due to low vehicle margins at the Mainland China operations.

c) UMW

Profit contribution after the completion of the acquisition of 61.2% equity interest in UMW in December 2023. The profit was largely contributed by UMW's automotive business.

d) Others

The results in the current quarter were mainly impacted by foreign exchange losses of RM8 million in the current quarter (compared to a gain of RM5 million in the previous corresponding period).

e) Finance costs

The higher finance costs in the current quarter were mainly due to higher borrowings as a result of the UMW, Onsite Rental and Cavpower acquisitions as well as working capital requirements.

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B1. Review of Group Performance (continued)

An analysis of the results for the three quarters ended 31 March 2024 against the three quarters ended 31 March 2023 is as follows:

The Group's Net Profit from continuing operations was higher by 75.4% at RM1,175 million. Included in the results is gain on disposal of MVV land to Sime Darby Property of RM251 million (after tax). Excluding this, the Group's Net Profit from continuing operations would be higher by 37.9% mainly due to higher profit from Industrial Australasia and Motors Malaysia and post acquisition profit contribution from UMW.

a) Industrial

PBIT was higher by 58.0% at RM1,068 million largely due to higher profit from the Australasia operations. This was mainly attributed to higher profits from the product support and mining equipment segments as well as contribution from Onsite Rental and Cavpower Group as explained in the results for the quarter ended 31 March 2024.

b) Motors

PBIT was higher by 15.7% at RM575 million primarily due to higher profits from operations in Malaysia and Singapore, partly offset by the weaker results from the China operations as explained in the results for quarter ended 31 March 2024.

c) Others

PBIT was lower mainly due to foreign exchange losses of RM1 million (previous corresponding period: foreign exchange gain of RM29 million).

d) Finance costs

The higher finance costs in the current quarter were mainly due to higher borrowings as a result of the UMW, Onsite Rental and Cavpower acquisitions as well as working capital requirements.

e) Discontinuing/Discontinued operations

The profit recorded includes gain on disposal of Ramsay Sime Darby Healthcare ("RSDH") of RM2,007 million. The previous corresponding period included the gain on disposal of Weifang port companies of RM147 million.

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

	Quarter ended		
	31 March 2024	31 December 2023	% +/(-)
<u>Continuing operations</u>			
Revenue	<u>18,835</u>	<u>15,524</u>	21.3
Segment results:			
Industrial	359	351	2.3
Motors	180	192	(6.3)
UMW	262	47	>100.0
Others	<u>(2)</u>	<u>9</u>	<100.0
	799	599	33.4
Foreign exchange gain from repayment of net investments	–	12	
Corporate expenses	<u>(40)</u>	<u>(20)</u>	
Profit before interest and tax	759	591	28.4
Finance income	49	29	
Finance costs	<u>(206)</u>	<u>(167)</u>	
Profit before tax	602	453	32.9
Taxation	<u>(151)</u>	<u>(140)</u>	
Profit from continuing operations	451	313	44.1
Perpetual sukuk	<u>(17)</u>	<u>(4)</u>	
Non-controlling interests	<u>(85)</u>	<u>(48)</u>	
Profit from continuing operations attributable to owners of the Company	349	261	33.7
<u>Discontinuing/Discontinued operations</u>			
(Loss)/Profit from discontinuing/discontinued operations attributable to owners of the Company	<u>(9)</u>	<u>2,027</u>	
Profit attributable to owners of the Company	<u>340</u>	<u>2,288</u>	(85.1)

The analysis of the results for the quarter ended 31 March 2024 against the quarter ended 31 December 2023 is as follows:

The Group's Net Profit is higher by 33.7%, primarily due to the higher profit contributed by UMW (acquired in December 2023).

a) Industrial

PBIT was slightly higher than that of the preceding quarter, with slightly higher profits from Australasia mainly due to higher equipment deliveries. This was partly offset by lower profit from the China operations, mainly attributed to slowdown in the construction industry.

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

b) Motors

PBIT declined slightly by 6.3% to RM180 million primarily due to lower profit from Australasia, partly offset by higher profit from Singapore.

c) UMW

The higher PBIT was mainly due to recognising the results of UMW for the full quarter compared to less than one month's results in the preceding quarter.

d) Finance costs

The higher finance costs were mainly due to the full quarter impact of the borrowings raised for the UMW acquisition and consolidation of UMW's finance costs in the current quarter.

B3. Prospects

The Group's results for the three quarters ended 31 March 2024 were mainly contributed by strong results from Industrial Australia, Motors Malaysia and the recently acquired UMW. However, the Group continues to face challenging business conditions in China, and cost inflationary pressures and continued high interest rates, particularly in Australasia.

The Industrial operations in Australia continue to be supported by demand from the mining sector and profit contribution from the recent acquisitions (Onsite and Cavpower). Operations in China are expected to remain subdued in the near term.

Demand for motor vehicles in Malaysia is expected to moderate in the second half of 2024 in view of the expected fuel subsidy rationalisation and high value goods tax. The business conditions in Mainland China remains challenging with intense competition and heavy discounting by automotive companies.

The UMW operations have contributed strongly to the Group in the first full quarter results since its acquisition and are expected to continue contributing positively in the current financial year.

Taking into account the one-off gains from disposal of non-core assets in the current financial year, the Board expects the Group's financial performance for the financial year ending 30 June 2024 to be significantly better than that of financial year ended 30 June 2023.

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 31 March		Three quarters ended 31 March	
	2024	2023	2024	2023
Included in operating profit of continuing operations are:				
Depreciation and amortisation	(563)	(294)	(1,416)	(879)
Inventory write-down and provision	(65)	(28)	(155)	(118)
Impairment of receivables (net)	(8)	(14)	(7)	(5)
(Impairment of fixed assets)/Reversal of impairment of fixed assets (net)	(1)	–	(2)	1
Gain on disposal of properties	–	–	279	–
Net fair value gain on financial assets at fair value through profit or loss	1	1	3	2
Net gain/(loss) on disposal of other fixed assets	–	1	(2)	2
Net foreign exchange (loss)/gain	(8)	12	27	37
Net (loss)/gain on derivatives	(6)	1	(14)	(4)
Net gain on lease modification/termination	1	2	2	3

B6. Taxation

	Quarter ended 31 March		Three quarters ended 31 March	
	2024	2023	2024	2023
Continuing operations				
Current tax:				
- current year	177	125	484	346
- previous years	6	7	10	11
	<u>183</u>	<u>132</u>	<u>494</u>	<u>357</u>
Deferred tax:				
- origination and reversal of temporary differences and other deferred tax adjustments	(32)	(24)	(49)	(49)
	<u>151</u>	<u>108</u>	<u>445</u>	<u>308</u>
Discontinuing/Discontinued operations	<u>8</u>	<u>–</u>	<u>8</u>	<u>(4)</u>

The effective tax rate of continuing operations (excluding share of results of joint ventures and associates) for the current quarter and three quarters ended 31 March 2024 of 31.1% and 27.4% respectively were higher than the applicable tax rate of 25.6% and 25.5% respectively.

The higher effective tax rate for both current quarter and three quarters ended 31 March 2024 were mainly due to the impact of non-deductible expenses and adjustments to tax expense relating to prior years.

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B7. Status of Corporate Proposals

The corporate proposals announced but not completed as at 17 May 2024 are as follows:

- a) On 24 August 2022, the Group entered into a Sale and Purchase Agreement (“SPA”) with NS Corporation for the disposal of approximately 1,382.2 acres of land located in the Malaysia Vision Valley area in Labu, Negeri Sembilan, for a cash consideration of RM460 million. On 23 September 2022, the Group entered into a second SPA with NS Corporation for the disposal of approximately 1,281.8 acres of land located in the Malaysia Vision Valley area for a cash consideration of RM445 million.

The agreements are expected to be completed in the financial year ending 30 June 2025, subject to further extension as may be mutually agreed.

B8. Group Borrowings

The breakdown of the borrowings as at 31 March 2024 is as follows:

	Secured	Unsecured	Total
<u>Long-term</u>			
Term loans and other long-term borrowings	15	3,441	3,456
Sukuk and Islamic term loans	44	1,250	1,294
	<u>59</u>	<u>4,691</u>	<u>4,750</u>
<u>Short-term</u>			
Term loans and other long term borrowings due within one year	11	424	435
Sukuk and Islamic term loans due within one year	29	2,523	2,552
Islamic financing	–	1,537	1,537
Bank overdrafts	–	112	112
Revolving credits, bankers acceptances, trade facilities and other short-term borrowings	–	2,730	2,730
	<u>40</u>	<u>7,326</u>	<u>7,366</u>
Total borrowings	<u>99</u>	<u>12,017</u>	<u>12,116</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	1,317	4,407	5,724
Australian dollar	3,418	1,054	4,472
Chinese renminbi	–	828	828
European Union euro	–	29	29
Hong Kong dollar	–	1	1
Indonesian rupiah	–	27	27
New Zealand dollar	–	610	610
Pacific franc	15	19	34
Taiwan dollar	–	265	265
Thailand baht	–	87	87
United States dollar	–	39	39
Total borrowings	<u>4,750</u>	<u>7,366</u>	<u>12,116</u>

Secured borrowings are secured by fixed and floating charges over certain assets in certain subsidiaries in Malaysia and New Caledonia.

B9. Financial Instruments

a) Derivatives

The Group uses forward foreign exchange contracts and interest rate swap contracts primarily to manage its exposure to financial risks. The fair values of these contracts as at 31 March 2024 are as follows:

	Classification in Statement of Financial Position		Net fair value
	Assets	Liabilities	
Forward foreign exchange contracts	18	(14)	4
Interest rate swap contracts	1	–	1
Embedded derivatives	1	–	1
	<u>20</u>	<u>(14)</u>	<u>6</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 2023 except for embedded derivatives arising from the acquisition of UMW which have similar risks as forward foreign exchange contracts.

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B9. Financial Instruments (continued)

a) Derivatives (continued)

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 31 March 2024, the notional amount, fair value and maturity tenor of the forward foreign exchange contracts are as follows:

	Notional amount	Net fair value assets/ (liabilities)
- less than 1 year	5,371	4
- 1 year to 3 years	2	(-) ¹
	<u>5,373</u>	<u>4</u>

¹ Less than RM1 million.

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 to adverse fluctuations in interest rates on underlying debt instruments. The differences between the rates calculated by reference to the agreed notional principal amounts are exchanged at periodic intervals. All changes in fair value during the period 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 31 March 2024, 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	<u>81</u>	<u>1</u>

Embedded derivatives

Embedded derivatives relate to purchase contracts entered into with suppliers. The purchase price in these contracts is denominated in USD and subject to periodic price review.

As at 31 March 2024, the notional amount, fair value and maturity tenor of the embedded derivatives are as follows:

	Notional amount	Fair value assets
- less than 1 year	<u>848</u>	<u>1</u>

B9. Financial Instruments (continued)

b) Financial instruments measured at fair value

The measurement and categorisation of the financial instruments carried at fair value are as follows:

Financial assets at fair value through profit or loss (“FVTPL”)

The fair values of quoted investment in money market fund and quoted shares are based on quoted market prices in active markets (Level 1). The fair values of the remaining financial assets at FVTPL are based on valuation techniques with significant unobservable inputs (Level 3) as quoted market prices in active markets (Level 1) or valuation techniques using market observable inputs (Level 2) are not available. The following table presents the Group’s financial assets at FVTPL into three different levels as defined above:

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL	426	–	74	500

Derivatives

The fair values of derivatives are based on price quotes for similar instruments or valuation techniques based on market observable inputs (Level 2) as quoted prices of identical instruments from an active market (Level 1) are not available.

The fair value of forward foreign exchange contracts and embedded derivatives are calculated using observable forward exchange rates at the end of the reporting period, with the resulting value discounted to present value.

The fair value of interest rate swap contracts are calculated as the present value of the estimated future cash flows based on observable yield curves.

c) 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 initial recognition.

B10. Material Litigation

Changes in material litigation since the date of the last audited annual statement of financial position up to 17 May 2024 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 RM370 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 proceeded to file the application to assess damages and the Court on 25 October 2023 recorded that the hearing for the assessment of damages for the Oil & Gas suit has concluded but damages has yet to be determined. The Parties have filed their written submission and replies, and the matter is now fixed for oral clarification on 29 October 2024.

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 17 May 2024 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 RM2.9 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 RM356 million).

On 22 March 2018, the tribunal ordered ONGC to pay the Consortium a net sum of USD5.12 million (approximately RM24 million), together with interest at 14% per annum, 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 enforcement proceedings against ONGC to seek recovery of the arbitration award. The warrant of attachment for movable properties was issued by the Court. On 19 April 2021, ONGC deposited a sum of INR 447 million (approximately RM25 million) to the Court, which includes interest at 14% on the principal sum awarded from the period of 22 March 2018 to 25 August 2020.

As a result of the sum deposited by ONGC, the award rendered by the arbitral tribunal has been stayed until the Court hears ONGC’s application to set aside the arbitration award. The Court had fixed 20 June 2024 to hear the application to set aside the arbitration award.

B11. Dividend

An interim dividend of 3.0 sen per share amounting to RM204 million in respect of the financial year ending 30 June 2024 was declared on 21 February 2024 and paid by way of cash on 27 March 2024.

SIME DARBY BERHAD
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B12. Earnings Per Share

	Quarter ended 31 March		Three quarters ended 31 March	
	2024	2023	2024	2023
Basic earnings/(loss) per share attributable to owners of the Company are computed as follows:				
Profit/(Loss) attributable to owners of the Company from:				
- continuing operations	349	227	1,175	670
- discontinuing/discontinued operations	(9)	13	2,042	166
	<u>340</u>	<u>240</u>	<u>3,217</u>	<u>836</u>
Weighted average number of ordinary shares in issue (million)	<u>6,816</u>	<u>6,816</u>	<u>6,816</u>	<u>6,812</u>
Basic earnings/(loss) per share (sen)				
- continuing operations	5.1	3.3	17.2	9.8
- discontinuing/discontinued operations	(0.1)	0.2	30.0	2.4
	<u>5.0</u>	<u>3.5</u>	<u>47.2</u>	<u>12.2</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
23 May 2024

By Order of the Board
Noor Zita Hassan
Group Secretary