

QUARTERLY REPORT

On the consolidated results for the fourth quarter ended 31 December 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		%	Year ended		%
		31 December	2022		31 December	2022	
		2023	2022	+ / (-)	2023	2022	+ / (-)
Revenue	A8, A9	5,280	5,670	(7)	18,428	21,030	(12)
Operating expenses		(4,929)	(4,998)		(16,819)	(18,346)	
Other operating income		61	231		1,391	838	
Other gains/(losses)		9	(96)		(113)	41	
Operating profit	B5, A9	421	807	(48)	2,887	3,563	(19)
Share of results of joint ventures		15	(22)		39	37	
Share of results of associates		- *	2		1	15	
Profit before interest and tax	A9	436	787	(45)	2,927	3,615	(19)
Finance income		6	4		23	12	
Finance costs		(47)	(48)		(198)	(135)	
Profit before tax		395	743	(47)	2,752	3,492	(21)
Tax expense	B6	(151)	(133)		(719)	(809)	
Profit for the financial year		244	610	(60)	2,033	2,683	(24)
Profit for the financial year attributable to:							
– equity holders of the Company		200	562	(64)	1,860	2,488	(25)
– Perpetual Sukuk		31	31		124	124	
– non-controlling interests		13	17		49	71	
		244	610	(60)	2,033	2,683	(24)
Basic earnings per share attributable to equity holders of the Company:							
Basic (sen)	B12	2.9	8.1	(64)	26.9	36.0	(25)

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 31 December 2022.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Amounts in RM million unless otherwise stated

	Quarter ended		%	Year ended		%
	31 December			31 December		
	2023	2022	+ / (-)	2023	2022	+ / (-)
Profit for the financial year	244	610	(60)	2,033	2,683	(24)
Other comprehensive (loss)/income:						
Items that will be reclassified subsequently to profit or loss:						
Currency translation differences (loss)/gains:						
– subsidiaries	(191)	(570)		574	56	
– joint ventures and associates	(1)	26		16	4	
Cash flow hedge						
– changes in fair value	(12)	8		97	20	
– transfers (to)/from profit or loss	(21)	(197)		(99)	163	
Tax expense relating to components of other comprehensive income/(loss)	8	48		- *	(48)	
	(217)	(685)		588	195	
Items that will be not reclassified subsequently to profit or loss:						
Actuarial (loss)/gains on defined benefit pension plans	(25)	20		(14)	18	
Investments at fair value through other comprehensive income ("FVOCI"):						
– changes in fair value	1	(7)		1	(7)	
Share of other comprehensive (loss)/income of joint ventures	(5)	24		(4)	24	
Tax credit/(expense) relating to components of other comprehensive income/(loss)	4	(4)		2	(4)	
	(25)	33		(15)	31	
Total other comprehensive (loss)/income for the financial year	(242)	(652)		573	226	
Total comprehensive income/(loss) for the financial year	2	(42)		2,606	2,909	
Total comprehensive (loss)/income for the financial year attributable to:						
– equity holders of the Company	(36)	(77)	53	2,413	2,726	(11)
– Perpetual Sukuk	31	31	-	124	124	-
– non-controlling interests	7	4	75	69	59	17
Total	2	(42)	>100	2,606	2,909	(10)

* Less than 1 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 31 December 2022.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Amounts in RM million unless otherwise stated

	Unaudited	Audited
Note	As at 31 December 2023	As at 31 December 2022
Non-current assets		
Property, plant and equipment	19,145	17,800
Investment properties	8	11
Right-of-use assets	2,060	2,008
Joint ventures	416	368
Associates	52	57
Intangible assets	3,055	2,947
Investments at fair value through other comprehensive income ("FVOCI")	23	22
Deferred tax assets	443	496
Tax recoverable	252	164
Trade and other receivables	58	35
	25,512	23,908
Current assets		
Inventories	2,664	2,778
Biological assets	175	180
Trade and other receivables	2,208	2,603
Tax recoverable	298	235
Amounts due from related parties	-	1
Derivatives	34	157
Bank balances, deposits and cash	830	635
	6,209	6,589
Non-current assets held for sale ⁽¹⁾	166	651
Total assets	31,887	31,148
Equity		
Share capital	1,634	1,634
Reserves	16,109	14,733
Attributable to equity holders of the Company	17,743	16,367
Perpetual Sukuk	2,231	2,231
Non-controlling interests	433	418
Total equity	20,407	19,016

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

Amounts in RM million unless otherwise stated

		Unaudited	Audited
		As at	As at
		31 December	31 December
	Note	2023	2022
Non-current liabilities			
Retirement benefits		191	158
Deferred income		-	-
Deferred tax liabilities		2,654	2,738
Borrowings	B8	3,582	3,633
Lease liabilities		194	147
Trade and other payables		57	43
		6,678	6,719
Current liabilities			
Trade and other payables		2,384	2,444
Contract liabilities		24	35
Amounts due to related parties		14	10
Retirement benefits		20	15
Lease liabilities		26	25
Tax payable		208	219
Derivatives	B9	19	62
Borrowings	B8	1,701	2,464
Dividend payable		394	-
		4,790	5,274
Liabilities directly associated with non-current assets held for sale ⁽²⁾		12	139
Total liabilities		11,480	12,132
Total equity and liabilities		31,887	31,148
Net assets per share attributable to equity holders of the Company (RM)		2.57	2.37
Note:			
(1) Non-current assets held for sale			
Non-current assets held for sale			
– property, plant and equipment		15	20
Disposal group held for sale			
– property, plant and equipment		112	250
– right of use assets		1	28
– tax assets		17	107
– receivables		7	181
– bank balances		-	11
– other assets		14	54
		166	651
(2) Liabilities directly associated with non-current assets held for sale			
Disposal group held for sale			
– payables		7	120
– retirement benefits		5	12
– tax liabilities		-	5
– other liabilities		-	2
		12	139

* Less than 1 million

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 31 December 2022.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Amounts in RM million unless otherwise stated

Year ended 31 December 2023	Attributable to equity holders of the Company										
	Share capital	Capital reserve	Hedging reserve	Merger reserve	Investments at FVOCI reserve	Exchange reserve	Retained profits	Total	Perpetual Sukuk	Non-controlling interests	Total equity
At 1 January 2023	1,634	9	10	(18)	20	716	13,996	16,367	2,231	418	19,016
Profit for the financial year	-	-	-	-	-	-	1,860	1,860	124	49	2,033
Other comprehensive (loss)/income for the financial year	-	-	(2)	-	1	592	(15)	576	-	20	596
Disposal of subsidiaries	-	-	-	-	-	(23)	-	(23)	-	-	(23)
Total comprehensive (loss)/income for the financial year	-	-	(2)	-	1	569	1,845	2,413	124	69	2,606
Transactions with equity holders:											
Dividends	-	-	-	-	-	-	(1,037)	(1,037)	-	(54)	(1,091)
Distribution to Perpetual Sukuk holders	-	-	-	-	-	-	-	-	(124)	-	(124)
At 31 December 2023	1,634	9	8	(18)	21	1,285	14,804	17,743	2,231	433	20,407

Year ended 31 December 2022	Attributable to equity holders of the Company										
	Share capital	Capital reserve	Hedging reserve	Merger reserve	Investments at FVOCI reserve	Exchange reserve	Retained profits	Total	Perpetual Sukuk	Non-controlling interests	Total equity
At 1 January 2022	1,634	9	(126)	(18)	27	645	13,018	15,189	2,231	437	17,857
Profit for the financial year	-	-	-	-	-	-	2,488	2,488	124	71	2,683
Other comprehensive income/(loss) for the financial year	-	-	136	-	(7)	71	38	238	-	(12)	226
Total comprehensive income/(loss) for the financial year	-	-	136	-	(7)	71	2,526	2,726	124	59	2,909
Transactions with equity holders:											
Dividends	-	-	-	-	-	-	(1,548)	(1,548)	-	(78)	(1,626)
Distribution to Perpetual Sukuk holders	-	-	-	-	-	-	-	-	(124)	-	(124)
At 31 December 2022	1,634	9	10	(18)	20	716	13,996	16,367	2,231	418	19,016

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 31 December 2022.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
Amounts in RM million unless otherwise stated

	Note	Year ended 31 December	
		2023	2022
Cash flows from operating activities			
Profit for the financial year		2,033	2,683
Adjustments for:			
Share of results of joint ventures and associates		(40)	(52)
Finance income		(23)	(12)
Finance costs		198	135
Gain on disposal of:			
– property, plant and equipment	B5	(62)	(93)
– non-current assets held for sale	B5	(1,093)	(276)
– a former subsidiary		-	(54)
Depreciation and amortisation	B5	1,431	1,373
Unrealised fair value (gains)/losses			
– commodities contracts	B5	79	(116)
– forward foreign exchange contracts	B5	4	25
Unrealised foreign exchange losses/(gains)	B5	40	(77)
Tax expense	B6	719	809
Fair value changes on biological assets		8	119
Retirement benefits		42	30
Net of impairment of:			
– property, plant and equipment	B5	32	6
– amount due from joint venture	B5	-	8
– advances for plasma plantation projects	B5	1	4
– trade and other receivables	B5	5	6
– joint ventures	B5	-	25
Write off of:			
– inventories	B5	4	2
– trade and other receivables	B5	-	1
– property, plant and equipment	B5	18	19
– intangible assets	B5	1	-
Write down of inventories	B5	6	9
Dividend income from FVOCI		(4)	(9)
		3,399	4,565
Changes in working capital:			
Inventories		248	(321)
Trade and other receivables		621	327
Trade and other payables		(142)	395
Intercompany and related party balances		4	(9)
Cash generated from operations		4,130	4,957
Tax paid		(1,010)	(1,281)
Retirement benefits paid		(32)	(33)
Net cash generated from operating activities		3,088	3,643
Cash flows from investing activities			
Finance income received		23	12
Purchase of:			
– property, plant and equipment		(2,096)	(1,717)
– intangibles assets		(32)	(12)
Advances for plasma plantation projects		(2)	(4)
Repayment of advances for plasma plantation projects		-	51
Proceeds from sale of:			
– property, plant and equipment		65	100
– non-current assets held for sale		1,387	285
– a former subsidiary		-	54
Dividend received from:			
– other investments		4	9
– joint venture		-	3
– an associate		9	4
Net cash used in investing activities		(642)	(1,215)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
Amounts in RM million unless otherwise stated

		Year ended	
		31 December	
	Note	2023	2022
Cash flows from financing activities			
Distribution to Perpetual Sukuk holders		(124)	(124)
Finance costs paid		(325)	(189)
Loans raised		7,277	4,749
Loan repayments		(8,306)	(5,176)
Borrowing transaction cost paid		(16)	(5)
Repayment of lease liabilities		(54)	(26)
Dividends paid to shareholders		(643)	(1,548)
Dividends paid to non-controlling interests of subsidiaries		(54)	(78)
Net cash used in financing activities		(2,245)	(2,397)
Net changes in cash and cash equivalents during the financial year		201	31
Foreign exchange difference		(6)	1
Cash and cash equivalents at beginning of the financial year		635	603
Cash and cash equivalents at end of the financial year		830	635

* Less than 1 million

The unaudited condensed consolidated statement of cash flows should be read in conjunction with the accompanying explanatory notes and the audited financial statements for the financial year ended 31 December 2022.

EXPLANATORY NOTES ON THE QUARTERLY REPORT – 31 DECEMBER 2023

Amounts in RM million unless otherwise stated

A. EXPLANATORY NOTES PURSUANT TO MFRS 134

A1. Basis of preparation

This interim financial report is prepared in accordance with the requirements of paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and complies with the requirements of the Malaysian Financial Reporting Standard ("MFRS") 134 "Interim Financial Reporting" and other MFRSs issued by the Malaysian Accounting Standards Board ("MASB"). The interim financial report is unaudited and should be read in conjunction with the audited consolidated financial statements for the financial year ended 31 December 2022.

A2. Accounting policies

The accounting policies and presentation adopted for this interim financial report are consistent with those adopted for the audited consolidated financial statements for the financial year ended 31 December 2022 except as described below.

(a) Accounting pronouncements that have been adopted in preparing these financial statements:

(i) New accounting pronouncements with effective on or after 1 January 2023

- Amendments to MFRS 101, MFRS Practice Statement 2 and MFRS 108 on disclosure of accounting policies and definition of accounting estimates
- Amendments to MFRS 112 on "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"

The adoption of these amendments does not have any significant impact on the current period or any prior periods and is not likely to affect future periods.

- Amendments to MFRS 112 on International Tax Reform - Pillar Two Model Rules ("Amendments to MFRS 112")

As provided in the amendments to MFRS 112 issued in May 2023, the Group applies the mandatory exception, whereby the Group does not need to recognise or disclose information about deferred tax assets and liabilities related to Pillar Two income taxes.

(b) Accounting pronouncements that are not yet effective and have not been early adopted in preparing these financial statements:

(i) Amendments that are effective on or after 1 January 2024

- Amendments to MFRS 101 on "Classification of Liabilities as Current or Non-current" ('2020 amendments') and "Non-current Liabilities with Covenants" ('2022 amendments')
- Amendments to MFRS 16 on Lease Liability in a Sale and Leaseback
- Amendments to MFRS 107 and MFRS 7 on Supplier Finance Arrangements

The amendments shall be applied retrospectively.

(ii) Amendments that are effective on or after 1 January 2025

- Amendments to MFRS 121 on The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability

The amendments shall be applied retrospectively.

A3. Seasonal and cyclical factors

The Group's operations are not materially affected by seasonal or cyclical factors except for the fresh fruit bunch production which may be affected by the vagaries of weather and cropping patterns.

A4. Unusual items affecting assets, liabilities, equity, net income or cash flows

Except as disclosed in Notes B1 and B2, there were no material unusual items affecting the Group's assets, liabilities, equity, net income or cash flows during the quarter under review.

A5. Material changes in estimates

There were no material effects from estimates made in prior periods or previous year.

A6. Debt and equity securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the quarter under review.

EXPLANATORY NOTES ON THE QUARTERLY REPORT – 31 DECEMBER 2023

Amounts in RM million unless otherwise stated

A. EXPLANATORY NOTES PURSUANT TO MFRS 134 (CONTINUED)

A7. Dividends paid

Dividends paid during the financial year ended 31 December 2023 are as follows:

	Year ended 31 December 2023
In respect of financial year ended 31 December 2022	
- Final dividend of 6.04 sen per share, paid in cash on 15 May 2023	418
In respect of financial year ended 31 December 2023:	
- Interim dividend of 3.25 sen per share, paid in cash on 17 November 2023	225
	643

A8. Revenue

The Group derived the following types of revenue:

		Year ended 31 December	
	Note	2023	2022
Revenue from contracts with customers	A8(a)	18,397	20,996
Revenue from other sources	A8(b)	31	34
Total revenue		18,428	21,030
(a) Disaggregation of revenue from contracts with customers			
Upstream			
– Malaysia		895	765
– Indonesia		1,049	1,147
– Papua New Guinea and Solomon Islands ("PNG/SI")		196	124
Downstream		16,135	18,863
Other operations		122	97
		18,397	20,996
Sales of palm based products, other refined edible oils, rubber, sugar, beef and other agricultural products		18,038	20,596
Freight services		279	290
Tolling services		80	110
		18,397	20,996
Timing of revenue recognition			
– at point in time		18,038	20,596
– over time		359	400
		18,397	20,996
(b) Revenue from other sources			
Dividend (gross) received/receivable from investments		4	9
Rental income		27	25
		31	34

(c) Revenue expected to be recognised in relation to unsatisfied performance obligations

The following table shows the revenue expected to be recognised in the future relating to performance obligations that were unsatisfied (or partially unsatisfied) as at 31 December 2023:

	Expected timing of recognition During the quarter ending 31 March 2024
Freight income	24

EXPLANATORY NOTES ON THE QUARTERLY REPORT – 31 DECEMBER 2023

Amounts in RM million unless otherwise stated

A. EXPLANATORY NOTES PURSUANT TO MFRS 134 (CONTINUED)

A9. Segment information

	Upstream Malaysia	Upstream Indonesia	Upstream PNG/SI	Downstream	Other operations	Inter- segment elimination	Total
Year ended 31 December 2023							
Segment revenue:							
External sales	924	1,049	196	16,137	122	-	18,428
Inter-segment sales	3,285	1,485	2,788	346	651	(8,555)	-
Total revenue	4,209	2,534	2,984	16,483	773	(8,555)	18,428
Segment results:							
Operating profit:							
– recurring activities	275	612	266	562	45	-	1,760
– non-recurring transactions	851	278	-	-	(2)	-	1,127
Share of results of joint ventures and associates	-	-	-	38	2	-	40
Profit before interest and tax	1,126	890	266	600	45	-	2,927
Year ended 31 December 2022							
Segment revenue:							
External sales	792	1,147	124	18,866	101	-	21,030
Inter-segment sales	3,722	1,439	3,149	96	622	(9,028)	-
Total revenue	4,514	2,586	3,273	18,962	723	(9,028)	21,030
Segment results:							
Operating profit:							
– recurring activities	207	1,084	1,117	819	45	-	3,272
– non-recurring transactions	272	-	-	(2)	21	-	291
Share of results of joint ventures and associates	-	-	-	42	10	-	52
Profit before interest and tax	479	1,084	1,117	859	76	-	3,615

EXPLANATORY NOTES ON THE QUARTERLY REPORT – 31 DECEMBER 2023

Amounts in RM million unless otherwise stated

A. EXPLANATORY NOTES PURSUANT TO MFRS 134 (CONTINUED)

A9. Segment information (continued)

	Upstream Malaysia	Upstream Indonesia	Upstream PNG/SI	Downstream	Other operations	Inter- segment elimination	Total
As at 31 December 2023							
Segment assets:							
Operating assets	10,324	5,713	7,919	5,975	329	-	30,260
Joint ventures and associates	-	-	-	428	40	-	468
Non-current assets held for sale	15	134	-	-	-	-	149
	10,339	5,847	7,919	6,403	369	-	30,877
Tax assets							993
Tax assets from non-current assets held for sale							17
Total assets							31,887
As at 31 December 2022							
Segment assets:							
Operating assets	9,978	5,346	7,951	5,515	387	-	29,177
Joint ventures and associates	-	-	-	381	44	-	425
Non-current assets held for sale	20	524	-	-	-	-	544
	9,998	5,870	7,951	5,896	431	-	30,146
Tax assets							895
Tax assets from non-current assets held for sale							107
Total assets							31,148

EXPLANATORY NOTES ON THE QUARTERLY REPORT – 31 DECEMBER 2023

Amounts in RM million unless otherwise stated

A. EXPLANATORY NOTES PURSUANT TO MFRS 134 (CONTINUED)**A10. Capital commitments**

Authorised capital expenditure not provided for in the interim financial report are as follows:

	<u>As at 31 December 2023</u>	<u>As at 31 December 2022</u>
Contracted		
– property, plant and equipment	<u>723</u>	<u>708</u>

A11. Significant related party transactions

Significant related party transactions conducted were as follows:

	<u>Year ended 31 December</u>	
	<u>2023</u>	<u>2022</u>
(a) Transactions with associates		
(i) Purchase of latex concentrate		
– Muang Mai Guthrie Public Company Limited	<u>1</u>	<u>15</u>
(ii) Purchase of palm oil		
– Thai Eastern Trat Company Limited	<u>76</u>	<u>144</u>

(b) Transactions with related parties

Permodalan Nasional Berhad ("PNB") and the fund managed by its subsidiary, Amanah Saham Nasional Berhad, together owns 55.292% as at 31 December 2023 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", the Malaysian Government is in the position to exercise significant influence over it. As a result, the Malaysian Government and Malaysian Government's controlled bodies (collectively referred to as government related entities) are related parties of the Group and the Company.

(c) Transactions entered into with Government related entities include the following:

	<u>Year ended 31 December</u>	
	<u>2023</u>	<u>2022</u>
(i) Purchase of heavy equipment, spare parts and services		
– Sime Darby Industrial Sdn Bhd	<u>17</u>	<u>23</u>
– Kubota Malaysia Sdn Bhd	<u>33</u>	<u>34</u>
(ii) Lease of agricultural land		
– Kumpulan Sime Darby Berhad	<u>12</u>	<u>17</u>
(iii) Rental expenses		
– Sime Darby Property Group	<u>9</u>	<u>13</u>
(d) Transactions entered into with person connected to a director		
(i) Purchase of heavy equipment, spare part and services		
– Datuk Mohd Anwar Yahya	<u>6</u>	<u>1</u>

A12. Material events subsequent to the end of the financial period

There were no material events in the interval between the end of the quarter under review and 16 February 2024, being a date not earlier than 7 days from the date of issuance of the report.

A13. Commitments and contingent liabilities – unsecured

(a) Guarantees

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

The financial guarantees are as follows:

	<u>As at 31 December 2023</u>	<u>As at 31 December 2022</u>
Guarantees in respect of credit facilities granted to:		
– a joint venture	<u>3</u>	<u>3</u>
– plasma stakeholders	<u>117</u>	<u>146</u>
	<u>120</u>	<u>149</u>

EXPLANATORY NOTES ON THE QUARTERLY REPORT – 31 DECEMBER 2023

Amounts in RM million unless otherwise stated

A. EXPLANATORY NOTES PURSUANT TO MFRS 134 (CONTINUED)**A14. Effect of significant changes in the composition of the Group**Disposal of 100% equity interest in PT Ladangrumpun Suburabadi ("LSI") and PT Sajang Heulang ("SHE")

PT Anugerah Sumbermakmur ("ASM") and PT Minamas Gemilang ("MGG") (ASM and MGG collectively, "Sellers"), both wholly-owned indirect subsidiaries of Sime Darby Plantation Berhad ("SDP") had, on 31 July 2023, completed the disposal of the Sellers' cumulative 100% equity interest in LSI and SHE for a total cash consideration of IDR 1.88 trillion (equivalent to approximately RM571 million).

Details of the assets, liabilities and net cash flow arising from the disposal of the subsidiaries are as follows:

	As at the date of completion
Consideration received	571
Less: Incidental cost of disposal	-
Proceeds from disposal, net of transaction costs	571
Net assets/(liabilities) disposed	
- Property, plant and equipment	153
- Right of use assets	26
- Receivables	43
- Prepayments	- *
- Inventories	2
- Deferred tax assets	52
- Cash and cash equivalent	- *
- Payables	(6)
- Intangible assets	33
Net assets disposed	304
Gain on disposal of subsidiaries before reclassification of foreign currency translation reserve	267
Reclassification of foreign currency translation reserve	23
Gain on disposal of the subsidiaries	290
Consideration received, net of transaction costs	571
Less: Cash and cash equivalent in the subsidiaries	- *
Net cash inflow from disposal of the subsidiaries	571

*Less than 1 million

EXPLANATORY NOTES ON THE QUARTERLY REPORT – 31 DECEMBER 2023

Amounts in RM million unless otherwise stated

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

B1. Review of group performance

(a) Current quarter ended 31 December 2023 against the previous year corresponding quarter ended 31 December 2022

	Quarter ended 31 December		+/(–) %
	2023	2022	
Revenue	5,280	5,670	(7)
Segment results:			
Upstream Malaysia	93	62	50
Upstream Indonesia	132	460	(71)
Upstream PNG/SI	(27)	180	>(100)
Downstream	183	89	>100
Other operations	-	(2)	100
Recurring profit before interest and tax	381	789	(52)
Non-recurring transactions	55	(2)	>100
Profit before interest and tax	436	787	(45)
Finance income	6	4	
Finance costs	(47)	(48)	
Profit before tax	395	743	(47)
Tax expense	(151)	(133)	
Profit for the financial year	244	610	(60)
Perpetual Sukuk	(31)	(31)	
Non-controlling interests	(13)	(17)	
Profit after tax attributable to equity holders of the Company	200	562	(64)

For the quarter ended 31 December 2023, the Group registered a net profit of RM200 million, a decline from the previous corresponding quarter's RM562 million. This was due to lower recurring profits, which were mitigated by profits from non-recurring activities.

Finance costs reduced slightly in the quarter, driven by lower borrowings, despite higher interest rates due to the increase in benchmark lending rates. Average interest rate was 5.8% per annum, as compared to 4.3% per annum in the previous corresponding quarter.

The Group's effective tax rate for the quarter was 38% mainly due to the withholding tax paid on dividends from foreign subsidiaries.

EXPLANATORY NOTES ON THE QUARTERLY REPORT – 31 DECEMBER 2023

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B. EXPLANATORY NOTES PURSUANT TO PARAGRAPH 9.22 OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONTINUED)**B1. Review of group performance (continued)****(a) Current quarter ended 31 December 2023 against the previous year corresponding quarter ended 31 December 2022 (continued)**

An analysis of the results of each segment is as follows:

Upstream

The Upstream segment reported a recurring profit before interest and tax ("PBIT") of RM198 million, a decline from the previous corresponding quarter's profit of RM702 million. The major factors that contributed to the lower profits are:

- i) A decline in crude palm oil ("CPO") and palm kernel ("PK") average realised prices which were lower by 8% and 1%, respectively; and
- ii) Lower compensation from government acquisition and rental income.

The above adverse impact was mitigated by the 15% higher fresh fruit bunch ("FFB") production, driven by the strong recovery of Malaysian operations, and higher oil extraction rate ("OER") which increased from 20.92% to 21.32%.

Segment	CPO price realised (RM per MT)			FFB production (MT'000)		
	Quarter ended		+/(–)	Quarter ended		+/(–)
	31 December			31 December		
	2023	2022	%	2023	2022	%
Upstream Malaysia	3,895	4,560	(15)	1,254	865	45
Upstream Indonesia	3,315	3,410	(3)	675	728	(7)
Upstream PNG/SI	3,796	4,138	(8)	465	480	(3)
Total	3,688	4,005	(8)	2,394	2,073	15

Segment	PK price realised (RM per MT)			CPO Extraction Rate (%)		
	Quarter ended		+/(–)	Quarter ended		+/(–)
	31 December			31 December		
	2023	2022	%	2023	2022	pp
Upstream Malaysia	1,980	2,117	(6)	20.54	19.65	0.89
Upstream Indonesia	1,341	1,379	(3)	21.95	21.10	0.85
Upstream PNG/SI	-	-	-	22.28	22.69	(0.41)
Total	1,742	1,756	(1)	21.32	20.92	0.40

Downstream

The Downstream sector reported a higher PBIT of RM183 million in the current quarter as compared to RM89 million in the previous corresponding quarter, driven by higher margins and volume demand in the European operations. This mitigated the weaker results in the Asia Pacific bulk and differentiated refineries due to lower margins.

Other operations

Other operations from the Group's agribio and research units reported breakeven result in the current quarter.

Non-recurring transactions

Non-recurring profits for the current quarter mainly consist of gains on disposal of land in Malaysia.

EXPLANATORY NOTES ON THE QUARTERLY REPORT – 31 DECEMBER 2023

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

B1. Review of group performance (continued)

(b) The four quarters ended 31 December 2023 against the previous corresponding period's ended 31 December 2022

	Year ended 31 December		+ / (-) %
	2023	2022	
Revenue	18,428	21,030	(12)
Segment results:			
Upstream Malaysia	275	207	33
Upstream Indonesia	612	1,084	(44)
Upstream PNG/SI	266	1,117	(76)
Downstream	600	861	(30)
Other operations	47	55	(15)
Recurring profit before interest and tax	1,800	3,324	(46)
Non-recurring transactions	1,127	291	>100
Profit before interest and tax	2,927	3,615	(19)
Finance income	23	12	
Finance costs	(198)	(135)	
Profit before tax	2,752	3,492	(21)
Tax expense	(719)	(809)	
Profit for the financial year	2,033	2,683	(24)
Perpetual Sukuk	(124)	(124)	
Non-controlling interests	(49)	(71)	
Profit after tax attributable to equity holders of the Company	1,860	2,488	(25)

For the year ended 31 December 2023, the Group posted net earnings of RM1,860 million, 25% lower than the previous year, mainly due to lower recurring PBIT and higher finance costs, partially mitigated by the higher non-recurring PBIT.

Finance costs increased by 47% due to higher benchmark lending rates, but were partially mitigated by 6% lower average borrowings. Average interest rate was 5.4% per annum, as compared to 3.0% per annum in the previous corresponding period.

The Group's effective tax rate stood at 26% for the current period.

EXPLANATORY NOTES ON THE QUARTERLY REPORT – 31 DECEMBER 2023

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

B1. Review of group performance (continued)

(b) The four quarters ended 31 December 2023 against the previous corresponding period's ended 31 December 2022 (continued)

An analysis of the results of each segment is as follows:

Upstream

Upstream segment reported a PBIT of RM1,153 million for the year ended 31 December 2023, lower largely due to:

- i) lower CPO and PK average realised prices which declined by 15% and 35%, respectively; and
- ii) higher estate and mill operating costs, adversely affected by an increase in labour costs particularly in Malaysia where the Group is rehabilitating its operations.

The adverse impact was marginally compensated by the improvement in FFB production in the current year, driven by the recovery in Malaysia which increased by 6% year-on-year.

Segment	CPO price realised (RM per MT)			FFB production (MT'000)		
	Year ended		+/(–) %	Year ended		+/(–) %
	31 December			31 December		
	2023	2022		2023	2022	
Upstream Malaysia	4,012	4,472	(10)	4,149	3,513	18
Upstream Indonesia	3,328	3,558	(6)	2,685	2,781	(3)
Upstream PNG/SI	3,927	5,534	(29)	1,871	1,913	(2)
Total	3,772	4,456	(15)	8,705	8,207	6

Segment	PK price realised (RM per MT)			CPO Extraction Rate (%)		
	Year ended		+/(–) %	Year ended		+/(–) pp
	31 December			31 December		
	2023	2022		2023	2022	
Upstream Malaysia	2,003	3,170	(37)	20.40	19.99	0.41
Upstream Indonesia	1,373	2,069	(34)	21.66	21.32	0.34
Upstream PNG/SI	-	-	-	22.06	22.68	(0.62)
Total	1,751	2,689	(35)	21.18	21.10	0.08

Downstream

The Downstream segment reported a recurring PBIT of RM600 million compared to RM861 million in the previous year. Strong profits were recorded by the European refineries due to higher margins and sales volume whilst the Asia Pacific bulk and differentiated refineries were impacted by lower sales margins, and lower share of profits from a joint venture.

Other operations

Other operations from the Group's agribio and research units recorded lower PBIT.

Non-recurring transactions

The non-recurring profits comprised gains from land disposals in Malaysia and divestment of subsidiaries in Indonesia.

EXPLANATORY NOTES ON THE QUARTERLY REPORT – 31 DECEMBER 2023

Amounts in RM million unless otherwise stated

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

B2. Material changes in profit for the current quarter as compared with the immediate preceding quarter

	Quarter ended		+ / (-) %
	31 Dec 2023	30 Sep 2023	
Revenue	5,280	4,774	11
Segment results:			
Upstream Malaysia	93	228	(59)
Upstream Indonesia	132	212	(38)
Upstream PNG/SI	(27)	107	>(100)
Downstream	183	225	(19)
Other operations	-	13	(100)
Recurring profit before interest and tax	381	785	(51)
Non-recurring transactions	55	876	(94)
Profit before interest and tax	436	1,661	(74)
Finance income	6	10	
Finance costs	(47)	(50)	
Profit before tax	395	1,621	(76)
Tax expense	(151)	(362)	
Profit for the financial year	244	1,259	(81)
Perpetual Sukuk	(31)	(31)	
Non-controlling interests	(13)	(17)	
Profit after tax attributable to equity holders of the Company	200	1,211	(83)

The Group registered net earnings of RM200 million, a decline from RM1,211 million recorded in the preceding quarter, attributed to lower recurring and non-recurring profits.

Finance costs were 6% lower, due to 11% reduction in average borrowings.

The Group's effective tax rate for the quarter was 38% mainly due to the withholding tax paid on dividends from foreign subsidiaries.

EXPLANATORY NOTES ON THE QUARTERLY REPORT – 31 DECEMBER 2023

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

B2. Material changes in profit for the current quarter as compared with the immediate preceding quarter (continued)

An analysis of the results of each segment is as follows:

Upstream

Recurring PBIT for the Upstream segment decreased to RM198 million from the preceding quarter profit of RM547 million. Major factors contributing to the lower profits:

- i) A decline in the CPO average realised prices which were lower by 2%;
- ii) A 2% lower FFB production from the preceding quarter, attributed to Indonesia; and
- iii) Higher costs due to increased manuring activities in all countries and higher labour headcount in Malaysia.

The above adverse impact was mitigated by the higher OER which increased from 21.12% to 21.32%.

Segment	CPO price realised (RM per MT)			FFB production (MT'000)		
	Quarter ended		+/(–)	Quarter ended		+/(–)
	Dec 2023	Sep 2023	%	Dec 2023	Sep 2023	%
Upstream Malaysia	3,895	3,993	(2)	1,254	1,240	1
Upstream Indonesia	3,315	3,319	(0)	675	766	(12)
Upstream PNG/SI	3,796	3,965	(4)	465	447	4
Total	3,688	3,777	(2)	2,394	2,453	(2)

Segment	PK price realised (RM per MT)			CPO Extraction Rate (%)		
	Quarter ended		+/(–)	Quarter ended		+/(–)
	Dec 2023	Sep 2023	%	Dec 2023	Sep 2023	pp
Upstream Malaysia	1,980	2,013	(2)	20.54	20.48	0.06
Upstream Indonesia	1,341	1,280	5	21.95	21.77	0.18
Upstream PNG/SI	-	-	-	22.28	21.71	0.57
Total	1,742	1,721	1	21.32	21.12	0.20

Downstream

The Downstream segment's recurring PBIT declined by 19% to RM183 million, mainly due to weaker profits from all segments due to lower sales margins and sales volumes as compared to the preceding quarter.

Other operations

Other operations from the Group's agribio and research units reported breakeven result in the current quarter.

Non-recurring transactions

Non-recurring profits for the current quarter mainly consist of gains on disposal of land in Malaysia.

EXPLANATORY NOTES ON THE QUARTERLY REPORT – 31 DECEMBER 2023

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

B3. Prospects

CPO demand is expected to remain steady in the longer term though seasonally high stockpiles in key destination countries may impact short-term demand. The Group is also cognisant of continued geopolitical risks and predictions of moderating global economic growth, which may impact demand.

Unpredictable weather conditions are likely to raise supply concerns for vegetable oils globally. This in turn is anticipated to provide favourable support for CPO prices in 2024.

With the improved labour situation and rehabilitation of its Malaysian upstream operations, the Group is optimistic that its FFB production growth will sustain in 2024. Whilst it continues its operational improvement efforts, the Group also actively seeks strategic collaborative opportunities to advocate for positive change in the industry.

Barring any unforeseen circumstances, the Group remains positive as it looks ahead to another satisfactory performance in FY2024.

B4. Variance of actual profit from profit forecast or profit guarantee

There was no profit forecast or profit guarantee issued during the quarter under review.

B5. Operating profit and finance costs

Included in the operating profit are:

	Quarter ended		Year ended	
	31 December		31 December	
	2023	2022	2023	2022
Depreciation and amortisation	(375)	(358)	(1,431)	(1,373)
Unrealised fair value (losses)/gains				
– commodities contracts	(31)	(136)	(79)	116
– forward foreign exchange contracts	6	39	(4)	(25)
Gain on disposals of:				
– property, plant and equipment	51	77	62	93
– non-current assets held for sale	-	-	1,093	276
– a former subsidiary	-	54	-	54
Net of impairment of:				
– amount due from joint venture	-	(8)	-	(8)
– property, plant and equipment	(15)	(2)	(32)	(6)
– joint venture	-	(25)	-	(25)
– trade and other receivables	(6)	(1)	(5)	(6)
– advances for plasma plantation projects	-	(4)	(1)	(4)
Unrealised foreign exchange gains/(losses)	5	93	(40)	77
Write back/(Write down) of inventories	13	76	(6)	(9)
Reversal of write off/(Write off) of:				
– property, plant and equipment	(9)	(1)	(18)	(19)
– intangible assets	- *	-	(1)	-
– inventories	(3)	(2)	(4)	(2)
– trade and other receivables	-	(1)	- *	(1)

* Less than 1 million.

EXPLANATORY NOTES ON THE QUARTERLY REPORT – 31 DECEMBER 2023

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B. EXPLANATORY NOTES PURSUANT TO PARAGRAPH 9.22 OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONTINUED)**B6. Tax expense**

	Quarter ended 31 December		Year ended 31 December	
	2023	2022	2023	2022
In respect of current financial year:				
– current tax	203	172	862	924
– deferred tax	(58)	(9)	(155)	(90)
	145	163	707	834
In respect of prior financial year:				
– current tax	6	(30)	12	(25)
Tax expenses	151	133	719	809

For the quarter ended 31 December 2023, the Group reported a total tax expense of RM151 million on the back of a profit before tax from operations of RM395 million. The higher effective tax rate of 38% was mainly due to the withholding tax paid on dividends from foreign subsidiaries.

For the year ended 31 December 2023, an effective tax rate of 26% was recorded, with total tax expense of RM719 million on the back of profit before tax of RM2.75 billion.

B7. Status of announced corporate proposals

There are no corporate proposals announced but not completed as at 22 February 2024.

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

B8. Borrowings and debt securities

Borrowings of the Group as at 31 December 2023 are as follows:

	Secured	Unsecured	Total
Long-term			
Term loans	-	2,374	2,374
Revolving credits-i	-	710	710
Bonds	-	513	513
Unamortised deferred financing expenses	-	(15)	(15)
	-	3,582	3,582
Short-term			
Term loans	-	74	74
Revolving credits	-	716	716
Revolving credits-i		915	915
Trade facilities	- *	-	- *
Unamortised deferred financing expenses	-	(4)	(4)
	-	1,701	1,701
Total	-	5,283	5,283
Borrowings of the Group consist of:			
– principal	- *	5,302	5,302
– unamortised deferred financing expenses	-	(19)	(19)
	-	5,283	5,283

Borrowings of the Group in RM equivalent analysed by currencies in which they are denominated are as follows:

	Long-term	Short-term	Total
European Union Euro	513	- *	513
Ringgit Malaysia	2,207	280	2,487
United States Dollar	862	1,421	2,283
	3,582	1,701	5,283

* Less than 1 million

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

B9. Derivatives

The Group uses forward foreign exchange contracts, commodity forward and futures contracts to manage its exposure to various financial risks.

The fair values of these derivatives as at 31 December 2023 are as follows:

	Classification in Statement of Financial Position				Net fair value
	Assets		Liabilities		
	Non-current	Current	Non-current	Current	
Forward foreign exchange contracts	-	11	-	14	(3)
Commodities contracts	-	23	-	5	18
	-	34	-	19	15

The description, notional amount and maturity profile of each derivative are as follows:

Forward foreign exchange contracts

Forward foreign exchange contracts were entered into by subsidiaries in currencies other than their functional currencies in order to manage exposure to fluctuations in foreign currency exchange rates on specific transactions.

The forward foreign currency contracts are stated at fair value, using the prevailing market rates. All changes in fair value of the forward foreign currency contracts are recognised in the statement of other comprehensive income unless it does not meet the conditions for the application of hedge accounting, in which case, the changes to the fair value of the derivatives are taken to profit or loss.

As at 31 December 2023, the notional amount, fair value and maturity tenor of the forward foreign exchange contracts are as follows:

Maturity tenor	Notional amount	Net fair value liabilities
Less than 1 year	1,363	(3)

Commodities contracts

Commodity forward, futures contracts and options were entered into by the Group to manage exposure to adverse movements in crude palm oil prices. Certain contracts are entered into and continue to be held for the purpose of the receipt or delivery of the physical commodity in accordance with the Group's expected purchase, sale or usage requirements, except for those contracts below.

The outstanding contracts as at 31 December 2023 that were not held for the purpose of physical delivery are as follows:

	Quantity (metric tonne)	Notional amount	Net fair value assets/ (liabilities)
Less than 1 year:			
– Purchase contracts	59,094	208	23
– Sale contracts	93,646	431	(5)
			18

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

B10. Material litigation

Save as disclosed below, there were no pending material litigations against the Group which might materially and adversely affect the Group's financial position.

(a) **New Britain Palm Oil Limited ("NBPOL") v. Masile Incorporated Land Group ("Masile"), NBPOL v. Rikau Incorporated Land Group ("Rikau") & NBPOL v. Meloks Incorporated Land Group ("Meloks") (collectively, "Defendants")**

NBPOL, a wholly-owned subsidiary of SDP, had on 31 August 2011 initiated 3 separate legal actions against the Defendants in the National Court of Justice at Waigani, Papua New Guinea (Court). All 3 actions relate to the same cause of action whereby the Defendants had defaulted in their obligations to surrender their Special Agricultural Business Leases (SABL) to NBPOL for registration of the sub-leases despite having received benefits from NBPOL under the sub-lease agreements (SLA). Such benefits received by the Defendants include rental paid by NBPOL for 3,720 Ha of land under the SABL (Land), royalties for the FFB harvested from the Land, and 31,250 ordinary shares in NBPOL respectively issued to each of the Defendants.

On 25 June 2018, the Court rendered its decision on NBPOL's claims against Meloks in NBPOL's favour. In its decision, the Court declared the SLA entered into between NBPOL and Meloks to be valid and an order of specific performance was made against Meloks to deliver the SABL to NBPOL and to do all acts and things necessary to enable NBPOL to register the SLA entered into between NBPOL and Meloks. On 10 October 2018, Meloks surrendered the SABL to NBPOL. However, in view that Meloks had laminated the SABL, Meloks had to execute an application for the official copy of the SABL which NBPOL lodged with the registrar of titles together with NBPOL's application for registration of the SLA. The laminated plastic has since dislodged from Melok's SABL. However, NBPOL and Meloks are in the process of executing a new SLA to facilitate the registration of the SLA as the date of the SLA has to be the same or after the date of the SABL.

Masile and Rikau were considering whether to continue defending against NBPOL's claims in view of the Court's decision on the trial relating to NBPOL's claims against Meloks or to conclude on the same basis as Meloks given that the facts, issues and evidences are similar. Parties then agreed to enter into Consent Court Orders (CCOs) on terms similar to the order made in respect of Meloks and the CCOs were formally endorsed by the Court on 15 December 2020. Masile and Rikau surrendered their respective SABLs to NBPOL on 30 July 2020. However, the SABL received from Masile was laminated whilst the SABL received from Rikau is a copy and therefore NBPOL had to obtain the official copy of the SABLs and compile the relevant documents (including execution of new SLAs) before it could proceed with the registration of the SLAs. The issues related to the lamination of Masile's SABL and obtaining an official copy of Rikau's SABL as stated above have been resolved.

The Defendants have affirmed their intention to re-execute the SLAs with NBPOL. The SLAs have been reviewed by NBPOL's lawyers and based on NBPOL's meeting with the Defendants on 12 February 2024 the Defendants have reaffirmed their willingness to execute the revised SLAs. NBPOL is preparing the documentation affirming the outcome of the meeting on 12 February 2024 and execution of the revised SLAs.

(b) **Chantico Ship Management Ltd ("Chantico") vs. Sime Darby Oils Zwijndrecht Refinery B.V. (formerly known as Sime Darby Unimills B.V.) ("SDOZR")**

SDOZR, an indirect wholly-owned subsidiary of SDP, is involved in litigation in respect of a vessel known as the mv Geraki (formerly known as mv Cap Thanos). This vessel was carrying vegetable oils for 9 different cargo owners (7 European cargo owners including SDOZR, and 2 Algerian cargo owners). The percentage of SDOZR's cargo on board was about 14.4%. The vessel was auctioned and in April 2011 was sold to Chantico. All cargo were eventually discharged in April/May 2013. Beginning in 2012, Chantico started various proceedings against the cargo owners.

EXPLANATORY NOTES ON THE QUARTERLY REPORT – 31 DECEMBER 2023

Amounts in RM million unless otherwise stated

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

B10. Material litigation (continued)

Save as disclosed below, there were no pending material litigations against the Group which might materially and adversely affect the Group's financial position. (continued)

(b) Chantico Ship Management Ltd ("Chantico") vs. Sime Darby Oils Zwijsdrecht Refinery B.V. (formerly known as Sime Darby Unimills B.V.) ("SDOZR") (continued)

The following two lawsuits proceeded to trial:

(i) Proceedings before the Court of Piraeus which started in October 2014 ("Lawsuit 1")

The claims by Chantico are based on alleged actions in tort (i.e. alleged delay of discharge of cargo) and the current total amount claimed from all 9 cargo owners, jointly and severally, is EUR6 million (approximately RM30.8 million). The hearing for Lawsuit 1 concluded on 25 September 2018.

(ii) Proceedings before the Court of Piraeus which started in December 2015 ("Lawsuit 2")

The claim in these proceedings is based on the alleged damage to the vessel and loss of profit caused by the alleged actions in tort during transshipment and heating of the cargo. The claim against the 9 cargo owners and the third party, jointly and severally, amounts to EUR9.3 million (approximately RM47.7 million) and an additional claim was filed against all cargo owners, jointly and severally, of EUR380,000 (approximately RM1.9 million) for port and anchorage dues. The hearing for Lawsuit 2 concluded on 25 September 2018.

On 25 November 2020 the Court of Piraeus rendered its judgement dismissing all of Chantico's claims in Lawsuit 1 and Lawsuit 2. Chantico appealed to the Piraeus Court of Appeal and the appeals for Lawsuit 1 and Lawsuit 2 were heard on 17 November 2022. On 29 January 2024, SDOZR was informed that the Piraeus Court of Appeal dismissed Chantico's appeal in both Lawsuit 1 and Lawsuit 2. The judgment of the Piraeus Court of Appeal is subject to appeal to the Supreme Court on issues of law only and the time limit to file an appeal is 60 days from the date of service of the judgment on Chantico. SDOZR's Greek lawyer will be serving the judgment of the Piraeus Court of Appeal on Chantico as soon as possible. SDOZR's Greek lawyer estimates the exposure of SDOZR (and all of the other 8 cargo owners, jointly and severally) at EUR2.1 million (approximately RM10.8 million) for Lawsuit 1 and EUR145,000 (approximately RM0.7 million) for Lawsuit 2, all amounts inclusive of interest. As at this juncture, adequate provision has been made.

EXPLANATORY NOTES ON THE QUARTERLY REPORT – 31 DECEMBER 2023

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B. EXPLANATORY NOTES PURSUANT TO PARAGRAPH 9.22 OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONTINUED)**B11. Dividend**

The Board has declared a final single tier dividend of 6.05 sen per share in respect of the financial year ended 31 December 2023 ("Final Dividend"). Together with the interim dividend of 3.25 sen per share and special interim dividend of 5.70 sen per share paid on 17 November 2023 and 24 January 2024, respectively this would translate into a single tier dividend of 15.00 sen per share for the financial year ended 31 December 2023.

The Final Dividend is not taxable in the hands of the shareholders pursuant to the paragraph 12B of Schedule 6 of the Income Tax Act 1967 will be paid on 20 May 2024 and the entitlement date for the dividend payment is 6 May 2024.

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

- (i) shares deposited into the depositor's securities account before 12.30 p.m. on 3 May 2024 in respect of shares which are exempted from mandatory deposit;
- (ii) shares transferred into the depositor's securities account before 4.30 p.m. on 6 May 2024 in respect of transfers; and
- (iii) shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

The dividends for the financial year ended 31 December 2023 are as follows:

	Year ended 31 December 2023		Year ended 31 December 2022	
	Net per share (sen)	RM'million	Net per share (sen)	RM'million
Interim dividend	3.25	225	10.00	692
Special interim dividend	5.70	394	-	-
Final dividend	6.05	418	6.04	418
	15.00	1,037	16.04	1,110

B12. Earnings per share

Basic earnings per share attributable to equity holders of the Company are computed as follows:

	Quarter ended 31 December		Year ended 31 December	
	2023	2022	2023	2022
Profit for the financial year	200	562	1,860	2,488
Weighted average number of ordinary shares in issue (million units)	6,916	6,916	6,916	6,916
Basic earnings per share (sen)	2.9	8.1	26.9	36.0

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.

By Order of the Board

Petaling Jaya
22 February 2024

Azrin Nashiha Abdul Aziz
Group Secretary