

QUARTERLY REPORT

On the consolidated results for the third quarter ended 31 March 2026

The Directors are pleased to announce the following:

Unaudited Condensed Consolidated Statement of Profit or Loss Amounts in RM million unless otherwise stated

	Note	Quarter ended 31 March		%	Three quarters ended 31 March		%
		2026	2025		2026	2025	
Continuing operations							
Revenue	A7	15,752	16,313	(3.4)	52,757	52,303	0.9
Operating expenses		(15,344)	(16,006)		(51,386)	(51,050)	
Other operating income		62	78		216	248	
Other gains and losses		406	10		433	532	
Operating profit		876	395	>100.0	2,020	2,033	(0.6)
Share of results of joint ventures and associates		124	126		433	404	
Profit before interest and tax	A7	1,000	521	91.9	2,453	2,437	0.7
Finance income		22	24		76	80	
Finance costs		(123)	(152)		(389)	(512)	
Profit before tax	B5	899	393	>100.0	2,140	2,005	6.7
Taxation	B6	(178)	(117)		(449)	(447)	
Profit from continuing operations		721	276	>100.0	1,691	1,558	8.5
Discontinued operations							
Profit from discontinued operations		-	-		-	9	
Profit for the period		721	276	>100.0	1,691	1,567	7.9
Attributable to owners of:							
- the Company							
- from continuing operations		654	193	>100.0	1,440	1,291	11.5
- from discontinued operations		-	-		-	7	
		654	193	>100.0	1,440	1,298	10.9
- non-controlling interests							
- from continuing operations		50	66		199	215	
- from discontinued operations		-	-		-	2	
- perpetual sukuk							
- from continuing operations		17	17		52	52	
Profit for the period		721	276	>100.0	1,691	1,567	7.9
		Sen	Sen		Sen	Sen	
Basic earnings per share attributable to owners of the Company	B12						
- from continuing operations		9.6	2.8	>100.0	21.1	18.9	11.5
- from discontinued operations		-	-		-	0.1	
Total		9.6	2.8	>100.0	21.1	19.0	10.9

The unaudited Condensed Consolidated Statement of Profit or Loss should be read in conjunction with the accompanying explanatory notes and the audited financial statements for the financial year ended 30 June 2025.

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

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

	Quarter ended		Three quarters ended	
	31 March 2026	2025	31 March 2026	2025
Profit for the period	721	276	1,691	1,567
Other comprehensive income/(loss):				
<u>Continuing operations</u>				
Items that will be reclassified subsequently to profit or loss:				
Currency translation differences	77	42	(322)	(1,154)
Share of other comprehensive (loss)/income of joint ventures and associates	(2)	3	(10)	(33)
Net changes in fair value of cash flow hedges	-	(15)	3	(12)
Tax credit/(expense)	-	5	(1)	4
	75	35	(330)	(1,195)
Currency translation differences on repayment of net investment and disposals reclassified to profit or loss	-	-	8	(4)
Changes in fair value of cash flow hedges reclassified to profit or loss and inventories	(14)	13	9	(10)
Tax credit/(expense)	3	(5)	(1)	3
	64	43	(314)	(1,206)
<u>Discontinued operations</u>				
Other comprehensive loss from discontinued operations	-	-	-	(7)
Total other comprehensive income/(loss)	64	43	(314)	(1,213)
Total comprehensive income for the period	785	319	1,377	354
Attributable to owners of:				
- the Company				
- from continuing operations	718	235	1,135	100
- from discontinued operations	-	-	-	6
	718	235	1,135	106
- non-controlling interests				
- from continuing operations	50	67	190	200
- from discontinued operations	-	-	-	(4)
- perpetual sukuk				
- from continuing operations	17	17	52	52
Total comprehensive income for the period	785	319	1,377	354

The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying explanatory notes and the audited financial statements for the financial year ended 30 June 2025.

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

Unaudited Condensed Consolidated Statement of Financial Position
Amounts in RM million unless otherwise stated

	Note	Unaudited As at 31 March 2026	Audited As at 30 June 2025
<u>Non-current assets</u>			
Property, plant and equipment		12,034	12,021
Right-of-use assets		2,840	3,041
Investment properties		554	565
Intangible assets		2,891	2,966
Joint ventures and associates		3,622	3,306
Financial assets at fair value through profit or loss		66	68
Deferred tax assets		787	797
Derivative assets	B9(a)	–	9
Receivables and other assets		189	200
		<u>22,983</u>	<u>22,973</u>
<u>Current assets</u>			
Inventories		11,438	12,106
Financial assets at fair value through profit or loss		967	382
Receivables, contract assets and other assets		6,335	7,592
Prepayments		1,177	862
Tax recoverable		113	138
Derivative assets	B9(a)	35	59
Bank balances, deposits and cash		2,533	3,039
		<u>22,598</u>	<u>24,178</u>
Assets held for sale		170	237
Total assets		<u>45,751</u>	<u>47,388</u>
<u>Equity</u>			
Share capital		9,330	9,330
Reserves		10,123	9,874
Attributable to owners of the Company		<u>19,453</u>	<u>19,204</u>
Non-controlling interests		2,819	2,960
Perpetual sukuk		1,198	1,181
Total equity		<u>23,470</u>	<u>23,345</u>
<u>Non-current liabilities</u>			
Borrowings	B8	3,765	4,891
Lease liabilities		1,862	2,007
Derivative liabilities	B9(a)	3	–
Payables, contract liabilities and other liabilities		800	780
Deferred tax liabilities		815	829
		<u>7,245</u>	<u>8,507</u>
<u>Current liabilities</u>			
Borrowings	B8	2,742	2,231
Lease liabilities		409	441
Derivative liabilities	B9(a)	57	47
Payables and other liabilities		8,996	10,200
Contract liabilities		2,219	1,961
Provisions		452	415
Tax payable		161	241
		<u>15,036</u>	<u>15,536</u>
Total liabilities		<u>22,281</u>	<u>24,043</u>
Total equity and liabilities		<u>45,751</u>	<u>47,388</u>
Net assets per share attributable to owners of the Company (RM)		<u>2.85</u>	<u>2.82</u>

The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying explanatory notes and the audited financial statements for the financial year ended 30 June 2025.

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

Unaudited Condensed Consolidated Statement of Changes in Equity
Amounts in RM million unless otherwise stated

	Share capital	Capital reserve	Legal reserve	Hedging reserve	Exchange reserve	Retained profits	Reserves	Attributable to owners of the Company	Non-controlling interests	Perpetual sukuk	Total equity
Three quarters ended 31 March 2026											
At 1 July 2025	9,330	223	155	(2)	(512)	10,010	9,874	19,204	2,960	1,181	23,345
Total comprehensive income/(loss) for the period	-	-	-	5	(310)	1,440	1,135	1,135	190	52	1,377
Disposal of non-wholly owned subsidiaries	-	-	-	-	-	-	-	-	(13)	-	(13)
Dividends paid	-	-	-	-	-	(886)	(886)	(886)	(297)	-	(1,183)
Dividends payable	-	-	-	-	-	-	-	-	(21)	-	(21)
Distribution to holders of perpetual sukuk	-	-	-	-	-	-	-	-	-	(35)	(35)
Transfer between reserves	-	-	1	-	-	(1)	-	-	-	-	-
At 31 March 2026	9,330	223	156	3	(822)	10,563	10,123	19,453	2,819	1,198	23,470

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

Unaudited Condensed Consolidated Statement of Changes in Equity (continued)
Amounts in RM million unless otherwise stated

	Share capital	Capital reserve	Legal reserve	Hedging reserve	Exchange reserve	Retained profits	Reserves	Attributable to owners of the Company	Non-controlling interests	Perpetual sukuk	Total equity
Three quarters ended 31 March 2025											
At 1 July 2024	9,330	223	146	11	776	8,880	10,036	19,366	2,811	1,181	23,358
Total comprehensive (loss)/income for the period	–	–	–	(13)	(1,179)	1,298	106	106	196	52	354
Shares issued by a non-wholly owned subsidiary	–	–	–	–	–	–	–	–	1	–	1
Acquisition of non-wholly owned subsidiaries	–	–	–	–	–	–	–	–	46	–	46
Disposal of non-wholly owned subsidiaries	–	–	–	–	–	–	–	–	(96)	–	(96)
Dividends paid	–	–	–	–	–	(954)	(954)	(954)	(122)	–	(1,076)
Distribution to holders of perpetual sukuk	–	–	–	–	–	–	–	–	–	(35)	(35)
Transfer between reserves	–	–	5	–	–	(5)	–	–	–	–	–
At 31 March 2025	9,330	223	151	(2)	(403)	9,219	9,188	18,518	2,836	1,198	22,552

The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying explanatory notes and the audited financial statements for the financial year ended 30 June 2025.

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

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

	Three quarters ended 31 March	
	2026	2025
Cash flow from operating activities		
Profit for the period from continuing operations	1,691	1,558
Adjustments for:		
Dividend income from financial assets	(5)	–
Share of results of joint ventures and associates	(433)	(404)
Finance income	(76)	(80)
Finance costs	389	512
Taxation	449	447
Gain on disposal of fixed assets (net)	(416)	(457)
Gain on disposal of businesses and equity investments (net)	(31)	(62)
Depreciation and amortisation	1,526	1,604
Impairment of fixed assets (net)	5	22
Impairment of receivables/(Reversal of impairment of receivables) (net)	15	(34)
Inventory write-down and provision	61	128
Fair value gain on financial assets at fair value through profit or loss (net)	(11)	(2)
Other non-cash items	(21)	(39)
	3,143	3,193
Changes in working capital:		
Inventories	730	1,685
Rental assets	(824)	(917)
Receivables and other assets	734	572
Payables and other liabilities	(492)	(438)
Cash generated from operations	3,291	4,095
Tax paid (net)	(499)	(576)
Dividends received from joint ventures and associates	135	285
Dividends received from financial assets	5	–
Operating cash flow from continuing operations	2,932	3,804
Operating cash flow used in discontinued operations	–	(21)
Net cash flow from operating activities	2,932	3,783
Cash flow from investing activities		
Finance income received	70	72
Purchase of fixed assets	(786)	(813)
Acquisition of subsidiaries, businesses and associate ¹	(20)	(23)
(Net cash outflow)/Proceeds from sale of businesses and equity investments	(3)	249 ²
Proceeds from sale of fixed assets	456	715
Net additions to financial assets at fair value through profit or loss	(576)	(65)
Net movement in restricted deposits and deposits with maturity more than 3 months	(65)	(16)
Investing cash flow (used in)/from continuing operations	(924)	119
Investing cash flow from discontinued operations	–	30
Net cash flow (used in)/from investing activities	(924)	149

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

¹ Includes part payment of the consideration payable for past acquisitions.

² Includes balance consideration received from the disposal of the Weifang port companies.

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

	Note	Three quarters ended	
		31 March	
		2026	2025
Cash flow from financing activities			
Finance costs paid		(266)	(399)
Net borrowings repaid		(703)	(2,010)
Repayment of lease liabilities		(461)	(544)
Proceeds from shares issued to non-controlling interests		–	1
Dividends paid to shareholders		(886)	(954)
Dividends paid to non-controlling interests ³		(306)	(145)
Distribution paid to perpetual sukuk holders		(35)	(35)
Financing cash flow used in continuing operations		(2,657)	(4,086)
Financing cash flow used in discontinued operations		–	–
Net cash flow used in financing activities		(2,657)	(4,086)
Net decrease in cash and cash equivalents			
		(649)	(154)
Foreign exchange differences		(35)	(82)
Cash and cash equivalents at beginning of the period		2,819	2,776
Cash and cash equivalents at end of the period		2,135	2,540
For the purpose of the Consolidated Statement of Cash Flows, cash and cash equivalents comprised the following:			
Bank balances, deposits and cash		2,533	2,750
Less:			
Bank overdrafts	B8	(231)	(136)
Deposits with maturity of more than 3 months		(99)	(2)
Deposits restricted by bank		(68)	(72)
		2,135	2,540

³ Dividends paid to other shareholders of non-wholly owned subsidiaries. The amount paid in the current period includes RM9 million declared in the previous financial year (previous corresponding period: RM23 million).

EXPLANATORY NOTES

This interim financial report is prepared in accordance with the requirements of paragraph 9.22 and Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and complies with the requirements of the Malaysian Financial Reporting Standard (“MFRS”) 134 – Interim Financial Reporting. The interim financial report is unaudited and should be read in conjunction with the Group’s audited annual financial statements for the financial year ended 30 June 2025.

A. EXPLANATORY NOTES PURSUANT TO MFRS 134

A1. Basis of Preparation

The accounting policies and presentation adopted for this interim financial report are consistent with those adopted for the audited annual financial statements for the financial year ended 30 June 2025, except as set out below.

a) New accounting pronouncements

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

- Amendments to MFRS 121 ‘Lack of Exchangeability’

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

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

- Amendments to MFRS 9 and MFRS 7 ‘Amendments to the classification and measurement of financial instruments’
- Amendments to MFRS 9 and MFRS 7 ‘Contracts referencing nature-dependent electricity’
- Amendments to MFRS 7 ‘Financial Instruments: disclosures’
- Amendments to MFRS 9 ‘Financial Instruments’
- Amendments to MFRS 10 ‘Consolidated financial statements’
- Amendments to MFRS 107 ‘Statement of cash flows’

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

- MFRS 18 – ‘Presentation and disclosure in financial statements’
- Amendments to MFRS 121 – ‘Translation to a hyperinflationary presentation currency’

- iii) Accounting pronouncements where the effective date has been deferred to a date to be determined by MASB are set out below:

- Amendments to MFRS 10 ‘Consolidated financial statements’ and MFRS 128 ‘Investments in associates and joint ventures - sale or contribution of assets between an investor and its associate or joint venture’.

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

Explanatory Notes on the Quarterly Report – 31 March 2026
Amounts in RM million unless otherwise stated

A2. Seasonal or Cyclical Factors

The Group's operations are not materially affected by seasonal or cyclical factors.

A3. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

Except as disclosed in the financial statements on pages 1 to 7 and notes B1 and B2, there were no material unusual items affecting the Group's assets, liabilities, equity, net income or cash flows during the financial period under review.

A4. Material Changes in Estimates

Except as disclosed in notes B1 and B2, there were no material changes in the estimates of amounts reported in the previous financial years that have a material effect on the results for the current period under review.

A5. Debt and Equity Securities

Sukuk

On 5 November 2025, RM400 million of the Sukuk under UMW Holding Berhad's sukuk programme was redeemed. The outstanding balance of the Sukuk as at 31 March 2026 was RM850 million.

On 10 December 2025, Tranche 2 of the Sukuk Murabahah of Sime Darby Enterprise Sdn Bhd amounting to RM150 million was redeemed. The outstanding balance of the Sukuk Murabahah as at 31 March 2026 was RM1,350 million.

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

A6. Dividends Paid to Shareholders

The second interim dividend of 10.0 sen per share amounting to RM682 million for the financial year ended 30 June 2025 was paid by way of cash on 30 September 2025.

An interim dividend of 3.0 sen per share amounting to RM204 million for the financial year ending 30 June 2026 was paid by way of cash on 31 March 2026.

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Explanatory Notes on the Quarterly Report – 31 March 2026
Amounts in RM million unless otherwise stated

A7. Segment Information

	Continuing operations						Discontinued operations	
	Industrial	Motors	UMW ¹	Others	Corporate/ Intra-group adjustments	Total	UKHE	Total
Three quarters ended 31 March 2026								
Segment revenue:								
External	13,505	27,033	12,182	37	–	52,757	–	52,757
Inter-segment	8	10	7	10	(35)	–	–	–
	<u>13,513</u>	<u>27,043</u>	<u>12,189</u>	<u>47</u>	<u>(35)</u>	<u>52,757</u>	<u>–</u>	<u>52,757</u>
Profit/(Loss) before interest and tax	<u>838</u>	<u>478</u>	<u>726</u>	<u>477</u>	<u>(66)</u>	<u>2,453</u>	<u>–</u>	<u>2,453</u>
Net finance costs						(313)	–	(313)
Taxation						(449)	–	(449)
Profit for the period						<u>1,691</u>	<u>–</u>	<u>1,691</u>
Three quarters ended 31 March 2025								
Segment revenue:								
External	14,095	25,877	12,271	60	–	52,303	174	52,477
Inter-segment	2	13	18	14	(47)	–	–	–
	<u>14,097</u>	<u>25,890</u>	<u>12,289</u>	<u>74</u>	<u>(47)</u>	<u>52,303</u>	<u>174</u>	<u>52,477</u>
Profit/(Loss) before interest and tax	<u>901</u>	<u>422</u>	<u>680</u>	<u>493</u>	<u>(59)</u>	<u>2,437</u>	<u>17</u>	<u>2,454</u>
Net finance (costs)/income						(432)	1	(431)
Taxation						(447)	(9)	(456)
Profit for the period						<u>1,558</u>	<u>9</u>	<u>1,567</u>

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

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Explanatory Notes on the Quarterly Report – 31 March 2026
Amounts in RM million unless otherwise stated

A7. Segment Information (continued)

	Continuing operations					
	Industrial	Motors	UMW	Others	Corporate/ Intra-group adjustments	Total
As at						
31 March 2026						
Segment assets	16,205	14,460	13,098	77	1,011	44,851
Segment liabilities	(3,437)	(6,133)	(2,663)	(291)	(3)	(12,527)
Segment invested capital	12,768	8,327	10,435	(214)	1,008	32,324
Net tax liabilities						(76)
Borrowings and lease liabilities						(8,778)
Total equity						23,470
As at						
30 June 2025						
Segment assets	16,549	15,651	13,279	213	761	46,453
Segment liabilities	(3,455)	(6,483)	(3,052)	(394)	(19)	(13,403)
Segment invested capital	13,094	9,168	10,227	(181)	742	33,050
Net tax liabilities						(135)
Borrowings and lease liabilities						(9,570)
Total equity						23,345

SIME DARBY BERHAD
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Explanatory Notes on the Quarterly Report – 31 March 2026
Amounts in RM million unless otherwise stated

A7. Segment Information (continued)

Revenue from continuing operations comprise the following:

	Three quarters ended 31 March	
	2026	2025
Revenue from contracts with customers	51,833	51,233
Rental income	924	1,070
	52,757	52,303

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

Three quarters ended 31 March 2026	Industrial	Motors	UMW	Others	Total
<u>Continuing operations</u>					
Segment revenue					
Sale of equipment and vehicles	5,400	22,596	8,405	–	36,401
Sale of parts, assembly charges and provision of after-sales services	7,435	3,746	2,751	–	13,932
Manufacturing and engineering	177	–	624	8	809
Commission, handling fees and others	–	481	192	18	691
	13,012	26,823	11,972	26	51,833
Geographical location					
Malaysia	758	5,980	11,651	22	18,411
China	2,084	8,642	136	–	10,862
Other countries in Asia	535	8,876	185	4	9,600
Australasia	9,635	3,325	–	–	12,960
	13,012	26,823	11,972	26	51,833
Timing of revenue recognition					
At a point in time	9,623	23,399	11,936	15	44,973
Over time	3,389	3,424	36	11	6,860
	13,012	26,823	11,972	26	51,833

Three quarters ended 31 March 2025	Industrial	Motors	UMW	Others	Total
<u>Continuing operations</u>					
Segment revenue					
Sale of equipment and vehicles	5,039	21,048	8,523	–	34,610
Sale of parts, assembly charges and provision of after-sales services	8,219	3,782	2,860	–	14,861
Manufacturing and engineering	215	–	565	6	786
Commission, handling fees and others	–	816	120	40	976
	13,473	25,646	12,068	46	51,233

SIME DARBY BERHAD
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Explanatory Notes on the Quarterly Report – 31 March 2026
Amounts in RM million unless otherwise stated

A7. Segment Information (continued)

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

Three quarters ended 31 March 2025	Industrial	Motors	UMW	Others	Total
Geographical location					
Malaysia	856	5,507	11,824	42	18,229
China	1,964	9,447	73	–	11,484
Other countries in Asia	650	7,060	171	4	7,885
Australasia	10,003	3,632	–	–	13,635
	<u>13,473</u>	<u>25,646</u>	<u>12,068</u>	<u>46</u>	<u>51,233</u>
Timing of revenue recognition					
At a point in time	9,974	22,156	12,022	30	44,182
Over time	3,499	3,490	46	16	7,051
	<u>13,473</u>	<u>25,646</u>	<u>12,068</u>	<u>46</u>	<u>51,233</u>

A8. Capital Commitments

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

	As at 31 March 2026	As at 30 June 2025
- Property, plant and equipment	465	530
- Other capital expenditure	28	30
	<u>493</u>	<u>560</u>

SIME DARBY BERHAD
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Explanatory Notes on the Quarterly Report – 31 March 2026
Amounts in RM million unless otherwise stated

A9. Significant Related Party Transactions

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

	Three quarters ended 31 March	
	2026	2025
a. Transactions with joint ventures and associates		
<u>Continuing operations</u>		
Purchase of products and services from Sitech Construction Systems Pty Ltd	6	14
Contribution paid to Yayasan Sime Darby	30	31
Sale of goods and services to and rental income from Perusahaan Otomobil Kedua Sdn Bhd (“Perodua”) and its subsidiaries and associates	450	467
Purchase goods and services from Perodua and its subsidiaries and associates	546	536
Sale of land to Perodua and its subsidiaries and associates	–	52
Sale of goods to UMW Toyotsu Motors Sdn Bhd	342	270
Incentive payments and purchase goods and services from UMW Toyotsu Motors Sdn Bhd	28	17
b. Transactions between subsidiaries and non-controlling interests or their affiliate companies		
<u>Continuing operations</u>		
Contract assembly service provided by Inokom Corporation Sdn Bhd (“ICSB”) to Mazda Malaysia Sdn Bhd	57	69
Contract assembly service provided by ICSB to Kia Malaysia Sdn Bhd	5	19
Rental and vehicle storage income received by ICSB from Mazda Malaysia Sdn Bhd, Bermaz Motor Trading Sdn Bhd and Dinamikjaya Motors Sdn Bhd	4	6
Sale of goods and services to Toyota Motor Corporation, Japan and its affiliates and Toyota Tsusho Corporation, Japan and its affiliates	1,611	1,488
Purchase of goods and services from Toyota Motor Corporation, Japan and its affiliates and Toyota Tsusho Corporation, Japan and its affiliates	5,054	4,973
Purchase of goods and services from Toyota Industries Corporation, Japan and its affiliates	260	281
Purchase of goods and services from Kayaba Industry Co Ltd (“Kayaba”) and its affiliates	19	13
Sale of goods and services to Kayaba and its affiliates	73	78
<u>Discontinued operations</u>		
Purchase of goods and services from Komatsu Ltd, Japan and its affiliates	–	122

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A9. Significant Related Party Transactions (continued)

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

c. Transactions with major shareholders and the Government

As at 31 March 2026, Permodalan Nasional Berhad (“PNB”) owned approximately 4.2% of the issued share capital of the Company. The Company is considered an associate of PNB by virtue of PNB’s representation on the Board of the Company.

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

Transactions entered into with government-related entities include sales and purchases of goods and services. These related party transactions were entered into in the ordinary course of business.

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

There were no material events subsequent to the end of the current quarter under review to 19 May 2026, being a date not earlier than 7 days from the date of issue of the quarterly report.

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

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

Disposal of subsidiaries

In September 2025, the Group completed the disposal of 30% equity interest in Sime Darby Lockton Insurance Brokers Sdn Bhd (“SDLIB”) for a cash consideration of approximately RM24 million. Consequently, SDLIB ceased to be a subsidiary of the Group and is now classified as an associate.

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

Net assets	32
Non-controlling interests	(13)
Share of net assets disposed	19
Gain on disposal	29
Less: Fair value of retained portion of investment in associate	(24)
Total consideration from the disposal	24
Less: cash and cash equivalents of subsidiary disposed	(29)
Net cash outflow from disposal	(5)

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A12. Contingent Liabilities – unsecured

a) Guarantees

In the ordinary course of business, the Group issues surety bonds and letters of credit to customers to secure advance payments, for performance under contracts or in lieu of retention being withheld on contracts. A liability would only arise in the event the Group fails to fulfil its contractual obligations.

The performance guarantees are as follows:

	As at 31 March 2026	As at 30 June 2025
Performance and advance payment guarantees to customers of the Group	<u>2,541</u>	<u>2,474</u>

In addition, the Group guarantees the payment from its customers under a risk sharing arrangement with a third party leasing company in connection with the sale of its equipment up to a pre-determined amount. As at 31 March 2026, the total outstanding risk sharing amount on which the Group has an obligation to pay the leasing company should the customers default, amounted to RM75 million (30 June 2025: RM76 million).

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

B1. Review of Group Performance

	Quarter ended 31 March			Three quarters ended 31 March		
	2026	2025	% +/(–)	2026	2025	% +/(–)
<u>Continuing operations</u>						
Revenue	<u>15,752</u>	<u>16,313</u>	(3.4)	<u>52,757</u>	<u>52,303</u>	0.9
Segment results:						
Industrial	245	221	10.9	838	901	(7.0)
Motors	143	114	25.4	478	422	13.3
UMW	196	194	1.0	726	680	6.8
Others	<u>3</u>	<u>11</u>		<u>43</u>	<u>35</u>	
	<u>587</u>	<u>540</u>	8.7	<u>2,085</u>	<u>2,038</u>	2.3
Gain on disposal of Malaysia Vision Valley (“MVV”) land	434	–		434	458	
Foreign exchange loss from repayment of net investments	–	5		(8)	–	
Corporate expenses	<u>(21)</u>	<u>(24)</u>		<u>(58)</u>	<u>(59)</u>	
Profit before interest and tax (“PBIT”)	1,000	521	91.9	2,453	2,437	0.7
Finance income	22	24		76	80	
Finance costs	<u>(123)</u>	<u>(152)</u>		<u>(389)</u>	<u>(512)</u>	
Profit before tax	899	393	>100.0	2,140	2,005	6.7
Taxation	<u>(178)</u>	<u>(117)</u>		<u>(449)</u>	<u>(447)</u>	
Profit from continuing operations	721	276	>100.0	1,691	1,558	8.5
Non-controlling interests	(50)	(66)		(199)	(215)	
Perpetual sukuk	<u>(17)</u>	<u>(17)</u>		<u>(52)</u>	<u>(52)</u>	
Profit from continuing operations attributable to owners of the Company	654	193	>100.0	1,440	1,291	11.5
<u>Discontinued operations</u>						
Profit from discontinued operations attributable to owners of the Company	<u>–</u>	<u>–</u>		<u>–</u>	<u>7</u>	
Profit attributable to owners of the Company (“Net Profit”)	<u>654</u>	<u>193</u>	>100.0	<u>1,440</u>	<u>1,298</u>	10.9

B1. Review of Group Performance (continued)

The analysis of the results for the quarter ended 31 March 2026 against the quarter ended 31 March 2025 is as follows:

The Group's Net Profit was 238.9% higher at RM654 million mainly due to the one-off gain on disposal of MVV land.

a) Industrial

PBIT increased by 10.9% to RM245 million in the current quarter mainly due to higher equipment and product support margins in Australia. This was partly offset by lower results from Malaysia, which was impacted by lower revenue, higher operating expenses and impairment of receivables.

b) Motors

PBIT increased by 25.4% to RM143 million in the current quarter mainly due to better results from the Singapore and Hong Kong operations. The higher profitability in Singapore was supported by higher sale of electric vehicles while the Hong Kong operations recorded higher revenue and lower operating expenses.

c) UMW

Results were close to that of the previous corresponding period, contributed by improved results from lubricants business, which was impacted by inventory adjustments in the previous corresponding period. This was largely offset by the lower profit from the automotive business, mainly due to lower PBIT margin of automotive subsidiaries.

d) Finance Costs

The lower finance costs were mainly due to lower average borrowings.

An analysis of the results for the three quarters ended 31 March 2026 against the three quarters ended 31 March 2025 is as follows:

The Group's Net Profit was higher by 10.9% at RM1,440 million mainly due to lower finance costs.

a) Industrial

PBIT was lower by 7.0% at RM838 million largely due to lower profit from Australia and Malaysia. The operations in Australia were impacted by lower product support and rental results, particularly in the first half of the financial year. Profit for the Malaysia operations declined mainly due to impairment of receivables in the current period compared with a significant reversal of impairment of receivables in the previous corresponding period as well as lower revenue. Included in the results of the previous corresponding period was the gain on disposal of Chubb Singapore of RM18 million.

b) Motors

PBIT increased by 13.3% to RM478 million primarily due to better results from the Singapore and Hong Kong operations. The higher profit in Singapore was supported by higher electric vehicle sales while the better results in Hong Kong were supported by higher margins and lower operating expenses. This was partly offset by the lower profit from Australasia, which recorded lower revenue. Included in the results of the previous corresponding period were gains on disposal of businesses of RM49 million.

c) UMW

PBIT increased by 6.8% to RM726 million mainly due to better results from the lubricants business as explained in the results for the quarter ended 31 March 2026. This was moderated by higher operating expenses of the automotive subsidiaries.

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B1. Review of Group Performance (continued)

d) Others

Included in the results are the gain on disposal of SDLIB of RM29 million and gain on retranslation of legacy oil & gas liabilities of RM12 million (previous corresponding period: gain of RM18 million).

e) Finance Costs

The variance for finance costs was mainly due to similar reasons as explained in the results for the quarter ended 31 March 2026.

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

	Quarter ended		% + / (-)
	31 March 2026	31 December 2025	
Revenue	<u>15,752</u>	<u>18,974</u>	(17.0)
Segment results:			
Industrial	245	300	(18.3)
Motors	143	209	(31.6)
UMW	196	269	(27.1)
Others	<u>3</u>	<u>10</u>	
	587	788	(25.5)
Gain on disposal of MVV land	434	–	
Corporate expenses	<u>(21)</u>	<u>(21)</u>	
Profit before interest and tax	1,000	767	30.4
Finance income	22	28	
Finance costs	<u>(123)</u>	<u>(133)</u>	
Profit before tax	899	662	35.8
Taxation	<u>(178)</u>	<u>(141)</u>	
Profit after tax	721	521	38.4
Non-controlling interests	(50)	(72)	
Perpetual sukuk	<u>(17)</u>	<u>(18)</u>	
Profit attributable to owners of the Company	<u>654</u>	<u>431</u>	51.7

The analysis of the results for the quarter ended 31 March 2026 against the quarter ended 31 December 2025 is as follows:

The Group's Net Profit was higher by 51.7% to RM654 million mainly due to one-off gain on disposal of MVV land, partly offset by lower PBIT from all core segments.

a) Industrial

PBIT was lower by 18.3% to RM245 million mainly due to lower profit from Australia and Malaysia. Profit from Australia declined mainly due to lower equipment revenue and lower rental results while the lower profit from Malaysia was mainly due to higher operating expenses.

b) Motors

PBIT was lower by 31.6% to RM143 million due to weaker results from Malaysia and Mainland China. The lower profit from Malaysia was mainly due to lower profit from the assembly and car rental operations while results in Mainland China continue to be impacted by intense competition.

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

c) UMW

PBIT decreased by 27.1% to RM196 million mainly due to the lower profit from the automotive business. Profit from the automotive business declined mainly due to lower vehicle sales.

B3. Prospects

The global economic outlook remains challenging with on-going geopolitical tensions impacting supply chains and rising inflation risks.

Amidst this uncertainty, business conditions are anticipated to be subdued. The motors sector continues to be impacted by slower consumer demand and heightened competition. Nevertheless, sales in the affordable vehicle segment in Malaysia remains resilient. For the Industrial sector, the medium to long term demand from the Australian mining industry for the Group's equipment and after-sales service is expected to remain strong.

The Board anticipates that the Group's core financial performance for the financial year ending 30 June 2026 to be consistent with that of financial year 2025.

B4. Variance of Actual Profit from Profit Forecast or Profit Guarantee

Not applicable as there was no profit forecast or profit guarantee issued.

B5. Profit before tax

	Quarter ended		Three quarters ended	
	31 March		31 March	
	2026	2025	2026	2025
Included in operating profit of continuing operations are:				
Depreciation and amortisation	(509)	(521)	(1,526)	(1,604)
Inventory write-down and provision (net)	(64)	(65)	(61)	(128)
(Impairment)/Reversal of impairment of receivables (net)	(2)	13	(15)	34
Impairment of fixed assets (net)	(4)	(20)	(5)	(22)
Gain on disposal of properties	410	2	412	460
Net gain/(loss) on disposal of other fixed assets (net)	6	(4)	4	(3)
Gain on disposal of subsidiaries, businesses and associates (net)	2	21	31	62
Fair value gain on financial assets at fair value through profit or loss (net)	6	1	11	2
Foreign exchange (loss)/gain (net)	(17)	9	(33)	14
Gain on derivatives (net)	4	1	7	4
(Loss)/Gain on lease modification/termination (net)	(1)	–	6	15

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B6. Taxation

	Quarter ended 31 March		Three quarters ended 31 March	
	2026	2025	2026	2025
Continuing operations				
Current tax:				
- current year	148	142	462	461
- previous years	9	20	2	5
	<u>157</u>	<u>162</u>	<u>464</u>	<u>466</u>
Deferred tax:				
- origination and reversal of temporary differences and other deferred tax adjustments	21	(45)	(15)	(19)
	<u>178</u>	<u>117</u>	<u>449</u>	<u>447</u>
Discontinued operations	<u>-</u>	<u>-</u>	<u>-</u>	<u>9</u>

The effective tax rate of continuing operations (excluding share of results of joint ventures and associates) for the current quarter ended 31 March 2026 of 23.0% is lower than applicable tax rate of 24.0% mainly due to the impact of lower Real Property Gains Tax rate applicable on the gain on disposal of land in Malaysia.

The effective tax rate of continuing operations (excluding share of results of joint ventures and associates) for the three quarters ended 31 March 2026 of 26.3% is higher than the applicable tax rate of 24.2%. This is mainly due to the impact of non-deductible expenses and deferred tax not recognised for certain tax losses.

B7. Status of Corporate Proposals

There were no corporate proposals announced but not completed as at 19 May 2026, being a date not earlier than 7 days from the date of issue of the quarterly report.

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B8. Group Borrowings

The breakdown of the borrowings as at 31 March 2026 is as follows:

	Secured	Unsecured	Total
<u>Long-term</u>			
Term loans and other long-term borrowings	-	2,415	2,415
Sukuk and Islamic term loans	-	1,350	1,350
	<u>-</u>	<u>3,765</u>	<u>3,765</u>
<u>Short-term</u>			
Term loans and other long-term borrowings	4	397	401
Sukuk and Islamic term loans	15	866	881
Islamic financing	-	207	207
Islamic bank overdrafts	-	23	23
Bank overdrafts	-	208	208
Revolving credits, bankers acceptances, trade facilities and other short-term borrowings	-	1,022	1,022
	<u>19</u>	<u>2,723</u>	<u>2,742</u>
Total borrowings	<u>19</u>	<u>6,488</u>	<u>6,507</u>

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

	Long-term borrowings	Short-term borrowings	Total
Ringgit Malaysia	1,371	1,179	2,550
Australian dollar	2,394	1,133	3,527
Chinese renminbi	-	196	196
European Union euro	-	32	32
Hong Kong dollar	-	13	13
Indonesian rupiah	-	26	26
New Zealand dollar	-	13	13
Pacific franc	-	4	4
Taiwan dollar	-	71	71
Thailand baht	-	49	49
United States dollar	-	26	26
Total borrowings	<u>3,765</u>	<u>2,742</u>	<u>6,507</u>

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

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B9. Financial Instruments

a) Derivatives

The Group enters into derivative contracts primarily to manage its exposure to financial risks. The fair values of these contracts as at 31 March 2026 are as follows:

	Classification in		Net fair value
	Statement of Financial Position	Statement of Financial Position	
	Assets	Liabilities	
Forward foreign exchange contracts	35	(51)	(16)
Embedded derivatives	–	(9)	(9)
	35	(60)	(25)

There is no change to the type of derivative financial contracts entered into, cash requirements of the derivatives, risk associated with the derivatives and the risk management objectives and policies to mitigate these risks since the financial year ended 30 June 2025.

The description, notional amount and maturity profile of the derivatives are shown below:

Forward foreign exchange contracts

The forward foreign currency contracts are stated at fair value, using the prevailing market rates. Changes in fair value of the forward foreign currency contracts are recognised in other comprehensive income unless hedge accounting is not applied, in which case, the changes to the fair value of the derivatives are taken to profit or loss.

As at 31 March 2026, the notional amount, fair value and maturity tenor of the forward foreign exchange contracts are as follows:

	Notional amount	Net fair value liabilities
- less than 1 year	3,503	(13)
- 1 year to 3 years	255	(3)
	3,758	(16)

Embedded derivatives

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

As at 31 March 2026, the notional amount, fair value and maturity tenor of the embedded derivatives are as follows:

	Notional amount	Fair value liabilities
- less than 1 year	588	(9)

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B9. Financial Instruments (continued)

b) Financial instruments measured at fair value

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

Financial assets at fair value through profit or loss (“FVTPL”) and loan to joint venture

The fair values of quoted shares are based on quoted market prices in active markets (Level 1). The fair values of quoted investments in money market funds are based on price quotes for similar instrument or valuation techniques based on market observable inputs (Level 2). The fair values of the remaining financial assets at FVTPL and loan to joint venture are based on valuation techniques with significant unobservable inputs (Level 3). The following table presents the Group’s financial assets at FVTPL and loan to joint venture into three different levels as defined above:

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL	1	967	65	1,033
Loan to joint venture ¹	–	–	17	17

¹ Included under joint ventures

Derivatives

The fair values of derivatives are based on price quotes for similar instruments or valuation techniques based on market observable inputs (Level 2).

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

c) Fair Value Changes of Financial Liabilities

Other than derivatives which are classified as liabilities only when they are at fair value loss position as at the end of the reporting period, the Group does not remeasure its financial liabilities at fair value after initial recognition.

B10. Material Litigation

Changes in material litigation since the date of the last audited annual statement of financial position up to 19 May 2026 are as follows:

a) Qatar Petroleum Project (“QP Project”), Maersk Oil Qatar Project (“MOQ Project”) and the Marine Project Civil Suit (“Oil & Gas Suit”)

On 23 December 2010, Sime Darby Berhad and four subsidiaries (collectively, “the Plaintiffs”) filed a civil suit against Dato’ Seri Ahmad Zubair @ Ahmad Zubir Hj Murshid, Dato’ Mohamad Shukri Baharom, Abdul Rahim Ismail, Abdul Kadir Alias and Mohd Zaki Othman (collectively, “the Defendants”) for damages arising from the Defendants’ negligence and breaches of duty relating to the QP Project, the MOQ Project and the project relating to the construction of a derrick lay barge for an aggregate amount of RM93 million and USD79 million (approximately RM314 million) together with general and aggravated damages and other relief.

On 13 June 2014, all the Defendants consented to an Interlocutory Judgement being recorded on the Defendants’ liability with damages to be assessed by the Court (the “Consent Judgement”). The High Court had on 14 July 2025 ordered that a final judgment with costs and interest be entered in favour of the Plaintiffs against the respective Defendants for a sum equivalent to approximately RM360 million.

The sealed order has been extracted from the Court and has been served on the Defendants. The Plaintiffs’ counsel is in the midst of preparing the necessary papers to commence Judgment Debtors Summons (“JDS”) against the Defendants.

b) Bakun Hydroelectric Project (“Bakun Project”) and the Indemnity Agreement Civil Suit (“Bakun Suit”)

On 24 December 2010, Sime Darby Berhad and three subsidiaries (collectively, “the Plaintiffs”) filed a civil suit against Dato’ Seri Ahmad Zubair @ Ahmad Zubir Hj Murshid, Dato’ Mohamad Shukri Baharom (“DMS”) and Abdul Rahim Ismail (collectively, “the Defendants”) for damages in connection with the Defendants’ negligence and breaches of duty relating to the Package CW2-Main Civil Works for the Bakun Project and in respect of the Receipt, Discharge and Indemnity Agreement dated 12 January 2010 given to DMS for an aggregate amount of RM91 million together with general and aggravated damages to be assessed and other relief.

On 13 June 2014, all the Defendants consented to an Interlocutory Judgement being recorded on the Defendants’ liability and for damages to be assessed by the Court. The Plaintiffs shall be permitted to enforce any final judgement entered after the assessment of damages, upon the Malaysia-China Hydro Joint Venture receiving full settlement from Sarawak Hidro Sdn Bhd or the Ministry of Finance in relation to the Bakun Project, or after the expiry of 3 years from the date of final judgement, whichever is earlier.

The Plaintiffs have filed a Notice of Application for directions to assess damages. The Registrar directed that the Plaintiffs’ application for assessment of damages for the Oil & Gas Suit and the Bakun Suit be heard separately and that the assessment of damages for the Oil & Gas Suit will be heard first before the Bakun Suit.

The hearing of the assessment of damages has yet to be scheduled.

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B10. Material Litigation (continued)

Changes in material litigation since the date of the last audited annual statement of financial position up to 19 May 2026 are as follows: (continued)

c) B-193 Process Platform Project (“PP Project”)

Sime Darby Engineering Sdn Bhd (“SDE”) and Swiber Offshore Construction Pte Ltd (“SOC”) entered into a Consortium Agreement to govern their relationship as a consortium (“the Consortium”) to undertake works relating to the PP Project awarded by Oil and Natural Gas Corporation Ltd (“ONGC”). A contract dated 3 July 2010 was executed for a total contract price of USD618 million (approximately RM2.5 billion).

Disputes have arisen between the Consortium and ONGC and on 1 June 2016, the Consortium initiated arbitration proceedings against ONGC. SDE’s portion of the Consortium’s claim is circa USD76 million (approximately RM302 million).

On 22 March 2018, the tribunal ordered ONGC to pay the Consortium a net sum of USD5.12 million (approximately RM20 million), together with interest at 14% per annum, as full and final settlement of all claims. On 27 March 2018, ONGC filed an application at the High Court in Mumbai, India to set aside the arbitration award.

On 16 October 2020, SDE and Swiber filed enforcement proceedings against ONGC to seek recovery of the arbitration award. The warrant of attachment for movable properties was issued by the Court. On 19 April 2021, ONGC deposited a sum of INR447 million (approximately RM18 million) to the Court, which includes interest at 14% on the principal sum awarded from the period of 22 March 2018 to 25 August 2020 and the enforcement proceedings is stayed pending the Court hearing ONGC’s application to set aside the arbitration award rendered by the arbitral tribunal.

The hearing scheduled for the setting aside of the award which has been postponed on numerous occasions is now scheduled to take place on 24 June 2026.

B11. Dividend

An interim dividend of 3.0 sen per share amounting to RM204 million for the financial year ending 30 June 2026 was declared on 26 February 2026 and paid by way of cash on 31 March 2026.

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B12. Earnings Per Share

	Quarter ended 31 March		Three quarters ended 31 March	
	2026	2025	2026	2025
Basic earnings per share attributable to owners of the Company are computed as follows:				
Profit attributable to owners of the Company from:				
- continuing operations	654	193	1,440	1,291
- discontinued operations	<u>-</u>	<u>-</u>	<u>-</u>	<u>7</u>
	<u>654</u>	<u>193</u>	<u>1,440</u>	<u>1,298</u>
Weighted average number of ordinary shares in issue (million)	<u>6,816</u>	<u>6,816</u>	<u>6,816</u>	<u>6,816</u>
Basic earnings per share (sen)				
- continuing operations	9.6	2.8	21.1	18.9
- discontinued operations	<u>-</u>	<u>-</u>	<u>-</u>	<u>0.1</u>
	<u>9.6</u>	<u>2.8</u>	<u>21.1</u>	<u>19.0</u>

The diluted earnings per share of the Group is similar to the basic earnings per share as the Group does not have any material potential dilutive ordinary shares in issue.

Petaling Jaya
25 May 2026

By Order of the Board
Junaidah Abdul Rahim
Group Secretary