



QUARTERLY REPORT

On the consolidated results for the third quarter ended 30 September 2024

The Directors are pleased to announce the following:

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Amounts in RM million unless otherwise stated

		Quarter ended 30 September		%	Three quarters ended 30 September		%
	Note	2024	2023	+ / (-)	2024	2023	+ / (-)
Revenue	A8, A9	5,267	4,774	10	14,574	13,148	11
Operating expenses		(4,567)	(4,040)		(12,882)	(11,890)	
Other operating income		425	942		493	1,330	
Other gains/(losses)		21	(31)		(29)	(122)	
Operating profit	B5, A9	1,146	1,645	(30)	2,156	2,466	(13)
Share of results of joint ventures		4	16		(3)	24	
Share of results of associates		1	-	*	3	1	
Profit before interest and tax	A9	1,151	1,661	(31)	2,156	2,491	(13)
Finance income		6	10		19	17	
Finance costs		(38)	(50)		(115)	(151)	
Profit before tax		1,119	1,621	(31)	2,060	2,357	(13)
Tax expense	B6	(304)	(362)		(533)	(568)	
Profit for the financial period		815	1,259	(35)	1,527	1,789	(15)

Profit for the financial period attributable to:

– equity holders of the Company	766	1,211	(37)	1,392	1,660	(16)
– Perpetual Sukuk	31	31		93	93	
– non-controlling interests	18	17		42	36	
	815	1,259	(35)	1,527	1,789	(15)

Basic earnings per share attributable to equity holders of the Company:

Basic (sen)	B12	11.1	17.5	(37)	20.1	24.0	(16)
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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 2023.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Amounts in RM million unless otherwise stated

	Quarter ended 30 September		%	Three quarters ended 30 September		%
	2024	2023	+ / (-)	2024	2023	+ / (-)
Profit for the financial period	815	1,259	(35)	1,527	1,789	(15)
Other comprehensive (loss)/income:						
Items that will be reclassified subsequently to profit or loss:						
Currency translation differences (losses)/gains:						
– subsidiaries	(1,239)	(145)		(1,328)	765	
– joint ventures and associates	(49)	(10)		(48)	17	
Cash flow hedge						
– changes in fair value	15	52		8	109	
– transfers to profit or loss	(2)	(28)		(10)	(78)	
Tax (expense)/credit relating to components of other comprehensive (loss)/income	(4)	(19)		- *	(8)	
	(1,279)	(150)		(1,378)	805	
Items that will be not reclassified subsequently to profit or loss:						
Actuarial gain on defined benefit pension plans	-	2		2	11	
Investments at fair value through other comprehensive income ("FVOCI"):						
– changes in fair value	- *	- *		- *	- *	
Share of other comprehensive income of joint ventures	-	-		-	1	
Tax expense relating to components of other comprehensive (loss)/income	-	- *		- *	(2)	
	- *	2		2	10	
Total other comprehensive (loss)/income for the financial period	(1,279)	(148)		(1,376)	815	
Total other comprehensive (loss)/income for the financial period	(464)	1,111		151	2,604	
Total other comprehensive (loss)/income for the financial period attributable to:						
– equity holders of the Company	(491)	1,067	>(100)	48	2,449	(98)
– Perpetual Sukuk	31	31	-	93	93	-
– non-controlling interests	(4)	13	>(100)	10	62	(84)
Total	(464)	1,111	>(100)	151	2,604	(94)

* 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 2023.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
Amounts in RM million unless otherwise stated

		Unaudited	Audited
		As at	As at
	Note	30 September	31 December
		2024	2023
Non-current assets			
Property, plant and equipment		18,650	19,145
Investment properties		8	8
Right-of-use assets		1,914	2,061
Joint ventures		370	416
Associates		51	52
Intangible assets		2,772	3,055
Investments at fair value through other comprehensive income ("FVOCI")		23	23
Deferred tax assets		414	443
Tax recoverable		202	251
Trade and other receivables		58	58
		24,462	25,512
Current assets			
Inventories		2,542	2,664
Biological assets		234	175
Trade and other receivables		2,664	2,207
Tax recoverable		269	298
Amounts due from related parties		— *	— *
Derivatives	B9	39	34
Bank balances, deposits and cash		605	830
		6,353	6,208
Non-current assets held for sale ⁽¹⁾		132	166
Total assets	A9	30,947	31,886
Equity			
Share capital		1,634	1,634
Reserves		15,416	16,108
Attributable to equity holders of the Company		17,050	17,742
Perpetual Sukuk		2,200	2,231
Non-controlling interests		431	433
Total equity		19,681	20,406

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

Amounts in RM million unless otherwise stated

		Unaudited As at 30 September 2024	Audited As at 31 December 2023
Non-current liabilities	Note		
Retirement benefits		189	191
Deferred income		– *	– *
Deferred tax liabilities		2,567	2,654
Borrowings	B8	3,391	3,582
Lease liabilities		168	194
Trade and other payables		56	57
		6,371	6,678
Current liabilities			
Trade and other payables		2,366	2,384
Contract liabilities		97	24
Amounts due to related parties		13	14
Retirement benefits		19	20
Lease liabilities		24	26
Tax payable		87	208
Derivatives	B9	18	19
Borrowings	B8	1,940	1,701
Dividend payable		322	394
		4,886	4,790
Liabilities directly associated with non-current assets held for sale ⁽²⁾		9	12
Total liabilities		11,266	11,480
Total equity and liabilities		30,947	31,886
Net assets per share attributable to equity holders of the Company (RM)		2.47	2.57
Note:			
⁽¹⁾ Non-current assets held for sale			
Non-current assets held for sale			
– property, plant and equipment		12	15
Disposal group held for sale			
– property, plant and equipment		99	112
– right of use assets		1	1
– tax assets		10	17
– receivables		4	7
– bank balances		1	– *
– other assets		5	14
		132	166
⁽²⁾ Liabilities directly associated with non-current assets held for sale			
Disposal group held for sale			
– payables		4	7
– retirement benefits		5	5
– other liabilities		– *	– *
		9	12

* 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 2023.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
Amounts in RM million unless otherwise stated

	<u>Attributable to equity holders of the Company</u>								Perpetual Sukuk	Non-controlling interests	Total equity
	Share capital	Capital reserve	Hedging reserve	Merger reserve	Investments at FVOCI reserve	Exchange reserve	Retained profits	Total			
Three quarters ended 30 September 2024											
At 1 January 2024	1,634	9	8	(18)	21	1,284	14,804	17,742	2,231	433	20,406
Profit for the financial period	–	–	–	–	–	–	1,392	1,392	93	42	1,527
Other comprehensive (loss)/income for the financial period	–	–	(3)	–	–	(1,344)	3	(1,344)	–	(32)	(1,376)
Total comprehensive (loss)/income for the financial period	–	–	(3)	–	–	(1,344)	1,395	48	93	10	151
Transactions with equity holders:											
Dividends	–	–	–	–	–	–	(740)	(740)	–	(12)	(752)
Distribution to Perpetual Sukuk holders	–	–	–	–	–	–	–	–	(124)	–	(124)
At 30 September 2024	1,634	9	5	(18)	21	(60)	15,459	17,050	2,200	431	19,681

	<u>Attributable to equity holders of the Company</u>								Perpetual Sukuk	Non-controlling interests	Total equity
	Share capital	Capital reserve	Hedging reserve	Merger reserve	Investments at FVOCI reserve	Exchange reserve	Retained profits	Total			
Three quarters ended 30 September 2023											
At 1 January 2023	1,634	9	10	(18)	20	716	13,996	16,367	2,231	418	19,016
Profit for the financial period	–	–	–	–	–	–	1,660	1,660	93	36	1,789
Other comprehensive income for the financial period	–	–	21	–	–	781	10	812	–	26	838
Disposal of subsidiaries	–	–	–	–	–	(23)	–	(23)	–	–	(23)
Total comprehensive income for the financial period	–	–	21	–	–	758	1,670	2,449	93	62	2,604
Transactions with equity holders:											
Dividends	–	–	–	–	–	–	(643)	(643)	–	(38)	(681)
Distribution to Perpetual Sukuk holders	–	–	–	–	–	–	–	–	(124)	–	(124)
At 30 September 2023	1,634	9	31	(18)	20	1,474	15,023	18,173	2,200	442	20,815

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 2023.

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

	Note	Three quarters ended 30 September	
		2024	2023
Cash flows from operating activities			
Profit for the financial period		1,527	1,789
Adjustments for:			
Share of results of joint ventures and associates		– *	(25)
Finance income		(19)	(17)
Finance costs		115	151
Gain on disposal of:			
– property, plant and equipment	B5	(17)	(11)
– non-current assets held for sale	B5	(390)	(1,093)
Depreciation and amortisation	B5	1,082	1,056
Unrealised fair value losses/(gains)			
– commodities contracts	B5	4	48
– forward foreign exchange contracts	B5	(6)	10
Unrealised foreign exchange (gains)/losses	B5	(18)	45
Tax expense	B6	533	568
Fair value changes on biological assets		(82)	(14)
Retirement benefits		30	36
Net of impairment/(reversal) of:			
– property, plant and equipment	B5	25	17
– non-current assets held for sale	B5	13	–
– advances for plasma plantation projects	B5	2	1
– trade and other receivables	B5	(4)	(1)
Write off of:			
– inventories	B5	– *	1
– trade and other receivables	B5	(1)	– *
– property, plant and equipment	B5	13	9
– intangible assets	B5	–	1
Write-down of inventories	B5	2	19
Dividend income from other investments		(2)	(3)
		2,807	2,587
Changes in working capital:			
Inventories		(76)	(245)
Trade and other receivables		(674)	498
Trade and other payables		57	(502)
Related party balances		(1)	– *
Cash generated from operations		2,113	2,338
Tax paid		(459)	(689)
Retirement benefits paid		(25)	(28)
Net cash generated from operating activities		1,629	1,621
Cash flows from investing activities			
Finance income received		19	17
Purchase of:			
– property, plant and equipment		(1,366)	(1,390)
– intangible assets		(26)	(9)
Advances for plasma plantation projects		(1)	(1)
Proceeds from sale of:			
– property, plant and equipment		28	12
– non-current assets held for sale		393	1,387
Dividend received from:			
– other investments		2	3
– an associate		1	9
Net cash (used in)/generated from investing activities		(950)	28

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

		Three quarters ended 30 September	
	Note	2024	2023
Cash flows from financing activities			
Distribution to Perpetual Sukuk holders		(124)	(124)
Finance costs paid		(222)	(247)
Loans raised		3,965	3,720
Loan repayments		(3,672)	(4,429)
Repayment of lease liabilities		(37)	(37)
Dividends paid to shareholders		(812)	(418)
Dividends paid to non-controlling interests of subsidiaries		(12)	(35)
Net cash used in financing activities		(914)	(1,570)
Net changes in cash and cash equivalents during the financial period		(235)	79
Foreign exchange difference		10	(12)
Cash and cash equivalents at beginning of the financial period		830	635
Cash and cash equivalents at end of the financial period		605	702

* 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 2023.

EXPLANATORY NOTES ON THE QUARTERLY REPORT – 30 SEPTEMBER 2024

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 2023.

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 2023 except as described below.

(a) Accounting pronouncements that are effective and have been 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 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.

(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 2025

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

The amendments listed above are not expected to have any significant effect on the financial statements.

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 – 30 SEPTEMBER 2024
Amounts in RM million unless otherwise stated

A. EXPLANATORY NOTES PURSUANT TO MFRS 134 (CONTINUED)

A7. Dividends paid

No dividend was paid during the quarter under review.

A8. Revenue

The Group derived the following types of revenue:

	Note	Three quarters ended 30 September	
		2024	2023
Revenue from contracts with customers	A8(a)	14,552	13,124
Revenue from other sources	A8(b)	22	24
Total revenue		14,574	13,148
(a) Disaggregation of revenue from contracts with customers			
Upstream			
– Malaysia		623	719
– Indonesia		687	755
– Papua New Guinea and Solomon Islands ("PNG/SI")		207	134
Downstream		12,941	11,410
Other operations		94	106
		14,552	13,124
Sales of palm based products, other refined edible oils, rubber, sugar, beef and other agricultural products		14,371	12,850
Freight services		142	231
Tolling services		39	43
		14,552	13,124
Timing of revenue recognition			
– at point in time		14,371	12,850
– over time		181	274
		14,552	13,124
(b) Revenue from other sources			
Dividend (gross) received/receivable from investments		2	3
Rental income		20	21
		22	24

(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 30 September 2024:

	<u>Expected timing of recognition</u> During the quarter ending 31 December 2024
Freight income	97

EXPLANATORY NOTES ON THE QUARTERLY REPORT – 30 SEPTEMBER 2024

Amounts in RM million unless otherwise stated

A. EXPLANATORY NOTES PURSUANT TO MFRS 134 (CONTINUED)

A9. Segment information

Three quarters ended 30 September 2024

Segment revenue:

	Upstream Malaysia	Upstream Indonesia	Upstream PNG/SI	Downstream	Other operations	Inter- segment elimination	Total
External sales	642	687	208	12,943	94	–	14,574
Inter-segment sales	2,876	867	1,835	362	377	(6,317)	–
Total revenue	3,518	1,554	2,043	13,305	471	(6,317)	14,574

Segment results:

Operating profit:

– recurring activities	696	390	249	477	(15)	–	1,797
– non-recurring transactions	376	(13)	–	–	(4)	–	359
Share of results of joint ventures and associates	–	–	–	(1)	1	–	– *
Profit before interest and tax	1,072	377	249	476	(18)	–	2,156

Three quarters ended 30 September 2023

Segment revenue:

	Upstream Malaysia	Upstream Indonesia	Upstream PNG/SI	Downstream	Other operations	Inter- segment elimination	Total
External sales	741	755	134	11,412	106	–	13,148
Inter-segment sales	2,160	1,049	2,234	255	502	(6,200)	–
Total revenue	2,901	1,804	2,368	11,667	608	(6,200)	13,148

Segment results:

Operating profit:

– recurring activities	182	480	293	393	46	–	1,394
– non-recurring transactions	794	278	–	–	–	–	1,072
Share of results of joint ventures and associates	–	–	–	24	1	–	25
Profit before interest and tax	976	758	293	417	47	–	2,491

* Less than 1 million

EXPLANATORY NOTES ON THE QUARTERLY REPORT – 30 SEPTEMBER 2024

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 30 September 2024							
Segment assets:							
Operating assets	10,734	5,522	6,987	5,979	287	–	29,509
Joint ventures and associates	–	–	–	383	38	–	421
Non-current assets held for sale	12	110	–	–	–	–	122
	10,746	5,632	6,987	6,362	325	–	30,052
Tax assets							885
Tax assets from non-current assets held for sale							10
Total assets							30,947
	Upstream Malaysia	Upstream Indonesia	Upstream PNG/SI	Downstream	Other operations	Inter- segment elimination	Total
As at 30 September 2023							
Segment assets:							
Operating assets	10,369	5,786	8,186	5,985	328	–	30,654
Joint ventures and associates	–	–	–	422	37	–	459
Non-current assets held for sale	7	134	–	–	–	–	141
	10,376	5,920	8,186	6,407	365	–	31,254
Tax assets							1,002
Tax assets from non-current assets held for sale							16
Total assets							32,272

EXPLANATORY NOTES ON THE QUARTERLY REPORT – 30 SEPTEMBER 2024

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:

	As at 30 September 2024	As at 31 December 2023
Contracted		
– property, plant and equipment	707	723

A11. Significant related party transactions

Significant related party transactions conducted were as follows:

	Three quarters ended 30 September 2024	2023
(a) Transactions with joint venture and associates		
(i) Sale of goods		
– Rizhao Sime Darby Oils & Fats Co. Ltd.	– *	2
(ii) Purchase of latex concentrate		
– Muang Mai Guthrie Public Company Limited	1	1
(iii) Purchase of palm oil		
– Thai Eastern Trat Company Limited	63	61
(b) Transactions with related parties		

Permodalan Nasional Berhad ("PNB") and the fund managed by its subsidiary, Amanah Saham Nasional Berhad, together owns 54.982% as at 30 September 2024 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:

	Three quarters ended 30 September 2024	2023
(i) Purchase of heavy equipment, spare parts and services		
– Sime Darby Industrial Sdn Bhd	15	13
– Kubota Malaysia Sdn Bhd	17	12
(ii) Purchase of motor vehicle, spare part and maintenance		
– Sime Darby Auto ConneXion Sdn Bhd	– *	1
(iii) Lease of agricultural land		
– Kumpulan Sime Darby Berhad	9	9
(iv) Rental expenses		
– Sime Darby Property Group	11	6
– Sime Darby Rent-A-Car Sdn Bhd	1	1
(d) Transactions entered into with person connected to a director		
(i) Purchase of heavy equipment, spare part and services		
– Datuk Mohd Anwar Yahya	1	4

* Less than RM500,000.

EXPLANATORY NOTES ON THE QUARTERLY REPORT – 30 SEPTEMBER 2024

Amounts in RM million unless otherwise stated

A. EXPLANATORY NOTES PURSUANT TO MFRS 134 (CONTINUED)**A12. Material events subsequent to the end of the financial period**

On 4 November 2024, SD Guthrie Berhad (SD Guthrie) and AME Elite Consortium Berhad (AME Elite), through its wholly owned subsidiary AME Industrial Park Sdn. Bhd. (AME Industrial Park), signed a Memorandum of Understanding, to jointly develop a green industrial park within the Johor-Singapore Special Economic Zone (JS-SEZ) on 641 acres of prime land in the Group's Kulai estate in Johor, which will also include a dedicated solar park to provide the industrial park with green energy.

Other than the above, there were no material events in the interval between the end of the quarter under review and 14 November 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:

	As at 30 September 2024	As at 31 December 2023
Guarantees in respect of credit facilities granted to:		
– a joint venture	2	3
– plasma stakeholders	97	117
	99	120

EXPLANATORY NOTES ON THE QUARTERLY REPORT – 30 SEPTEMBER 2024

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 30 September 2024 against the previous year corresponding quarter ended 30 September 2023

	Quarter ended 30 September		+/(–)
	2024	2023	%
Revenue	5,267	4,774	10
Segment results:			
Upstream Malaysia	372	228	63
Upstream Indonesia	199	212	(6)
Upstream PNG/SI	75	107	(30)
Downstream	130	225	(42)
Other operations	(11)	13	>(100)
Recurring profit before interest and tax	765	785	(3)
Non-recurring transactions	386	876	
Profit before interest and tax	1,151	1,661	(31)
Finance income	6	10	
Finance costs	(38)	(50)	
Profit before tax	1,119	1,621	(31)
Tax expense	(304)	(362)	
Profit for the financial period	815	1,259	(35)
Perpetual Sukuk	(31)	(31)	
Non-controlling interests	(18)	(17)	
Profit after tax attributable to equity holders of the Company	766	1,211	(37)

For the quarter ended 30 September 2024, the Group registered a net profit of RM766 million, a decline of 37% from the previous corresponding quarter's profit of RM1,211 million. This was mainly due to lower profits from the Downstream segment and non-recurring transactions, mitigated by stronger performance from the Upstream segment.

Finance costs reduced by 24% in the quarter, largely due to lower borrowings and lower average interest rate which declined to 5.3% per annum from 5.6% per annum in the previous corresponding quarter.

The Group's effective tax rate for the quarter was 27%.

EXPLANATORY NOTES ON THE QUARTERLY REPORT – 30 SEPTEMBER 2024

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)

B1. Review of group performance (continued)

(a) Current quarter ended 30 September 2024 against the previous year corresponding quarter ended 30 September 2023 (continued)

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

Upstream

The Upstream segment's recurring profit before interest and tax ("PBIT") rose by 18% to RM646 million in the current quarter, primarily due to higher crude palm oil ("CPO") and palm kernel ("PK") average realised prices by 5% and 42%, respectively. This compensated for the decline in the fresh fruit bunch ("FFB") production by 7% to 2.30 million MT and lower oil extraction rate ("OER") which reduced from 21.12% to 20.85%.

Segment	CPO price realised (RM per MT)			FFB production (MT'000)		
	Quarter ended		+/(–)	Quarter ended		+/(–)
	30 September			30 September		
	2024	2023	%	2024	2023	%
Upstream Malaysia	4,053	3,993	2	1,323	1,240	7
Upstream Indonesia	3,721	3,319	12	573	766	(25)
Upstream PNG/SI	3,949	3,965	(0)	392	447	(12)
Group	3,949	3,777	5	2,288	2,453	(7)

Segment	PK price realised (RM per MT)			CPO Extraction Rate (%)		
	Quarter ended		+/(–)	Quarter ended		+/(–)
	30 September			30 September		
	2024	2023	%	2024	2023	pp
Upstream Malaysia	2,583	2,013	28	20.51	20.48	0.03
Upstream Indonesia	2,166	1,280	69	20.95	21.77	(0.82)
Upstream PNG/SI	-	-	-	21.73	21.71	0.02
Group	2,450	1,721	42	20.85	21.12	(0.27)

Downstream

The Downstream segment reported a lower PBIT of RM130 million in the current quarter as compared to RM225 million in the previous corresponding quarter, due to weaker profits generated by the differentiated refineries in Asia Pacific and European regions, impacted by lower margins, and lower share of profit from a joint venture. However, this decline was mitigated by improved profits from the bulk operations in the Asia Pacific region, driven by higher volume demand.

Other operations

The loss reported by the Group's Other operations was mainly due to unrealised foreign exchange losses from the translation of intercompany balances.

Non-recurring transactions

The non-recurring transactions for the current quarter comprised gains from land disposals in Malaysia, which compensated for an impairment charge on an estate in Malaysia.

EXPLANATORY NOTES ON THE QUARTERLY REPORT – 30 SEPTEMBER 2024

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)

B1. Review of group performance (continued)

(b) The three quarters ended 30 September 2024 against the previous year corresponding period ended 30 September 2023

	Three quarters ended 30 September		/(–)
	2024	2023	%
Revenue	14,574	13,148	11
Segment results:			
Upstream Malaysia	696	182	>100
Upstream Indonesia	390	480	(19)
Upstream PNG/SI	249	293	(15)
Downstream	476	417	14
Other operations	(14)	47	>(100)
Recurring profit before interest and tax	1,797	1,419	27
Non-recurring transactions	359	1,072	(67)
Profit before interest and tax	2,156	2,491	(13)
Finance income	19	17	
Finance costs	(115)	(151)	
Profit before tax	2,060	2,357	(13)
Tax expense	(533)	(568)	
Profit for the financial year	1,527	1,789	(15)
Perpetual Sukuk	(93)	(93)	
Non-controlling interests	(42)	(36)	
Profit after tax attributable to equity holders of the Company	1,392	1,660	(16)

For the three quarters ended 30 September 2024, the Group posted net earnings of RM1,392 million, a year-on-year decline of 16% due to lower profits from non-recurring transactions, despite higher recurring PBIT and lower finance costs.

Finance costs reduced by 24% in the current period, largely driven by lower borrowings. The average interest rate was 5.2% per annum, marginally lower than 5.3% per annum in the previous corresponding period.

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

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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 three quarters ended 30 September 2024 against the previous year corresponding period ended 30 September 2023 (continued)

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

Upstream

The Upstream segment reported a recurring PBIT of RM1,335 million, an increase of 40% from the previous corresponding period's profit of RM955 million, largely due to:

- Higher PK and CPO average realised prices by 25% and 4%, respectively;
- An increase in the FFB production by 2%, driven by the strong recovery of Malaysian operations which production improved by 23% year-on-year; and
- Lower costs mainly due to lower fertiliser prices in the current period.

The above favourable factors compensated for the decline in OER from 21.12% to 20.95%.

Segment	CPO price realised (RM per MT)			FFB production (MT'000)		
	Three quarters ended		+/(–) %	Three quarters ended		+/(–) %
	30 September 2024	2023		30 September 2024	2023	
Upstream Malaysia	4,062	4,068	(0)	3,564	2,896	23
Upstream Indonesia	3,691	3,334	11	1,607	2,010	(20)
Upstream PNG/SI	4,015	3,967	1	1,291	1,406	(8)
Group	3,957	3,806	4	6,462	6,312	2

Segment	PK price realised (RM per MT)			CPO Extraction Rate (%)		
	Three quarters ended		+/(–) %	Three quarters ended		+/(–) pp
	30 September 2024	2023		30 September 2024	2023	
Upstream Malaysia	2,357	2,014	17	20.41	20.35	0.06
Upstream Indonesia	1,855	1,386	34	21.23	21.56	(0.33)
Upstream PNG/SI	–	–	–	21.92	21.99	(0.07)
Group	2,194	1,755	25	20.95	21.12	(0.17)

Downstream

The Downstream segment reported a PBIT of RM476 million, an increase of 14% compared to RM417 million in the previous corresponding period, driven by stronger profits in all regions. This was on the back of higher volume demand for the Asia Pacific bulk and differentiated refineries, and improved margins in Europe and Oceania, which mitigated the lower share of profit from a joint venture.

Other operations

The loss reported by the Group's Other operations mainly arose from the unrealised foreign exchange losses from the translation of intercompany balances.

Non-recurring transactions

The non-recurring profits for the current period of RM359 million comprised gains from land disposals in Malaysia which compensated for impairment charges on assets in Malaysia as well as on a subsidiary classified as an asset held for sale in Indonesia.

EXPLANATORY NOTES ON THE QUARTERLY REPORT – 30 SEPTEMBER 2024

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		+/(–) %
	30 Sep 2024	30 Jun 2024	
Revenue	5,267	4,965	6
Segment results:			
Upstream Malaysia	372	206	81
Upstream Indonesia	199	107	86
Upstream PNG/SI	75	111	(32)
Downstream	130	225	(42)
Other operations	(11)	(3)	>(100)
Recurring profit before interest and tax	765	646	18
Non-recurring transactions	386	(17)	>100
Profit before interest and tax	1,151	629	83
Finance income	6	6	
Finance costs	(38)	(40)	
Profit before tax	1,119	595	88
Tax expense	(304)	(136)	
Profit for the financial period	815	459	78
Perpetual Sukuk	(31)	(31)	
Non-controlling interests	(18)	(13)	
Profit after tax attributable to equity holders of the Company	766	415	85

The Group registered net earnings of RM766 million, an 85% increase from RM415 million recorded in the preceding quarter, driven by profits from non-recurring transactions and higher recurring profits from Upstream segments, which compensated for the lower profits from the Downstream segment.

Finance costs were 5% lower due to lower borrowings, which compensated for an increase in the average interest rate to 5.3% per annum from 5.1% per annum in the preceding quarter.

The Group's effective tax rate for the quarter was 27%.

EXPLANATORY NOTES ON THE QUARTERLY REPORT – 30 SEPTEMBER 2024

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) (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 increased to RM646 million from the preceding quarter's profit of RM424 million. Major factors contributing to the higher profits:

- i) Increase in FFB production by 4%;
- ii) Higher PK average realised price by 13%; and
- iii) A marginal increase in OER from 20.82% to 20.85%.

The above favourable impacts compensated for the lower CPO average realised price which declined by 2%.

Segment	CPO price realised (RM per MT)			FFB production (MT'000)		
	Quarter ended		+/(–)	Quarter ended		+/(–)
	Sep 2024	Jun 2024	%	Sep 2024	Jun 2024	%
Upstream Malaysia	4,053	4,135	(2)	1,323	1,199	10
Upstream Indonesia	3,721	3,691	1	573	527	9
Upstream PNG/SI	3,949	4,146	(5)	392	469	(16)
Group	3,949	4,029	(2)	2,288	2,195	4

Segment	PK price realised (RM per MT)			CPO Extraction Rate (%)		
	Quarter ended		+/(–)	Quarter ended		+/(–)
	Sep 2024	Jun 2024	%	Sep 2024	Jun 2024	pp
Upstream Malaysia	2,583	2,295	13	20.51	20.22	0.29
Upstream Indonesia	2,166	1,879	15	20.95	21.14	(0.19)
Upstream PNG/SI	-	-	-	21.73	21.82	(0.09)
Group	2,450	2,166	13	20.85	20.82	0.03

Downstream

The Downstream segment's recurring PBIT declined by 42% to RM130 million, due to lower profits from all regions except for Oceania. The Asia Pacific bulk and differentiated refineries were affected by lower margins, while Europe saw lower volume demand, exacerbated by lower share of profits from a joint venture.

Other operations

The loss reported by the Group's Other operations was mainly due to unrealised foreign exchange losses from the translation of intercompany balances.

Non-recurring transactions

The non-recurring transactions for the current quarter comprised gains from land disposals in Malaysia, which compensated for an impairment charge on an estate in Malaysia.

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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**

The Group forecasts that CPO prices will be sustained at current levels, driven by tighter supply as a result of Indonesia's prolonged adverse weather conditions impacting CPO output, and the recent change in its B40 biodiesel mandate. Any further upside to CPO prices may be limited by the supply outlook and trading premiums of substitute vegetable oils.

For the remaining period of FY2024, the Group expects to see positive results arising from strong CPO and PK prices, and continued strong performance of its European downstream operations.

Barring any unforeseen circumstances, the Group expects its performance for the financial year ending 31 December 2024 to be satisfactory.

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 30 September		Three quarters ended 30 September	
	2024	2023	2024	2023
Depreciation and amortisation	(352)	(354)	(1,082)	(1,056)
Unrealised fair value gains/(losses)				
– commodities contracts	2	(5)	(4)	(48)
– forward foreign exchange contracts	11	(4)	6	(10)
Gain on disposals of:				
– property, plant and equipment	1	3	17	11
– non-current assets held for sale	390	897	390	1,093
Net of (impairment)/reversal of:				
– property, plant and equipment	(3)	(11)	(25)	(17)
– non-current assets held for sale	–	–	(13)	–
– advances for plasma plantation projects	(1)	–	(2)	(1)
– trade and other receivables	– *	– *	4	1
Unrealised foreign exchange gains/(losses)	19	(17)	18	(45)
(Write down)/Write back of inventories	(12)	1	(2)	(19)
(Write off)/Reversal of write off of:				
– inventories	– *	1	– *	(1)
– trade and other receivables	– *	– *	1	– *
– property, plant and equipment	(3)	(2)	(13)	(9)
– intangible assets	–	– *	–	(1)

* Less than 1 million.

EXPLANATORY NOTES ON THE QUARTERLY REPORT – 30 SEPTEMBER 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)**B6. Tax expense**

	Quarter ended 30 September		Three quarters ended 30 September	
	2024	2023	2024	2023
In respect of current financial period:				
– current tax	247	415	439	659
– deferred tax	56	(53)	92	(97)
	303	362	531	562
In respect of prior financial period:				
– current tax	1	–	2	6
Tax expenses	304	362	533	568

For the quarter ended 30 September 2024, the Group recorded an effective tax rate of 27%, with total tax expense of RM304 million on the back of a profit before tax of RM1,119 million.

For the three quarters ended 30 September 2024, an effective tax rate of 26% was recorded, with total tax expense of RM533 million on the back of a profit before tax of RM2,060 million.

B7. Status of announced corporate proposals

On 21 August 2024, SD Guthrie signed a Memorandum of Understanding with TH Properties Sdn Bhd (THP) to develop a HALMAS-certified Managed Industrial Park on 464 acres of land in the Group's Bukit Pelandok estate, Negeri Sembilan.

HALMAS or 'Halal Malaysia' is an accreditation given to Halal Park Operators which comply with the requirements set out by the Halal Development Corporation Berhad (HDC), an agency under the Ministry of Investment, Trade, and Industry of Malaysia (MITI).

The new HALMAS-certified industrial park will be an extension of THP's successful techpark@enstek, a renowned international halal hub, featuring a range of ready built and built-to-suit factories, including linked, semi-detached, and detached options, along with vacant industrial plots tailored to various business needs.

With on-going feasibility studies, the collaboration is aimed to be formalised with a joint venture agreement by the first quarter of the financial year ending 31 December 2025.

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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 30 September 2024 are as follows:

	Secured	Unsecured	Total
Long-term			
Term loans	–	2,234	2,234
Revolving credits-i	–	710	710
Bonds	–	461	461
Unamortised deferred financing expenses	–	(14)	(14)
	–	3,391	3,391
Short-term			
Term loans	–	244	244
Revolving credits	–	873	873
Revolving credits-i	–	811	811
Trade facilities	13	–	13
Unamortised deferred financing expenses	–	(1)	(1)
	13	1,927	1,940
Total	13	5,318	5,331
Borrowings of the Group consist of:			
– principal	13	5,333	5,346
– unamortised deferred financing expenses	–	(15)	(15)
	13	5,318	5,331

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	461	13	474
Ringgit Malaysia	2,314	760	3,074
United States Dollar	616	1,167	1,783
	3,391	1,940	5,331

* Less than 1 million

EXPLANATORY NOTES ON THE QUARTERLY REPORT – 30 SEPTEMBER 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)

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 30 September 2024 are as follows:

	Classification in Statement of Financial Position				
	Assets		Liabilities		Net
	Non-current	Current	Non-current	Current	fair value
Forward foreign exchange contracts	–	28	–	15	13
Commodities contracts	–	11	–	3	8
	–	39	–	18	21

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

Maturity tenor	Notional amount	Net fair value assets
Less than 1 year	1,348	13

Commodities contracts

Commodity forward and futures contracts 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 30 September 2024 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	130,856	495	11
– Sale contracts	196,172	747	(3)
			8

EXPLANATORY NOTES ON THE QUARTERLY REPORT – 30 SEPTEMBER 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)

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 the Company, 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 subsequently dislodged from Melok's SABL. However, NBPOL and Meloks were required to execute 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 then had to consider 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 was 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 then affirmed their intention to re-execute the SLAs with NBPOL. The SLAs were reviewed by NBPOL's lawyers and thereafter copies of the revised SLAs were provided to the Defendants to review independently. The SLAs were executed by the Defendants on 4 October 2024. NBPOL is reviewing all the 3 SLAs and documentations that were executed and sealed with the Defendants' respective common seals after which the SLAs will be submitted to the PNG National Department of Lands for registration.

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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**

No dividend has been declared by the Company for the quarter under review.

B12. Earnings per share

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

	Quarter ended 30 September		Three quarters ended 30 September	
	2024	2023	2024	2023
Profit for the financial period	766	1,211	1,392	1,660
Weighted average number of ordinary shares in issue (million units)	6,916	6,916	6,916	6,916
Basic earnings per share (sen)	11.1	17.5	20.1	24.0

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
20 November 2024

Azrin Nashiha Abdul Aziz
Group Secretary