

## QUARTERLY REPORT

On the consolidated results for the fourth quarter ended 30 June 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		%	Year ended		%
		30 June	2023		30 June	2023	
		2024	2023	+/(-)	2024	2023	+/(-)
<b>Continuing operations</b>							
Revenue	A7	18,793	13,286	41.4	67,132	48,288	39.0
Operating expenses		(18,370)	(12,828)		(65,196)	(46,895)	
Other operating income		217	249		433	413	
Other gains and losses		(164)	173		129	214	
Operating profit		476	880	(45.9)	2,498	2,020	23.7
Share of results of joint ventures and associates		102	27		260	64	
<b>Profit before interest and tax</b>	A7	578	907	(36.3)	2,758	2,084	32.3
Finance income		37	23		142	70	
Finance costs		(217)	(127)		(719)	(333)	
<b>Profit before tax</b>	B5	398	803	(50.4)	2,181	1,821	19.8
Taxation	B6	(253)	(176)		(698)	(484)	
<b>Profit from continuing operations</b>		145	627	(76.9)	1,483	1,337	10.9
<b>Discontinuing/Discontinued operations</b>							
Profit from discontinuing/discontinued operations		6	9		2,046	175	
<b>Profit for the period</b>		151	636	(76.3)	3,529	1,512	>100.0
<b>Attributable to owners of:</b>							
- the Company							
- from continuing operations		83	613	(86.5)	1,258	1,283	(1.9)
- from discontinuing/discontinued operations		6	9		2,048	175	
		89	622	(85.7)	3,306	1,458	>100.0
- non-controlling interests							
- from continuing operations		44	14		186	54	
- from discontinuing operations		- <sup>1</sup>	-		(2)	-	
- perpetual sukuk							
- from continuing operations		18	-		39	-	
<b>Profit for the period</b>		151	636	(76.3)	3,529	1,512	>100.0
		Sen	Sen		Sen	Sen	
Basic earnings per share attributable to owners of the Company	B12						
- from continuing operations		1.2	9.0	(86.7)	18.5	18.8	(1.6)
- from discontinuing/discontinued operations		0.1	0.1		30.0	2.6	
<b>Total</b>		1.3	9.1	(85.7)	48.5	21.4	>100.0

<sup>1</sup> Less than RM1 million.

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 30 June		Year ended 30 June	
	2024	2023	2024	2023
<b>Profit for the period</b>	<b>151</b>	<b>636</b>	<b>3,529</b>	<b>1,512</b>
<b>Other comprehensive income:</b>				
<b><u>Continuing operations</u></b>				
<b>Items that will be reclassified subsequently to profit or loss:</b>				
Currency translation differences	27	432	36	290
Share of other comprehensive income of joint ventures and associates	2	9	10	10
Net changes in fair value of cash flow hedges	–	11	(9)	(11)
Tax (expense)/credit	–	(3)	3	2
	<b>29</b>	<b>449</b>	<b>40</b>	<b>291</b>
Currency translation differences on repayment of net investment reclassified to profit or loss	(20)	(10)	(45)	(29)
Changes in fair value of cash flow hedges reclassified to profit or loss and inventories	15	16	17	14
Tax expense	(4)	(4)	(5)	(3)
	<b>20</b>	<b>451</b>	<b>7</b>	<b>273</b>
<b>Items that will not be reclassified subsequently to profit or loss:</b>				
Actuarial loss on defined benefit pension plans	(–) <sup>1</sup>	(8)	(–) <sup>1</sup>	(8)
Other comprehensive income from continuing operations	<b>20</b>	<b>443</b>	<b>7</b>	<b>265</b>
<b><u>Discontinuing/Discontinued operations</u></b>				
Other comprehensive income/(loss) from discontinuing/discontinued operations	1	10	(1)	(91)
Total other comprehensive income	<b>21</b>	<b>453</b>	<b>6</b>	<b>174</b>
<b>Total comprehensive income for the period</b>	<b>172</b>	<b>1,089</b>	<b>3,535</b>	<b>1,686</b>
<b>Attributable to owners of:</b>				
- the Company				
- from continuing operations	<b>108</b>	1,054	<b>1,285</b>	1,549
- from discontinuing/discontinued operations	<b>7</b>	19	<b>2,047</b>	84
	<b>115</b>	<b>1,073</b>	<b>3,332</b>	<b>1,633</b>
- non-controlling interests				
- from continuing operations	<b>39</b>	16	<b>166</b>	53
- from discontinuing operations	– <sup>1</sup>	–	(2)	–
- perpetual sukuk				
- from continuing operations	<b>18</b>	–	<b>39</b>	–
<b>Total comprehensive income for the period</b>	<b>172</b>	<b>1,089</b>	<b>3,535</b>	<b>1,686</b>

<sup>1</sup> Less than RM1 million.

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 30 June 2024	Audited As at 30 June 2023
<b><u>Non-current assets</u></b>			
Property, plant and equipment		12,520	7,990
Right-of-use assets		3,394	2,669
Investment properties		638	258
Intangible assets		3,387	2,306
Joint ventures and associates		3,232	1,175
Financial assets at fair value through profit or loss		73	66
Deferred tax assets		978	648
Derivative assets	B9(a)	–	5
Receivables and other assets		334	296
		<u>24,556</u>	<u>15,413</u>
<b><u>Current assets</u></b>			
Inventories		14,741	11,454
Financial assets at fair value through profit or loss		65	78
Receivables, contract assets and other assets		8,301	5,930
Prepayments		707	920
Tax recoverable		117	129
Derivative assets	B9(a)	27	27
Bank balances, deposits and cash		2,677	3,086
		<u>26,635</u>	<u>21,624</u>
Disposal groups and assets held for sale <sup>2</sup>		715	3
<b>Total assets</b>		<u>51,906</u>	<u>37,040</u>
<b><u>Equity</u></b>			
Share capital		9,330	9,330
Reserves		10,036	7,596
<b>Attributable to owners of the Company</b>		<u>19,366</u>	<u>16,926</u>
Non-controlling interests		2,811	357
Perpetual sukuk		1,181	–
<b>Total equity</b>		<u>23,358</u>	<u>17,283</u>
<b><u>Non-current liabilities</u></b>			
Borrowings	B8	4,702	2,246
Lease liabilities		2,231	2,162
Derivative liabilities	B9(a)	– <sup>1</sup>	–
Payables, contract liabilities and other liabilities		736	307
Deferred tax liabilities		1,063	448
		<u>8,732</u>	<u>5,163</u>
<b><u>Current liabilities</u></b>			
Borrowings	B8	5,738	3,611
Lease liabilities		540	435
Derivative liabilities	B9(a)	12	27
Payables and other liabilities		9,980	7,384
Contract liabilities		2,486	2,567
Provisions		509	427
Tax payable		371	143
		<u>19,636</u>	<u>14,594</u>
Liabilities associated with disposal groups <sup>2</sup>		180	–
<b>Total liabilities</b>		<u>28,548</u>	<u>19,757</u>
<b>Total equity and liabilities</b>		<u>51,906</u>	<u>37,040</u>
Net assets per share attributable to owners of the Company (RM)		<u>2.84</u>	<u>2.48</u>

<sup>1</sup> Less than RM1 million.

<sup>2</sup> Disposal groups relate to the UMW Komatsu Heavy Equipment Sdn Bhd (“UKHE”) group, Hyster operations in New Zealand and Ferrari operations in Australia.

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	Non-controlling interests	Perpetual sukuk	Total equity
<b>Year ended 30 June 2024</b>											
At 1 July 2023	9,330	223	136	–	760	6,477	7,596	16,926	357	–	17,283
Total comprehensive income for the period	–	–	–	11	16	3,305	3,332	3,332	164	39	3,535
Dividends paid	–	–	–	–	–	(886)	(886)	(886)	(123)	–	(1,009)
Dividends payable	–	–	–	–	–	–	–	–	(23)	–	(23)
Distribution to holders of perpetual sukuk	–	–	–	–	–	–	–	–	–	(35)	(35)
Acquisition of non-wholly owned subsidiaries	–	–	–	–	–	–	–	–	4,698	1,177	5,875
Purchase of additional interest in subsidiaries	–	–	–	–	–	(6)	(6)	(6)	(2,270)	–	(2,276)
Waiver of shareholders' loan of a non-wholly owned subsidiary	–	–	–	–	–	–	–	–	8	–	8
Transfer between reserves	–	–	10	–	–	(10)	–	–	–	–	–
At 30 June 2024	9,330	223	146	11	776	8,880	10,036	19,366	2,811	1,181	23,358

**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
<b>Year ended 30 June 2023</b>											
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	–	–	–	–	(2)	185	1,450	1,633	1,633	53	1,686
Dividends paid	–	–	–	–	–	–	(715)	(715)	(715)	(14)	(729)
Dividends payable	–	–	–	–	–	–	–	–	–	(29)	(29)
Purchase of additional interest in subsidiaries	–	–	–	–	–	–	(2)	(2)	(2)	(27)	(29)
Shares issued by a non-wholly owned subsidiary	–	–	–	–	–	–	–	–	–	4	4
Acquisition of a non-wholly owned subsidiary	–	–	–	–	–	–	–	–	–	18	18
Disposal of non-wholly owned subsidiaries	–	–	–	–	–	–	–	–	–	(9)	(9)
Reclassification upon disposal of subsidiaries	–	–	(23)	(28)	–	–	51	–	–	–	–
Performance-based employee share scheme expenses	–	–	–	–	–	–	–	–	–	–	–
Issuance of shares under the performance-based employee share scheme	12	(12)	–	–	–	–	–	(12)	–	–	–
Transfer between reserves	–	3	–	16	–	–	(19)	–	–	–	–
<b>At 30 June 2023</b>	<b>9,330</b>	<b>–</b>	<b>223</b>	<b>136</b>	<b>–</b>	<b>760</b>	<b>6,477</b>	<b>7,596</b>	<b>16,926</b>	<b>357</b>	<b>17,283</b>

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	Year ended 30 June	
		2024	2023
<b>Cash flow from operating activities</b>			
Profit for the period from continuing operations		1,483	1,337
Adjustments for:			
Dividend income from financial assets		(144)	(194)
Share of results of joint ventures and associates		(260)	(64)
Finance income		(142)	(70)
Finance costs		719	333
Taxation		698	484
Net gain on disposal of fixed assets		(284)	(179)
Depreciation and amortisation		2,018	1,269
Impairment of fixed assets (net)		195	1
Impairment of receivables (net)		5	27
Inventory write-down and provision		279	213
Fair value (gain)/loss on financial assets at fair value through profit or loss		(20)	5
Other non-cash items		(25)	(22)
		<u>4,522</u>	<u>3,140</u>
<b>Changes in working capital:</b>			
Inventories		(807)	(1,750)
Rental assets		(1,635)	(1,302)
Trade, other receivables and prepayments		(490)	(657)
Trade, other payables and provisions		(784)	1,824
		<u>806</u>	<u>1,255</u>
<b>Cash generated from operations</b>			
Tax paid (net)		(520)	(478)
Dividends received from joint ventures and associates		38	32
Dividends received from financial assets		144	194
		<u>468</u>	<u>1,003</u>
Operating cash flow from continuing operations		468	1,003
Operating cash flow from/(used in) discontinuing/discontinued operations		10	(18)
		<u>478</u>	<u>985</u>
<b>Net cash flow from operating activities</b>			
<b>Cash flow from investing activities</b>			
Finance income received		125	57
Purchase of fixed assets		(1,072)	(834)
Acquisition of subsidiaries <sup>1</sup>	A11	(2,171)	(387)
Acquisition of an associate		–	(9)
Addition to financial assets at fair value through profit or loss		(618)	(12)
Proceeds from sale of subsidiaries		27 <sup>2</sup>	–
Proceeds from partial sale of associates		11	–
Proceeds from sale of financial assets at fair value through profit or loss		1,070	44
Proceeds from sale of fixed assets		358	346
Net movement in restricted deposits and deposits with maturity of more than 3 months		346	–
		<u>(1,924)</u>	<u>(795)</u>
Investing cash flow used in continuing operations		(1,924)	(795)
Investing cash flow from discontinuing/discontinued operations	A11	2,861	1,319 <sup>3</sup>
		<u>937</u>	<u>524</u>
<b>Net cash flow from investing activities</b>			

**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	2024	2023
<b>Cash flow from financing activities</b>			
Finance costs paid		(601)	(188)
Net borrowings raised		3,055	1,293
Repayment of lease liabilities		(687)	(580)
Purchase of additional interest in subsidiaries	A11	(2,276)	(29)
Proceeds from shares issued to non-controlling interests		4	–
Dividends paid to shareholders		(886)	(715)
Dividends paid to non-controlling interests <sup>4</sup>		(136)	(27)
Distribution paid to perpetual sukuk holders		(35)	–
Financing cash flow used in continuing operations		(1,562)	(246)
Financing cash flow used in discontinuing/discontinued operations		(16)	(4)
<b>Net cash flow used in financing activities</b>		<b>(1,578)</b>	<b>(250)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(163)</b>	<b>1,259</b>
Foreign exchange differences		1	21
Cash and cash equivalents at beginning of the period		2,938	1,658
<b>Cash and cash equivalents at end of the period</b>		<b>2,776</b>	<b>2,938</b>

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

Bank balances, deposits and cash		2,677	3,086
Less:			
Bank overdrafts	B8	(102)	(148)
Deposits with maturity of more than 3 months		(2)	–
Deposits restricted by bank		(57)	–
		2,516	2,938
Cash and cash equivalents included under disposal group		260	–
		<b>2,776</b>	<b>2,938</b>

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

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

<sup>2</sup> Relates to balance consideration from the disposal of Jining ports.

<sup>3</sup> Include proceeds from disposal of Weifang port companies.

<sup>4</sup> 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).

## **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’

##### Effective for annual reporting periods beginning on or after 1 January 2026

- Amendments to MFRS 9 and MFRS 7 ‘Amendments to the classification and measurement of financial instruments’

##### Effective for annual reporting periods beginning on or after 1 January 2027

- MFRS 18 – ‘Presentation and disclosure in financial statements’

iii) Accounting pronouncements where the effective date has been deferred to a date to be determined by MASB are 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 – 30 June 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").

As of 30 June 2024, the Group had partially redeemed RM967 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 ended 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 – 30 June 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 ("RSDH"). 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)<sup>1</sup>. 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			
	Industrial	Motors	UMW	Others	Corporate/ Intra-group adjustments	Total	Logistics	Healthcare	UKHE	Total
<b>Year ended 30 June 2024</b>										
<b>Segment revenue:</b>										
External	20,456	37,188	9,410	78	-	67,132	-	-	372	67,504
Inter-segment	4	17	13	12	(46)	-	-	-	-	-
	<b>20,460</b>	<b>37,205</b>	<b>9,423</b>	<b>90</b>	<b>(46)</b>	<b>67,132</b>	<b>-</b>	<b>-</b>	<b>372</b>	<b>67,504</b>
<b>Profit/(Loss) before interest and tax</b>	<b>1,467</b>	<b>584</b>	<b>480</b>	<b>295</b>	<b>(68)</b>	<b>2,758</b>	<b>-</b>	<b>2,052</b>	<b>8</b>	<b>4,818</b>
Net finance (costs)/income						(577)	-	-	3	(574)
Taxation						(698)	-	-	(17)	(715)
<b>Profit/(Loss) for the period</b>						<b>1,483</b>	<b>-</b>	<b>2,052</b>	<b>(6)</b>	<b>3,529</b>
<b>Year ended 30 June 2023</b>										
<b>Segment revenue:</b>										
External	16,675	31,552	-	61	-	48,288	58	-	-	48,346
Inter-segment	7	14	-	3	(24)	-	-	-	-	-
	<b>16,682</b>	<b>31,566</b>	<b>-</b>	<b>64</b>	<b>(24)</b>	<b>48,288</b>	<b>58</b>	<b>-</b>	<b>-</b>	<b>48,346</b>
<b>Profit/(Loss) before interest and tax</b>	<b>1,051</b>	<b>1,052</b>	<b>-</b>	<b>39</b>	<b>(58)</b>	<b>2,084</b>	<b>112</b>	<b>57</b>	<b>-</b>	<b>2,253</b>
Net finance (costs)/income						(263)	2	-	-	(261)
Taxation						(484)	4	-	-	(480)
<b>Profit for the period</b>						<b>1,337</b>	<b>118</b>	<b>57</b>	<b>-</b>	<b>1,512</b>

<sup>1</sup> The business segments under UMW include Automotive, Equipment, Manufacturing and Engineering and others.

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**A7. Segment Information (continued)**

	Continuing operations						Discontinuing/ Discontinued operations		
	Industrial	Motors	UMW	Others	Corporate/ Intra-group adjustments	Total	Healthcare	UKHE	Total
<b>As at 30 June 2024</b>									
Segment assets	19,375	17,147	12,762	310	653	50,247	–	564	50,811
Segment liabilities	(4,013)	(6,393)	(2,847)	(459)	(13)	(13,725)	–	(178)	(13,903)
Segment invested capital	15,362	10,754	9,915	(149)	640	36,522	–	386	36,908
Net tax liabilities						(339)	–	–	(339)
Borrowings and lease liabilities						(13,211)	–	–	(13,211)
<b>Total equity</b>						<b>22,972</b>	<b>–</b>	<b>386</b>	<b>23,358</b>
<b>As at 30 June 2023</b>									
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)
<b>Total equity</b>						<b>16,524</b>	<b>759</b>	<b>–</b>	<b>17,283</b>

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**A7. Segment information (continued)**

Revenue from continuing operations comprise the following:

	Year ended 30 June	
	2024	2023
Revenue from contracts with customers	64,639	47,190
Rental income	2,493	1,098
	<b>67,132</b>	<b>48,288</b>

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

Year ended 30 June 2024	Industrial	Motors	UMW	Others	Total
<b><u>Continuing operations</u></b>					
<b><u>Segment revenue</u></b>					
Sale of equipment and vehicles	7,522	30,716	6,821	–	45,059
Sale of parts, assembly charges and provision of after-sales services	10,626	5,227	1,775	–	17,628
Engineering services	317	–	619 <sup>1</sup>	13	949
Commission, handling fees and others	–	908	49	46	1,003
	<b>18,465</b>	<b>36,851</b>	<b>9,264</b>	<b>59</b>	<b>64,639</b>
<b><u>Geographical location</u></b>					
Malaysia	1,154	8,709	9,105	54	19,022
China	2,393	15,056	22	–	17,471
Other countries in Asia	916	7,003	137	5	8,061
Australasia	14,002	6,083	–	–	20,085
	<b>18,465</b>	<b>36,851</b>	<b>9,264</b>	<b>59</b>	<b>64,639</b>
<b><u>Timing of revenue recognition</u></b>					
At a point in time	14,812	31,892	9,263	38	56,005
Over time	3,653	4,959	1	21	8,634
	<b>18,465</b>	<b>36,851</b>	<b>9,264</b>	<b>59</b>	<b>64,639</b>

Year ended 30 June 2023	Industrial	Motors	Others	Total
<b><u>Continuing operations</u></b>				
<b><u>Segment revenue</u></b>				
Sale of equipment and vehicles	6,788	26,077	–	32,865
Sale of parts, assembly charges and provision of after-sales services	8,827	4,566	–	13,393
Engineering services	282	–	–	282
Commission, handling fees and others	–	610	40	650
	<b>15,897</b>	<b>31,253</b>	<b>40</b>	<b>47,190</b>

<sup>1</sup> Includes revenue from the manufacturing and engineering operations.

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**A7. Segment information (continued)**

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

<b>Year ended 30 June 2023</b>	<b>Industrial</b>	<b>Motors</b>	<b>Others</b>	<b>Total</b>
<b>Geographical location</b>				
Malaysia	912	6,525	35	7,472
China	2,539	14,527	–	17,066
Other countries in Asia	763	4,761	5	5,529
Australasia	11,683	5,440	–	17,123
	<u>15,897</u>	<u>31,253</u>	<u>40</u>	<u>47,190</u>
<b>Timing of revenue recognition</b>				
At a point in time	12,528	26,982	27	39,537
Over time	3,369	4,271	13	7,653
	<u>15,897</u>	<u>31,253</u>	<u>40</u>	<u>47,190</u>

**A8. Capital Commitments**

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

	<b>As at 30 June 2024</b>	<b>As at 30 June 2023</b>
Property, plant and equipment	<b>671</b>	962
Other capital expenditure	<b>9</b>	15
	<u><b>680</b></u>	<u>977</u>

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**A9. Significant Related Party Transactions**

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

	2024	Year ended 30 June	2023
<b>a. Transactions with joint ventures and associates</b>			
<b><u>Continuing operations</u></b>			
Purchase of products and services from Sitech Construction Systems Pty Ltd	19		23
Purchase of equipment and parts from FG Wilson Asia Pte Ltd	21		8
Contribution paid to Yayasan Sime Darby	30		25
Sale of goods and services to and rental income from Perusahaan Otomobil Kedua Sdn Bhd and its subsidiaries and associates	309		–
Purchase of goods and services from Perusahaan Otomobil Kedua Sdn Bhd and its subsidiaries and associates	357		–
Sale of goods to UMW Toyotsu Motors Sdn Bhd	135		–
Purchase of goods and services from UMW Toyotsu Motors Sdn Bhd	15		–
<b><u>Discontinued operations</u></b>			
Loans repaid by Weifang Sime Darby Liquid Terminal Co Ltd	–		6
<b>b. Transactions between subsidiaries and non-controlling interests or their affiliated companies</b>			
<b><u>Continuing operations</u></b>			
Contract assembly service provided by Inokom Corporation Sdn Bhd (“ICSB”) to Mazda Malaysia Sdn Bhd	107		93
Contract assembly service provided by ICSB to Kia Malaysia Sdn Bhd	36		29
Rental income received by ICSB from Mazda Malaysia Sdn Bhd and Bermaz Motor Trading Sdn Bhd	5		3
Sale of goods and services to Toyota Motor Corporation, Japan and its subsidiaries and Toyota Tsusho Corporation, Japan and its subsidiaries	1,147		–
Purchase of goods and services from Toyota Motor Corporation, Japan and its subsidiaries and Toyota Tsusho Corporation, Japan and its subsidiaries	3,625		–
Purchase of goods and services from Toyota Industries Corporation, Japan and its subsidiaries	180		–
Purchase of goods and services from Kayaba Industry Co Ltd and its subsidiaries	15		–
Sale of goods and services to Kayaba Industry Co Ltd and its subsidiaries	41		–
<b><u>Discontinuing operations</u></b>			
Purchase of goods and services from Komatsu Ltd, Japan and its subsidiaries	198		–

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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):

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

The Company previously regarded Permodalan Nasional Berhad (“PNB”) and Yayasan Pelaburan Bumiputera (“YPB”) as its immediate and ultimate holding company respectively. Following a reassessment of these relationships, the Company concluded that PNB and YPB are no longer the immediate and ultimate holding company of Sime Darby Berhad.

As at 30 June 2024, PNB and the funds managed by its subsidiary, Amanah Saham Nasional Berhad, own approximately 5% and 39% of the issued share capital of the Company respectively. The Group considers that, for the purpose of MFRS 124 – Related Party Disclosures, PNB is in the position to exercise significant influence over it.

PNB is an entity controlled by the Malaysian Government through YPB. As a result, the Malaysian Government and bodies controlled or jointly controlled by the Malaysian Government (collectively referred to as government-related entities) are related parties of the Group and the Company.

Significant related party transactions with the SD Guthrie Berhad (formerly known as Sime Darby Plantation Berhad) group are as follows:

	Year ended 30 June	
	2024	2023
<b><u>Continuing operations</u></b>		
Sales, servicing and leasing of equipment and vehicles	23	19
Rental income	11	13
Royalty income	2	2
	<u>2</u>	<u>2</u>

On 7 August 2023, the Group completed the disposal of 760.12 acres of land in Labu, Negeri Sembilan for a cash consideration of RM280 million to Sime Darby Property (MVV Central) Sdn. Bhd., a wholly-owned subsidiary of Sime Darby Property Berhad.

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

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**A11. Effects of Significant Changes in the Composition of the Group**

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

1. Acquisition of subsidiaries and additional interest in 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 purchase consideration of AUD535 million (RM1,615 million).

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

Fair value of net assets acquired	1,031
Goodwill	584
Purchase consideration	1,615
Less: cash and cash equivalents of subsidiaries acquired	(120)
Less: deferred consideration	(8)
Net cash outflow on acquisition	<u>1,487</u>

- 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	9,430
Perpetual sukuk	(1,177)
Non-controlling interests	(4,698)
Goodwill (provisional)	19
Purchase consideration	3,574
Less: cash and cash equivalents of subsidiaries acquired	(2,920)
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 had 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 an indirect wholly-owned subsidiary of the Group. The purchase consideration paid inclusive of transaction costs amounted to RM2,274 million.

- iii. On 27 May 2024, the Group acquired 5% equity interest in Sime Darby Hyundai Sdn Bhd ("SDH") for a consideration of RM2 million. Following the acquisition, the Group holds 56% equity interest in SDH.

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	(32)
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:

	<b>As at 30 June 2024</b>	<b>As at 30 June 2023</b>
Performance guarantees and advance payment guarantees to customers of the Group	<u><b>2,318</b></u>	<u><b>2,184</b></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 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 RM102 million (30 June 2023: RM197 million).

b) Claims

	<b>As at 30 June 2024</b>	<b>As at 30 June 2023</b>
Potential claims	<u><b>11</b></u>	<u><b>12</b></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		
	2024	2023	% +/(-)	2024	2023	% +/(-)
<b><u>Continuing operations</u></b>						
Revenue	<u>18,793</u>	<u>13,286</u>	41.4	<u>67,132</u>	<u>48,288</u>	39.0
Segment results:						
Industrial	399	375	6.4	1,467	1,051	39.6
Motors	9	555	(98.4)	584	1,052	(44.5)
UMW	171	–		480	–	
Others	5	(12)		16	39	
	<u>584</u>	<u>918</u>	(36.4)	<u>2,547</u>	<u>2,142</u>	18.9
Gain on disposal of Malaysia Vision Valley (“MVV”) land	–	–		279	–	
Foreign exchange gain from repayment of net investments	20	10		45	29	
Corporate expenses	<u>(26)</u>	<u>(21)</u>		<u>(113)</u>	<u>(87)</u>	
<b>Profit before interest and tax</b>	<b>578</b>	<b>907</b>	<b>(36.3)</b>	<b>2,758</b>	<b>2,084</b>	<b>32.3</b>
Finance income	37	23		142	70	
Finance costs	<u>(217)</u>	<u>(127)</u>		<u>(719)</u>	<u>(333)</u>	
<b>Profit before tax</b>	<b>398</b>	<b>803</b>	<b>(50.4)</b>	<b>2,181</b>	<b>1,821</b>	<b>19.8</b>
Taxation	<u>(253)</u>	<u>(176)</u>		<u>(698)</u>	<u>(484)</u>	
<b>Profit from continuing operations</b>	<b>145</b>	<b>627</b>	<b>(76.9)</b>	<b>1,483</b>	<b>1,337</b>	<b>10.9</b>
Non-controlling interests	(44)	(14)		(186)	(54)	
Perpetual sukuk	<u>(18)</u>	<u>–</u>		<u>(39)</u>	<u>–</u>	
<b>Profit from continuing operations attributable to owners of the Company</b>	<b>83</b>	<b>613</b>	<b>(86.5)</b>	<b>1,258</b>	<b>1,283</b>	<b>(1.9)</b>
<b><u>Discontinuing/Discontinued operations</u></b>						
Profit from discontinuing/discontinued operations attributable to owners of the Company	<u>6</u>	<u>9</u>		<u>2,048</u>	<u>175</u>	
<b>Profit attributable to owners of the Company (“Net Profit”)</b>	<b><u>89</u></b>	<b><u>622</u></b>	<b>(85.7)</b>	<b><u>3,306</u></b>	<b><u>1,458</u></b>	<b>&gt;100.0</b>

**B1. Review of Group Performance (continued)**

The analysis of the results for the quarter ended 30 June 2024 against the quarter ended 30 June 2023 is as follows:

The Group's Net Profit from continuing operations was lower by 86.5% at RM83 million mainly due to one-off impairments and provisions at the Motors division, losses at the Motors Mainland China operations, higher finance costs and deferred tax provisions.

**a) Industrial**

Profit before interest and tax ("PBIT") increased by 6.4% to RM399 million in the current quarter mainly due to higher profit from Onsite Rental and South-East Asia as well as profit contribution from Cavpower. This was partly offset by the weaker performance in China and New Zealand.

**b) Motors**

PBIT decreased by 98.4% to RM9 million in the current quarter mainly due to one-off impairments and provisions of RM229 million while the previous corresponding period included gain on disposal of property of RM179 million. The one-off impairments and provisions include those relating to closure of operations and impairment of goodwill. Excluding these items, PBIT decreased by 36.7% mainly due to losses at the Motors Mainland China operations and lower dividend income (RM142 million compared with RM194 million in the previous corresponding period).

**c) UMW**

PBIT was mainly contributed by the automotive business. The reported amount represents its performance following the completion of the acquisition of 61.2% equity interest in UMW in December 2023.

**d) Finance costs**

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

**e) Taxation**

Included in taxation are additional provision for deferred tax on unremitted earnings of certain foreign subsidiaries of RM76 million and deferred tax adjustments arising from the change in tax legislation in New Zealand of RM26 million.

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**B1. Review of Group Performance (continued)**

An analysis of the results for the year ended 30 June 2024 against the year ended 30 June 2023 is as follows:

The Group's Net Profit from continuing operations was slightly lower by 1.9% at RM1,258 million, mainly due to lower profit from Motors but largely offset by higher profit from Industrial and profit contribution from UMW.

**a) Industrial**

PBIT was higher by 39.6% at RM1,467 million largely due to higher profits from the product support and mining equipment segments in Australia, contribution from Onsite Rental and Cavpower and increased business activities in South-East Asia. This was partly offset by the weaker performance in China and New Zealand.

**b) Motors**

PBIT decreased by 44.5% to RM584 million. Included in the results were one-off impairments and provisions of RM229 million while the previous corresponding period included gain on disposal of property of RM179 million. Excluding these one-off items, PBIT decreased by 6.9%, primarily due to the losses recorded in Mainland China and lower dividend income (RM142 million against RM194 million in the previous corresponding period). This was largely offset by the significantly higher profit from the Malaysia and Singapore operations.

**c) UMW**

PBIT was mainly contributed by the automotive business. The reported amount represents its performance following the completion of the acquisition of 61.2% equity interest in UMW in December 2023.

**d) Finance costs**

The higher finance costs 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 of RM2,007 million. The previous corresponding period included the gain on disposal of Weifang port companies of RM147 million.

The variance for taxation was mainly due to similar reasons as explained in the results for the quarter ended 30 June 2024.

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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 2024	31 March 2024	% +/(-)
<b><u>Continuing operations</u></b>			
Revenue	<u>18,793</u>	<u>18,835</u>	(0.2)
Segment results:			
Industrial	399	359	11.1
Motors	9	180	(95.0)
UMW	171	262	(34.7)
Others	5	(2)	
	<u>584</u>	<u>799</u>	(26.9)
Foreign exchange gain from repayment of net investments	20	–	
Corporate expenses	<u>(26)</u>	<u>(40)</u>	
<b>Profit before interest and tax</b>	<b>578</b>	<b>759</b>	(23.8)
Finance income	37	49	
Finance costs	<u>(217)</u>	<u>(206)</u>	
<b>Profit before tax</b>	<b>398</b>	<b>602</b>	(33.9)
Taxation	<u>(253)</u>	<u>(151)</u>	
<b>Profit from continuing operations</b>	<b>145</b>	<b>451</b>	(67.8)
Non-controlling interests	<u>(44)</u>	<u>(85)</u>	
Perpetual sukuk	<u>(18)</u>	<u>(17)</u>	
<b>Profit from continuing operations attributable to owners of the Company</b>	<b>83</b>	<b>349</b>	(76.2)
<b><u>Discontinuing/Discontinued operations</u></b>			
Profit/(Loss) from discontinuing/discontinued operations attributable to owners of the Company	<u>6</u>	<u>(9)</u>	
<b>Profit attributable to owners of the Company</b>	<b><u>89</u></b>	<b><u>340</u></b>	(73.8)

The analysis of the results for the quarter ended 30 June 2024 against the quarter ended 31 March 2024 is as follows:

The Group's Net Profit from continuing operations was lower by 76.2% mainly due to one-off impairments and provisions at the Motors division and deferred tax provisions in the current quarter.

**a) Industrial**

PBIT was higher by 11.1%, largely due to higher profit contribution from Onsite Rental and Cavpower as well as fair value gain on a loan to a joint venture of RM15 million. This was partly offset by the weaker performance in New Zealand.

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

**b) Motors**

PBIT declined by 95.0% to RM9 million mainly due to one-off impairments and provisions of RM229 million, partly offset by dividend income of RM142 million. Excluding these, PBIT decreased by 46.7% predominantly due to higher losses in Mainland China and deterioration in the performance of the Hong Kong operations.

**c) UMW**

PBIT declined by 34.7% mainly due to lower motor vehicles sales in the automotive business in the current quarter.

The variance for taxation includes the deferred tax provisions as explained in B1.

**B3. Prospects**

The global economic growth forecasts have been slightly revised upward, driven by moderating inflation, easing monetary policies and a rebound in global trade. However, the on-going concerns around geo-politics, trade tension and weaker than expected trade data continue to create uncertainty for the growth prospects of global and regional economies.

Excess production by auto manufacturers have led to an oversupply situation affecting China and other markets in which the Group operates. This has led downward pressure on margins. We expect this situation to persist through the financial year. In Malaysia, the total industry volume continues to hold up, especially in the mass market segment, though there is an expectation that margins will also be marginally dampened.

The strong performance of the Industrial division, however, continues to be supported by robust demand for equipment and maintenance support from the mining industry in Australia.

Despite the challenging market situation, the Board anticipates that the Group's core financial performance for the financial year ending 30 June 2025 will be consistent with that of the previous year.

**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	
	2024	2023	2024	2023
Included in operating profit of continuing operations are:				
Depreciation and amortisation	(602)	(390)	(2,018)	(1,269)
Inventory write-down and provision	(124)	(95)	(279)	(213)
Reversal of impairment/(Impairment) of receivables (net)	2	(22)	(5)	(27)
Impairment of fixed assets (net)	(193)	(2)	(195)	(1)
Gain on disposal of properties	–	179	279	179
Net gain/(loss) on disposal of other fixed	7	(2)	5	–
Net fair value gain/(loss) on financial assets at fair value through profit or loss	17	(7)	20	(5)
Net foreign exchange gain/(loss)	10	(13)	37	24
Net (loss)/gain on derivatives	(2)	14	(16)	10
Net (loss)/gain on lease modification/termination	(3)	4	(1)	7

**B6. Taxation**

	Quarter ended 30 June		Year ended 30 June	
	2024	2023	2024	2023
<b>Continuing operations</b>				
Current tax:				
- current year	206	26	690	372
- previous years	5	31	15	42
	<u>211</u>	<u>57</u>	<u>705</u>	<u>414</u>
Deferred tax:				
- origination and reversal of temporary differences and other deferred tax adjustments	(60)	118	(109)	69
- deferred tax adjustment due to change in tax legislation in New Zealand	26	–	26	–
- deferred tax provision on unremitted earnings	76	1	76	1
	<u>253</u>	<u>176</u>	<u>698</u>	<u>484</u>
<b>Discontinuing/Discontinued operations</b>	<u>9</u>	<u>–</u>	<u>17</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 year ended 30 June 2024 of 85.5% and 36.3% respectively were higher than the applicable tax rate of 26.8% and 25.7% respectively.

The higher effective tax rate for both current quarter and year ended 30 June 2024 were mainly due to the impact of deferred tax provisions as disclosed above and non-deductible expenses.

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**B7. Status of Corporate Proposals**

The corporate proposals announced but not completed as at 21 August 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. The conditions precedent has been met and the completion is expected in the first half of the financial year ending 30 June 2025.
- b) 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 agreement is 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 30 June 2024 is as follows:

	<b>Secured</b>	<b>Unsecured</b>	<b>Total</b>
<u>Long-term</u>			
Term loans and other long-term borrowings	12	3,403	3,415
Sukuk and Islamic term loans	37	1,250	1,287
	<u>49</u>	<u>4,653</u>	<u>4,702</u>
<u>Short-term</u>			
Term loans and other long-term borrowings due within one year	11	408	419
Sukuk and Islamic term loans due within one year	29	2,043	2,072
Islamic financing	–	561	561
Bank overdrafts	–	102	102
Revolving credits, bankers acceptances, trade facilities and other short-term borrowings	–	2,584	2,584
	<u>40</u>	<u>5,698</u>	<u>5,738</u>
Total borrowings	<u>89</u>	<u>10,351</u>	<u>10,440</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	1,308	2,723	4,031
Australian dollar	3,382	1,212	4,594
Chinese renminbi	–	801	801
European Union euro	–	22	22
Hong Kong dollar	–	311	311
Indonesian rupiah	–	26	26
New Zealand dollar	–	361	361
Pacific franc	12	11	23
Taiwan dollar	–	194	194
Thailand baht	–	49	49
United States dollar	–	28	28
Total borrowings	<u>4,702</u>	<u>5,738</u>	<u>10,440</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 30 June 2024 are as follows:

	Classification in Statement of Financial Position		Net fair value
	Assets	Liabilities	
Forward foreign exchange contracts	27	(11)	16
Interest rate swap contracts	– <sup>1</sup>	–	– <sup>1</sup>
Embedded derivatives	–	(1)	(1)
	<u>27</u>	<u>(12)</u>	<u>15</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.

**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 30 June 2024, the notional amount, fair value and maturity tenor of the forward foreign exchange contracts are as follows:

	<b>Notional amount</b>	<b>Net fair value assets/ (liabilities)</b>
- less than 1 year	3,765	16
- 1 year to 3 years	10	(-) <sup>1</sup>
	<u>3,775</u>	<u>16</u>

<sup>1</sup> 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 30 June 2024, the notional amount, fair value and maturity tenor of the interest rate swap contracts are as follows:

	<b>Notional amount</b>	<b>Fair value assets</b>
- less than 1 year	<u>50</u>	<u>-<sup>1</sup></u>

<sup>1</sup> Less than RM1 million.

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 30 June 2024, the notional amount, fair value and maturity tenor of the embedded derivatives are as follows:

	<b>Notional amount</b>	<b>Fair value liabilities</b>
- less than 1 year	<u>1,071</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:

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Financial assets at FVTPL	66	–	72	138

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 21 August 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 RM345 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 November 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 21 August 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 RM2.7 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 RM332 million).

On 22 March 2018, the tribunal ordered ONGC to pay the Consortium a net sum of USD5.12 million (approximately RM22 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 RM23 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 26 September 2024 to hear the application to set aside the arbitration award.

**B11. Dividend**

The Board has declared a second interim dividend of 10 sen per share in respect of the financial year ended 30 June 2024. The dividend is proposed to be payable on 30 September 2024 to shareholders whose name appears in Record of Depositors as at the close of business on 10 September 2024.

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 10 September 2024 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 2024		Year ended 30 June 2023	
	Per share (sen)	Total dividends	Per share (sen)	Total dividends
First interim dividend	3.0	204	3.0	204
Second interim dividend	10.0	682	10.0	682
	<b>13.0</b>	<b>886</b>	<b>13.0</b>	<b>886</b>

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**B12. Earnings Per Share**

	Quarter ended 30 June		Year ended 30 June	
	2024	2023	2024	2023
Basic earnings per share attributable to owners of the Company are computed as follows:				
Profit attributable to owners of the Company from:				
- continuing operations	<b>83</b>	613	<b>1,258</b>	1,283
- discontinuing/discontinued operations	<b>6</b>	9	<b>2,048</b>	175
	<u><b>89</b></u>	<u>622</u>	<u><b>3,306</b></u>	<u>1,458</u>
Weighted average number of ordinary shares in issue (million)	<u><b>6,816</b></u>	<u>6,816</u>	<u><b>6,816</b></u>	<u>6,813</u>
Basic earnings per share (sen)				
- continuing operations	<b>1.2</b>	9.0	<b>18.5</b>	18.8
- discontinuing/discontinued operations	<b>0.1</b>	0.1	<b>30.0</b>	2.6
	<u><b>1.3</b></u>	<u>9.1</u>	<u><b>48.5</b></u>	<u>21.4</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  
27 August 2024

By Order of the Board  
Noor Zita Hassan  
Group Secretary