

QUARTERLY REPORT

On the consolidated results for the fourth quarter ended 30 June 2026

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 June		%	Year ended 30 June		%
	Note	2026	2025	+/(-)	2026	2025	+/(-)
Continuing operations							
Revenue	A7	16,710	17,758	(5.9)	69,467	70,061	(0.8)
Operating expenses		(16,275)	(17,336)		(67,661)	(68,386)	
Other operating income		241	171		457	419	
Other gains and losses		(202)	453		231	985	
Operating profit		474	1,046	(54.7)	2,494	3,079	(19.0)
Share of results of joint ventures and associates		151	109		584	513	
Profit before interest and tax	A7	625	1,155	(45.9)	3,078	3,592	(14.3)
Finance income		19	26		95	106	
Finance costs		(115)	(135)		(504)	(647)	
Profit before tax	B5	529	1,046	(49.4)	2,669	3,051	(12.5)
Taxation	B6	(137)	(216)		(586)	(663)	
Profit from continuing operations		392	830	(52.8)	2,083	2,388	(12.8)
Discontinued operations							
Profit from discontinued operations		—	—		—	9	
Profit for the period		392	830	(52.8)	2,083	2,397	(13.1)
Attributable to owners of:							
- the Company							
- from continuing operations		322	763	(57.8)	1,762	2,054	(14.2)
- from discontinued operations		—	—		—	7	
		322	763	(57.8)	1,762	2,061	(14.5)
- non-controlling interests							
- from continuing operations		52	49		251	264	
- from discontinued operations		—	—		—	2	
- perpetual sukuk							
- from continuing operations		18	18		70	70	
Profit for the period		392	830	(52.8)	2,083	2,397	(13.1)
		Sen	Sen		Sen	Sen	
Basic earnings per share attributable to owners of the Company	B12						
- from continuing operations		4.8	11.2	(57.1)	25.9	30.1	(14.0)
- from discontinued operations		—	—		—	0.1	
Total		4.8	11.2	(57.1)	25.9	30.2	(14.2)

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 30 June		Year ended 30 June	
	2026	2025	2026	2025
Profit for the period	392	830	2,083	2,397
Other comprehensive income/(loss):				
<u>Continuing operations</u>				
Items that will be reclassified subsequently to profit or loss:				
Currency translation differences	52	(116)	(270)	(1,270)
Share of other comprehensive income/(loss) of joint ventures and associates	4	(7)	(6)	(40)
Net changes in fair value of cash flow hedges	3	8	6	(4)
Tax (expense)/credit	(1)	(3)	(2)	1
	58	(118)	(272)	(1,313)
Currency translation differences on repayment of net investment and disposals reclassified to profit or loss	–	1	8	(3)
Changes in fair value of cash flow hedges reclassified to profit or loss and inventories	–	(4)	9	(14)
Tax (expense)/credit	–	(1)	(1)	2
	58	(122)	(256)	(1,328)
Items that will not be reclassified subsequently to profit or loss:				
Actuarial loss on defined benefit pension plans	–	(14)	–	(14)
Other comprehensive income/(loss) from continuing operations	58	(136)	(256)	(1,342)
<u>Discontinued operations</u>				
Other comprehensive loss from discontinued operations	–	–	–	(7)
Total other comprehensive income/(loss)	58	(136)	(256)	(1,349)
Total comprehensive income for the period	450	694	1,827	1,048
Attributable to owners of:				
- the Company				
- from continuing operations	376	634	1,511	734
- from discontinued operations	–	–	–	6
	376	634	1,511	740
- non-controlling interests				
- from continuing operations	56	42	246	242
- from discontinued operations	–	–	–	(4)
- perpetual sukuk				
- from continuing operations	18	18	70	70
Total comprehensive income for the period	450	694	1,827	1,048

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

		Unaudited As at 30 June 2026	Audited As at 30 June 2025
	Note		
<u>Non-current assets</u>			
Property, plant and equipment		12,152	12,021
Right-of-use assets		2,720	3,041
Investment properties		530	565
Intangible assets		2,783	2,966
Joint ventures and associates		3,522	3,306
Financial assets at fair value through profit or loss		64	68
Deferred tax assets		880	797
Derivative assets	B9(a)	–	9
Receivables and other assets		194	200
		22,845	22,973
<u>Current assets</u>			
Inventories		11,796	12,106
Financial assets at fair value through profit or loss		522	382
Receivables, contract assets and other assets		7,156	7,592
Prepayments		676	862
Tax recoverable		127	138
Derivative assets	B9(a)	35	59
Bank balances, deposits and cash		2,794	3,039
		23,106	24,178
Assets held for sale		127	237
Total assets		46,078	47,388
<u>Equity</u>			
Share capital		9,330	9,330
Reserves		10,499	9,874
Attributable to owners of the Company		19,829	19,204
Non-controlling interests		2,756	2,960
Perpetual sukuk		1,181	1,181
Total equity		23,766	23,345
<u>Non-current liabilities</u>			
Borrowings	B8	3,679	4,891
Lease liabilities		1,758	2,007
Derivative liabilities	B9(a)	2	–
Payables, contract liabilities and other liabilities		878	780
Deferred tax liabilities		876	829
		7,193	8,507
<u>Current liabilities</u>			
Borrowings	B8	2,706	2,231
Lease liabilities		411	441
Derivative liabilities	B9(a)	54	47
Payables and other liabilities		9,316	10,200
Contract liabilities		2,021	1,961
Provisions		434	415
Tax payable		177	241
		15,119	15,536
Total liabilities		22,312	24,043
Total equity and liabilities		46,078	47,388
Net assets per share attributable to owners of the Company (RM)		2.91	2.82

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
Year ended											
30 June 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	–	–	–	9	(260)	1,762	1,511	1,511	246	70	1,827
Disposal of non-wholly owned subsidiaries	–	–	–	–	–	–	–	–	(13)	–	(13)
Dividends paid	–	–	–	–	–	(886)	(886)	(886)	(429)	–	(1,315)
Dividends payable	–	–	–	–	–	–	–	–	(8)	–	(8)
Distribution to holders of perpetual sukuk	–	–	–	–	–	–	–	–	–	(70)	(70)
Transfer between reserves	–	–	5	–	–	(5)	–	–	–	–	–
At 30 June 2026	9,330	223	160	7	(772)	10,881	10,499	19,829	2,756	1,181	23,766

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
Year ended											
30 June 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)	(1,294)	2,047	740	740	238	70	1,048
Shares issued by non-wholly owned subsidiaries	–	–	–	–	–	–	–	–	5	–	5
Acquisition of non-wholly owned subsidiaries	–	–	–	–	–	–	–	–	46	–	46
Disposal of non-wholly owned subsidiaries	–	–	–	–	–	–	–	–	(96)	–	(96)
Partial disposal of interest in subsidiaries	–	–	–	–	6	46	52	52	173	–	225
Dividends paid	–	–	–	–	–	(954)	(954)	(954)	(208)	–	(1,162)
Dividends payable	–	–	–	–	–	–	–	–	(9)	–	(9)
Distribution to holders of perpetual sukuk	–	–	–	–	–	–	–	–	–	(70)	(70)
Transfer between reserves	–	–	9	–	–	(9)	–	–	–	–	–
At 30 June 2025	9,330	223	155	(2)	(512)	10,010	9,874	19,204	2,960	1,181	23,345

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.

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

	Year ended 30 June	
	2026	2025
Cash flow from operating activities		
Profit for the period from continuing operations	2,083	2,388
Adjustments for:		
Dividend income from financial assets	(120)	–
Share of results of joint ventures and associates	(584)	(513)
Finance income	(95)	(106)
Finance costs	504	647
Taxation	586	663
Gain on disposal of fixed assets (net)	(418)	(916)
Gain on disposal of businesses and equity investments (net)	(31)	(65)
Depreciation and amortisation	2,056	2,126
Impairment of fixed assets (net)	219	28
Impairment of receivables/(Reversal of impairment of receivables) (net)	25	(23)
Inventory write-down and provision	138	279
Fair value gain on financial assets at fair value through profit or loss (net)	(7)	(4)
Other non-cash items	(58)	(47)
	4,298	4,457
Changes in working capital:		
Inventories	411	2,044
Rental assets	(1,135)	(1,200)
Receivables and other assets	14	(147)
Payables and other liabilities	88	461
Cash generated from operations	3,676	5,615
Tax paid (net)	(664)	(789)
Dividends received from joint ventures and associates	379	494
Dividends received from financial assets	120	–
Operating cash flow from continuing operations	3,511	5,320
Operating cash flow used in discontinued operations	–	(21)
Net cash flow from operating activities	3,511	5,299
Cash flow from investing activities		
Finance income received	85	94
Purchase of fixed assets	(1,085)	(1,094)
Acquisition of subsidiaries, businesses and associates ¹	(22)	(63)
(Net cash outflow)/Proceeds from sale of businesses and equity investments	(3)	249 ²
Proceeds from sale of fixed assets	533	921
Net additions to financial assets at fair value through profit or loss	(122)	(315)
Net movement in restricted deposits and deposits with maturity more than 3 months	(41)	(43)
Loan to an associate	–	(1)
Capital repayment by a joint venture	–	1
Investing cash flow used in continuing operations	(655)	(251)
Investing cash flow from discontinued operations	–	30
Net cash flow used in investing activities	(655)	(221)

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

		Year ended 30 June	
	Note	2026	2025
Cash flow from financing activities			
Finance costs paid		(371)	(521)
Net borrowings repaid		(824)	(2,722)
Repayment of lease liabilities		(608)	(702)
Proceeds from partial disposal of interest in subsidiaries (net)		–	225
Proceeds from shares issued to non-controlling interests		–	5
Dividends paid to shareholders		(886)	(954)
Dividends paid to non-controlling interests ³		(438)	(231)
Distribution paid to perpetual sukuk holders		(70)	(70)
Financing cash flow used in continuing operations		(3,197)	(4,970)
Financing cash flow used in discontinued operations		–	–
Net cash flow used in financing activities		(3,197)	(4,970)
Net decrease in cash and cash equivalents		(341)	108
Foreign exchange differences		(37)	(65)
Cash and cash equivalents at beginning of the period		2,819	2,776
Cash and cash equivalents at end of the period		2,441	2,819
For the purpose of the Consolidated Statement of Cash Flows, cash and cash equivalents comprised the following:			
Bank balances, deposits and cash		2,794	3,039
Less:			
Bank overdrafts	B8	(210)	(118)
Deposits with maturity of more than 3 months		(50)	(25)
Deposits restricted by bank		(93)	(77)
		2,441	2,819

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).

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 30 June 2025.

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’.

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 30 June 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 30 June 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 ended 30 June 2026 was paid by way of cash on 31 March 2026.

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

Explanatory Notes on the Quarterly Report – 30 June 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
Year ended 30 June 2026								
Segment revenue:								
External	18,787	34,859	15,775	46	–	69,467	–	69,467
Inter-segment	9	14	17	10	(50)	–	–	–
	<u>18,796</u>	<u>34,873</u>	<u>15,792</u>	<u>56</u>	<u>(50)</u>	<u>69,467</u>	<u>–</u>	<u>69,467</u>
Profit/(Loss) before interest and tax	<u>1,186</u>	<u>533</u>	<u>945</u>	<u>505</u>	<u>(91)</u>	<u>3,078</u>	<u>–</u>	<u>3,078</u>
Net finance costs						(409)	–	(409)
Taxation						(586)	–	(586)
Profit for the period						<u>2,083</u>	<u>–</u>	<u>2,083</u>
Year ended 30 June 2025								
Segment revenue:								
External	19,003	34,480	16,502	76	–	70,061	174	70,235
Inter-segment	9	17	27	21	(74)	–	–	–
	<u>19,012</u>	<u>34,497</u>	<u>16,529</u>	<u>97</u>	<u>(74)</u>	<u>70,061</u>	<u>174</u>	<u>70,235</u>
Profit/(Loss) before interest and tax	<u>1,326</u>	<u>431</u>	<u>959</u>	<u>954</u>	<u>(78)</u>	<u>3,592</u>	<u>17</u>	<u>3,609</u>
Net finance (costs)/income						(541)	1	(540)
Taxation						(663)	(9)	(672)
Profit for the period						<u>2,388</u>	<u>9</u>	<u>2,397</u>

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

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

Explanatory Notes on the Quarterly Report – 30 June 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						
30 June 2026						
Segment assets	16,389	14,163	12,929	122	1,468	45,071
Segment liabilities	(3,605)	(5,474)	(3,363)	(250)	(13)	(12,705)
Segment invested capital	12,784	8,689	9,566	(128)	1,455	32,366
Net tax liabilities						(46)
Borrowings and lease liabilities						(8,554)
Total equity						23,766
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

A7. Segment Information (continued)

Revenue from continuing operations comprise the following:

	Year ended 30 June	
	2026	2025
Revenue from contracts with customers	68,196	68,674
Rental income	1,271	1,387
	69,467	70,061

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

Year ended 30 June 2026	Industrial	Motors	UMW	Others	Total
<u>Continuing operations</u>					
Segment revenue					
Sale of equipment and vehicles	7,818	28,990	10,708	–	47,516
Sale of parts, assembly charges and provision of after-sales services	10,030	4,969	3,724	–	18,723
Manufacturing and engineering	251	–	834	10	1,095
Commission, handling fees and others	–	613	228	21	862
	18,099	34,572	15,494	31	68,196
Geographical location					
Malaysia	1,341	7,520	15,061	24	23,946
China	2,975	10,995	189	1	14,160
Other countries in Asia	702	11,635	244	6	12,587
Australasia	13,081	4,422	–	–	17,503
	18,099	34,572	15,494	31	68,196
Timing of revenue recognition					
At a point in time	13,097	30,163	15,443	18	58,721
Over time	5,002	4,409	51	13	9,475
	18,099	34,572	15,494	31	68,196

Year ended 30 June 2025	Industrial	Motors	UMW	Others	Total
<u>Continuing operations</u>					
Segment revenue					
Sale of equipment and vehicles	7,108	28,179	11,492	–	46,779
Sale of parts, assembly charges and provision of after-sales services	10,776	4,912	3,737	–	19,425
Manufacturing and engineering	323	–	853	8	1,184
Commission, handling fees and others	–	1,089	148	49	1,286
	18,207	34,180	16,230	57	68,674

Explanatory Notes on the Quarterly Report – 30 June 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):

Year ended 30 June 2025	Industrial	Motors	UMW	Others	Total
Geographical location					
Malaysia	1,212	7,406	15,882	51	24,551
China	2,622	12,465	121	–	15,208
Other countries in Asia	883	9,564	227	6	10,680
Australasia	13,490	4,745	–	–	18,235
	<u>18,207</u>	<u>34,180</u>	<u>16,230</u>	<u>57</u>	<u>68,674</u>
Timing of revenue recognition					
At a point in time	13,348	29,644	16,170	40	59,202
Over time	4,859	4,536	60	17	9,472
	<u>18,207</u>	<u>34,180</u>	<u>16,230</u>	<u>57</u>	<u>68,674</u>

A8. Capital Commitments

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

	As at 30 June 2026	As at 30 June 2025
- Property, plant and equipment	449	530
- Other capital expenditure	15	30
	<u>464</u>	<u>560</u>

A9. Significant Related Party Transactions

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

	Year ended 30 June	
	2026	2025
a. Transactions with joint ventures and associates		
<u>Continuing operations</u>		
Purchase of products and services from Sitech Construction Systems Pty Ltd	13	21
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	665	618
Purchase of goods and services from Perodua and its subsidiaries and associates	787	713
Sale of land to Perodua and its subsidiaries and associates	–	52
Sale of goods to UMW Toyotsu Motors Sdn Bhd	428	374
Incentive payments and purchase of goods and services from UMW Toyotsu Motors Sdn Bhd	32	18
Purchase of goods from Sime Kansai Paints Sdn Bhd	26	4
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	94	84
Contract assembly service provided by ICSB to Kia Malaysia Sdn Bhd	18	18
Rental and vehicle storage income received by ICSB from Mazda Malaysia Sdn Bhd, Bermaz Motor Trading Sdn Bhd and Dinamikjaya Motors Sdn Bhd	7	8
Sale of goods and services to Toyota Motor Corporation, Japan and its affiliates and Toyota Tsusho Corporation, Japan and its affiliates	2,125	1,971
Purchase of goods and services from Toyota Motor Corporation, Japan and its affiliates and Toyota Tsusho Corporation, Japan and its affiliates	6,586	6,616
Purchase of goods and services from Toyota Industries Corporation, Japan and its affiliates	358	394
Purchase of goods and services from Kayaba Industry Co Ltd ("Kayaba") and its affiliates	24	24
Sale of goods and services to Kayaba and its affiliates	88	95
<u>Discontinued operations</u>		
Purchase of goods and services from Komatsu Ltd, Japan and its affiliates	–	122

A9. Significant Related Party Transactions (continued)

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

c. Transactions with major shareholders and the Government

As at 30 June 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 21 August 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	<u>(13)</u>
Share of net assets disposed	19
Gain on disposal	29
Less: Fair value of retained portion of investment in associate	<u>(24)</u>
Total consideration from the disposal	24
Less: cash and cash equivalents of subsidiary disposed	<u>(29)</u>
Net cash outflow from disposal	<u>(5)</u>

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 30 June 2026	As at 30 June 2025
Performance and advance payment guarantees to customers of the Group	<u>2,572</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 30 June 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 RM72 million (30 June 2025: RM76 million).

Explanatory Notes on the Quarterly Report – 30 June 2026
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

	Quarter ended 30 June			Year ended 30 June		
	2026	2025	% +/(–)	2026	2025	% +/(–)
<u>Continuing operations</u>						
Revenue	16,710	17,758	(5.9)	69,467	70,061	(0.8)
Segment results:						
Industrial	348	425	(18.1)	1,186	1,326	(10.6)
Motors	55	9	>100.0	533	431	23.7
UMW	219	279	(21.5)	945	959	(1.5)
Others	28	18		71	53	
	650	731	(11.1)	2,735	2,769	(1.2)
Gain on disposal of Malaysia Vision Valley (“MVV”) land	–	443		434	901	
Foreign exchange loss from repayment of net investments	–	(1)		(8)	(1)	
Corporate expenses	(25)	(18)		(83)	(77)	
Profit before interest and tax (“PBIT”)	625	1,155	(45.9)	3,078	3,592	(14.3)
Finance income	19	26		95	106	
Finance costs	(115)	(135)		(504)	(647)	
Profit before tax	529	1,046	(49.4)	2,669	3,051	(12.5)
Taxation	(137)	(216)		(586)	(663)	
Profit from continuing operations	392	830	(52.8)	2,083	2,388	(12.8)
Non-controlling interests	(52)	(49)		(251)	(264)	
Perpetual sukuk	(18)	(18)		(70)	(70)	
Profit from continuing operations attributable to owners of the Company	322	763	(57.8)	1,762	2,054	(14.2)
<u>Discontinued operations</u>						
Profit from discontinued operations attributable to owners of the Company	–	–		–	7	
Profit attributable to owners of the Company (“Net Profit”)	322	763	(57.8)	1,762	2,061	(14.5)

B1. Review of Group Performance (continued)

The analysis of the results for the quarter ended 30 June 2026 against the quarter ended 30 June 2025 is as follows:

The Group's Net Profit was lower at RM322 million mainly due to impairments and provisions during the quarter and the absence of gain on disposal of MVV land.

a) Industrial

PBIT decreased by 18.1% to RM348 million in the current quarter mainly due to impairment of assets in Australasia of RM66 million (previous corresponding period: Nil) and lower core PBIT from the Australian operations arising from lower contribution from product support and rental operations. The decrease was partially offset by higher revenue from data centre project milestone deliveries in Malaysia.

b) Motors

PBIT increased to RM55 million in the current quarter. Included in the PBIT are impairments and provisions of RM194 million (previous corresponding period: one-off gain on disposals of RM19 million). The impairments and provisions mainly relate to closure of certain operations in Mainland China and asset impairments in Australia, Malaysia and Indonesia. Excluding these, core PBIT increased by RM259 million to RM249 million in the current quarter.

The higher core PBIT was mainly due to dividend income recognised of RM116 million (previous corresponding period: Nil) and improved performance in Singapore and Hong Kong. Profit for Singapore increased as a result of higher electric vehicle sales while Hong Kong results improved on higher margins.

c) UMW

PBIT decreased by 21.5% to RM219 million in the current quarter. Profit from the automotive business was lower mainly due to lower vehicle sales and higher operating expenses of subsidiaries but largely offset by higher share of profit from associates. Performance of the aerospace (under the manufacturing and engineering subsegment) declined significantly mainly due to lower revenue.

An analysis of the results for the year ended 30 June 2026 against the year ended 30 June 2025 is as follows:

The Group's Net Profit was lower by 14.5% at RM1,762 million mainly due to lower gain on disposal of MVV land compared to the previous financial year and one-off impairments and provisions during the current quarter.

a) Industrial

PBIT was lower by 10.6% at RM1,186 million largely due to lower profit from Australasia, including the impact of impairments of RM66 million in the current quarter (previous year: gain on disposal of Chubb Singapore of RM18 million) and lower core PBIT from Australasia, which recorded lower contribution from the product support and rental operations.

b) Motors

PBIT increased by 23.7% to RM533 million. Excluding impairments and provisions of RM194 million and disposal gains of RM68 million in the previous year, core PBIT increased from RM363 million to RM727 million. The increase was mainly due to similar reasons as explained in the results for the quarter ended 30 June 2026.

B1. Review of Group Performance (continued)

c) UMW

PBIT decreased slightly to RM945 million, as lower vehicle sales from automotive subsidiaries were largely offset by the higher share of profit from associates and improved performance of the lubricant business, which was impacted by inventory adjustments in the previous year.

d) Others

Included in the results are writeback of legacy oil & gas liabilities of RM31 million, gain on disposal of SDLIB of RM29 million and gain on retranslation of legacy oil & gas liabilities of RM11 million (previous corresponding period: gain of RM31 million).

e) Finance Costs

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

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

	Quarter ended		
	30 June 2026	31 March 2026	%
Revenue	<u>16,710</u>	<u>15,752</u>	6.1
Segment results:			
Industrial	348	245	42.0
Motors	55	143	(61.5)
UMW	219	196	11.7
Others	<u>28</u>	<u>3</u>	
	650	587	10.7
Gain on disposal of MVV land	–	434	
Corporate expenses	<u>(25)</u>	<u>(21)</u>	
Profit before interest and tax	625	1,000	(37.5)
Finance income	19	22	
Finance costs	<u>(115)</u>	<u>(123)</u>	
Profit before tax	529	899	(41.2)
Taxation	<u>(137)</u>	<u>(178)</u>	
Profit after tax	392	721	(45.6)
Non-controlling interests	(52)	(50)	
Perpetual sukuk	<u>(18)</u>	<u>(17)</u>	
Profit attributable to owners of the Company	<u>322</u>	<u>654</u>	(50.8)

The analysis of the results for the quarter ended 30 June 2026 against the quarter ended 31 March 2026 is as follows:

The Group's Net Profit was lower by 50.8% to RM322 million mainly due to impairments and provisions in the current quarter while the preceding quarter included gain on disposal of MVV land.

a) Industrial

PBIT was higher by 42.0% at RM348 million mainly due to higher profit from Australasia (despite the RM66 million impairments in the current quarter) and Malaysia. Profit from Australasia increased significantly mainly due to higher revenue and margins while profit from Malaysia increased significantly mainly due to recognition of revenue from data centre project milestone deliveries.

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

b) Motors

PBIT decreased by 61.5% to RM55 million mainly due to impairment and provisions of RM194 million, partly offset by dividend income of RM116 million. Excluding these items, PBIT decreased by 7% mainly due to lower profit from Malaysia, which was impacted by higher operating expenses.

c) UMW

PBIT increased by 11.7% to RM219 million mainly due to higher share of profit from automotive associates, partially offset by lower profit from the automotive subsidiaries. The higher share of profit from automotive associates was on the back of higher vehicle sales while the decline in profit from automotive subsidiaries was mainly due to lower margins.

d) Others

Included in the current quarter results is writeback of legacy oil & gas liabilities of RM31 million.

B3. Prospects

The global economic outlook remains challenging with on-going geopolitical tensions impacting supply chains with the added risk of inflation.

Amidst this uncertainty, business conditions are anticipated to be subdued. The motors sector continues to be impacted by muted 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 services is expected to remain strong.

The Board anticipates that the Group's core financial performance for the financial year ending 30 June 2027 to be consistent with that of financial year 2026.

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

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

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

Explanatory Notes on the Quarterly Report – 30 June 2026
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B5. Profit before tax

	Quarter ended 30 June		Year ended 30 June	
	2026	2025	2026	2025
Included in operating profit of continuing operations are:				
Depreciation and amortisation	(530)	(522)	(2,056)	(2,126)
Inventory write-down and provision (net)	(77)	(151)	(138)	(279)
(Impairment)/Reversal of impairment of receivables (net)	(10)	(11)	(25)	23
Impairment of fixed assets (net)	(214)	(6)	(219)	(28)
Gain on disposal of properties	9	457	421	917
(Loss)/Gain on disposal of other fixed assets (net)	(7)	2	(3)	(1)
Gain on disposal of subsidiaries, businesses and associates (net)	–	3	31	65
Fair value (loss)/gain on financial assets at fair value through profit or loss (net)	(4)	2	7	4
Foreign exchange gain/(loss) (net)	2	–	(31)	14
Gain/(Loss) on derivatives (net)	7	(13)	14	(9)
Gain on lease modification/termination (net)	5	8	11	23

B6. Taxation

	Quarter ended 30 June		Year ended 30 June	
	2026	2025	2026	2025
Continuing operations				
Current tax:				
- current year	172	214	634	675
- previous years	(5)	3	(3)	8
	167	217	631	683
Deferred tax:				
- origination and reversal of temporary differences and other deferred tax adjustments	(30)	(1)	(45)	(20)
	137	216	586	663
Discontinued operations	–	–	–	9

The effective tax rate of continuing operations (excluding share of results of joint ventures and associates) for the current quarter ended 30 June 2026 of 36.2% was higher than the applicable tax rate of 22.5% while the effective tax rate of continuing operations (excluding shares of results of joint ventures and associates) for the year ended 30 June 2026 of 28.1% was higher than the applicable tax rate of 23.9%. The higher effective tax rate was mainly due to the impact of non-deductible expenses and adjustments to deferred taxes.

B7. Status of Corporate Proposals

There were no corporate proposals announced but not completed as at 21 August 2026, being a date not earlier than 7 days from the date of issue of the quarterly report.

Explanatory Notes on the Quarterly Report – 30 June 2026
Amounts in RM million unless otherwise stated

B8. Group Borrowings

The breakdown of the borrowings as at 30 June 2026 is as follows:

	Secured	Unsecured	Total
<u>Long-term</u>			
Term loans and other long-term borrowings	–	2,329	2,329
Sukuk and Islamic term loans	–	1,350	1,350
	<u>–</u>	<u>3,679</u>	<u>3,679</u>
<u>Short-term</u>			
Term loans and other long-term borrowings	2	436	438
Sukuk and Islamic term loans	7	857	864
Islamic financing	–	299	299
Islamic bank overdrafts	–	28	28
Bank overdrafts	–	182	182
Revolving credits, bankers acceptances, trade facilities and other short-term borrowings	1	894	895
	<u>10</u>	<u>2,696</u>	<u>2,706</u>
Total borrowings	<u>10</u>	<u>6,375</u>	<u>6,385</u>

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

	Long-term borrowings	Short-term borrowings	Total
Ringgit Malaysia	1,369	1,226	2,595
Australian dollar	2,310	851	3,161
Chinese renminbi	–	354	354
European Union euro	–	36	36
Hong Kong dollar	–	53	53
Indonesian rupiah	–	31	31
New Zealand dollar	–	18	18
Pacific franc	–	3	3
Thailand baht	–	45	45
Singapore dollar	–	80	80
United States dollar	–	9	9
Total borrowings	<u>3,679</u>	<u>2,706</u>	<u>6,385</u>

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

B9. Financial Instruments

a) Derivatives

The Group enters into derivative contracts primarily to manage its exposure to financial risks. The fair values of these contracts as at 30 June 2026 are as follows:

	Classification in Statement of Financial Position		Net fair value
	Assets	Liabilities	
Forward foreign exchange contracts	35	(44)	(9)
Embedded derivatives	–	(12)	(12)
	35	(56)	(21)

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 30 June 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	3,943	(7)
- 1 year to 3 years	173	(2)
	4,116	(9)

Embedded derivatives

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

As at 30 June 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	661	(12)

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	522	63	586
Loan to joint venture ¹	–	–	1	1

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 21 August 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 RM320 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 Plaintiffs commenced Judgment Debtor Summons against the Defendants / Judgment Debtors (“JDs”) and the examination of the JDs is scheduled to commence on 7 September 2026.

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.

B10. Material Litigation (continued)

Changes in material litigation since the date of the last audited annual statement of financial position up to 21 August 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 RM307 million).

On 22 March 2018, the tribunal ordered ONGC to pay the Consortium a net sum of USD5.12 million (approximately RM21 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 RM19 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 for the setting aside of the award which has been postponed on numerous occasions due to the tight court schedule is now fixed for 4 September 2026.

B11. Dividend

The Board has declared a second interim dividend of 11.0 sen per share in respect of the financial year ended 30 June 2026. The entitlement date for the dividend is 17 September 2026 while the dividend is payable on 30 September 2026.

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

- Shares transferred into the depositor's securities account before 4.30 p.m. on 17 September 2026 in respect of transfers; and
- Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

The total dividends for the year ended 30 June is as follows:

	Year ended 30 June 2026		Year ended 30 June 2025	
	Per share (sen)	Total dividends	Per share (sen)	Total dividends
First interim dividend	3.0	204	3.0	204
Special dividend	—	—	1.0	68
Second interim dividend	11.0	750	10.0	682
	14.0	954	14.0	954

B12. Earnings Per Share

	Quarter ended 30 June		Year ended 30 June	
	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	322	763	1,762	2,054
- discontinued operations	<u>-</u>	<u>-</u>	<u>-</u>	<u>7</u>
	<u>322</u>	<u>763</u>	<u>1,762</u>	<u>2,061</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	4.8	11.2	25.9	30.1
- discontinued operations	<u>-</u>	<u>-</u>	<u>-</u>	<u>0.1</u>
	<u>4.8</u>	<u>11.2</u>	<u>25.9</u>	<u>30.2</u>

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

Petaling Jaya
27 August 2026

By Order of the Board
Junaidah Abdul Rahim
Group Secretary