



QUARTERLY REPORT

On the consolidated results for the third quarter ended 31 March 2023

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		% +/(-)
		2023	2022		2023	2022	
Continuing operations							
Revenue	A7	11,528	10,524	9.5	35,002	31,651	10.6
Operating expenses		(11,213)	(10,183)		(34,067)	(30,551)	
Other operating income		65	44		164	129	
Other gains and losses		17	(7)		41	(13)	
Operating profit		397	378	5.0	1,140	1,216	(6.3)
Share of results of joint ventures		16	15		57	43	
Share of results of associates		5	9		28	28	
Profit before interest and tax	A7	418	402	4.0	1,225	1,287	(4.8)
Finance income		24	9		47	28	
Finance costs		(81)	(36)		(206)	(102)	
Profit before tax	B5	361	375	(3.7)	1,066	1,213	(12.1)
Taxation	B6	(108)	(121)		(308)	(336)	
Profit from continuing operations		253	254	(0.4)	758	877	(13.6)
Discontinued operations							
Profit from discontinued operations		-	10		118	29	
Profit for the period		253	264	(4.2)	876	906	(3.3)
Attributable to owners of:							
- the Company							
- from continuing operations		240	234	2.6	718	796	(9.8)
- from discontinued operations		-	10		118	29	
		240	244	(1.6)	836	825	1.3
- non-controlling interests							
- from continuing operations		13	20		40	81	
- from discontinued operations		-	-		-	-	
Profit for the period		253	264	(4.2)	876	906	(3.3)
		Sen	Sen		Sen	Sen	
Basic earnings per share attributable to owners of the Company	B12						
- from continuing operations		3.5	3.4	2.9	10.5	11.7	(10.3)
- from discontinued operations		-	0.2		1.7	0.4	
Total		3.5	3.6	(2.8)	12.2	12.1	0.8

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 2022.

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	
	2023	2022	2023	2022
Profit for the period	253	264	876	906
Other comprehensive income/(loss):				
<u>Continuing operations</u>				
Items that will be reclassified subsequently to profit or loss:				
Currency translation differences	8	229	(142)	121
Share of other comprehensive income/(loss) of joint ventures and associates	1	5	(5)	1
Net changes in fair value of cash flow hedges	(15)	4	(22)	8
Tax credit/(expense)	6	(1)	5	(3)
	–	237	(164)	127
Currency translation differences on repayment of net investment reclassified to profit or loss	(7)	–	(19)	–
Changes in fair value of cash flow hedges reclassified to profit or loss and inventories	22	5	(2)	10
Tax (expense)/credit	(3)	(1)	1	(3)
Other comprehensive income/(loss) from continuing operations	12	241	(184)	134
<u>Discontinued operations</u>				
Other comprehensive income/(loss) from discontinued operations	–	20	(95)	50
Total other comprehensive income/(loss)	12	261	(279)	184
Total comprehensive income for the period	265	525	597	1,090
Attributable to owners of:				
- the Company				
- from continuing operations	250	473	537	925
- from discontinued operations	–	30	23	79
	250	503	560	1,004
- non-controlling interests				
- from continuing operations	15	22	37	86
- from discontinued operations	–	–	–	–
Total comprehensive income for the period	265	525	597	1,090

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 2022.

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 2023	Audited As at 30 June 2022
<u>Non-current assets</u>			
Property, plant and equipment		6,301	5,740
Right-of-use assets		2,170	2,086
Investment properties		260	267
Intangible assets		1,512	1,552
Joint ventures and associates		1,148	1,063
Financial assets at fair value through profit or loss		78	140
Deferred tax assets		605	581
Tax recoverable		28	34
Derivative assets	B9(a)	1	4
Receivables and other assets		255	217
		12,358	11,684
<u>Current assets</u>			
Inventories		10,603	9,159
Financial assets at fair value through profit or loss		76	41
Receivables, contract assets and other assets		5,009	4,685
Prepayments		1,140	1,084
Tax recoverable		53	63
Derivative assets	B9(a)	13	28
Bank balances, deposits and cash		2,198	1,772
		19,092	16,832
Disposal group and assets held for sale		3	1,713
Total assets		31,453	30,229
<u>Equity</u>			
Share capital		9,330	9,318
Reserves		6,535	6,692
Attributable to owners of the Company		15,865	16,010
Non-controlling interests		342	361
Total equity		16,207	16,371
<u>Non-current liabilities</u>			
Borrowings	B8	182	376
Lease liabilities		1,699	1,657
Payables, contract liabilities and other liabilities		269	295
Deferred tax liabilities		262	328
		2,412	2,656
<u>Current liabilities</u>			
Borrowings	B8	3,781	2,607
Lease liabilities		390	389
Derivative liabilities	B9(a)	43	46
Payables and other liabilities		5,796	5,514
Contract liabilities		2,245	1,940
Provisions		408	415
Tax payable		171	164
		12,834	11,075
Liabilities associated with disposal group		–	127
Total liabilities		15,246	13,858
Total equity and liabilities		31,453	30,229
Net assets per share attributable to owners of the Company (RM)		2.33	2.35

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 2022.

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

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 2022											
At 1 July 2021	9,302	21	243	119	(5)	624	5,579	6,581	15,883	377	16,260
Total comprehensive income for the period	–	–	–	–	12	167	825	1,004	1,004	86	1,090
Dividends payable	–	–	–	–	–	–	(272)	(272)	(272)	–	(272)
Dividends paid	–	–	–	–	–	–	(612)	(612)	(612)	(37)	(649)
Purchase of additional interest in a subsidiary	–	–	–	–	–	–	(45)	(45)	(45)	(26)	(71)
Performance-based employee share scheme expenses	–	5	–	–	–	–	–	5	5	–	5
Issuance of shares under the performance-based employee share scheme	16	(16)	–	–	–	–	–	(16)	–	–	–
Transfer between reserves	–	–	3	28	–	–	(31)	–	–	–	–
At 31 March 2022	9,318	10	246	147	7	791	5,444	6,645	15,963	400	16,363

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 2022.

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	
		2023	31 March 2022
Cash flow from operating activities			
Profit for the period from continuing operations		758	877
Adjustments for:			
Share of results of joint ventures and associates		(85)	(71)
Finance income		(47)	(28)
Finance costs		206	102
Taxation		308	336
Net gain on disposal of fixed assets		(2)	(2)
Depreciation and amortisation		879	827
Reversal of impairment of fixed assets (net)		(1)	–
Impairment of receivables/(Reversal of impairment of receivables) (net)		5	(3)
Inventory write-down and provision (net)		118	28
Fair value gain on financial assets at fair value through profit or loss		(2)	–
Other non-cash items		(22)	14
		<u>2,115</u>	<u>2,080</u>
Changes in working capital:			
Inventories		(1,243)	466
Rental assets		(887)	(522)
Trade, other receivables and prepayments		(292)	(333)
Trade, other payables and provisions		601	(633)
		<u>294</u>	<u>1,058</u>
Cash generated from operations			
Tax paid (net)		(345)	(441)
Dividends received from associates		4	11
		<u>(47)</u>	<u>628</u>
Operating cash flow (used in)/from continuing operations			
Operating cash flow (used in)/from discontinued operations		(18)	64
		<u>(65)</u>	<u>692</u>
Net cash flow (used in)/from operating activities			
Cash flow from investing activities			
Finance income received		39	21
Purchase of fixed assets		(635)	(484)
Acquisition of subsidiaries and business	A11	(128) ¹	(244)
Acquisition of an associate		(9)	–
Addition to financial assets at fair value through profit or loss		(12)	(33)
Proceeds from sale of financial assets at fair value through profit or loss		44	–
Proceeds from sale of fixed assets		80	33
		<u>(621)</u>	<u>(707)</u>
Investing cash flow used in continuing operations			
Investing cash flow from/(used in) discontinued operations	A11	1,319 ²	(119)
		<u>698</u>	<u>(826)</u>
Net cash flow from/(used in) investing activities			

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

	Note	Three quarters ended 31 March	
		2023	2022
Cash flow from financing activities			
Finance costs paid		(122)	(43)
Net borrowings raised		1,137	673
Repayment of lease liabilities		(392)	(387)
Purchase of additional interest in subsidiaries	A11	(28)	(71)
Dividends paid to shareholders		(715)	(612)
Dividends paid to non-controlling interests ³		(25)	(52)
Financing cash flow used in continuing operations		(145)	(492)
Financing cash flow used in discontinued operations		(4)	(3)
Net cash flow used in financing activities		(149)	(495)
Net increase/(decrease) in cash and cash equivalents		484	(629)
Foreign exchange differences		(47)	24
Cash and cash equivalents at beginning of the period		1,658	2,417
Cash and cash equivalents at end of the period		2,095	1,812

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

Bank balances, deposits and cash		2,198	1,853
Less:			
Bank overdrafts	B8	(103)	(41)
		2,095	1,812

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 of RM30 million and deposit paid for the acquisition of Onsite Rental Group Limited of RM60 million.

² Investing cash flow from discontinued operations include proceeds from disposal of Weifang port companies. Refer to note A11 for further details.

³ Dividends paid to other shareholders of non-wholly owned subsidiaries. The amount paid in the current period includes RM13 million declared in the previous financial year (previous corresponding period: RM15 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 2022.

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 2022, except as set out below.

a) New accounting pronouncements

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

- Annual Improvements to MFRS Standards 2018 – 2020: Amendments to MFRS 9 ‘Fees in the 10% test for derecognition of financial liabilities’ and illustrative examples accompanying MFRS 16 ‘Lease incentives’
- Amendments to MFRS 3 ‘Reference to conceptual framework’
- Amendments to MFRS 116 ‘Proceeds before intended use’
- Amendments to MFRS 137 ‘Onerous contracts – cost of fulfilling a contract’

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

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

- MFRS 17 – ‘Insurance contracts and amendments to MFRS 17’
- Amendments to MFRS 17 ‘Initial application of MFRS 17’ and MFRS 9 – ‘Comparative information’
- Amendments to MFRS 101 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’

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’

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’.

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

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

Share capital

On 7 December 2022, the Company issued 3,440,300 new ordinary shares at an issue price of RM1.945 and 2,238,800 new ordinary shares at an issue price of RM2.283 under the Performance-Based Employee Share Scheme of FY2019/20. With the allotment of the new shares, the Company's issued and paid-up capital has increased from 6,809,918,477 ordinary shares to 6,815,597,577 ordinary shares.

A6. Dividends Paid to Shareholders

The second interim dividend of 7.5 sen per share amounting to RM511 million for the financial year ended 30 June 2022 was paid by way of cash on 30 September 2022.

An interim dividend of 3.0 sen per share amounting to RM204 million for the financial year ending 30 June 2023 was paid by way of cash on 31 March 2023.

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Explanatory Notes on the Quarterly Report – 31 March 2023
Amounts in RM million unless otherwise stated

A7. Segment Information

Following the Group's announcement to divest its Weifang port companies, the results of the Logistics division for the current year up to the completion of the disposal and previous financial years are classified as discontinued operations. After the completion of the disposal of the Weifang port companies, the results of the remaining companies of the Logistics division are included under Others.

	Continuing operations						Discontinued operations	
	Industrial	Motors	Healthcare	Others	Corporate/ Intra-group adjustments	Total	Logistics	Total
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	48	51	(47)	1,225	112	1,337
Net finance (costs)/income						(159)	2	(157)
Taxation						(308)	4	(304)
Profit for the period						758	118	876
Three quarters ended 31 March 2022								
Segment revenue:								
External	11,007	20,592	–	52	–	31,651	130	31,781
Inter-segment	3	10	–	4	(17)	–	–	–
	11,010	20,602	–	56	(17)	31,651	130	31,781
Profit/(Loss) before interest and tax	523	748	37	30	(51)	1,287	20	1,307
Net finance (costs)/income						(74)	9	(65)
Taxation						(336)	–	(336)
Profit for the period						877	29	906

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Explanatory Notes on the Quarterly Report – 31 March 2023
Amounts in RM million unless otherwise stated

A7. Segment Information (continued)

	Continuing operations						Discontinued operations	
	Industrial	Motors	Healthcare	Others	Corporate/ Intra-group adjustments	Total	Logistics	Total
As at 31 March 2023								
Segment assets	14,445	14,462	740	399	721	30,767	–	30,767
Segment liabilities	(3,460)	(4,855)	–	(444)	(2)	(8,761)	–	(8,761)
Segment invested capital	10,985	9,607	740	(45)	719	22,006	–	22,006
Net tax assets						253	–	253
Borrowings and lease liabilities						(6,052)	–	(6,052)
Total equity						16,207	–	16,207
As at 30 June 2022								
Segment assets	12,669	13,017	698	149	1,095	27,628	1,923 ¹	29,551
Segment liabilities	(3,023)	(4,805)	–	(368)	(8)	(8,204)	(133) ¹	(8,337)
Segment invested capital	9,646	8,212	698	(219)	1,087	19,424	1,790	21,214
Net tax assets/(liabilities)						223	(37)	186
Borrowings and lease liabilities						(5,029)	–	(5,029)
Total equity						14,618	1,753	16,371

¹ The assets and liabilities of the Logistics segment includes the assets and liabilities of the Weifang port companies classified under disposal group and the assets and liabilities of the remaining Logistics subsidiaries (investment holding and corporate subsidiaries).

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Explanatory Notes on the Quarterly Report – 31 March 2023
Amounts in RM million unless otherwise stated

A7. Segment information (continued)

Revenue from continuing operations comprise the following:

	Three quarters ended 31 March	
	2023	2022
Revenue from contracts with customers	34,190	30,985
Rental income	812	666
	35,002	31,651

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

Three quarters ended 31 March 2023	Industrial	Motors	Others	Total
Continuing operations				
Major goods and services				
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
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
	11,039	23,119	32	34,190
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
	11,039	23,119	32	34,190

Three quarters ended 31 March 2022	Industrial	Motors	Others	Total
Continuing operations				
Major goods and services				
Sale of equipment and vehicles	5,297	16,965	–	22,262
Sale of parts, assembly charges and provision of after-sales services	5,004	3,127	–	8,131
Engineering services	235	–	–	235
Commission, handling fees and others	–	322	35	357
	10,536	20,414	35	30,985

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Explanatory Notes on the Quarterly Report – 31 March 2023
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A7. Segment information (continued)

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

Three quarters ended 31 March 2022	Industrial	Motors	Others	Total
Geographical location				
Malaysia	652	3,269	30	3,951
China	2,132	10,151	2	12,285
Other countries in Asia	490	3,453	3	3,946
Australasia	7,262	3,541	–	10,803
	<u>10,536</u>	<u>20,414</u>	<u>35</u>	<u>30,985</u>
Timing of revenue recognition				
At a point in time	8,262	17,577	26	25,865
Over time	2,274	2,837	9	5,120
	<u>10,536</u>	<u>20,414</u>	<u>35</u>	<u>30,985</u>

A8. Capital Commitments

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

	As at 31 March 2023	As at 30 June 2022
- Property, plant and equipment	654	480
- Other capital expenditure	17	19
	<u>671</u>	<u>499</u>

In March 2023, the Group entered into a share sale agreement to acquire the entire issued share capital of Onsite Rental Group Limited for a cash consideration of AUD635.0 million (RM1,915.9 million), on a cash-free and debt-free basis and subject to customary adjustments for working capital, capital expenditure and stocktake. The acquisition was completed on 3 April 2023.

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Explanatory Notes on the Quarterly Report – 31 March 2023
Amounts in RM million unless otherwise stated

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	
	2023	2022
a. Transactions with joint ventures and associates		
<u>Continuing operations</u>		
Purchase of products and services from Sitech Construction Systems Pty Ltd	17	13
Sale of goods and services to Terberg Tractors Group	5	2
Contribution paid to Yayasan Sime Darby	10	20
<u>Discontinued operations</u>		
Loans to Weifang Sime Darby West Port Co Ltd	–	6
Loans to Weifang Sime Darby Liquid Terminal Co Ltd	–	93
Loans repaid by Weifang Sime Darby Liquid Terminal Co Ltd	6	–
b. Transactions between subsidiaries and non-controlling interests		
<u>Continuing operations</u>		
Contract assembly service provided by Inokom Corporation Sdn Bhd (“ICSB”) to Mazda Malaysia Sdn Bhd	72	52
Contract assembly service provided by ICSB to Kia Malaysia Sdn Bhd	17	–
Rental income received by ICSB from Mazda Malaysia Sdn Bhd and Bermaz Motor Trading Sdn Bhd	2	2

c. Transactions with shareholders and their related companies

Permodalan Nasional Berhad (“PNB”) and the funds managed by its subsidiary, Amanah Saham Nasional Berhad together, as at 31 March 2023, own approximately 47% of the issued share capital of the Company. PNB is an entity controlled by the Malaysian Government through Yayasan Pelaburan Bumiputra (“YPB”). The Group considers that, for the purpose of MFRS 124 – Related Party Disclosures, YPB and the Malaysian Government are in the position to exercise significant influence over it. As a result, the Malaysian Government and Malaysian Government 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	
	2023	2022
<u>Continuing operations</u>		
Sales, servicing and leasing of equipment and vehicles	14	23
Rental income	10	12
Royalty income invoiced	2	2

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

In March 2023, the Group entered into a share sale agreement to acquire the entire issued share capital of Onsite Rental Group Limited for a cash consideration of AUD635.0 million (RM1,915.9 million), on a cash-free and debt-free basis and subject to customary adjustments for working capital, capital expenditure and stocktake. The acquisition was completed on 3 April 2023.

Other than the above, there were no material events subsequent to the end of the current quarter under review to 18 May 2023, being a date not earlier than 7 days from the date of issue of the quarterly report.

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

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

1. Disposal of subsidiaries and joint ventures (Weifang port companies)

On 3 July 2022, the Group entered into share sale agreements to divest its entire equity interest in the Weifang port companies for a total cash consideration of RMB1,920 million (approximately RM1,268 million), whereby 90% of the consideration will be paid by completion of the disposal and the remaining 10% will be paid on or before the second anniversary of the completion date. In addition, the shareholders' loans and receivables owing by the Weifang port companies totalling approximately RMB520 million (approximately RM344 million) would also be repaid. The proposed divestments were completed on 7 November 2022 resulting in the following companies ceasing to be the subsidiaries or joint ventures of the Group:

- i. Weifang Sime Darby Port Co., Ltd ("WSDP") and its associate, Weifang Ocean Shipping Tally Co., Ltd
- ii. Weifang Sime Darby Logistics Services Co., Ltd
- iii. Weifang Sime Darby General Terminal Co., Ltd
- iv. Weifang Wei Gang Tugboat Services Co., Ltd
- v. Weifang Sime Darby Liquid Terminal Co., Ltd
- vi. Weifang Sime Darby West Port Co., Ltd
- vii. Weifang Senda Container Service Provider Co., Ltd

In addition, prior to the completion of the disposal of the Weifang port companies, WSDP had also completed the disposal of its joint venture, Weifang Port Services Co. Ltd.

Details of net assets and net cash inflow arising from the disposal of the subsidiaries and joint ventures are as follows:

Net assets	1,572
Non-controlling interests	(9)
Share of net assets disposed	<u>1,563</u>
Gain on disposal of subsidiaries and joint ventures	147
Less: net foreign exchange gain included in the gain on disposals	<u>(123)</u>
Total consideration from disposal, net of transaction costs ¹	1,587
Less: balance consideration receivable after 2 years	(115)
Less: cash and cash equivalents of subsidiaries disposed	(159)
Less: cash inflow from settlement of shareholders' loans and receivables	<u>(344)</u>
Net cash inflow from disposal of shares of Weifang port companies	<u><u>969</u></u>

¹ Inclusive of proceeds from settlement of shareholders' loans and receivables of RM344 million.

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

2. Purchase of additional interest in subsidiaries

- i. The Group acquired the remaining 40% equity interest in Shantou Bow Yue Dehong Motors Services Company Limited (“SBYDM”) for a total consideration of RMB40 million (approximately RM26 million) resulting in SBYDM becoming a wholly-owned subsidiary of the Group.
- ii. The Group acquired the remaining 49% equity interest in Sime Darby Motors Manufacturing Sdn. Bhd. (formerly known as Ford Malaysia Sdn. Bhd.) (“SDMM”) for a total consideration of RM2 million resulting in SDMM becoming a wholly-owned subsidiary of the Group.

3. Acquisition of subsidiaries and business

In March 2023, the Group subscribed for 60% equity interest in Performance Motors Indonesia Pte. Ltd. (“PMI”). Subsequently, PMI, via its wholly-owned subsidiary, PT Performance Motors Indonesia, acquired a BMW dealership business in Indonesia for a cash consideration of approximately IDR130 billion (approximately RM38 million).

A12. Contingent Liabilities – unsecured

a) Guarantees

In the ordinary course of business, the Group issues surety bonds and letters of credit, which the Group provides to customers to secure advance payment, performance under contracts or in lieu of retention being withheld on contracts. Financial guarantees were also issued to financial institutions in respect of credit facilities granted to certain joint ventures. A liability from the performance and financial guarantees would only arise in the event the Group fails to fulfil its contractual obligations.

The performance guarantees and financial guarantees are as follows:

	As at 31 March 2023	As at 30 June 2022
<u>Continuing operations</u>		
Performance guarantees and advance payment guarantees to customers of the Group	2,163	2,078
<u>Discontinued operations</u>		
Guarantees in respect of credit facilities granted to certain joint ventures	-	77
	<u>2,163</u>	<u>2,155</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 2023, the total outstanding risk sharing amount on which the Group has an obligation to pay the leasing company should the customers default, amounted to RM243 million (30 June 2022: RM305 million).

b) Claims

	As at 31 March 2023	As at 30 June 2022
Potential claims		
- continuing operations	10	10
- discontinued operations	-	6
	<u>10</u>	<u>16</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		
	2023	2022	% +/(-)	2023	2022	% +/(-)
<u>Continuing operations</u>						
Revenue	<u>11,528</u>	<u>10,524</u>	9.5	<u>35,002</u>	<u>31,651</u>	10.6
Segment results:						
Industrial	236	150	57.3	676	523	29.3
Motors	170	237	(28.3)	497	748	(33.6)
Healthcare	13	13	–	48	37	29.7
Others	15	19	(21.1)	51	30	70.0
	<u>434</u>	<u>419</u>	3.6	<u>1,272</u>	<u>1,338</u>	(4.9)
Foreign exchange gain from repayment of net investments	7	–		19	–	
Corporate expenses	(23)	(17)		(66)	(51)	
Profit before interest and tax	418	402	4.0	1,225	1,287	(4.8)
Finance income	24	9		47	28	
Finance costs	(81)	(36)		(206)	(102)	
Profit before tax	361	375	(3.7)	1,066	1,213	(12.1)
Taxation	(108)	(121)		(308)	(336)	
Profit from continuing operations	253	254	(0.4)	758	877	(13.6)
Non-controlling interests	(13)	(20)		(40)	(81)	
Profit from continuing operations attributable to owners of the Company	240	234	2.6	718	796	(9.8)
<u>Discontinued operations</u>						
Profit from discontinued operations attributable to owners of the Company	–	10		118	29	
Profit attributable to owners of the Company	240	244	(1.6)	836	825	1.3

An analysis of the results for the quarter ended 31 March 2023 against the quarter ended 31 March 2022 is as follows:

The Group's profit attributable to owners of the Company ("Net Profit") was slightly lower by 1.6% mainly due to lower profit from Motors and higher finance costs, partly offset by higher profit from Industrial.

a) Industrial

Profit before interest and tax ("PBIT") increased by 57.3% to RM236 million in the current quarter predominantly due to higher profit from Australasia (increased from RM121 million to RM212 million). This was largely attributed to higher parts revenue, which was supported by parts price increase and maintenance of mining equipment.

B1. Review of Group Performance (continued)

An analysis of the results for the quarter ended 31 March 2023 against the quarter ended 31 March 2022 is as follows (continued):

b) Motors

PBIT declined by 28.3% to RM170 million in the current quarter largely due to lower profit from China (decreased from RM115 million to RM24 million) as a result of lower margins.

The impact was partially mitigated by the Malaysian and Singapore operations. The Malaysian operations continued to record higher profits, mainly from the aftersales and importation segments, while the operations in Singapore registered improved margins in the current quarter.

c) Others

Lower PBIT recorded in the current quarter mainly due to RM12 million income recognised in relation to a legacy corporate exercise in the previous corresponding quarter, partially offset by foreign exchange gains in the current quarter of RM5 million (previous corresponding quarter: foreign exchange loss of RM2 million).

d) Finance costs

The higher finance costs in the current quarter were mainly due to higher interest rates and higher average borrowings.

B1. Review of Group Performance (continued)

An analysis of the results for the three quarters ended 31 March 2023 against the three quarters ended 31 March 2022 is as follows:

The Group's Net Profit was slightly higher by 1.3% mainly due to higher profit from discontinued operations, which included the gain on disposal of the Weifang port companies. The Group's Net Profit from continuing operations declined by 9.8% largely due to similar reasons as outlined in the results for the quarter ended 31 March 2023.

a) Industrial

PBIT was higher by 29.3% at RM676 million mainly due to higher parts profit in Australasia, as explained in the results for the quarter ended 31 March 2023. This was partly offset by weaker results from the Malaysia operations as a result of higher project costs in the energy services and engines segments.

b) Motors

PBIT was lower by 33.6% at RM497 million predominantly due to lower profit from the China operations, partly offset by higher profit from the Malaysia operations and the improvement in the Singapore operations, as explained in the results for the quarter ended 31 March 2023.

c) Healthcare

The share of profit from the Ramsay Sime Darby Health Care Sdn Bhd ("RSDH") joint venture was higher mainly attributed to higher revenue from its Malaysia operations.

d) Others

PBIT was higher mainly due to foreign exchange gains of RM29 million (previous corresponding period: foreign exchange loss of RM3 million), notwithstanding the previous corresponding period also included RM12 million income from a legacy corporate exercise.

e) Discontinued operations

Included gain on disposal of the Weifang port companies of RM147 million. Refer to Note A11 for further details.

The variance for finance costs was mainly due to similar reasons as explained in the results for the quarter ended 31 March 2023.

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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 2023	31 December 2022	% +/(-)
<u>Continuing operations</u>			
Revenue	11,528	11,292	2.1
Segment results:			
Industrial	236	224	5.4
Motors	170	151	12.6
Healthcare	13	16	(18.8)
Others	15	43	(65.1)
	434	434	-
Foreign exchange gain from repayment of net investments	7	12	
Corporate expenses	(23)	(25)	
Profit before interest and tax	418	421	(0.7)
Finance income	24	12	
Finance costs	(81)	(68)	
Profit before tax	361	365	(1.1)
Taxation	(108)	(103)	
Profit from continuing operations	253	262	(3.4)
Non-controlling interests	(13)	(7)	
Profit from continuing operations attributable to owners of the Company	240	255	(5.9)
<u>Discontinued operations</u>			
Profit from discontinued operations attributable to owners of the Company	-	134	
Profit attributable to owners of the Company	240	389	(38.3)

An analysis of the results for the quarter ended 31 March 2023 against the quarter ended 31 December 2022 is as follows:

The Group's Net Profit was lower by 38.3% as the preceding quarter recorded profit from discontinued operations, which included the gain on disposal of the Weifang port companies as outlined in B1.

a) Industrial

PBIT was higher by 5.4% predominantly due to higher profit from Australasia as the parts operations continued to record strong revenue.

b) Motors

PBIT was higher by 12.6% with improved profitability at the Asian operations. The Malaysia operations recorded higher profit from the importation and assembly segments.

c) Others

The current quarter recorded lower foreign exchange gains of RM5 million (preceding quarter: foreign exchange gains of RM38 million) relating to the remaining companies of the former Logistics segment and the legacy oil and gas operations.

d) Discontinued operations

The variance for the profit from discontinued operations was as explained in B1.

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B3. Prospects

The Group's net profit from continuing operations in the first three quarters of the financial year was largely impacted by the lower profit from the Motors operations in China and higher finance costs of the Group, partly offset by higher profit at Industrial Australasia. The global economic outlook remains uncertain, and central banks are closely monitoring economic indicators and adjusting policies as necessary.

The automotive sector in China is facing heightened competition from multiple brands that are actively launching and scaling up production of new electric vehicle models. In Malaysia, the demand for aftersales service is supported by the strong vehicle sales from the past sales and service tax exemption period. New vehicle models in various regions are expected to create appealing product offerings and promote sales.

The mining sector in Australia is expected to benefit from the sustained demand for coal, driven by the resumption of coal exports to China and urbanisation projects in Asia. This in turn, should support the sale of equipment and product support in Australia. The recent acquisition of Onsite Rental is expected to help strengthen the division's market position across the equipment rental spectrum in Australia. In China, despite the full re-opening of the economy, the project commencement rate in the construction sector has been slow. The market volume for industrial equipment in China is likely to be subdued until Government funding is allocated to the construction players.

Taking into account the one-off gains mainly from the disposal of non-core assets expected to be recognised in the current financial year, the Board expects the Group's financial performance for the financial year ending 30 June 2023 to be better than that of the previous financial 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 31 March		Three quarters ended 31 March	
	2023	2022	2023	2022
Included in operating profit of continuing operations are:				
Depreciation and amortisation	(294)	(279)	(879)	(827)
Inventory write-down and provision (net)	(28)	(15)	(118)	(28)
(Impairment of receivables)/Reversal of impairment of receivables (net)	(14)	(5)	(5)	3
Reversal of impairment of fixed assets (net)	–	–	1	–
Fair value gain on financial assets at fair value through profit or loss	1	–	2	–
Net gain on disposal of fixed assets	1	–	2	2
Net foreign exchange gain/(loss)	12	(6)	37	(14)
Net gain/(loss) on derivatives	1	(1)	(4)	(2)
Net gain on lease modification/termination	2	–	3	1

B6. Taxation

	Quarter ended 31 March		Three quarters ended 31 March	
	2023	2022	2023	2022
Continuing operations				
Current tax:				
- current year	125	126	346	330
- previous years	7	–	11	12
	<u>132</u>	<u>126</u>	<u>357</u>	<u>342</u>
Deferred tax:				
- origination and reversal of temporary differences and other deferred tax adjustments	(24)	(5)	(49)	(6)
	<u>108</u>	<u>121</u>	<u>308</u>	<u>336</u>
Discontinued operations	<u>–</u>	<u>2</u>	<u>(4)</u>	<u>–</u>

The effective tax rate of continuing operations (excluding share of results of associates and joint ventures) for the current quarter ended and three quarters ended 31 March 2023 of 31.8% and 31.4% respectively were higher than the applicable tax rate of 25.6% and 25.8% respectively.

The higher effective tax rate in the current quarter ended 31 March 2023 was mainly due to the impact of tax expense relating to prior years and non-deductible expenses.

The higher effective tax rate in the three quarters ended 31 March 2023 was mainly due to the impact of non-deductible expenses, tax on certain intra-group dividends, deferred tax not recognised for certain tax losses 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 18 May 2023 are as follows:

- a) On 27 October 2021, Kumpulan Sime Darby Berhad, a wholly-owned subsidiary of the Group entered into a Sale and Purchase Agreement (“SPA”) with Sime Darby Property (MVV Central) Sdn. Bhd. (“MVV Central”), a wholly-owned subsidiary of Sime Darby Property Berhad, for the disposal of 760.12 acres of land in Labu, Negeri Sembilan, to MVV Central for a cash consideration of RM280 million. The conditions precedent have been met and the completion is expected within 3 months.
- b) On 24 August 2022, the Group entered into a Sale and Purchase Agreement (“SPA”) with NS Corporation for the disposal of 1,382.2 acres of land 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 2024 or 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 2023 is as follows:

	Secured	Unsecured	Total
<u>Long-term</u>			
Term loans	25	157	182
	<u>25</u>	<u>157</u>	<u>182</u>
<u>Short-term</u>			
Term loans due within one year	12	249	261
Bank overdrafts	–	103	103
Islamic financing	–	320	320
Revolving credits, bankers acceptances, trade facilities and other short-term borrowings	–	3,097	3,097
	<u>12</u>	<u>3,769</u>	<u>3,781</u>
Total borrowings	<u>37</u>	<u>3,926</u>	<u>3,963</u>

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

	Long-term borrowings	Short-term borrowings	Total
Ringgit Malaysia	–	397	397
Australian dollar	115	1,717	1,832
Chinese renminbi	–	323	323
Hong Kong dollar	–	247	247
New Zealand dollar	42	737	779
Pacific franc	25	19	44
Singapore dollar	–	145	145
Taiwan dollar	–	143	143
Thailand baht	–	53	53
Total borrowings	<u>182</u>	<u>3,781</u>	<u>3,963</u>

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

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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 2023 are as follows:

	Classification in		Net fair value
	Statement of Financial Position		
	Assets	Liabilities	
Forward foreign exchange contracts	9	(43)	(34)
Interest rate swap contracts	5	–	5
	14	(43)	(29)

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 2022.

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 2023, the notional amount, fair value and maturity tenor of the forward foreign exchange contracts are as follows:

	Notional amount	Net fair value liabilities
- less than 1 year	4,409	(34)
- 1 year to 3 years	34	–¹
	4,443	(34)

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 2023, 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	125	4
- 1 year to 3 years	78	1
	203	5

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

The fair values of these assets 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.

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 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 18 May 2023 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 RM357 million) together with general and aggravated damages and other relief.

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

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

The hearing for the assessment of damages continued on 4 to 6 April 2023 and will further continue on 27 and 31 July 2023.

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 18 May 2023 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 RM2.8 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 RM344 million).

On 22 March 2018, the tribunal ordered ONGC to pay the Consortium a net sum of USD5.12 million (approximately RM23 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 date of which has yet to be fixed.

B11. Dividend

An interim dividend of 3.0 sen per share amounting to RM204 million in respect of the financial year ending 30 June 2023 was declared on 23 February 2023 and paid by way of cash on 31 March 2023.

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B12. Earnings Per Share

	Quarter ended 31 March		Three quarters ended 31 March	
	2023	2022	2023	2022
Basic earnings per share attributable to owners of the Company are computed as follows:				
Profit attributable to owners of the Company from:				
- continuing operations	240	234	718	796
- discontinued operations	–	10	118	29
	<u>240</u>	<u>244</u>	<u>836</u>	<u>825</u>
Weighted average number of ordinary shares in issue (million)	<u>6,816</u>	<u>6,810</u>	<u>6,812</u>	<u>6,806</u>
Basic earnings per share (sen)				
- continuing operations	3.5	3.4	10.5	11.7
- discontinued operations	–	0.2	1.7	0.4
	<u>3.5</u>	<u>3.6</u>	<u>12.2</u>	<u>12.1</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
24 May 2023

By Order of the Board
Noor Zita Hassan
Group Secretary