

Strengthened Resilience, Disciplined Execution

ANNUAL REPORT 2026

ABOUT OUR REPORT

Sime Darby Berhad (Sime, the Group or the Company) is proud to present its latest Annual Report, outlining our financial and non-financial performance, challenges, opportunities and strategic actions for the financial year ended 30 June 2026 (FY2026) and detailing how they contribute to value creation over the short, medium and long term, in line with our purpose of bringing the best products and solutions to enable Asia Pacific to move and develop.

REPORTING SCOPE AND BOUNDARIES

This report primarily covers the financial year from 1 July 2025 to 30 June 2026. Unless otherwise stated, financial and non-financial performance information relates to that period. Certain information has been updated after the financial year-end, with the applicable reference date stated in the relevant section.

Our reporting boundaries consider impacts arising from operations and entities we manage, as well as external impacts where we do not own the assets, do not directly engage or employ workers, or operate the assets under a contractual obligation.

For the purposes of this report, "net profit" refers to "net profit attributable to owners of the Company".

REPORTING FRAMEWORKS AND GUIDELINES

This report has been prepared in accordance with:

- International Integrated Reporting Framework (January 2021 version) (<IR> Framework), originally developed by the International Integrated Reporting Council and now maintained by the IFRS Foundation
- Malaysian Code on Corporate Governance (MCCG) 2021
- Main Market Listing Requirements (MMLR) of Bursa Malaysia Securities Berhad (Bursa Malaysia)
- Malaysian Financial Reporting Standards (MFRS)
- International Financial Reporting Standards (IFRS)
- Securities Commission Malaysia's National Sustainability Reporting Framework (NSRF)

FY2026 marks our first year of reporting in accordance with IFRS S2 Climate-related Disclosure standard. We will continue to enhance our disclosures towards achieving full compliance with IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information by FY2028.

MATERIALITY

Our reporting focuses on matters that are most relevant to our stakeholders and our business. While material matters identified in FY2025 continue to guide our sustainability approach, we will work towards identifying sustainability-related risks and opportunities in line with NSRF requirements.

For further information, please refer to "Material Matters" on page 66.

INDEPENDENT ASSURANCE

Our financial statements have been independently audited and comply with the MFRS.

FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements relating to our plans, objectives, strategies, future operations and organisational performance. These statements are based on current assumptions and are subject to inherent uncertainties and should not be regarded as guarantees of future results. Actual outcomes and developments may differ materially from those expressed, and we undertake no obligation to update these statements.

FEEDBACK AND CONTACT POINT

We value our stakeholders' input and welcome suggestions to improve our reporting content and approach. Please contact our Investor Relations team with any comments or feedback:

Phone: +603-7623 2000

Email: investor.relations@sime.com

BOARD OVERSIGHT OF GOVERNANCE DISCLOSURES

The Board acknowledges its overall responsibility for the stewardship of the Company and oversight of its corporate reporting. In this regard, the Board has reviewed and approved the governance-related disclosures contained in this Annual Report, including the Corporate Governance Overview Statement, reports of the Board Committees and the Sustainability Statement. The Board has also been kept informed of the overall contents of the Annual Report prior to its publication.



Scan the QR code here or visit our corporate website at www.sime.com for more information about Sime, including the online version of this and past annual reports.

PRIORITISED SDGS



NAVIGATION ICONS

Our Capitals

- F Financial
- M Manufactured
- I Intellectual
- H Human
- SR Social & Relationship
- N Natural

Stakeholders

- S1 Employees
- S2 Customers
- S3 Government & Regulators
- S4 Media
- S5 Suppliers/Partners
- S6 Investors
- S7 Community

Key Risks

- R1 Market Dynamics
- R2 Business Partners
- R3 Disruption
- R4 Mergers and Acquisitions
- R5 Product and Service Delivery
- R6 Health, Safety and Environment
- R7 Cybersecurity
- R8 Climate Change
- R9 People
- R10 Regulatory Compliance

Strategy Pillars

- GC Grow the Core
- OE Operational Excellence
- FR Future Ready

Sustainability Pillars

People · Planet · Profit

Material Matters

- 1 Labour Practices
- 2 Health and Safety
- 3 Diversity
- 4 Employee Training and Development
- 5 Community Contributions and Development

- 1 Waste and Effluent Management
- 2 Water Management
- 3 Energy and Emissions Management
- 4 Climate Change

- 1 Business Continuity
- 2 Business Ethics and Compliance
- 3 Responsible Supply Chain
- 4 Customer Satisfaction
- 5 Data Privacy and Security
- 6 Sustainable Product Offering

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Form of Proxy



STRENGTHENED RESILIENCE, DISCIPLINED EXECUTION

At Sime, our resilience in an increasingly complex operating environment has meant more than the ability to withstand challenges. Our tenacity is underpinned by our strong fundamentals, prudent capital management and a clear strategic direction that enables us to navigate uncertainty while sustaining growth.

Guided by our 5-Year Strategy Master Plan, we remain focused on operational excellence, capital efficiency and unlocking portfolio value. Combined with disciplined execution, a robust balance sheet and a commitment to improving returns, we are well positioned to seize opportunities and strengthen our leadership position in the automotive and industrial equipment sectors across Asia Pacific.

By turning resilience into sustained performance, Sime continues to advance with confidence, delivering long-term growth and enduring value for all stakeholders.

Scan this QR code for a direct link to our Annual Report online

www.sime.com



Dato' Abdul Rahman Ahmad
Chairman

CHAIRMAN'S STATEMENT

Dear Valued Shareholders,

It is a privilege to return to Sime and serve as Chairman at a pivotal point in the company's journey. Amidst a highly volatile global economy and industry disruptions, the Group has sharpened its focus considerably, concentrating on our core Industrial and Motors operations while building a more geographically balanced portfolio across Asia Pacific.

As we embark on our next chapter, our focus remains on how we can continue delivering sustainable enhanced returns and create long-term value for our stakeholders. It is in this spirit that I am pleased to present our Annual Report for FY2026.

FY2026 IN REVIEW

In FY2026, Sime continued to weather a challenging operating environment marked by intense competition disrupting the global auto industry, softer mining customer activity in Australia and broader global uncertainties, including geopolitical tensions and trade disruptions. Despite these headwinds, our diversified portfolio proved resilient with our core businesses standing firm amid the volatility.

Our Industrial division faced softer conditions in Australia, as mining customers adopted a more cautious approach by deferring spending on product support and rental activities. Nevertheless, the long-term fundamentals of the business remain intact, supported by the cyclical nature of the sector, sustained revenue from aftersales and growing opportunities from data centre development in the region.

Our Motors division delivered significantly improved performance during the year, supported by the breadth of our portfolio and strong contributions across several of our key markets, namely China, Singapore and Malaysia.

Sime UMW, anchored by Toyota and Perodua, continued to contribute positively to the Group, reinforcing our leadership in Malaysia's automotive sector and providing greater balance to our overall earnings profile.



Core Net Profit
RM1.55 billion
32.6% improvement



Core Return on Equity (ROE)
8.0%
FY2025: 6.2%



Dividend
14 sen
62% payout ratio

> **In FY2026, Sime continued to weather a challenging operating environment marked by intense competition disrupting the global auto industry, softer mining customer activity in Australia and broader global uncertainties, including geopolitical tensions and trade disruptions.**

Consequently, we are pleased to report that our Group's core net profit increased by 32.6% to RM1.55 billion, with core ROE recording a five year high of 8.0%. Total dividend per share was sustained at 14 sen, translating to RM954 million, in line with our dividend policy.

These results demonstrate the strength of our regional footprint, the depth of our partnerships with world-class principals and the discipline embedded within our core businesses. These qualities also enabled Sime to navigate a demanding year while continuing to strengthen the foundations for sustainable long-term growth.

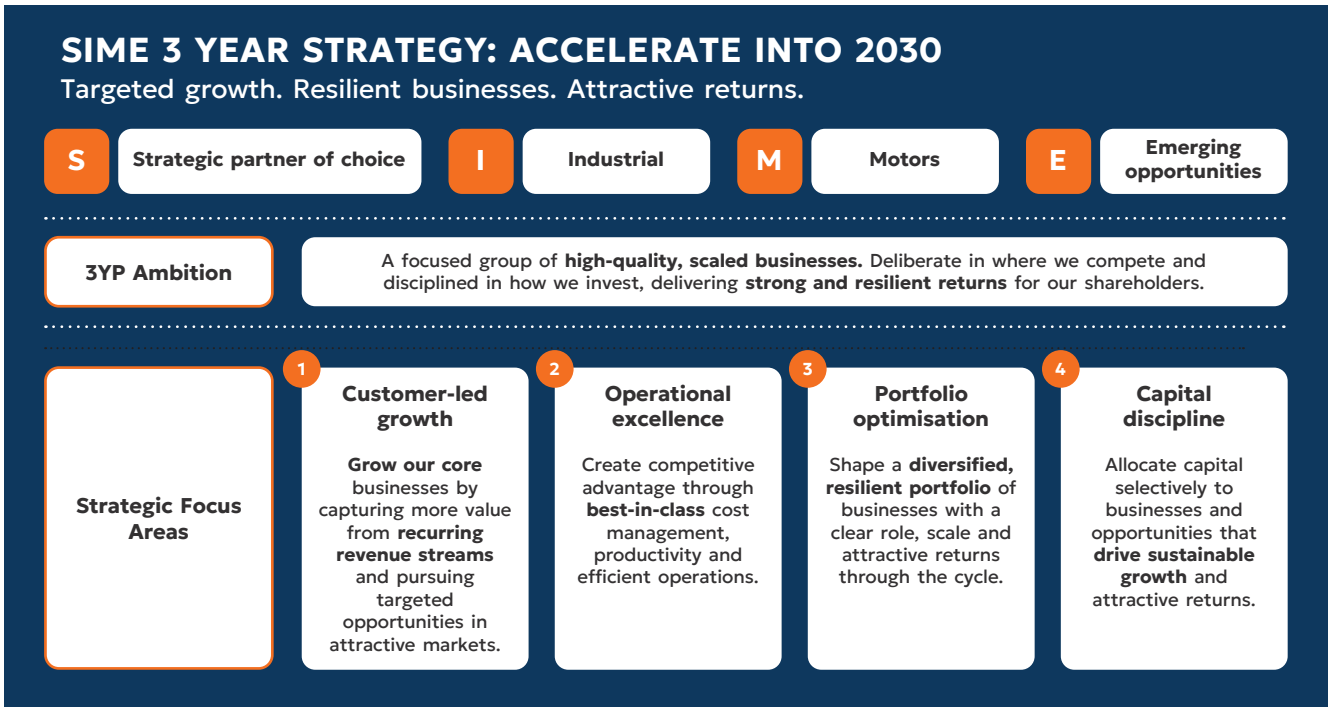
CHAIRMAN'S STATEMENT

DELIVERING VALUE TO OUR STAKEHOLDERS

Throughout FY2026, our 5-Year Strategy Master Plan continued to serve as our compass, anchored on its three strategic pillars of Grow the Core, Operational Excellence and Future Ready. These priorities have provided a clear framework for strengthening our core businesses, enhancing operational performance and positioning Sime for sustainable growth.

At the same time, the Board and Management are cognisant of the continuing challenges facing the Group and the need to further strengthen financial performance and shareholder returns. With this in mind, we have refined the Group's Strategy Master Plan to provide a clearer path to deliver on our core ROE target of 10% by 2029.

The focus under the refined Plan is on four key areas, namely Customer-led Growth, Operational Excellence, Portfolio Optimisation and Capital Discipline, all aimed at sharpening execution, strengthening the quality of our portfolio and reinforcing discipline in how we deploy capital. With this clear pathway ahead, we are confident in our ability to achieve our targets and ensure resilient enhanced returns to our shareholders.



Our value creation efforts extend across our wider stakeholder ecosystem. For our customers, we are focused on delivering quality products, dependable service and strong aftersales support across our markets. Our long-standing relationships with world-class brands and business partners are equally important, enabling us to strengthen our capabilities, broaden our offerings and continue serving customers effectively throughout the region.

Our team of talent is also fundamental to Sime's continued success. In FY2026, we continued to invest in their growth through leadership and capability development, apprenticeships, TVET and management programmes to strengthen our talent pool. Reflecting this, the Group recorded more than 710,000 learning hours in FY2026, averaging 25 training hours per employee. This demonstrates strong early progress towards the Group's target of exceeding 40 training hours per employee by 2030.

To ensure our capabilities continue to evolve in line with long-term business needs, we focused on strengthening leadership, technical and functional expertise. This included leadership development programmes such as the Aspiring Leaders Programme (ALP), People Managers Programme (PMP) and Strategic Leaders Programme (SLP) to support leadership readiness at different levels of the organisation. We also expanded sustainability, digital and other business-critical learning initiatives to equip employees with the skills needed to navigate a rapidly evolving business environment. Complementing these efforts, talent development initiatives such as the Management Trainee Programme are helping to build a strong future talent pipeline.

GOVERNANCE AS A STRATEGIC ENABLER

As Sime continues to operate across diverse markets, sectors and regulatory environments, strong governance provides the foundation for consistent accountability and responsible decision-making across the Group. The Board maintains active oversight of Group-wide frameworks, ensuring that we remain responsive to Bursa Malaysia's evolving requirements and aligned with international best practices.

In FY2026, the Board's priorities included overseeing the Group's strategic plan and initiatives to improve ROE, reviewing business and portfolio priorities, strengthening risk management and internal controls and advancing Board and Senior Management succession planning. These areas of focus reflect our commitment to ensuring that Sime remains well governed and equipped to navigate the evolving operating landscape.

We also continued to strengthen the composition and capabilities of the Board. During the year, a Board Competency Matrix was formalised to provide a more structured approach to Board succession and renewal, helping us identify the skills and experience required to oversee the Group's strategy and businesses and guide future appointments.

As part of this, we are pleased to welcome Dato' Seri Ahmad Johan Mohammad Raslan as Independent Non-Executive Director and Encik Hafiz Imran Ahmad Rashidi as Alternate Director to Puan Hanizan Hood. Their experience and perspectives further enhance the Board's collective expertise and oversight.

At the same time, I would like to extend our deepest gratitude to Tan Sri Samsudin for his dedicated service and leadership as Chairman of Sime from 2020 until 2025. His stewardship and commitment have been instrumental in shaping the Group and strengthening its foundations for the future. On behalf of the Board and the Group, I also extend our sincere thanks to Encik Edree Ahmad, who stepped down as Alternate Director during the year, for his contributions to Sime, and wish him every success in his future endeavours.

ADVANCING SUSTAINABILITY

In FY2026, we advanced our sustainability agenda with a refreshed Sustainability Blueprint and the launch of our Net Zero Roadmap, supporting the national target to achieve net zero by 2050. The Roadmap sets out our emissions reduction strategy and provides a clear pathway towards our climate ambitions. Following this, we achieved an absolute emissions reduction of 63,000 tCO_2e from our FY2020 baseline, or 34%. This puts us well ahead of our reduction target of 30% by 2030.

This FY2026 Annual Report marks Sime's first report prepared in accordance with the International Financial Reporting Standards (IFRS) Sustainability Disclosure Standards, in compliance with the MMLR of Bursa Malaysia and the National Sustainability Reporting Framework. We have elected to adopt the transition reliefs allowed in our first reporting year as we strengthen our sustainability disclosures and work towards full compliance with the IFRS Sustainability Disclosure Standards for our FY2028 Annual Report.

At the same time, we continue to give back through our philanthropic arm, Yayasan Sime Darby (YSD). In FY2026, Sime contributed RM30 million to YSD. With YSD, we extend aid to vulnerable and underserved communities through partnerships spanning education, social well-being and community development. These include initiatives supporting children with autism from lower-income families and programmes that advance the well-being and protection of women. During the year, we also established the Community Contribution Governance and Reporting Guideline, aimed at improving the planning, monitoring and reporting of our contributions.

For further information, please refer to "Creating Sustainable Value" on page 63.

LOOKING AHEAD

As we look ahead, we are very mindful of ongoing global uncertainties, including geopolitical tensions, evolving trade policy and intense competitive pressure in the automotive sector. We are also cognisant of stakeholders' and institutional shareholders' expectations from Sime, as a Malaysian company, to improve shareholder returns sustainably, as outlined by the Malaysian government's GEAR-uP and MY Value Up initiatives.

Against this backdrop, the resilience demonstrated by our core businesses in FY2026 gives us confidence in the strength of Sime's foundations. Our diversified regional portfolio, partnerships with world-class principals and strategic direction and initiatives set out in our Strategy Master Plan are key as we move forward.

We will continue to build on our momentum with a view towards enhancing returns, unlocking further value from the Group's core businesses and maintaining sustainable growth across Asia Pacific.

On behalf of the Board, I extend my sincere appreciation to our stakeholders, shareholders, principals and the communities we serve for their continued trust and support. My gratitude goes to the Management team and employees of Sime for their hard work and determination. Together, we remain committed to building a stronger, more resilient and highly performing organisation.

Abdul Rahman Ahmad
Chairman

GROUP CHIEF EXECUTIVE OFFICER'S Q&A



Dato' Jeffri Salim Davidson
Group Chief Executive Officer

> Adversity is the truest test of strategy. For Sime, FY2026 proved to be a crucible that underscored the strength of our regional portfolio. The foundation we have put in place and the depth of our geographical reach gave us the critical leverage to actively outpace the market's headwinds. In the following Q&A, I will share how agile execution allowed us to turn industry volatility into enhanced returns and sustainable, long-term value.

Q How would you characterise Sime's performance in FY2026?

A FY2026 was a year of steady, disciplined execution against a demanding backdrop. While we navigated evolving market cycles, our core businesses demonstrated their inherent resilience. We delivered a core net profit of RM1.55 billion, representing a 32.6% growth year-on-year.

This was driven largely by an improvement in our Motors division, particularly across Malaysia, Singapore and China. Our Industrial division balanced softer mining sector demand in Australasia with higher revenue from data centre project deliveries in Malaysia. UMW division also reported strong results as it held its position as having the largest market share of the automotive sector in Malaysia.

Ultimately, our diversified regional portfolio and geographical footprint continue to serve us well in navigating differing market cycles and in FY2026, enabled us to enhance capital efficiency and expand our core ROE to 8.0%.

Q The Industrial division's results remained subdued this year. What are the underlying factors and how should investors view prospects going forward?

A Overall, the Industrial division saw a marginal revenue decline of 1.1%, with core profit before interest and tax (PBIT) decreasing by 4.3%. This was largely a reflection of market dynamics in Australasia, our largest market. While Australasia recorded higher new equipment sales, revenue and profitability were affected by lower contributions from product support and rental operations as mining customers adopted a more cautious approach and deferred equipment servicing. Results were also impacted by a weaker Australian Dollar. Concurrently, Singapore was impacted by delayed customer deliveries.

However, our results demonstrate how we were able to balance these headwinds. In China, we registered higher revenue and PBIT driven by strong power system deliveries and reduced overheads. In Malaysia, revenue was lifted by milestone deliveries of power systems for data centre projects.

Our order book remains strong across all markets. In Australasia, our equipment order book stands at RM1.5 billion, largely driven by mining customers capitalising on strong commodities demand as well as growing requirements from data centres. Malaysia's order book is supported by multiple power systems and energy services projects for data centre infrastructure, as well as industrial engines. Meanwhile, our China business successfully doubled its order book, underpinned by stronger demand for power systems from data centre projects.

What has been really clear to us is the significant growth tailwind across Asia Pacific, with the rapid expansion of data centres. This demand is forecasted to grow significantly and we are in a strategic position to capitalise on this boom through our partnership with Caterpillar.

Caterpillar is the preferred brand for data centre backup power systems because of its combination of reliability, scale, service support and proven track record in mission-critical sectors. I believe our long-term fundamentals are strong, as evidenced by our robust equipment order book of over RM4.66 billion across our business footprint currently.

GROUP CHIEF EXECUTIVE OFFICER'S Q&A

Q The China market continues to pose challenges for the Motors business. How is the Group navigating this environment and when do you anticipate improvement?

A Chinese Mainland remains a highly competitive and demanding operating environment for our Motors business. Overcapacity and aggressive discounting by local players have exerted intense pressure on our margins, although the situation has eased somewhat of late.

Our Chinese Mainland Motors business saw weaker performance in FY2026. This was, however, balanced by an improvement in the Hong Kong, Macau and Taiwan businesses, as well as from the super luxury segment, resulting in a positive core PBIT of RM38 million for the region.

We remain committed to China and are confident that the market will eventually normalise. We are keenly aware of the importance of the Chinese market for Sime's future and as such, have implemented operational efficiency initiatives to create a leaner, more resilient business. This was achieved through strategic network consolidation, including closing underperforming outlets and rationalising our overheads.

We have had the full support of our principal, BMW, in Chinese Mainland. BMW has sustained a robust 17.4% share of the premium segment and continues its strong investment in the region.

Furthermore, BMW has partnered with Huawei to integrate HarmonyOS NEXT into its upcoming vehicles. A key catalyst for us is the Neue Klasse range of vehicles, built on BMW's advanced EV platform and integrated with localised technology. Following its launch in China in August 2026, the first Neue Klasse model, the iX3, has been met with strong customer and market acclaim. Additionally, BMW's consolidation of its dealer network in China helps boost Sime's market share, supported by price repositioning that helps to enhance the brand's overall competitiveness.

Q Sime UMW has now completed its second full year within the Group. How has it performed and what are its prospects ahead?

A The UMW division is indeed a cornerstone contributor to the Group. For FY2026, the Group's combined market share including Toyota and Perodua reached a commanding 53.7% of Malaysia's automotive sector. Toyota retained its position as Malaysia's top non-national brand, while Perodua remains the undisputed market leader.

While the auto industry saw slightly moderated vehicle sales in the first quarter of FY2026, total industry volume in Malaysia is robust, with revised forecasts for 2026 targeting 800,000 units.

Looking ahead, our pipeline is strong. Toyota is launching a lineup of hybrid electric vehicles (HEVs) and battery electric vehicles (BEVs) to capture accelerating hybrid adoption. Meanwhile, Perodua's recent introduction of its first EV, the QV-E, alongside revised accessible pricing, is expected to support sales growth and further drive EV adoption.

Q Malaysia's new CBU EV policy is expected to reshape the automotive landscape. What impact will this have on Sime's automotive business?

A As the single largest automotive player in Malaysia, our combined operations retail and distribute more than half of all vehicles nationwide. Our portfolio spans the full mobility spectrum, ranging from internal combustion engines and hybrids to EVs, and across both CBU and CKD formats. This breadth gives us natural agility to adapt as regulatory landscape and customer preferences evolve.

While some CBU brands in our portfolio will naturally feel a temporary impact from Malaysia's new CBU policy, our established local assembly and manufacturing capabilities place us in a position of strength. Locally-manufactured brands and brands where we already have CKD capability stand to benefit significantly from a local-first policy.

Our vehicle assembly facility, Inokom, is firmly established as the preferred assembly partner in Malaysia for leading global manufacturers such as BMW, MINI, Porsche, Mazda, Hyundai and Chery. In FY2026, Inokom reported a 17% year-on-year increase in units assembled locally, reinforcing this structural advantage.

Q Chinese EV makers are disrupting the industry at pace. How is Sime positioning itself?

A We view this disruption as an opportunity to broaden our offerings and capture new segments. We moved early to partner with the best Chinese OEMs. In Malaysia and Singapore, our distributorship of BYD has been remarkably successful. BYD sales grew 63% in Malaysia and 81% in Singapore in 2025, cementing its position as the leading EV brand in both markets.

We have also strategically broadened our stable of partnerships across the region. Apart from assembling Chery EV models in Malaysia through Inokom, in 2025 we opened two XPENG showrooms in Hong Kong and took on Polestar and Geely dealerships in Brisbane.

Simultaneously, legacy brands like BMW are accelerating their own technological shifts. BMW has launched the Neue Klasse range of electric vehicles, beginning with the iX3, which has garnered immense interest and bookings across our markets. These vehicles are built on BMW's next-generation platform and technology infrastructure, representing the brand's biggest product and technology shift since the 1960s.

At home, domestic and regional stalwarts continue to drive momentum: Perodua introduced its first EV, the QV-E, showcasing local design and assembly capabilities, while Toyota launched the Yaris Cross HEV, which secured 2,300 bookings within just two weeks of its launch.

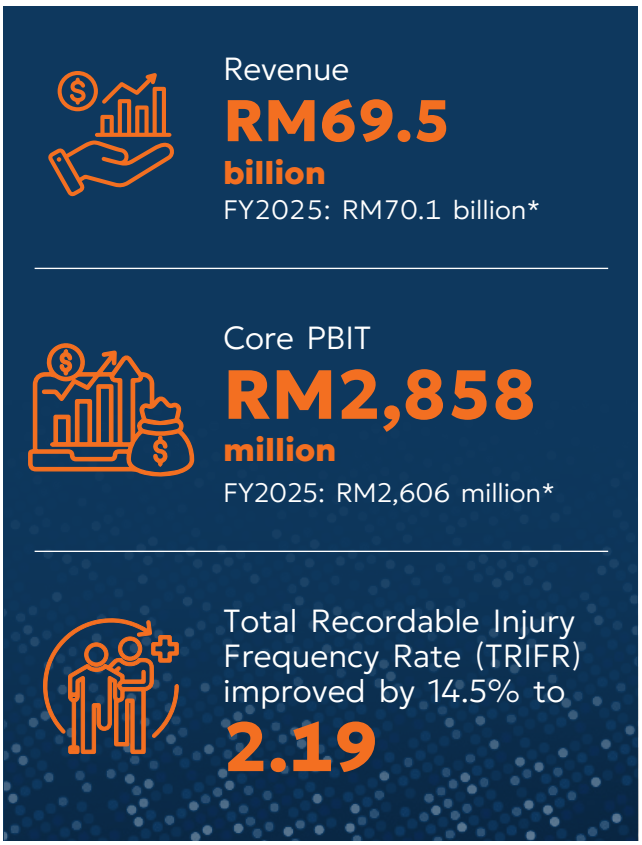
With these partnerships, we are able to offer compelling choices across every consumer segment and maintain our position as one of Asia Pacific's automotive leaders.

Q **As Sime continues to grow and diversify its operations, how are you ensuring that safety and critical risk management remain a priority across the Group?**

A Safety is non-negotiable for us. It is a fundamental pillar of our operational discipline. I am pleased to report that we made strong, tangible progress in FY2026. Our Total Recordable Injury Frequency Rate (TRIFR) improved by 14.5% to 2.19, outperforming both our annual target and keeping us firmly on track to achieve our FY2030 goal of a 25% reduction from 2025.

Numbers are only part of the story of course. This year, we strengthened how we prevent serious injuries. We rolled out a rigorous Critical Risk Management programme to identify and control high-consequence risks across the Group. We also launched our Group-wide Critical Control Verification programme in June 2026, completing 116 on-the-ground verifications in the first month. These verifications will continue monthly, focusing on our highest safety risks and confirming that the critical controls designed to prevent serious harm are in place and working effectively.

We recognise that a strong safety culture in any organisation starts at the top. With that understanding, we took steps to refresh our leadership programmes, including our Safe, Engage, Lead, Focus (SELF) initiative and Safety Leadership Essentials, to ensure that every leader at Sime is equipped to drive visible leadership, proactive risk management and genuine engagement.



* *Excludes discontinued operations.*

Q **Sime's share price faced continued pressure in FY2026. How do you view this?**

A Near-term market sentiment does not always track our underlying fundamental performance. Our shareholders have seen us consistently deliver strong, long-term value over the years. However, broader macroeconomic and geopolitical concerns often weigh on sentiment across our industries, even when our core businesses are moving firmly in the right direction.

At Sime, we believe what truly matters is execution. Our operational fundamentals and capital efficiency improved markedly in FY2026, evidenced by our robust operating cash flow of RM3.5 billion and the reduction of our net gearing to 0.24x. These are clear indicators that the Group is operating from a position of strength.

We firmly believe that consistent, sustainable shareholder returns are the best mechanism to uphold investor confidence. To that end, we delivered on our commitment by declaring a total dividend of 14 sen per share, representing a 62% payout of our core net profit, well above our 50% minimum policy.

Q **Finally, what is your overall outlook for FY2027?**

A The outlook across our operating markets will continue to present challenges due to intense competition, ongoing geopolitical tensions causing volatility in energy prices and persistent supply chain issues.

Through it all, our 5-Year Strategy Master Plan remains our guiding compass. We will continue to focus on strengthening our core businesses, enhancing operational efficiency and capturing opportunities for sustainable growth.

Our strategy has the built-in flexibility to help us adapt through various cycles, and we are confident that the discipline we have built into the organisation leaves us well placed to continue delivering sustained results and to capture the upside when conditions improve.

Additionally, we have outlined a 3-year plan to further improve financial performance and deliver strong shareholder returns, aimed at delivering on three key targets; RM2 billion in core PATAMI, 10% return on shareholders' equity and RM20 billion in market capitalisation by FY2029.

Backed by portfolio agility and strict capital discipline, Sime is fully equipped to turn industry volatility into lasting value and sustainable growth across Asia Pacific.

GROUP CHIEF FINANCIAL OFFICER'S REVIEW

Operating Cash Flow
RM3.5 billion

Debt/Equity Ratio
36.0%
FY2025: 41.0%



Muhammad Noor Abd Aziz @ Hashim
Group Chief Financial Officer

Dear Valued Shareholders,

Sime delivered its highest core net profit post-demerger of RM1.55 billion in FY2026, a 32.6% increase over the RM1.17 billion in FY2025 and 17.6% above its previous post-demerger record of RM1.32 billion in FY2024. The improved year-on-year (YoY) performance was mainly due to higher core PBIT from the Motors division and lower finance costs. Reported net profit for FY2026 declined by 14.5% to RM1.76 billion from RM2.06 billion in FY2025, mainly due to lower disposal gains and significant impairments and provisions in FY2026.

In tandem with the higher core net profit, core return on average shareholders' equity (ROE) also increased from 6.2% in FY2025 to 8.0% in FY2026. This was slightly lower than the post-demerger record of 8.1% in FY2021. As with reported net profit, reported ROE declined from 11.0% in FY2025 to 9.2% in FY2026.

The Group's gearing continued to decline, with the debt/equity ratio falling to 36.0% in June 2026 from 41.0% in June 2025.

STATEMENT OF PROFIT OR LOSS

Revenue

Revenue declined slightly by 0.8% to RM69.5 billion from RM70.1 billion (continuing operations) in FY2025. It was a mixed performance across the core divisions and regions.

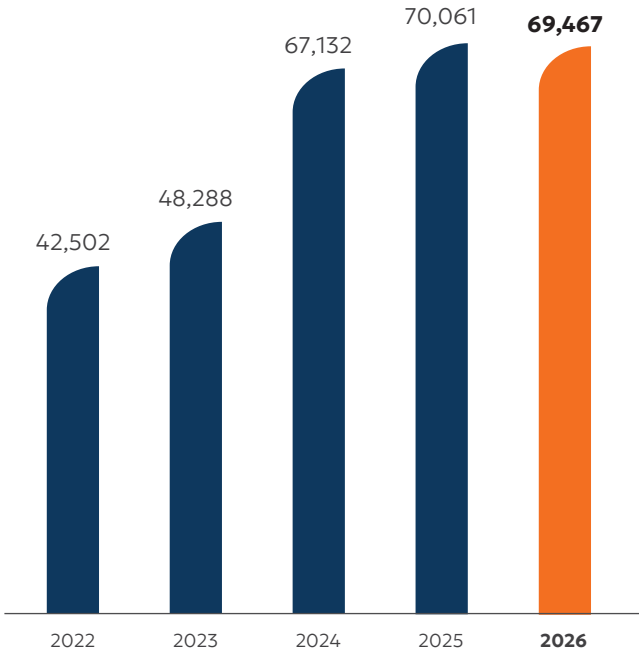
The Industrial division's revenue decreased marginally by 1.1% to RM18.8 billion from RM19.0 billion in FY2025, primarily due to the lower revenue from Australasia, which was impacted by the weaker Australian Dollar against the Malaysian Ringgit.

Revenue for the Motors division increased slightly by 1.1% to RM34.9 billion, compared with RM34.5 billion in FY2025, largely due to higher sales in Singapore. This helped offset the lower sales in China and Australasia. Revenue in Singapore increased mainly due to higher electric vehicle (EV) sales while the operations in Chinese Mainland continued to face intense competition and heavy discounting.

Revenue for the UMW division decreased by 4.4% to RM15.8 billion from RM16.5 billion in FY2025, mainly due to lower revenue from its automotive subsidiaries.

The Group's revenue mix by geography remained similar to that of FY2025, with Malaysia contributing 35%, Australasia at 26%, China at 21% and other countries (largely Singapore) at 18%.

Revenue (RM million)



> The Group's core profit before interest and tax (PBIT) for FY2026 increased by 9.7% to RM2,858 million from RM2,606 million (continuing operations) in FY2025.

Profit Before Interest and Tax

The Group's core profit before interest and tax (PBIT) for FY2026 increased by 9.7% to RM2,858 million from RM2,606 million (continuing operations) in FY2025, mainly due to the significantly higher core PBIT of Motors division. Reported PBIT declined by 14.3% to RM3,078 million from RM3,592 million, largely due to lower disposal gains (RM463 million vs RM987 million) and net impairments and provisions of RM235 million in FY2026.

The Industrial division's core PBIT decreased by 4.3% to RM1,252 million from RM1,308 million in FY2025. This was mainly due to lower profits from Australasia, which recorded weaker results from the product support and rental operations. Operations in Asia benefitted from strong engine sales, particularly for data centre projects.

Core PBIT for the Motors division more or less doubled from RM363 million in FY2025 to RM727 million in FY2026, mainly due to improvement in the Asian operations. Core PBIT for Malaysia improved from RM293 million in FY2025 to RM412 million in FY2026, mainly from the resumption of dividend income (RM116 million in FY2026; nil in FY2025).

Core PBIT for China also improved significantly from a loss of RM140 million to a profit of RM38 million. This was mainly contributed by margin improvement in Chinese Mainland and turnaround of the Hong Kong operations. Results for other South-east Asian markets increased from RM154 million in FY2025 to RM249 million in FY2026 mainly from strong EV sales in Singapore.

GROUP CHIEF FINANCIAL OFFICER'S REVIEW

> The Group's finance costs saw a reduction to RM504 million in FY2026 from RM647 million in FY2025 mainly due to lower average borrowings.

Results for Australasia declined from RM56 million in FY2025 to RM28 million in FY2026 mainly on the back of weaker commercial vehicle revenue in New Zealand.

Reported PBIT showed a more modest increase from RM431 million in FY2025 to RM533 million in FY2026, mainly due to impairments and provisions of RM194 million in FY2026 vs disposal gains of RM68 million in FY2025.

The UMW division's PBIT declined 1.5% to RM945 million in FY2026 from RM959 million (continuing operations) in FY2025. The decline was mainly due to lower vehicle sales of the automotive subsidiaries. This was partly offset by higher share of profit from associates and improvement in the lubricant business.

Geographically, in FY2026, approximately 48% of core PBIT came from Malaysia while Australasia contributed 36%, China at 4% and other countries (mainly Singapore) at 12%.

Finance Income and Costs

Finance income decreased to RM95 million from RM106 million. The Group's finance costs saw a reduction to RM504 million in FY2026 from RM647 million in FY2025 mainly due to lower average borrowings. Weighted average cost of borrowings as at June 2026 was 5.1% compared with 4.7% in June 2025, mainly due to interest rate increases in Australia.

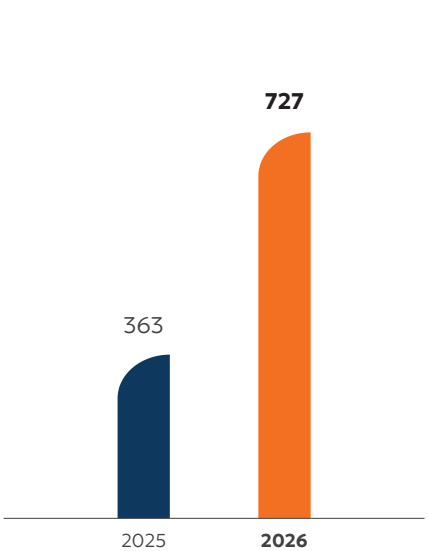
Taxation

Tax expense at RM586 million in FY2026 was lower compared with RM663 million for continuing operations in FY2025, mainly due to the lower reported profit before tax. Effective tax rate was 28.1% in FY2026 against 26.1% in FY2025. The higher effective tax rate in FY2026 was mainly due to lower gain on disposal of land in Malaysia that is subject to Real Property Gains Tax.

Industrial Division Core PBIT
(RM million)



Motors Division Core PBIT
(RM million)



UMW Division Core PBIT
(RM million)



Revenue Contribution by Division

Industrial Division	Motors Division	UMW Division
↓ 1.1%	↑ 1.1%	↓ 4.4%
RM18.8 billion	**RM34.9 billion**	**RM15.8 billion**
FY2025: RM19.0 billion	FY2025: RM34.5 billion	FY2025: RM16.5 billion*

* *Excludes discontinued operations.*

Statement of Financial Position

The Group's total assets stood at RM46.0 billion as at 30 June 2026, a decrease from RM47.4 billion as at 30 June 2025, mainly due to lower current assets.

Total debt also decreased to RM8.6 billion as at 30 June 2026 from RM9.6 billion as at 30 June 2025 mainly due to net repayment of borrowings and reduction in lease liabilities.

Debt/equity ratio decreased to 36% as at 30 June 2026 from 41% as at 30 June 2025, while the debt-adjusted EBITDA ratio also decreased to 1.98 times as at 30 June 2026 from 2.26 times as at 30 June 2025 mainly due to the lower debt.

Statement of Cash Flows

Operating cash flow declined to RM3.5 billion in FY2026 from RM5.3 billion in FY2025 following the significant reduction in net working capital in FY2025 compared to a more modest decrease in FY2026.

Capital expenditure (excluding rental assets) for FY2026 was RM1.1 billion, similar to that for FY2025. The capital expenditure for FY2026 was mainly for the upgrading of facilities and completion of ongoing expansion projects across the three core divisions.

Dividend

The Board declared a total dividend of 14 sen per share for FY2026, amounting to RM954 million. This translates to a dividend payout of 54% of reported net profit or 62% of core net profit. The Group is committed to its dividend policy – i.e. dividend payout ratio of at least 50%. The Group's dividend payout had consistently exceeded 50% of core net profit.

> "The Board declared a total dividend of 14 sen per share for FY2026, amounting to RM954 million."

FY2027 Focus

In FY2027, our focus will be on initiatives to improve the Group's ROE. These include divestment of non-core or underperforming assets, optimising operational structure and cost as well as continued working capital improvements. These improvements aim to position the Group to navigate challenging business conditions more effectively and pave the way for enhanced value creation for shareholders in the future.

Muhammad Noor Abd Aziz @ Hashim
Group Chief Financial Officer

OVERVIEW OF Sime



Sime Darby Berhad is one of Malaysia's largest listed multinationals on Bursa Malaysia and a trusted partner to over 60 leading automotive and industrial equipment brands. Backed by more than 110 years of heritage and presence in 18 countries and territories, we bring the best products and solutions to enable Asia Pacific to move and develop.

Our brand promise, "Bridging Opportunities", reflects our role in providing our principals, dealers and communities with the expertise and opportunities they need to grow. Through our networks and market knowledge, we create connections that unlock new possibilities and support the continued development of the industries we serve.

PURPOSE

WE BRING THE BEST PRODUCTS AND SOLUTIONS TO ENABLE ASIA PACIFIC TO MOVE AND DEVELOP

VISION

TO BE THE LEADING MOTORS AND INDUSTRIAL PLAYER IN ASIA PACIFIC

MISSION

- We are committed to developing a winning portfolio of sustainable businesses.
- We subscribe to good corporate governance and high ethical values.
- We continuously strive to deliver superior financial returns through operational excellence and high-performance standards.
- We provide an environment for our people to realise their full potential.

CORE VALUES

ACT WITH INTEGRITY

- Doing the right thing, even when no one is watching.
- Being responsible and accountable for our words and actions.
- Communicating with honesty, transparency and openness.

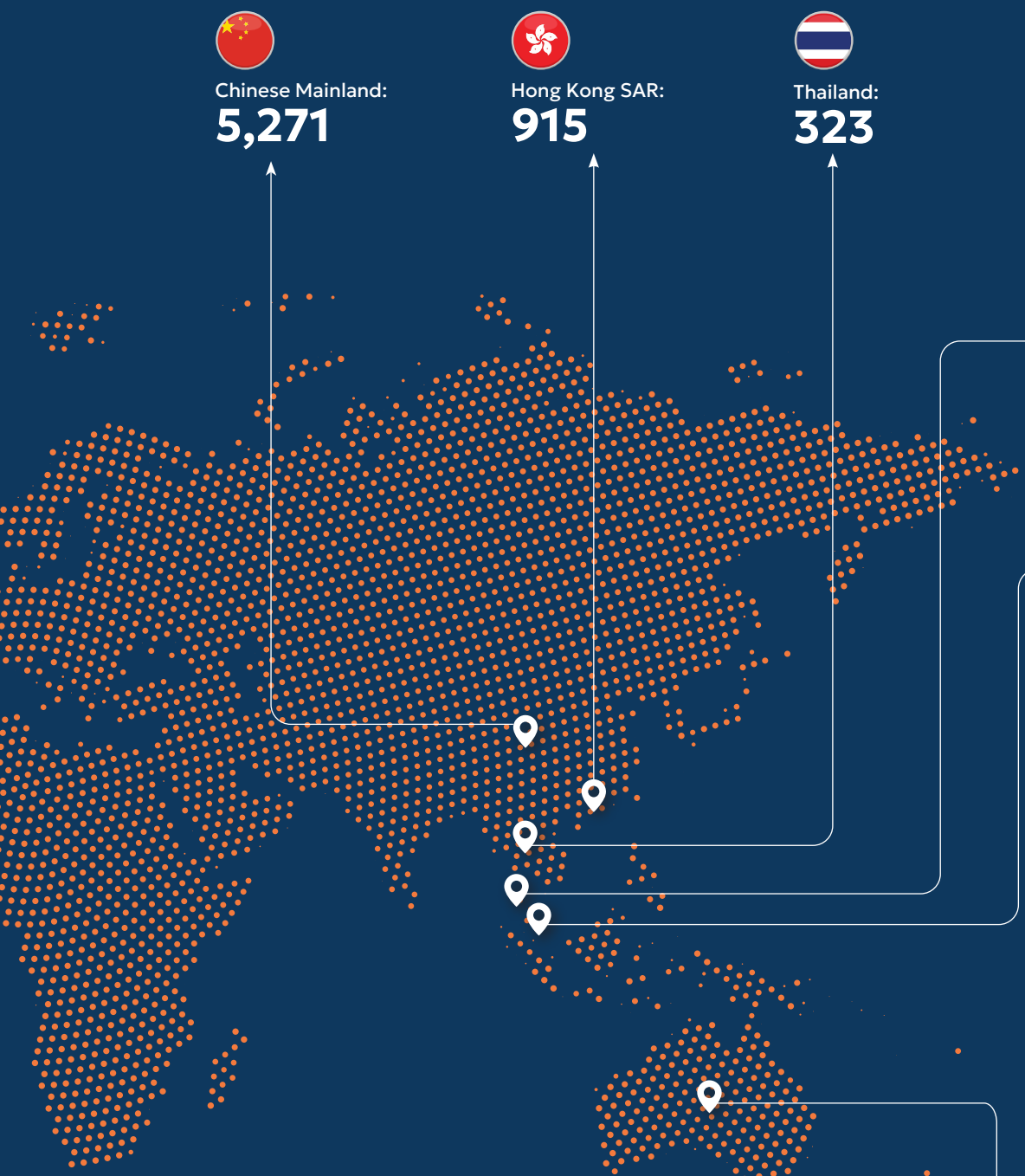
CARE FOR ALL

- Understanding and listening with curiosity and empathy.
- Respecting everyone and embracing differences.
- Championing well-being, safety and sustainability.

WIN TOGETHER

- Putting relationships first, within and beyond our organisation, working together to achieve great outcomes.
- Being bold in our ambitions and delivering them with passion.
- Striving to continuously improve by proactively seeking and giving constructive feedback.

OUR PRESENCE



Chinese Mainland:
5,271

Hong Kong SAR:
915

Thailand:
323

TOTAL EMPLOYEES
28,534

Malaysia:
12,472

Singapore:
1,183

Others:
1,175

Brunei: 22
Indonesia: 116
Japan: 6
Macau SAR: 89
Maldives: 1
New Caledonia: 130
Papua New Guinea: 330
Solomon Islands: 14
South Korea: 6
Taiwan Region: 244
Vietnam: 217

Australia:
5,695

New Zealand:
1,500

Staff Strength

Group Head Office:	**187**
Sime Industrial:	**9,339**
Sime Motors:	**13,253**
Sime UMW:	**5,646**
Other Businesses:	**109**

OUR BUSINESSES

Sime



Sime INDUSTRIAL

A leading provider of industrial equipment and solutions across Asia Pacific, offering heavy equipment, power systems, rental services, product support and integrated solutions through partnerships with Caterpillar and other globally recognised industrial brands, serving a diverse range of sectors.



Sime MOTORS

A leading automotive player in Asia Pacific, involved across all facets of the automotive business – from importation and assembly to distribution, retail and rental – representing luxury to broad appeal brands such as BMW, Porsche and BYD.



Sime UMW

A leading enterprise operating across the automotive, equipment, manufacturing, engineering and aerospace sectors, strengthened by strategic partnerships with Toyota Motor Corporation (TMC), Toyota Industries Corporation (TICO) and KYB Group.

How We Are Structured	Products	Customers	Presence	Strategic Partnerships
100% Sime Darby Industrial Holdings Sdn Bhd	• Heavy equipment sales (new and used) • Equipment rental • Power systems sales • Rental services • Product support • Industrial solutions	Companies in resources, infrastructure, maritime, power generation, oil & gas, material handling and agriculture.	**14** countries and territories across Asia Pacific.	Sime Industrial represents more than **30** brands.
100% Sime Darby Motors Sdn Bhd	• Vehicle importation and assembly • Distribution and retail • Vehicle rental services • Aftersales services	End consumers, corporate fleet clients, automotive dealers, rental customers and brand principals.	**10** markets across Asia Pacific.	Sime Motors represents more than **30** brands.
100% UMW Holdings Berhad	• Vehicle manufacturing and distribution • Material handling and marine equipment services • Production of automotive parts and lubricants • Manufacture and supply of aero fan cases	Automotive consumers and industry players across Malaysia, the wider Asia Pacific region and global markets, alongside industrial and aerospace clients.	**Five** countries in Asia Pacific, namely Malaysia, Singapore, Brunei, Vietnam and China.	Sime UMW represents more than **20** brands and solutions.

For further information on the list of companies in Sime Darby Berhad, please refer to the 'List of Subsidiaries, Joint Ventures and Associates' on pages 265 to 289.

OUR INVESTMENT CASE

SNAPSHOTS OF FY2026



REVENUE*

RM69.5 billion

FY2025: RM70.1 billion

▼ 0.8%

CORE ROE^

8.0%

FY2025: 6.2%

▲ 29.0%

CORE PROFIT BEFORE INTEREST AND TAX*

RM2.86 billion

FY2025: RM2.61 billion

▲ 9.7%



CORE NET PROFIT

RM1.55 billion

FY2025: RM1.17 billion

▲ 32.6%



DEBT/EQUITY RATIO

36.0%

FY2025: 41.0%

DIVIDEND PER SHARE

14 sen

FY2025: 14 sen

62% of core net profit

* *Excludes discontinued operations*

^ *Based on average shareholders' equity (quarterly average)*

SUSTAINABILITY HIGHLIGHTS

International Sustainability Standards Board (ISSB) Sustainability Statement

- Annual Report 2026 is Sime's first report prepared in accordance with the IFRS Sustainability Disclosure Standards, in compliance with the MMLR of Bursa Malaysia and the National Sustainability Reporting Framework (NSRF).
- Sime has elected to adopt transition reliefs allowed in its first reporting year while working towards full compliance with the IFRS Sustainability Disclosure Standards for Annual Report 2028.

Emissions Reduction

- Achieved absolute emissions reduction of 63,000 tCO_2e from our FY2020 baseline, on track to meet our 30% emissions reduction target by 2030.
- Published Sime's Net Zero Roadmap, which supports Malaysia's pledge to achieve net zero by 2050 and details Sime's emissions reduction strategy.
- Increased permanent abatement outcomes through installation of an additional 9.5 MW of solar capacity at Inokom in Malaysia, Cavpower in Australia and UMW facilities in Malaysia, Singapore and China as well as securing approval of capital expenditure for a further 10 MW capacity.
- Implemented a sophisticated and audit-ready cloud-based emissions reporting platform that calculates and aggregates emissions across the entire Group portfolio.

Training

- Completed more than 710,000 learning hours, averaging 25 training hours per employee across Sime and demonstrating strong early progress towards the Group's target of exceeding 40 training hours per employee by 2030.
- Focused learning investments on organisational capability priorities to build leadership, technical and functional expertise in support of long-term business needs.
- Expanded sustainability, digital and business-critical learning initiatives to equip employees with skills needed to navigate a rapidly evolving business environment.

Community

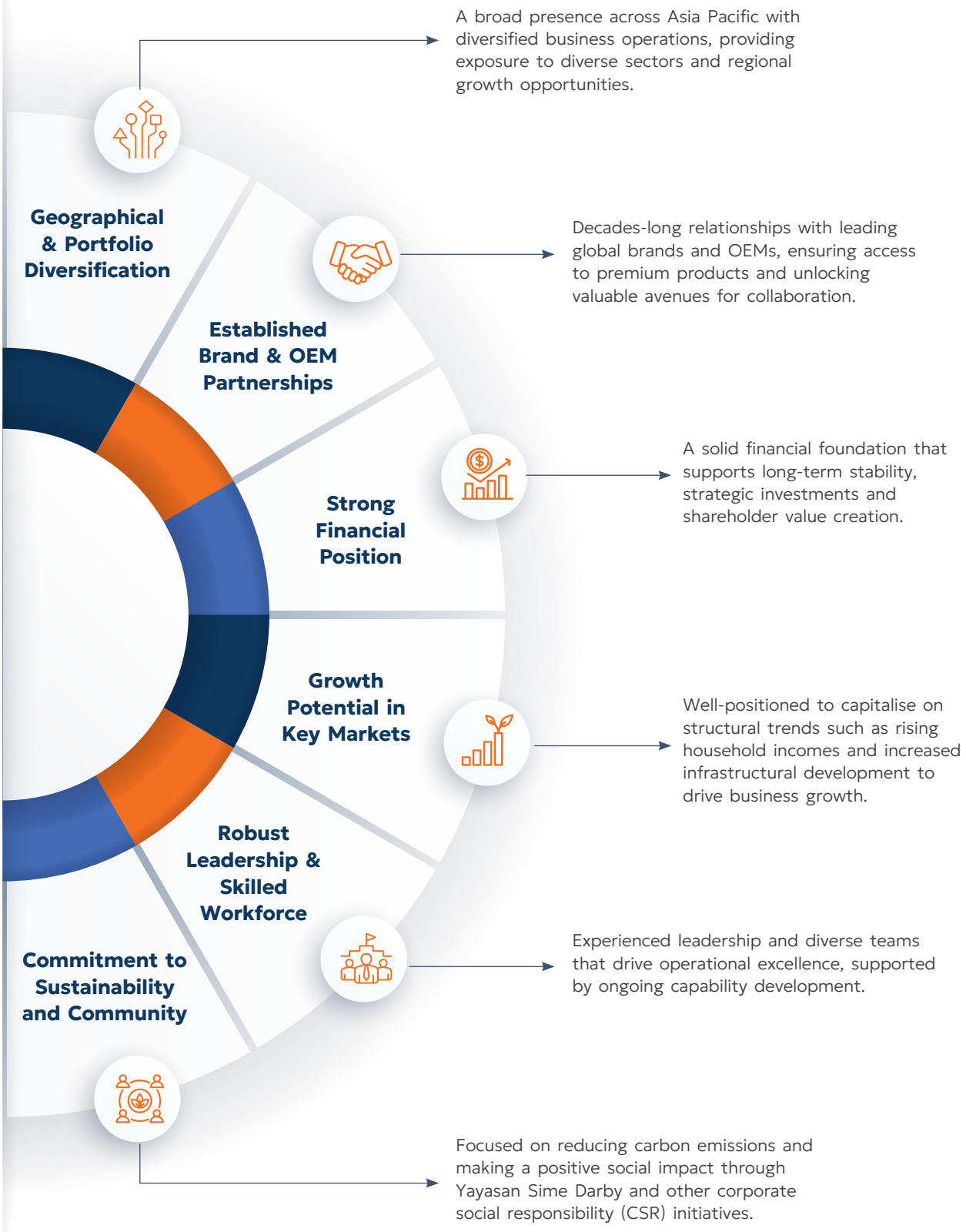
- Contributed RM30 million to Yayasan Sime Darby for community initiatives, surpassing the halfway mark towards our FY2030 commitment of contributing RM50 million over five years.
- Established the Community Contribution Governance and Reporting Guideline to strengthen the planning, monitoring and reporting of community contributions.
- Expanded support for vulnerable and underserved communities through targeted programmes.
- Enhanced access to education and skills development through scholarships, TVET initiatives and education support programmes.

Safety

- TRIFR reduced 14.5% from 2.56 to 2.19, exceeding the FY2026 target rate of 2.43 and the 5% annual improvement target, representing strong progress towards the Group's FY2030 target of a 25% reduction in TRIFR from the FY2025 baseline.
- Strengthened serious injury and fatality prevention through a risk-based Critical Risk Management Programme, identifying 12 Group critical risks, completing detailed risk assessments, defining critical controls and establishing Critical Control Performance Standards focused on the controls that matter most.
- Embedded critical risk management into operational leadership and assurance, launching Group-wide Critical Control Verification with 116 verifications completed across all businesses to provide visibility of critical control health and support review at all organisational tiers.
- Built safety leadership capability and culture through the refreshed SELF programme and Safety Leadership Essentials, equipping leaders with the "Why, What and How" of safety leadership, including leadership obligations, risk management, incident management, visible leadership and frontline engagement.

OUR COMPETITIVE ADVANTAGE

We deliver quality products and services across Asia Pacific that drive growth and development, underpinned by a strong financial foundation and trusted brand partnerships. Guided by experienced leadership and a skilled workforce, we operate in key markets while prioritising sustainability and positive social impact, ensuring continued commercial relevance and contributing meaningfully to the region's long-term progress.



SIGNIFICANT EVENTS IN FY2026

8 July 2025

Sime Motors Launches Zero-Waste Tyre Recycling Programme

Sime Motors introduced a zero-waste tyre recycling programme to support circular economy objectives and strengthen sustainable waste management practices. During FY2026, the programme facilitated the recycling of 4,651 tyres, equivalent to 37.2 tonnes of waste diverted from landfill, promoting resource circularity and responsible waste management.

8 August 2025



Sime UMW Advances Hydrogen Mobility with Toyota Mirai Handover to MARii

Sime UMW handed over a Toyota Mirai hydrogen fuel-cell vehicle to the Malaysia Automotive, Robotics and IoT Institute (MARii) to support hydrogen mobility research and real-world applications.

3 September 2025



Sime Motors Celebrates 45th Anniversary in Malaysia

Celebrating 45 years of excellence, Sime Motors has grown since 1980 to become Malaysia's largest automotive retailer, leading the nation's mobility landscape with a world-class portfolio of brands and services.

30 September 2025



Signing of Strategic Collaboration for Cogeneration Solutions

Sime Darby Energy Solutions established a strategic collaboration with Hibiscus Petroleum Berhad and Kawasaki Heavy Industries to explore the development of cogeneration solutions for data centres and industrial parks.

27 October 2025



Terberg Tractors Malaysia Secures PTP's First Electric Terminal Tractor Fleet

Terberg Tractors Malaysia secured a contract to supply Pelabuhan Tanjung Pelepas (PTP) with its first fleet of electric terminal tractors, supporting the port's transition to lower-emission operations.

31 October 2025

KYB-UMW Partners with Hubei Henglong

KYB-UMW formed a strategic partnership with Hubei Henglong to localise steering system technologies, enhancing regional manufacturing capabilities and strengthening the ASEAN automotive supply chain.

12 December 2025



KYB-UMW Recognised for Global Manufacturing Excellence

KYB-UMW Malaysia earned the Gold Award at the KYB SGA Global Competition in Japan, reflecting its commitment to operational excellence, quality and continuous improvement across its operations.

20 January 2026

Tractors Singapore Limited (TSL) Celebrates 60 Years

TSL marked six decades of supporting construction, offshore marine, oil & gas and power generation customers across Singapore, Christmas Island (Indian Ocean) and the Maldives.

27 February 2026

Hastings Deering Completes Construction of Mackay Parts Fulfilment Centre

Hastings Deering completed the construction of its new Mackay Parts Fulfilment Centre in Australia, marking a significant milestone for the business. Opening in FY2027, the facility will strengthen customer support while providing the capacity and capability needed to support future growth in the region.

2 May 2026



Terra Cat Power Systems Achieves Caterpillar's Highest Global Excellence Award

The Terra Cat Power Systems rental team in New Zealand received Caterpillar's Gold Rental Power Operational Excellence Programme Dealer award, the highest recognition in its category. Achieved after a two-year improvement journey, the award reflects the successful implementation of operational and customer service enhancements.

2 June 2026



Launch of New Facilities at Ruakura Superhub, Hamilton

The launch of a new Truckstops facility and Volvo showroom at Ruakura Superhub represents a significant investment in New Zealand's transport and logistics ecosystem. These developments strengthen service coverage, enhance customer experience and reinforce Sime Motors' commitment to supporting industry growth.

15 June 2026



China Engineers Limited (CEL) Launches New Service Centre in Jiangxi

CEL, a subsidiary of Sime Industrial, celebrated the relocation and grand opening of its Nanchang Centre of Excellence (COE) in Jiangxi. Located in Nanchang's Xiaolan Economic Development Zone, the new integrated complex reflects CEL's commitment to operational excellence and customer-centric service. Built to Caterpillar's Five-Star standards, the facility further enhances CEL's ability to deliver reliable aftersales support, improve repair efficiency and enhance the overall customer experience.

OUR VALUE CREATION BUSINESS MODEL

PURPOSE

We bring the best products and solutions to enable Asia Pacific to move and develop.

OUR CAPITALS → **OUR KEY DIFFERENTIATORS**

Inputs

F FINANCIAL

- Total equity: RM23.8 billion (FY2025: RM23.3 billion).
- Total debt: RM8.6 billion (FY2025: RM9.6 billion).
- Debt/Equity: 36% (FY2025: 41%).

M MANUFACTURED

- Operations across 18 countries and territories.
- More than 200 automotive dealerships across 10 markets.
- Nine operational plants across our Motors and UMW divisions.
- An extensive network of branches, workshops, parts-distribution facilities and rental locations across Asia Pacific.

I INTELLECTUAL

- Knowledge sharing and transfer from manufacturing and assembly partners such as BMW, Daihatsu, Toyota and KYB.
- Certifications from regulatory authorities recognising our standards in quality, safety and environmental compliance.
- Established operating processes and systems, supported by fit-for-purpose software and licences.
- Registered trademarks and intellectual property that safeguard proprietary assets and support our competitive position.
- Well-known brands that reinforce customer trust and market credibility.

H HUMAN

- Total employees: 28,534 (FY2025: 29,807).
- RM62.8 million invested in training and development (FY2025: RM61.1 million).
- Employees with relevant professional, technical and trade certifications.
- Employee and management participation in technical, functional and leadership development programmes.

SR SOCIAL & RELATIONSHIP

- Partnerships with more than 60 brands across the automotive, heavy-equipment and industrial sectors in Asia Pacific.
- Long-term relationships with customers, suppliers and local vendors.
- Engagement with governments, regulators, investors and industry bodies.
- Employee engagement and cross-functional collaboration.
- RM30 million contributed to Yayasan Sime Darby (YSD) for philanthropic activities (FY2025: RM31 million).

N NATURAL

- Percentage of energy consumed that was renewable energy: 30% (482,493 GJ out of 1,620,812 GJ).

STRATEGIC PILLARS

- GC Grow the Core
- OE Operational Excellence
- FR Future Ready

SUSTAINABILITY PILLARS

- People
- Planet
- Profit

MATERIAL MATTERS

1. Labour Practices
2. Health and Safety
3. Diversity
4. Employee Training and Development
5. Community Contributions and Development

1. Waste and Effluent Management
2. Water Management
3. Energy and Emissions Management
4. Climate Change

1. Business Continuity
2. Business Ethics and Compliance
3. Responsible Supply Chain
4. Customer Satisfaction
5. Data Privacy and Security
6. Sustainable Product Offering

KEY ENABLERS

- Strategic partnerships with world-class brands
- Robust value creation plan and capital allocation framework
- Strong governance and risk management
- Capable leadership and management

MARKET TRENDS

- Localisation shaping Malaysia's automotive market
- China's export-led expansion across automotive and equipment markets
- Changing vehicle demand towards affordability, technology and electrification
- Inflationary and geopolitical pressures reshaping operating conditions
- Energy transition sustaining demand for copper and critical minerals in Australia
- Data centre growth increasing demand for resilient power solutions

BUSINESS ACTIVITIES

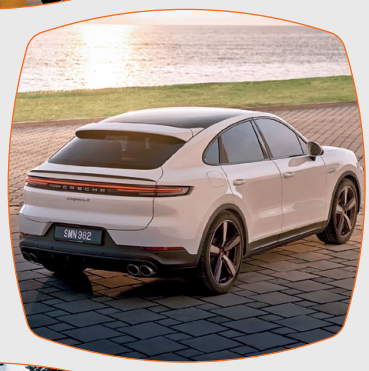


Sime INDUSTRIAL

- Heavy Equipment Sales – New and Used
- Power Systems Sales
- Product Support
- Equipment Rental
- Rental Services
- Industrial Solutions

Sime MOTORS

- Assembly
- Importation
- Retail of New & Used Cars
- Aftersales
- Rental





Sime UMW

- Automotive
- Equipment
- Manufacturing & Engineering
- Aerospace

KEY RISKS

- Market Dynamics
- Business Partners
- Disruption
- Mergers and Acquisitions
- Product and Service Delivery
- Health, Safety and Environment
- Cybersecurity
- Climate Change
- People
- Regulatory Compliance

BRAND PROMISE

Bridging Opportunities

CORE VALUES

- ACT WITH INTEGRITY
- CARE FOR ALL
- WIN TOGETHER

CREATE VALUE-ADDED OUTCOMES FOR OUR STAKEHOLDERS → **STRATEGIC TRADE-OFFS FOR SUSTAINABLE LONG-TERM GROWTH**

Vehicles Assembled (Motors Division):
35,113
(FY2025: 30,114)

Total Emissions:
120,378
tCo_2e
(FY2025: 122,000)

Emissions (Scope 1):
45,027
tCo_2e
(FY2025: 43,000)

Emissions (Scope 2):
75,351
tCo_2e
(FY2025: 79,000)

Outputs	Outcomes	Actions to Enhance Outcomes	Stakeholders and Related UN SDGs
F FINANCIAL	• Core net profit: RM1.55 billion (FY2025: RM1.17 billion). • Core ROE: 8.0% (FY2025: 6.2%). • Total dividend payout: RM954 million (FY2025: RM954 million).	• Maintained disciplined capital allocation and rigorous investment review, with a focus on returns and strategic fit. • Strengthened cash generation through cost, inventory and working capital discipline. • Reinforced balance sheet resilience while investing selectively in priority growth opportunities.	Stakeholders: S1 S4 S5 S6 SDGs: 8 9 11
M MANUFACTURED	• An established assembly footprint supporting flexibility across brands and powertrains in ASEAN markets. • Joint venture and in-house manufacturing capabilities supporting automotive components, including shock absorbers and hydraulic systems, as well as lubricants under the Pennzoil, Repsol and GRANTT brands. • A broad physical network providing customers with access to vehicles, equipment, parts, rental and aftersales services across Asia Pacific.	• Optimised facilities, networks, fleets and asset utilisation to improve productivity and returns. • Invested selectively in assembly, manufacturing, parts distribution and service capabilities that are aligned with customer and market demand. • Maintained high standards of quality, safety and regulatory compliance across operations.	Stakeholders: S3 S4 S6 SDGs: 3 7 9 11
I INTELLECTUAL	• Consistent product, service, manufacturing and assembly quality. • Improved productivity and decision-making through digital tools, data and automation. • Stronger technical capabilities and customer responsiveness across the Group. • Strong brand recognition and customer loyalty.	• Expanded our use of data, automation and AI-enabled tools across customer, pricing, inventory and operational processes. • Strengthened connected equipment, remote service and proactive maintenance capabilities. • Promoted knowledge transfer and collaboration while protecting intellectual property, data and digital assets.	Stakeholders: S1 S2 S5 S7 SDGs: 3 5 16 17
H HUMAN	• Stronger technical, functional and digital capabilities across the Group. • Enhanced leadership skills and strengthened succession pipelines. • A more skilled, engaged and adaptable workforce.	• Delivered targeted leadership, technical, functional and digital development programmes aligned with business priorities. • Strengthened succession planning, talent development and internal mobility. • Improved diversity and took actions to foster an inclusive, high-performance culture. • Expanded apprenticeship, TVET, graduate and management-trainee pathways.	Stakeholders: S1 S2 S3 SDGs: 3 5 8
SR SOCIAL & RELATIONSHIP	• Strong principal, OEM, customer and supplier relationships enabling access to products and technology, customer loyalty, repeat business and supply resilience. • Constructive stakeholder engagement supporting trust, market access and continued licence to operate.	• Deepened collaboration with principals, OEMs, customers and suppliers through joint planning and capability development. • Maintained transparent and regular engagement with investors, governments, regulators and communities. • Strengthened responsible supply chain practices and improved measurement of community outcomes.	Stakeholders: S1 S2 S3 S4 S7 SDGs: 3 5 11 16 17
N NATURAL	• Total Scope 1 and Scope 2 market-based emissions reduced by 34% against the FY2020 baseline (63,094 tCO_2e equivalent).	• Implemented our Responsible Sourcing Policy while strengthening environmental standards across our supply chain. • Expanded renewable energy adoption where operationally and financially viable. • Improved energy, water, waste and emissions measurement and reporting.	Stakeholders: S1 S2 S3 S4 S5 S6 S7 SDGs: 7 11 12 13

● Value creation ● Value preservation ● Value erosion

STAKEHOLDER ENGAGEMENT AND VALUE CREATION

Stakeholder engagement is central to our value creation process. Through concerted and ongoing engagement with each of our stakeholder groups, we gain a well-rounded understanding of how our activities create value, as well as the risks and opportunities they may give rise to. These insights inform strategies that support more holistic value creation, strengthen collaboration and build long-term trust, helping us advance our strategic objectives over time.

	Why We Engage	How We Engage	Key Concerns Raised	Risks
EMPLOYEES	We engage and empower our people to build a high-performing, future-ready workforce that drives sustainable growth and long-term success. By fostering a culture of excellence, accountability and inclusivity, we attract, develop and retain the talent needed to deliver our strategic ambitions.	• Townhalls (Q, H) • Employee focus groups (R) • Leaders' fireside chats (H) • Performance and development check-ins (Q) • Training programmes (R) • Recognition programmes (H, A) • Cross-market forums (Q) • Employee engagement events (R) • Employee engagement surveys (A) • Leadership development programmes (Q) • Team building activities (R)	• Speed of decision-making, clarity of approval processes and visibility of employee input in outcomes • Accessibility of senior leadership and clarity of direction • Competitiveness of remuneration relative to inflation • Attraction and retention of skilled talent	• Difficulty in attracting and retaining skilled talent • Lower employee morale and engagement • Higher turnover, particularly among mid-level talent • Increased recruitment, onboarding and capability development costs
CUSTOMERS	A detailed understanding of our customers' needs, challenges and priorities within their specific operating environments is essential to developing products and solutions that enhance their experience and strengthen loyalty. By placing customers at the centre of how we operate, we create the conditions to support sustainable growth and strengthen our market position over time.	• Face-to-face meetings with business managers (D, W, R) • Business-to-business (B2B) communication channels (D, W, R) • Digital communications (in-house customer platforms and social media) (D, W, R) • Branch and aftersales service centre visits (D, W, R) • Trade shows, exhibitions and product launches (R) • Customer relationship programmes (A, R) • Customer product training programmes (A, R)	• Product and parts availability and lead times • Product quality, reliability and ownership experience • Performance and readiness of machinery and equipment • Availability and quality of after-sales support • Access to electrified, low-emission and technology-enabled products, services and solutions • Affordability and total cost of ownership • Compliance with health, safety and environmental requirements	• Loss of market share and competitive position • Reduced customer loyalty, trust and confidence • Lower customer retention and repeat business • Inability to meet evolving customer needs and market requirements

Frequency of Engagement:

D Daily	M Monthly	H Half Yearly	A Annually
W Weekly	T Every 2 Months	Q Quarterly	R As Required

Opportunities	Our Response/Value Creation Initiatives	How We Measure Value	Mapping To:
Value created for us • Improved productivity and service quality • Stronger and more diverse talent pipeline • Future-ready leaders and emerging talent aligned with our strategic goals **Value created for employees** • Stronger sense of belonging and engagement • Enhanced capabilities through continuous learning and development • A healthier and more supportive workplace culture	• Digitalising our refreshed leadership and performance framework to improve accessibility, transparency and employee ownership of performance and development • Strengthening emerging talent assessment to improve succession planning, retain high-potential employees and recruit talent aligned with our leadership competencies • Delivering structured learning initiatives, including mentoring and graduate programmes, to build critical capabilities, strengthen engagement and support long-term talent retention	• Employee engagement scores • Training effectiveness • Retention and attrition rates of key and emerging talent • Industry recognition of our emerging talent and leadership development programmes, which strengthens our employee value proposition	**Capitals:** F I H SR N **SDGs:**
Value created for us • Increased earnings and profitability through customer-centric innovation, product leadership and service excellence • Sustainable growth supported by repeat business and aftersales activities • Stronger positioning as an end-to-end solutions provider • Enhanced brand reputation, customer loyalty and advocacy • Deeper customer insights to inform product planning and service improvements **Value created for customers** • Greater access to products and solutions aligned with evolving customer needs • Improved product and parts availability, shorter lead times and faster aftersales support • Better ownership and operating experience through quality service and lifecycle support • Enhanced equipment performance and uptime • Improved affordability and total cost of ownership • Support for electrification, digitalisation and sustainability objectives	• Offering a broad portfolio of B2B, business-to-consumer (B2C), digital, equipment and low-emission solutions to support evolving customer needs and decarbonisation journeys • Expanding product and service offerings through close collaboration with original equipment manufacturers (OEMs), suppliers and business partners to respond to changing market conditions • Strengthening inventory planning and supply chain collaboration to improve product availability, parts accessibility and lead times • Maintaining an extensive branch and aftersales service network to improve responsiveness, service quality and parts availability • Providing flexible ownership models and comprehensive lifecycle aftersales services to maximise customer value and strengthen long-term relationships • Deepening customer relationships through targeted business development, key account management, product demonstrations, feasibility studies and regular engagement • Capturing customer feedback through independent third-party interviews and other engagement channels to continuously enhance our products, services and customer experience	• Market share • Revenue per customer • Customer retention and repeat business • Customer referrals • Order book value • Customer satisfaction and loyalty scores	**Capitals:** F H SR **SDGs:**

STAKEHOLDER ENGAGEMENT AND VALUE CREATION

	Why We Engage	How We Engage	Key Concerns Raised	Risks
GOVERNMENT & REGULATORS	Close engagement with governments and regulatory authorities is critical to maintaining ongoing compliance and fostering collaboration that creates shared value for our business and the wider national interest. Through ongoing dialogue, we enhance our ability to anticipate regulatory developments, secure timely approvals for key initiatives and develop strategies that support sustainable growth.	• Media releases (R) • Reports and briefs (M Q A) • Membership in industry associations (A) • Participation in boards and working groups (A) • Participation in industry forums and events (R) • Meetings, teleconferences and written communications, including emails (M T Q A R) • Seminars and conventions (M T Q A R) • Site visits (R)	• Regulatory compliance across safety, employment, taxation, environmental requirements and other key areas • Skills availability, workforce development and trade qualifications • Industrial relations • Diversity and inclusion • Climate change impacts and transition requirements • Industry development, localisation and capability building	• Legal penalties or fines arising from non-compliance • Operational disruption from revoked licences, stop-work orders or asset seizures • Reputational and brand damage
MEDIA	The media, which serves as a valuable channel for communicating with multiple stakeholders, plays a crucial role in shaping public perception and serves as a vital conduit for sharing timely and accurate information with our stakeholders. Through active engagement, we ensure transparency, counter misinformation and build trust, leading to positive brand perception.	• Media releases (Q R) • Media interviews (M) • Media briefing sessions (Q R) • Media engagement events (H) • Website/web-based platforms (R) • Social media (R) • Response to queries (R)	• Information on our operational and financial performance • Clarity on our strategic direction and response to emerging trends • Our perspectives on economic, industry and sustainability issues	• Reputational damage from inaccurate or misleading reporting • Weakening of stakeholder confidence due to information discrepancies or misinterpretation • Negative media sentiment influencing investor and public perception

Frequency of Engagement:

D Daily	M Monthly	H Half Yearly	A Annually
W Weekly	T Every 2 Months	Q Quarterly	R As Required

Opportunities	Our Response/Value Creation Initiatives	How We Measure Value	Mapping To:
Value created for us • Greater regulatory clarity and more efficient approvals through proactive engagement • Stronger market presence supported by continuity of operating licences • Reduced compliance costs, fines and operational disruptions through effective risk management • Policy and market insights that inform strategic planning and capital allocation • Access to workforce development and capability-building initiatives that strengthen organisational resilience **Value created for government & regulators** • Upskilling of the local workforce through training, accredited programmes and capability development • Improved regulatory compliance, safety practices and transparency through responsible business conduct and reporting • Contributions to policy development and industry standards through market and operational insights • Support for industry development, localisation and long-term economic competitiveness	• Engaging governments, regulators and industry associations on key policy developments and supporting implementation of relevant legislation • Maintaining robust governance, risk management and compliance frameworks aligned with applicable local and international requirements • Delivering graduate, scholarship, trainee and apprenticeship programmes to strengthen local workforce capability • Collaborating with industry partners to advance capability building, localisation and long-term industry development • Embedding diversity and inclusion across all aspects of our operations • Advancing sustainability initiatives that strengthen climate resilience, support the energy transition and promote responsible business practices	• Regulatory compliance performance • Timeliness and success of regulatory approvals • Number and value of regulatory fines, penalties and disputes • Continuity of operating licences • Representation and leadership roles in industry bodies	**Capitals:** F H SR **SDGs:** 
Value created for us • Stronger brand equity and corporate reputation • Positive media positioning as a responsible and future-ready business • Increased stakeholder trust and visibility across key markets **Value created for media** • Access to reliable and timely information about our operations and performance • Enhanced public understanding of our sustainability and growth strategies • Improved confidence in Sime as a transparent and trusted brand	• Maintaining good rapport with the media and leveraging the media as an effective platform • Engaging media stakeholders to ensure up-to-date and accurate information • Building trust and credibility with customers, investors, potential employees and other key stakeholders	• Volume and quality of media coverage • Media sentiment and tone analysis	**Capitals:** F M H SR **SDGs:** 

STAKEHOLDER ENGAGEMENT AND VALUE CREATION

	Why We Engage	How We Engage	Key Concerns Raised	Risks
SUPPLIERS/PARTNERS	We maintain close collaboration with our suppliers and partners to uphold the quality and safety standards we require and support compliance with evolving regulatory requirements. This alignment becomes increasingly important as our network expands, while also creating opportunities to collaborate on solutions that create shared value.	• Principal OEM advisory boards and leadership tables (M Q A) • Country and market level meetings (M Q A) • Business reviews and vendor audits (M Q A) • Structured engagements with principals (R) • OEM conferences (R) • Physical and virtual briefings (M Q R) • Ad-hoc engagements (R)	• Brand reputation and market positioning • Long-term business growth and partnership opportunities • Product availability and supply continuity • Development of electrified, low-emission and technology-enabled solutions • Health, safety and regulatory compliance • Digital integration and platform connectivity	• Supply chain disruptions, including shortages and logistics delays • Health, safety or environmental incidents and regulatory non-compliance • Misalignment in expectations, approvals and timelines • Inability to respond to evolving customer expectations and market conditions • Reduced brand or product advocacy • Loss of brand representation or channel status • Suppliers shifting representation or investment towards competitors
INVESTORS	The confidence and trust of our investors are critical to our long-term growth and business resilience. By providing transparent, timely and meaningful insights into our strategy, performance and future plans, we create the basis for that trust and reinforce our standing in the capital markets.	• Corporate Investor Day (A) • Analyst briefings (Q R) • Investor conferences (R) • Investor roadshows (local and international) (Q R) • Site visits (local and international) (R) • Test drives (R) • One-on-one and group investor meetings (R)	• Performance and challenging outlook for Industrial, Motors and UMW businesses • Margin pressure arising from intense competition • Limited growth potential for current businesses • Divestment of non-core businesses • Sustainable dividend payout	• Reduced investor confidence resulting from insufficient communication of strategy and performance • Increased cost of capital arising from weaker share price performance and lower market confidence • Reduced access to capital to support future growth
COMMUNITY	Community engagement is key to building long-term social and business resilience while nurturing inclusive growth. It helps us strengthen trust with our local communities and aligns with our commitment to sustainability and responsible corporate citizenship.	• Community investment programmes delivered through YSD (R) • Strategic partnerships with community organisations, educational institutions and government bodies (R) • Community outreach programmes and volunteering initiatives across our businesses (R) • Ad-hoc engagements based on community needs (R)	• Social and environmental impacts of our operations • Access to education, skills development and economic opportunities • Support for local community development • Community expectations for long-term, meaningful impact	• Reputational damage if initiatives do not meet community needs or expectations • Reduced stakeholder trust resulting from inadequate engagement or communication • Reduced effectiveness of community programmes without robust impact measurement

Frequency of Engagement:

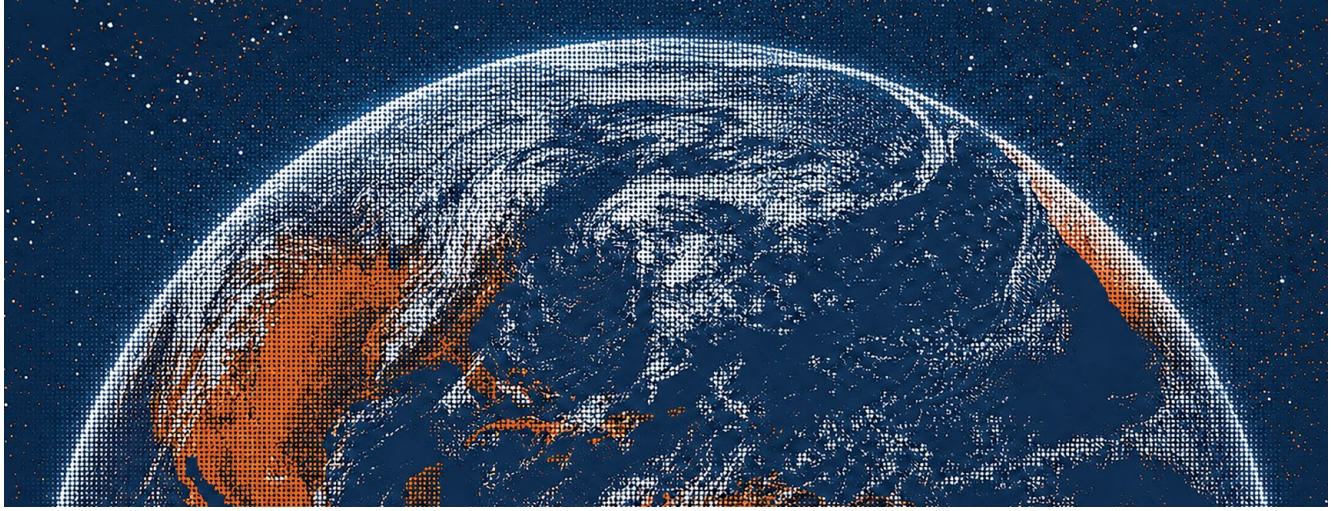
D Daily	M Monthly	H Half Yearly	A Annually
W Weekly	T Every 2 Months	Q Quarterly	R As Required

Opportunities	Our Response/Value Creation Initiatives	How We Measure Value	Mapping To:
Value created for us • Strong portfolio of world-leading brands supported by competitive, future-ready products and solutions • Sustainable growth in market share, earnings and profitability, supported by improved capital efficiency • Stronger supply assurance, responsiveness and speed to market through closer collaboration • Expanded market opportunities through strategic partnerships and OEM relationships **Value created for suppliers/partners** • Enhanced brand reputation and customer satisfaction through collaboration with a trusted and established partner • Expanded market access and growth opportunities through our wide distribution network and customer base • Sustained business growth supported by operational excellence and long-term collaboration • Data-driven insights that improve demand visibility and guide product, channel and investment decisions • Improved demand visibility and market insights to strengthen product, inventory and investment planning while supporting consistent compliance with regulatory and HSE standards	• Conducting joint business planning and regular performance reviews to strengthen strategic alignment and long-term partnerships • Meeting or exceeding OEM performance expectations while maintaining high standards of quality, compliance and brand representation • Strengthening supply assurance and resilience through collaborative demand planning and inventory management • Co-developing products and solutions that respond to evolving customer needs and market trends • Integrating digital platforms to improve supplier collaboration, visibility and operational efficiency • Investing in technologies and systems that enhance operational efficiency and supply chain performance • Advancing sustainability initiatives across the supply chain to strengthen responsible sourcing and local supplier development • Reinforcing HSE standards through audits, training and continuous improvement • Supporting local supplier capability through the Vendor Development Programme (VDP)	• OEM recognition and awards • Representation on OEM advisory boards • Dealer rankings and standings • Performance in OEM dealer excellence programmes • Customer satisfaction, market share and operational performance • Responsiveness of aftersales service and backend support • Frequency and severity of supply chain disruptions	**Capitals:** F H SR **SDGs:** 
Value created for us • Stronger access to capital through sustained investor confidence • Broader and more diversified shareholder base • Lower cost of capital through transparent communication and disciplined capital allocation • Market insights that support strategic decision-making and long-term growth **Value created for investors** • Sustainable long-term shareholder returns • Attractive and sustainable dividend returns • Confidence in our governance, strategy and capital allocation • A resilient business supported by a strong balance sheet	• Executing turnaround initiatives to improve performance across underperforming businesses and strengthen long-term profitability • Optimising our portfolio through disciplined capital allocation and the divestment of non-core assets • Expanding our portfolio across electric vehicles, internal combustion engine (ICE) vehicles and hybrid solutions to respond to evolving market demand • Driving operational excellence through cost optimisation, productivity improvements and disciplined overhead management • Advancing sustainability, innovation and digitalisation to strengthen long-term competitiveness and resilience • Maintaining transparent and consistent engagement with investors to communicate strategy, performance and value creation priorities	• Total shareholder return (TSR) • Return on equity (ROE) • Share price performance • Foreign shareholding • Analyst coverage and investor engagement	**Capitals:** F M I N **SDGs:** 
Value created for us • Enhanced brand reputation and increased stakeholder confidence • Strengthened relationships with communities and key partners • Improved operational resilience • Increased employee morale and sense of purpose through volunteerism **Value created for community** • Enhanced community well-being and livelihoods supported • Increased community resilience and inclusivity • Improved education and skills development through greater access to learning opportunities	• Supporting conservation efforts, raising environmental awareness and promoting environmentally sustainable practices • Providing scholarships and learning support to improve education outcomes and enhance employability • Supporting basic needs, humanitarian aid, health and safety, diversity and inclusion and national unity through community programmes, employee volunteering and partnerships with YSD, NGOs and local authorities	• Total investment through YSD and number of beneficiaries reached • Measurable social impact from funded programmes • Community feedback and stakeholder satisfaction	**Capitals:** H N **SDGs:** 

BUSINESS ENVIRONMENT
GLOBAL ECONOMIC REVIEW & OUTLOOK

FY2026 was characterised by resilient underlying demand across our key markets, even as competitive and cost pressures intensified. In Malaysia, strong domestic demand and investment in infrastructure, data centres and manufacturing continued to drive economic activity. China recorded higher automotive volumes alongside growth in advanced manufacturing, while Australia benefitted from its infrastructure pipeline and sustained demand for key commodities.

At the same time, intense competition, pricing pressure and more cautious customer spending created a challenging operating environment across several sectors. We countered this through disciplined cost and capital management, improving our core ROE from 6.2% to 8.0% and positioning ourselves to capture longer-term growth opportunities.



MALAYSIA

Overview

Malaysia's gross domestic product (GDP) grew by 5.2% in 2025 and maintained its momentum into the first half of 2026 with growth of 5.7%, driven by resilient domestic demand, private consumption and continued investment activity.

Moderate inflation and stable financing conditions encouraged household spending. Meanwhile, the automotive market remained resilient, with Total Industry Volume (TIV) reaching 820,752 units in 2025, underpinned by the extension of the electric vehicle tax holiday to 31 December 2027 and ongoing government support through the BUDI95 fuel subsidy. Investment activity also remained strong, particularly across infrastructure, data centres and high-value manufacturing.

Impact

These conditions sustained demand across our automotive and industrial businesses. Perodua and Toyota maintained leading positions in their respective segments, benefiting from broad product offerings and established market presence.

For our Industrial division, the strong investment pipeline drove demand for power generation solutions and equipment, helping to offset softer customer spending in other sectors.

Prospects

Malaysia's outlook remains positive. The 13th Malaysia Plan (RMK-13), together with continued investment in infrastructure, data centres and high-value manufacturing, is expected to create further opportunities for our businesses.

While automotive demand is expected to normalise, industry volumes are forecast to remain at historically elevated levels following several years of record performance.

AUSTRALIA

Overview

Australia recorded modest economic growth in 2025, with GDP increasing by 2.6%. Growth moderated to 0.3% in the first quarter of 2026 amid continued inflationary and interest rate pressures.

The resources sector remained resilient in this environment, supported by generally firm commodity prices and steady export volumes despite weather-related disruption. Infrastructure investment also remained high, driven by a substantial public project pipeline spanning major public works, energy initiatives and Olympics-related development. Meanwhile, the automotive market maintained high sales volumes. However, performance varied across market segments.

Despite resilient underlying demand, elevated inflation and interest rates continued to weigh on household and business spending, placing pressure on profitability.

Impact

While resilient resources activity and high infrastructure investment provided a supportive market backdrop, more cautious capital and maintenance spending affected demand in the Industrial division.

A similar trend was evident in our Motors division, where increased competition and sustained price discounting placed pressure on unit sales and margins, particularly in the luxury segment.

Product support and aftersales continued to provide earnings resilience across both divisions and Australia remained one of the Group's largest contributors during the year.

Prospects

Australia's longer-term outlook remains supported by strong resource exports and infrastructure investment, although customer spending may remain cautious in the near term. For the Industrial division, demand for commodities supporting the energy transition, together with the country's substantial infrastructure pipeline, is expected to sustain opportunities across specialised equipment and services. The Group's exposure to a diverse range of commodities and infrastructure sectors provides a strong platform to capture future growth.

In the automotive market, the continued shift towards hybrid, plug-in hybrid and electric vehicles is expected to broaden customer choice and create new areas of opportunity. Competition and pricing pressure are expected to continue shaping market conditions.

CHINA

Overview

China's economic growth remained stable at 5.0% in 2025 before moderating slightly to 4.7% in the first half of 2026. Growth was supported by resilient industrial activity, including strength in high-tech and equipment manufacturing, while the automotive market continued to evolve, supported by policy stimulus and growth in new energy vehicles.

However, domestic demand remained uneven due to softer consumer confidence and ongoing weakness in the property and construction sectors.

Impact

In our Motors division, challenging market conditions, including intense competition and significant price discounting, weighed on sales volumes and margins. In response, we continued to optimise our portfolio, network and cost structures.

Meanwhile, demand from infrastructure, energy and selected industrial sectors provided some resilience for our Industrial division, while we implemented targeted business improvement initiatives to mitigate the impact of weaker construction activity and competition from local manufacturers. As a result, China remained a significant contributor to our revenue base in FY2026.

Prospects

China's near-term outlook remains mixed, with supportive government policies focused on consumption and new energy vehicle adoption expected to support demand. Competition and pricing pressure are expected to persist, while vehicle volumes may normalise from recent record highs.

Continued investment in advanced manufacturing, energy and strategic infrastructure is expected to support industrial activity, although recovery in property and construction may remain gradual. China's scale, industrial capabilities and leadership in emerging industries remain important drivers of longer-term growth.

BUSINESS ENVIRONMENT
KEY MARKET TRENDS

1 LOCALISATION SHAPING MALAYSIA'S AUTOMOTIVE MARKET

Evolving policy requirements are reinforcing the importance of local vehicle assembly, manufacturing and supply chain capabilities in Malaysia.

Outlook

- Malaysia's automotive policy continues to prioritise local assembly, capability development and growth of the domestic vendor ecosystem.
- Incentives for locally assembled electric vehicles remain in place through the end of 2027, supporting the competitiveness of CKD models as incentives for imported electric vehicles expire.
- Together with continued OEM investment in local assembly and evolving import requirements, these developments are expected to make localisation, vehicle affordability and supply chain capability increasingly important to market competitiveness.

Our Response

- Expanding Inokom's assembly capabilities across internal combustion engine, hybrid and electric vehicle programmes.
- Pursuing new contract and modular assembly opportunities with existing and new OEM partners.
- Strengthening component technology and local manufacturing capabilities through strategic partnerships, including KYB-UMW's partnership with Hubei Henglong.
- Working with Toyota and Perodua to support new vehicle programmes, technology development and greater localisation.

Mapping to:

Capitals: F M I H

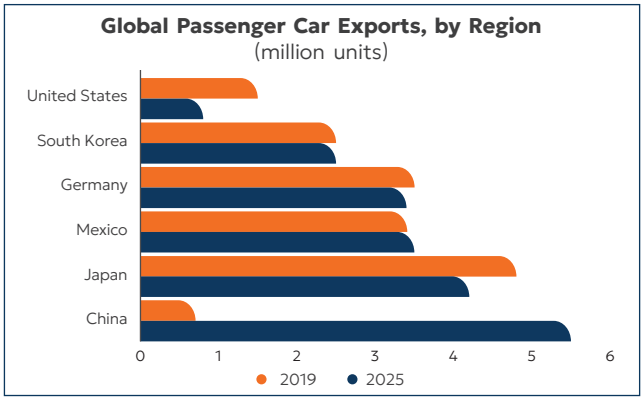
Material Matters: 1 3 4

Strategic Pillars: GC

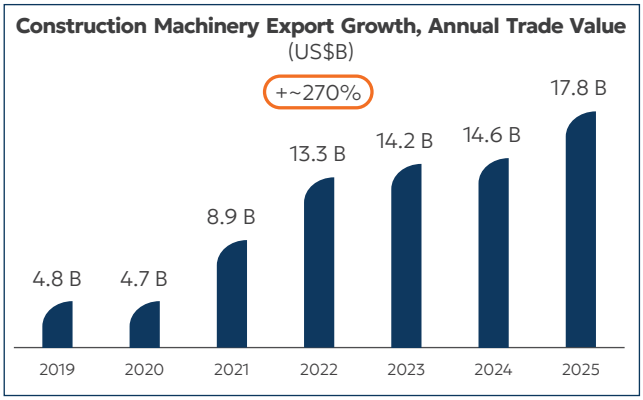
Key Risks: R1 R2 R3 R10

2 CHINA'S EXPORT-LED EXPANSION ACROSS AUTOMOTIVE AND EQUIPMENT MARKETS

Chinese manufacturers are growing their presence across global automotive and equipment markets, supported by competitive pricing and the rapid expansion of their international footprint.



Source: *McKinsey & Company. (2025). China Drives to the Top.*



Source: *GACC. Customs Statistics (HS Code 8429)*

Outlook

- China's manufacturing scale and growing export reach are reshaping automotive and equipment markets across Asia Pacific.
- The appeal of Chinese products across customer segments is being bolstered by competitive pricing, shorter product development cycles and increasing technological capability.
- This, in turn, is challenging the market positions of established OEMs and placing further pressure on industry dynamics, including pricing, margins and product cycles.

Our Response

- Maintaining a diversified automotive portfolio spanning mass-market, premium and luxury brands across our operating markets.
- Assessing potential automotive partners and strengthening market-specific brand portfolios where there is a clear strategic and commercial fit.
- Working with Caterpillar to differentiate our offering through equipment, product support and lifecycle solutions that improve customer productivity and uptime.
- Leveraging our geographic diversity and portfolio breadth while maintaining cost and inventory discipline across the markets we operate in.

Mapping to:

Capitals: F M I

Material Matters: 1 3 4

Strategic Pillars: GC

Key Risks: R1 R2 R3 R5

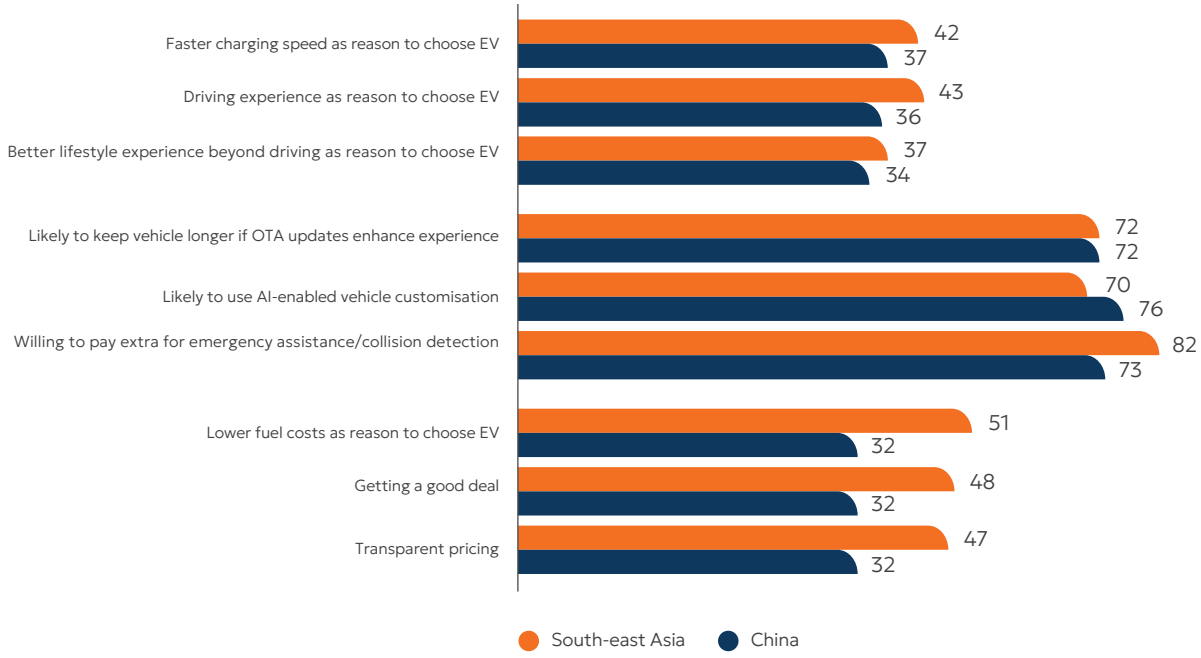
Time horizon: Short-term (0-2 years) | Medium-term (2-5 years) | Long-term (>5 years)

Impact: Positive | Negative

3 CHANGING VEHICLE DEMAND TOWARDS AFFORDABILITY, TECHNOLOGY AND ELECTRIFICATION

Customers are placing greater emphasis on affordability, technology, connectivity and powertrain choice when evaluating vehicle purchases.

Reasons for Buying Next Vehicle: Electrification, Technology, Affordability
(% of respondents)



Source: *Deloitte. (2026). Global Automotive Consumer Study*

Outlook

- A wider range of price points, features and powertrain options is giving customers greater choice, while preferences and adoption rates continue to vary across markets.
- Connectivity, AI-enabled features and software capability are becoming more important in vehicle purchase and ownership decisions.
- Greater choice is also increasing customers' willingness to consider alternatives, placing further pressure on traditional brand positioning.

Our Response

- Maintaining a broad portfolio across established and emerging brands, price segments and powertrains to reflect differing customer needs and rates of electric vehicle adoption across markets.
- Working with OEM partners to expand hybrid and electric vehicle choice, as well as introducing competitively positioned products with stronger connectivity, safety and digital features.
- Using customer insights, data and AI-enabled tools to strengthen product, pricing and customer engagement across key markets.
- Expanding aftersales, used vehicles, financing and charging solutions to improve affordability and customer value across the ownership lifecycle.

Mapping to:

Capitals: F | M | I | H

Material Matters: 1 | 2 | 3 | 4 | 5 | 6

Strategic Pillars: GC

Key Risks: R1 | R2 | R3 | R5 | R10

BUSINESS ENVIRONMENT
KEY MARKET TRENDS

4 INFLATIONARY AND GEOPOLITICAL PRESSURES RESHAPING OPERATING CONDITIONS

The uncertain geopolitical and trade environment continues to weigh on customer spending and investment appetite, while disrupting supply chains and increasing operating costs across the markets in which we operate.

Outlook

- Geopolitical tensions, trade barriers and supply chain disruption will continue to drive uncertainty across global markets.
- Higher labour, energy, financing and operating costs will continue to influence project economics and purchasing decisions across automotive, mining, construction and industrial markets.
- Customers are expected to remain selective, placing greater emphasis on affordability, productivity, equipment uptime and returns.

Our Response

- Ensuring supply chain resilience and operational flexibility to maintain competitiveness across markets.
- Maintaining disciplined cost, inventory and working capital management to support cash generation and financial resilience.
- Progressing portfolio, network and operating model improvements across selected businesses to strengthen efficiency and returns.
- Improving asset productivity through greater focus on utilisation, pricing and capital discipline.
- Supporting customers with product support, rebuild and connected solutions that improve productivity, uptime and total cost of ownership.

Mapping to:

Capitals: F I H

Material Matters: 1 3 4

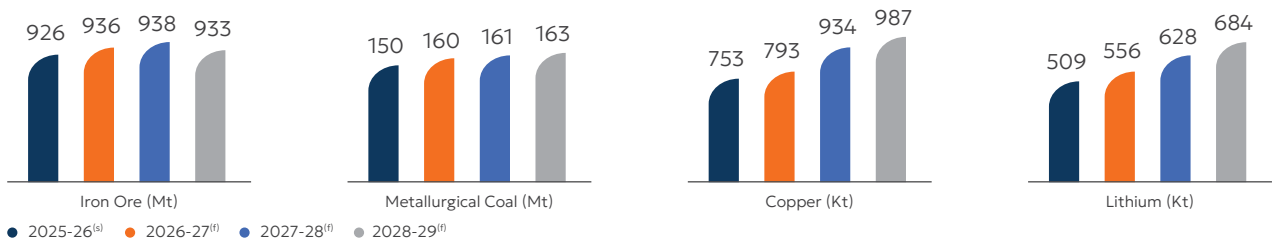
Strategic Pillars: OE

Key Risks: R1 R2 R3 R5 R10

5 ENERGY TRANSITION SUSTAINING DEMAND FOR COPPER AND CRITICAL MINERALS IN AUSTRALIA

Electrification and renewable energy investment are driving long-term demand for copper and other critical minerals, creating growth opportunities across Australia's mining value chain.

Commodity export volumes, Australia



Notes: *f: Forecast s: Estimate*
Source: *Department of Industry, Science and Resources. (2026). Resources and Energy Quarterly (Vol. 15, no.3)*

Outlook

- Demand for copper and other critical minerals is expected to grow as electrification, renewable energy, battery storage and investment in electricity networks accelerate.
- Sustained high export volumes of iron ore and metallurgical coal are also expected to support continued global steel production.
- Australia is well positioned to benefit from these established and emerging demand drivers, supported by its significant resource base and pipeline of mining developments.

Our Response

- Leveraging the expanded geographic reach provided by Cavpower and Onsite to strengthen participation across key resources regions, including areas exposed to copper and critical minerals.
- Supporting mining customers through equipment, product support, rebuild and lifecycle solutions, especially in view of longer-term demand across Australia for such solutions.
- Expanding aftermarket, rental and recurring service participation as mining projects progress.
- Maintaining diversified exposure across copper, metallurgical coal, iron ore and other resource markets to support resilience and long-term growth.

Mapping to:

Capitals: F I H N

Material Matters: 1 2 3 4 6

Strategic Pillars: GC FR

Key Risks: R1 R2 R3 R5 R6 R8 R10

Time horizon:

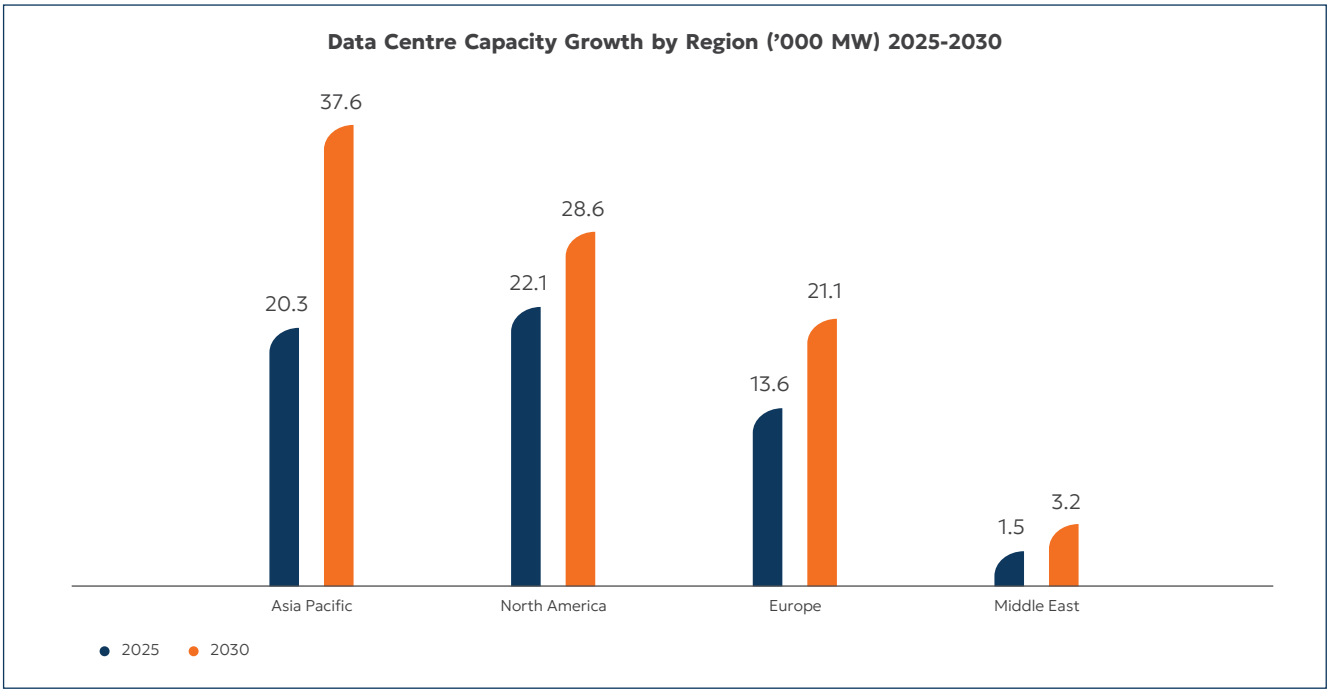
ST Short-term (0-2 years) MT Medium-term (2-5 years) LT Long-term (>5 years)

Impact:

Positive Negative

6 DATA CENTRE GROWTH INCREASING DEMAND FOR RESILIENT POWER SOLUTIONS

Rapid expansion of digital infrastructure is driving investment in data centres and increasing requirements for reliable, scalable and resilient power solutions.



Source: *KPMG. (2025). The Asia Data Centre Landscape.*

Outlook

- Growth in AI, cloud computing and digitalisation are increasing demand for reliable power generation, backup systems and supporting energy infrastructure across Asia Pacific.
- Regional data centre activity is expected to expand significantly through 2030, accompanied by higher electricity consumption and increasing power density.
- Malaysia is emerging as a major regional growth market, while Singapore and China continue to support demand across the broader data centre ecosystem.

Our Response

- Expanding our participation in the power and energy sector by providing power-generation solutions for data centre developments across Malaysia, China and Singapore.
- Working with Caterpillar and other OEM partners to provide reliable, scalable and energy-efficient power solutions for mission-critical applications.
- Deepening engagement with developers, contractors and customers to build our data centre opportunity pipeline.
- Growing recurring revenue through long-term maintenance and product support for the expanding installed power base.

Mapping to:

Capitals: F I H

Material Matters: 1 2 3 4 6

Strategic Pillars: GC

Key Risks: R1 R2 R3 R5 R10

ENTERPRISE RISK MANAGEMENT

Sime continued to pursue its strategic objectives in FY2026 amid a more complex and fast-evolving business environment. Market conditions were shaped by economic uncertainty, shifting customer demand, intensifying competition, rapid technological advancement and evolving regulatory requirements across our key markets. These developments reinforced the importance of maintaining strategic discipline, organisational resilience and a clear view of the risks and opportunities that may affect the Group's performance.

Effective risk management remains central to how the Group safeguards business performance, preserves stakeholder value and supports long-term growth. Through a disciplined and integrated Enterprise Risk Management (ERM) approach, the Group strengthens informed decision-making, enhances preparedness and enables timely responses to evolving risks and opportunities across its businesses.

Against this landscape, several key risk themes were observed in FY2026, reflecting both external market pressures and emerging business risks that may affect operational performance, strategic execution and long-term resilience. These include:

- Heightened geopolitical tensions, including the US-Iran and Russia-Ukraine conflicts, rising trade protectionism and fragmented global relations, continue to disrupt supply chains, affect cross-border trade flows and heighten country risks across key markets.
- These developments are contributing to greater macroeconomic uncertainty, reflected in inflationary pressures, slower economic growth, currency volatility and higher commodity prices, which may affect operating costs, consumer demand and investment decisions.

- The growing presence of Chinese OEMs continues to intensify competition across the automotive and industrial equipment sectors, placing pressure on pricing, margins and market share within the Motors, UMW and Industrial businesses.
- Weaker consumer sentiment, economic uncertainty and subdued demand, particularly in China, have further contributed to a more challenging operating environment across key markets.

- Evolving EV policies, incentives and regulatory requirements across Malaysia, China and Hong Kong may reshape competition, pricing and consumer demand across the automotive sector.
- In Malaysia, uncertainties surrounding excise duty revisions for CKD and new CBU EV requirements may disrupt demand, product availability and investment decisions, with potential impact on Sime Motors' retail and assembly operations.

- Rapid advancements in digital technologies, including artificial intelligence (AI), are reshaping business operations and creating new opportunities for growth and efficiency, while introducing emerging risks relating to cybersecurity, data privacy, governance and responsible technology use.
- At the same time, cybersecurity threats continue to evolve in sophistication and frequency, increasing the risk of operational disruption, data breaches, financial loss and reputational impact.

Climate change also remains a key strategic risk, with potential implications for the Group's operations, supply chains, financial performance and reputation. As climate-related disclosure requirements continue to evolve, Sime has strengthened its climate governance, undertaken climate scenario analysis, assessed physical and transition risks and opportunities and embedded climate-related considerations within the existing ERM framework. These efforts support disclosure readiness, informed decision-making and the Group's long-term resilience.

For further information on our Climate-related risk and opportunities (CROs) disclosure, prepared in conformance with the disclosure requirements of the International Financial Reporting Standard (IFRS) S2 Climate-related Disclosures and the National Sustainability Reporting Framework (NSRF), please refer to the "Sustainability Statement" on pages 67 to 87.

Throughout the year, the Group remained committed to advancing its risk and compliance programmes across all businesses. Key initiatives to enhance governance frameworks, risk management processes, oversight mechanisms and supporting tools have further embedded risk management into the Group's strategic and operational decision-making. Collectively, these measures strengthen the Group's ability to manage global uncertainties, climate-related challenges, digital transformation risks and unforeseen disruptions, while positioning Sime to safeguard value, enhance resilience and capitalise on opportunities that support sustainable long-term growth.

For further information on our initiatives, please refer to the "Risk Management & Sustainability Committee Report" on pages 127 to 133.

GROUP'S TOP KEY RISKS

The following represent the Group's top key risks, identified as having the most significant impact on the achievement of our strategic objectives. Through continuous monitoring and disciplined risk management, we enhance resilience, support informed decision-making and safeguard the Group's ability to create sustainable long-term value.

Risk Trend:

- **Increased Trend** — Higher risk exposure due to advent of material factors, events or incidences that could have wide-ranging/systemic impact on the business
- **Unchanged** — Risk exposure remains unchanged. Status of risk factors, events or incidences remain largely status quo
- **Decreased Trend** — Lower risk exposure due to favourable outcome of risk events

R1 MARKET DYNAMICS

Risk Trend: Increased

We operate across diverse markets that are exposed to geopolitical uncertainties, currency fluctuations, economic cycles and industry disruption. Evolving market conditions, heightened pricing competition, shifting consumer preferences and changing demand patterns may result in revenue volatility, margin compression and pressure on market share.

Mitigation

We continuously monitor market trends, competitive conditions and customer demand across key markets, while maintaining close collaboration with our principals and business partners. We also continue to pursue diversification, portfolio optimisation and growth opportunities to strengthen competitiveness, protect margins and enhance resilience amid volatile market conditions.

R2 BUSINESS PARTNERS

Risk Trend: Unchanged

Our trading operations remain highly dependent on key principals, business partners and major customers whose strategies, performance and continued support directly affect us. Any disruption in supply, withdrawal of principal support, changes in distribution arrangements or over-reliance on single customers could materially impact revenue streams, market access and business continuity.

Mitigation

We maintain close and proactive engagement with our principals and business partners, supported by regular performance reviews and alignment on business plans, market priorities and customer needs. Where feasible, we diversify partnerships and customer relationships, while consistently delivering strong operational and commercial performance to reinforce strategic partnerships and secure continued support.

R3 DISRUPTION

Risk Trend: Unchanged

The acceleration of electrification continues to reshape vehicle markets, customer preferences and competitive dynamics, requiring the Group to adapt its offerings and business models. At the same time, increasing global investment in AI-enabled digital infrastructure and data centres presents opportunities to strengthen our market positioning and participate in emerging growth areas.

Mitigation

We continue to strengthen the Group's product portfolio, evaluate emerging technologies and market opportunities, and refine pricing and go-to-market strategies. Ongoing operational optimisation and market monitoring support the Group's ability to respond to industry disruption, capture growth opportunities and meet evolving customer needs.

R4 MERGERS AND ACQUISITIONS

Risk Trend: Unchanged

Strategic acquisitions and divestments remain integral to the Group's growth, portfolio optimisation and long-term value creation. However, such transactions carry inherent risks, including unrealised synergies, integration challenges, valuation uncertainty and misalignment with strategic objectives, which may affect operational efficiency, dilute expected returns and weaken the intended value of the transaction.

Mitigation

We maintain robust governance, due diligence and risk assessment processes for key acquisitions and divestments, supported by disciplined investment evaluation and Board oversight. Dedicated integration teams help ensure effective assimilation, synergy realisation and alignment with the Group's strategy, culture, systems and processes.

ENTERPRISE RISK MANAGEMENT

R5 PRODUCT AND SERVICE DELIVERY

Risk Trend: ◇

Timely availability and consistent quality of products and services are critical to customer satisfaction, revenue generation and brand reputation. Supply chain disruptions, inventory constraints, delivery delays or quality issues could result in lost sales, penalties, customer attrition and weakened confidence in our products and services.

Mitigation

We strengthen product and service delivery through proactive demand forecasting, inventory optimisation and close engagement with principals, dealers, suppliers and customers. We also monitor supply chain risks, product availability and service performance to anticipate potential disruptions, improve fulfilment reliability and support timely responses to changing customer and market requirements.

R6 HEALTH, SAFETY AND ENVIRONMENT

Risk Trend: ◇

Our diverse operations expose our people, contractors, communities and the environment to health, safety, security and environmental risks. A serious incident could result in injury or loss of life, environmental harm, operational disruption, financial loss and damage to our reputation and licence to operate. Safeguarding our people and minimising environmental impact remain fundamental to how we operate.

Mitigation

We manage this risk through our updated Group-wide HSSE Management System, supported by the Critical Risk Management Programme, Critical Controls, SELF safety culture programme and Life-Saving Commitments. Layered assurance through audits, verifications, leadership reviews and environmental performance monitoring helps strengthen controls, embed lessons learned and protect our people, operations, communities and the environment.

R7 CYBERSECURITY

Risk Trend: ◇

As the Group expands its digital capabilities, leverages AI and increases reliance on interconnected systems, exposure to cybersecurity risks continues to grow. Cyber incidents could disrupt business operations, compromise data confidentiality and integrity, result in regulatory repercussions and affect stakeholder confidence.

Mitigation

We continue to strengthen our cybersecurity framework through advanced monitoring by the Managed Security Operations Centre (MSOC), regular testing of disaster recovery and incident response protocols and ongoing employee training and awareness programmes. These measures support early detection, timely response and continuous improvement in managing evolving cyber threats.

R8 CLIMATE CHANGE

Risk Trend: ◇

Our broad geographical footprint exposes the Group to climate-related risks and opportunities, including extreme weather events, regulatory changes and changing market demands. While these factors present operational and compliance challenges, they also create opportunities to support the transition to a lower-carbon economy through cleaner equipment solutions and the growing EV and renewable energy markets.

Mitigation

We manage climate-related risks through climate scenario analysis and assessment of physical and transition risks and opportunities across the divisions. We continue to strengthen climate governance, align responses with evolving regulatory and disclosure requirements and integrate climate-related considerations into our ERM framework to support informed decision-making and long-term resilience.

R9 PEOPLE

Risk Trend: ◇

Demographic workforce shifts and increasing demands for leadership continuity continue to reshape talent management priorities, highlighting opportunities to further strengthen succession planning, leadership development and workforce readiness to support sustainable growth and organisational resilience.

Mitigation

We continue to strengthen succession planning, accelerate leadership development, invest in graduate programmes, implement knowledge transfer and mentoring programmes to improve leadership bench strength, enhance successor readiness, ensure leadership continuity and support the Group's long-term growth objectives.

R10 REGULATORY COMPLIANCE

Risk Trend: ▲

Evolving regulatory landscapes across jurisdictions, from anti-bribery laws to data sovereignty, sanctions and other sector-specific requirements, continue to increase compliance demands. Non-compliance could result in penalties, operational disruption, enforcement action and reputational damage, undermining investor and stakeholder confidence.

Mitigation

We maintain a robust compliance framework through continuous monitoring of regulatory developments, regular training and communication, ongoing oversight and strong internal controls. These measures support a culture of integrity, strengthen accountability and help ensure that the Group continues to meet regulatory expectations across the markets in which we operate.

GROUP'S RISK APPETITE STATEMENT

Our Risk Appetite Statement sets the level of risk that the Group is prepared to accept. Approved by the Board and biennially reviewed, it guides a measured and cohesive response to the complex and evolving risk environment that we operate within, ultimately supporting the achievement of our key strategic goals.



In FY2026, the Risk Management and Sustainability Committee (RMSC) monitored the Group's compliance with the established risk appetite framework. The Committee reviewed the Group's risk exposures against its tolerance levels, advised management on areas requiring attention and provided guidance to ensure that risk-taking remained within acceptable parameters and consistent with the Group's strategic objectives.

FY2026 EXECUTION OF OUR STRATEGY MASTER PLAN

Strategy Pillars

GC Grow the Core | OE Operational Excellence | FR Future Ready

FY2026 marked the third year of execution under the 5-Year Strategy Master Plan and a year in which its priorities and actions became more deeply embedded across our businesses. During the year, we made further progress in areas including working capital and cost discipline, portfolio optimisation, localisation, recurring revenue generation and the development of future-facing opportunities across electrification, energy and digitalisation. The progress achieved under the Master Plan provides a strong foundation for the Group's new three-year strategy, which will guide Sime from FY2027.

GC GROW THE CORE

Strengthening our core businesses by deepening principal partnerships, expanding high-margin and recurring revenue streams and extending our capabilities across the value chain.

Key Priorities

- Strengthen principal partnerships and core market positions.
- Maximise profitability across established businesses.
- Grow high-margin and recurring revenue streams.
- Expand capabilities across the value chain.
- Pursue growth opportunities with clear customer demand and product fit.

Resource Allocation

- F Financial Capital
- H Human Capital
- I Intellectual Capital
- M Manufactured Capital
- SR Social and Relationship Capital
- N Natural Capital

Initiatives

- Deepen collaboration with key principals to strengthen product, service and customer propositions.
- Broaden product offerings to respond to changing customer preferences.
- Increase participation in high-margin and recurring revenue streams across aftersales, used vehicles, rental, product support and lifecycle services.
- Strengthen assembly, localisation and advanced manufacturing capabilities through new programmes and technology partnerships.
- Grow cash flow from installed equipment populations through parts, maintenance, rebuilds and connected services.
- Pursue power and energy sector opportunities arising from investment in data centres, infrastructure and other energy-intensive sectors.

Achievements

- Expanded Toyota's electrified vehicle portfolio through the introduction of the bZ4X, Urban Cruiser and Hilux BEV, while Perodua introduced its first battery electric vehicle, the QV-E.
- Grew Inokom's assembly portfolio to include the BMW i5, the first fully electric BMW model assembled in Asia Pacific.
- Introduced BYD's first plug-in hybrid electric vehicle in Singapore through the launch of the SEALION 6 DM-i.
- Established a strategic partnership between KYB-UMW and Hubei Henglong to strengthen steering technology and localisation capabilities.
- Won power generation projects supporting data centre developments across Malaysia, China and Singapore.
- Secured multi-year Caterpillar equipment rebuild programmes, strengthening recurring parts and service activity.

Mapping to:

Capitals	Key Risks	Material Matters	Stakeholders
F M I H SR	R1 R2 R3 R4 R5	2 4 5 6	S2 S3 S5

OE OPERATIONAL EXCELLENCE

Driving stronger returns by improving operational efficiency, productivity and cost discipline across our businesses.

Key Priorities

- Enhance returns and operational efficiency.
- Maintain cost and working capital discipline.
- Optimise operating models, facilities and network footprints.
- Improve portfolio performance and capital productivity.
- Accelerate process simplification, digitalisation and automation.

Resource Allocation

- F Financial Capital
- H Human Capital
- I Intellectual Capital

Initiatives

- Implement targeted business improvement programmes to strengthen returns across the Group.
- Maintain cost and working capital discipline to support cash generation and financial resilience.
- Optimise operating models and network footprints across selected businesses.
- Progress the review and rationalisation of selected businesses and assets to improve portfolio returns.
- Invest in facilities and systems to increase capacity, improve productivity and strengthen customer service.
- Accelerate process simplification, automation and the use of data and AI-enabled tools across our operations.

Achievements

- Improved core ROE to 8.0% in FY2026, from 6.2% in FY2025, reflecting continued progress in earnings, operational discipline and capital efficiency.
- Strengthened our balance sheet with the debt-to-equity ratio improving to approximately 36% in FY2026.
- Maintained strong operating cash flow of approximately RM3.5 billion in FY2026, supported by continued working capital improvements.

Mapping to:

Capitals	Key Risks	Material Matters	Stakeholders
F I H	R1 R3 R4 R9	1	S1 S2 S3 S5 S6

FR FUTURE READY

Positioning the Group for future growth by adapting our products, services and business models to meet emerging trends in electrification, energy and technology, as well as changing customer needs.

Key Priorities

- Support customers through the energy transition.
- Respond to changing customer and market requirements.
- Strengthen digital, data and technology capabilities.
- Adapt business models and channels as markets evolve.
- Deliver customer experiences suited to local market needs.

Resource Allocation

- F Financial Capital
- H Human Capital
- I Intellectual Capital
- SR Social and Relationship Capital

Initiatives

- Expand our new energy vehicle portfolio and supporting ecosystem through partnerships with established and emerging automotive manufacturers.
- Develop products and services that respond to changing customer preferences, industry requirements and ownership models.
- Pursue opportunities arising from demand for critical minerals, infrastructure and reliable power.
- Support customers through power generation, cogeneration and energy-efficient solutions.
- Increase the use of digital platforms, connected services, data and AI-enabled tools to improve customer experience and operational efficiency.
- Work with principals and technology partners to align products, channels and market plans with future demand.

Achievements

- Expanded participation in battery electric mobility through Perodua's QV-E, incorporating increased local content and a Battery-as-a-Service ownership model.
- Rolled out multibrand electric vehicle charger installation services nationwide in Malaysia, strengthening our EV ecosystem capabilities.
- Completed connectivity upgrades across Industrial's connected equipment population, enabling greater use of telematics, remote services and proactive maintenance.
- Delivered the high-efficiency Port Klang EcoGen cogeneration plant, reinforcing our integrated energy capabilities and capturing recurring service opportunities.
- Supplied electric terminal tractors with long-term maintenance support for port operations, expanding participation in electrified logistics solutions.
- Advanced the use of digital tools, automation and AI across lead management, pricing, inventory management, customer engagement and internal processes.

Mapping to:

Capitals	Key Risks	Material Matters	Stakeholders
F I H SR	R1 R2 R3 R4 R5	1 4 5 6	S2 S3 S5 S6

FY2026 DELIVERY UNDER OUR STRATEGY MASTER PLAN

Future Priorities

Building on the progress achieved under the Strategy Master Plan, we will maintain focus on the following priorities as we transition to the Group's new three-year strategy from FY2027:

- Continue targeted business improvement programmes, cost and working capital discipline and process simplification to strengthen profitability, cash generation and returns.
- Progress portfolio actions and maintain disciplined capital allocation, with investment directed towards opportunities supported by clear customer demand, product fit and return potential.
- Selectively invest in facilities, systems, digitalisation, automation and AI-enabled tools to improve capacity, productivity and customer service.
- Strengthen principal partnerships and customer propositions while growing high-margin and recurring revenue streams across parts, service, rebuilds, rental and other established areas.
- Continue developing opportunities across electrification, future mobility, critical minerals and the energy transition, working with principals and technology partners to respond to changing market needs.

5-YEAR FINANCIAL HIGHLIGHTS

(Including Statement of Financial Position)

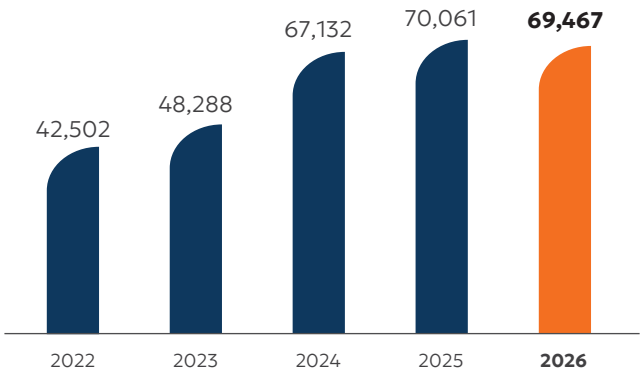
Financial Year Ended 30 June (RM million)	2022	2023	2024	2025	2026
FINANCIAL RESULTS					
Revenue*	42,502	48,288	67,132	70,061	**69,467**
Profit before interest and tax*	1,796	2,084	2,758	3,592	**3,078**
Profit before tax*	1,687	1,821	2,181	3,051	**2,669**
Profit after tax – continuing operations	1,213	1,337	1,483	2,388	**2,083**
(Loss)/Profit after tax – discontinued operations	(26)	175	2,046	9	**–**
Profit after tax	1,187	1,512	3,529	2,397	**2,083**
Non-controlling interests and perpetual sukuk	(84)	(54)	(223)	(336)	**(321)**
Net Profit	1,103	1,458	3,306	2,061	**1,762**
Core Net Profit	1,195	1,154	1,316	1,167	**1,547**
FINANCIAL POSITION					
Share capital	9,318	9,330	9,330	9,330	**9,330**
Reserves	6,692	7,596	10,036	9,874	**10,499**
Shareholder's equity	16,010	16,926	19,366	19,204	**19,829**
Non-controlling interests & perpetual sukuk	361	357	3,992	4,141	**3,937**
Total equity	16,371	17,283	23,358	23,345	**23,766**
Borrowings and leases	5,029	8,454	13,211	9,570	**8,554**
Disposal group liabilities	127	–	180	–	**–**
Other liabilities	8,702	11,303	15,073	14,473	**13,655**
Total equity and liabilities	30,229	37,040	51,822	47,388	**45,975**
Non-current assets	11,684	15,413	24,470	22,973	**22,768**
Current assets excluding cash	15,061	18,541	24,023	21,376	**20,413**
Disposal group assets	1,712	–	652	–	**–**
Bank balances and cash	1,772	3,086	2,677	3,039	**2,794**
Total assets	30,229	37,040	51,822	47,388	**45,975**
Average shareholders' equity (quarterly average)	15,789	16,065	18,229	18,770	**19,252**
FINANCIAL RATIOS					
Operating margin (%)*	4.1	4.2	3.7	4.4	**3.6**
Return on average shareholders' equity (ROE) (%)	7.0	9.1	18.1	11.0	**9.2**
Core ROE (%)^	7.6	7.2	7.2	6.2	**8.0**
Debt/Equity (%)	30.7	48.9	56.6	41.0	**36.0**
SHARE INFORMATION					
Basic Earnings per share (sen)	16.2	21.4	48.5	30.2	**25.9**
Core Earnings per share (sen)	17.6	16.9	19.3	17.1	**22.7**
Net assets per share attributable to owners of the Company (RM)	2.35	2.48	2.84	2.82	**2.91**
Net dividend per share (sen)	11.5	13.0	13.0	14.0	**14.0**

** The financial results have been restated to exclude discontinued operations*

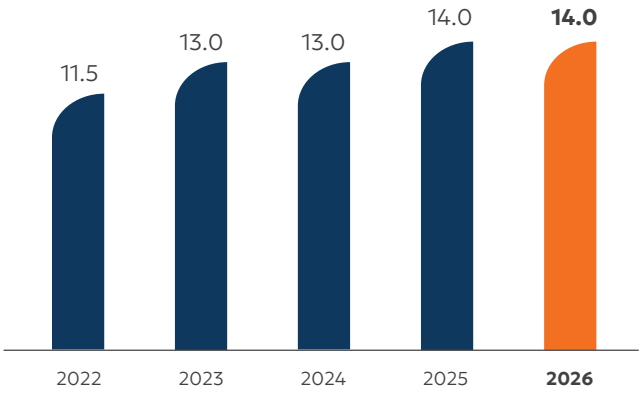
^ Based on average shareholders' equity (quarterly average)

5-YEAR FINANCIAL HIGHLIGHTS
(Including Statement of Financial Position)

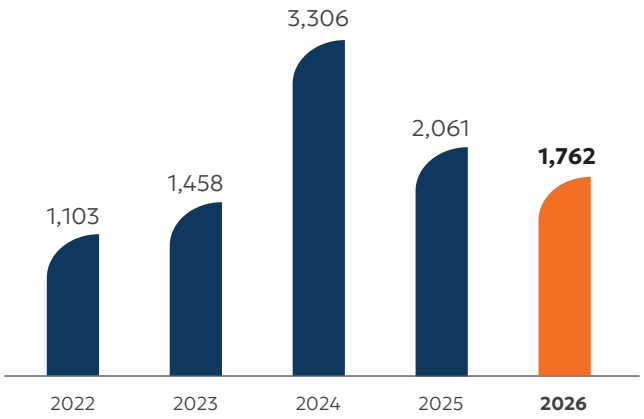
Revenue* (RM million)



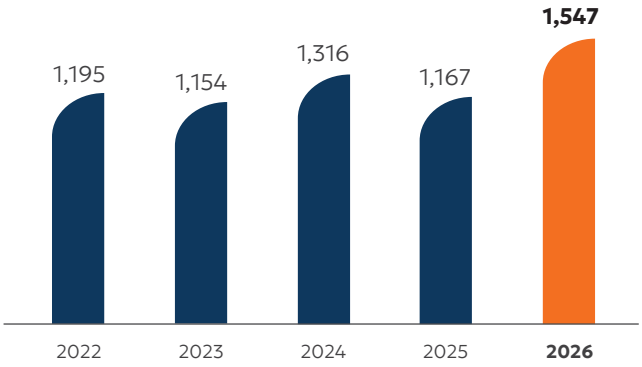
Net Dividend Per Share (sen)



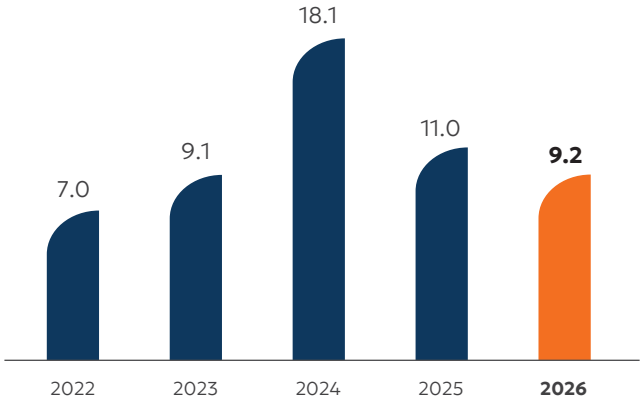
Net Profit (RM million)



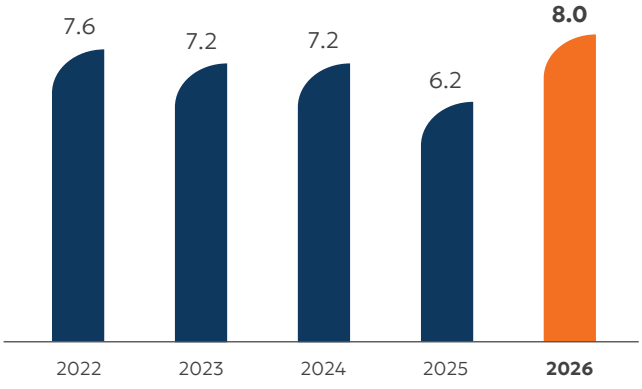
Core Net Profit (RM million)



ROE (%)



Core ROE (%)



** The financial results have been restated to exclude discontinued operations*

STATEMENT OF VALUE ADDED

VALUE ADDED

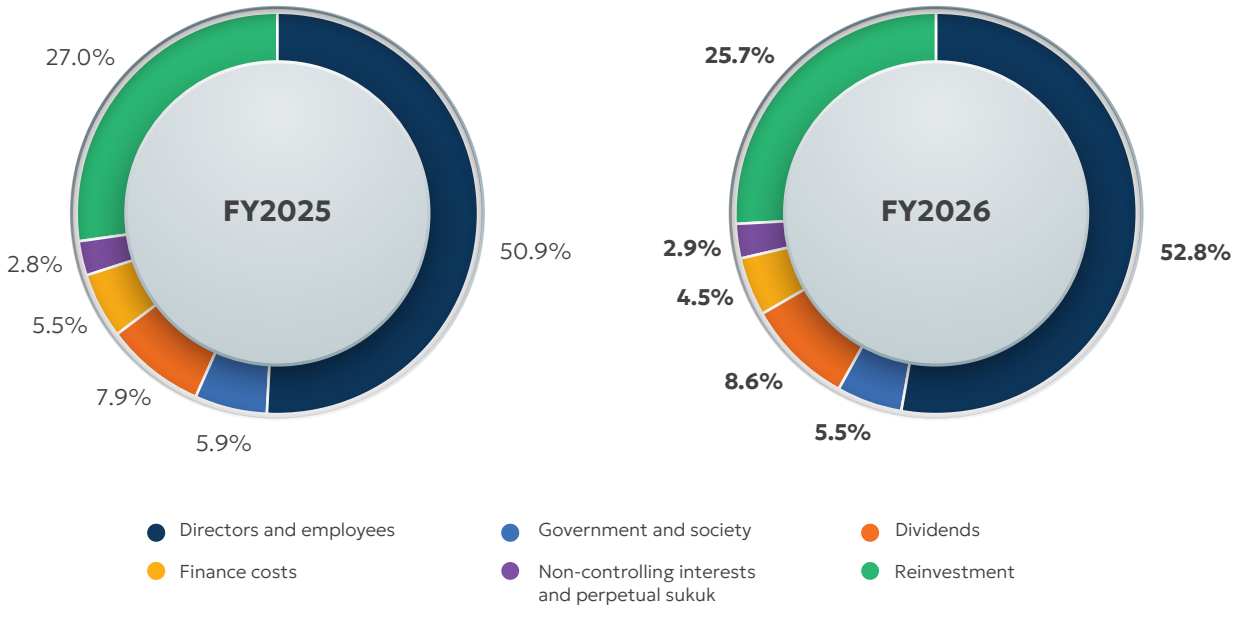
(RM million)	FY2025	FY2026
Revenue*	70,061	**69,467**
Operating expenses excluding staff costs, depreciation & amortisation and CSR expenses*	(60,150)	**(59,699)**
Other operating income, gains/losses and finance income*	1,518	**785**
Share of results of joint ventures & associates*	513	**584**
Income from discontinued operations	32	**–**
Total	11,974	**11,137**

* *From continuing operations*

VALUE DISTRIBUTION

(RM million)	FY2025	FY2026
Directors and employees	6,092	**5,874**
Government & society[1]	704	**618**
Dividend[2]	954	**954**
Finance costs[3]	655	**506**
Non-controlling interests and perpetual sukuk	336	**321**
Reinvestment	3,233	**2,864**
Total	11,974	**11,137**

[1] *Tax, zakat and CSR contribution*
[2] *Dividends refer to dividends declared for the respective financial years*
[3] *Gross finance costs*



QUARTERLY PERFORMANCE

(RM million)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	FY2026
Revenue	18,031	18,974	15,752	16,710	**69,467**
Segment results					
Industrial	293	300	245	348	**1,186**
Motors	126	209	143	55	**533**
UMW	261	269	196	219	**945**
Corporate and Others	6	(11)	416	3	**414**
Profit before interest and tax	686	767	1,000	625	**3,078**
Net finance costs	(107)	(105)	(101)	(96)	**(409)**
Taxation	(130)	(141)	(178)	(137)	**(586)**
Non-controlling interests & perpetual sukuk	(94)	(90)	(67)	(70)	**(321)**
Net Profit	355	431	654	322	**1,762**
Earnings per share (sen)	5.2	6.3	9.6	4.8	**25.9**

(RM million)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	FY2025
Revenue	18,264	17,726	16,313	17,758	**70,061**
Segment results					
Industrial	343	337	221	425	**1,326**
Motors	190	118	114	9	**431**
UMW	214	272	194	279	**959**
Corporate and Others	467	(25)	(8)	442	**876**
Profit before interest and tax	1,214	702	521	1,155	**3,592**
Net finance costs	(157)	(147)	(128)	(109)	**(541)**
Taxation	(180)	(150)	(117)	(216)	**(663)**
Profit from discontinued operations	7	2	–	–	**9**
Non-controlling interests & perpetual sukuk	(84)	(102)	(83)	(67)	**(336)**
Net Profit	800	305	193	763	**2,061**
Earnings per share (sen)	11.7	4.5	2.8	11.2	**30.2**

FINANCIAL CALENDAR

ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS

1st QUARTER	2nd QUARTER	3rd QUARTER	4th QUARTER
ended 30 September 2025	ended 31 December 2025	ended 31 March 2026	ended 30 June 2026
27 November 2025	**26 February 2026**	**25 May 2026**	**27 August 2026**

DIVIDEND

- **1st Interim Dividend of 3.0 sen Per Ordinary Share**

  Announcement of the Notice of Entitlement and Payment: 26 February 2026

  1st INTERIM

  Date of Entitlement
  18 March 2026

  Date of Payment
  31 March 2026

- **2nd Interim Dividend of 11.0 sen Per Ordinary Share**

  Announcement of the Notice of Entitlement and Payment: 27 August 2026

  2nd INTERIM

  Date of Entitlement
  17 September 2026

  Date of Payment
  30 September 2026

20TH ANNUAL GENERAL MEETING



- **Notice Date** — 14 OCTOBER 2026



- **Meeting Date** — 12 NOVEMBER 2026

INVESTOR RELATIONS

Our Investor Relations function facilitates regular dialogue with the investment community, providing updates on our performance and strategic developments while responding to investor queries. These engagements deepen our understanding of market expectations while providing investors with a comprehensive view of our business and key developments.

FINANCIAL BRIEFINGS IN FY2026

27 August 2025	Q4 FY2025 Results and Analyst Briefing	**26 February 2026**	Q2 FY2026 Results and Analyst Briefing
27 November 2025	Q1 FY2026 Results and Analyst Briefing	**25 May 2026**	Q3 FY2026 Results and Analyst Briefing

INVESTOR ENGAGEMENTS IN FY2026

During the year, we conducted a range of investor engagements beyond our regular results briefings, including site visits, product experience sessions and participation in investor forums.

KEY RESULTS BRIEFINGS

Sime Q4 FY2025 Results and Analyst Briefing		
27 August 2025	Microsoft Teams	139 pax
Sime Q1 FY2026 Results and Analyst Briefing		
27 November 2025	Microsoft Teams	70 pax
Sime H1 and Q2 FY2026 Results and Analyst Briefing		
26 February 2026	Microsoft Teams	99 pax
Sime Q3 FY2026 Results and Analyst Briefing		
25 May 2026	Microsoft Teams	92 pax

KEY PARTNERS MEETINGS

Investor Meeting with Lembaga Tabung Haji		
17 September 2025	Kuala Lumpur	5 pax
Investor Meeting with Employees Provident Fund on Sustainability		
6 January 2026	Shah Alam	7 pax
Investor Meeting with Great Eastern Life Assurance		
5 June 2026	Petaling Jaya	1 pax

SITE VISITS/ACTIVITIES

PNB Visit to Sime Motors BMW Shenzhen		
23 July 2025	Shenzhen	6 pax
Investment Community Visit to Sime Industrial		
6 August 2025	Puchong	11 pax
Porsche Test Drive Event		
8 October 2025	Petaling Jaya	13 pax
Investment Community Visit to Inokom		
9 October 2025	Kulim	18 pax
Investment Community Visit to UMW Aerospace		
19 January 2026	Hulu Selangor	6 pax
Perodua QV-E and Traz Test Drive Event		
4 February 2026	Petaling Jaya	5 pax
Investment Community Visit to Inokom		
28 April 2026	Kulim	7 pax
BMW, MINI, BYD and Volvo Test Drive Event		
29 April 2026	Petaling Jaya	9 pax

INVESTOR FORUMS

J.P. Morgan Malaysia+ Forum		
14 October 2025	Kuala Lumpur	17 pax
19th Annual General Meeting (AGM)		
13 November 2025	Kuala Lumpur	
Maybank Investment Bank Corporate Day		
2 December 2025	Kuala Lumpur	35 pax
CGS International 18th Annual Malaysia Corporate Day 2026		
7 January 2026	Kuala Lumpur	17 pax
Sime Corporate Investor Day		
10 February 2026	Kuala Lumpur	55 pax
J.P. Morgan Malaysia+ Forum		
21 April 2026	Kuala Lumpur	21 pax
Invest Malaysia 2026		
10 June 2026	Kuala Lumpur	32 pax

Communication Channels/Platforms: Online Physical

SIME'S 20TH AGM

Sime's 20th AGM will be held on 12 November 2026, providing a forum for shareholders to review our performance during the year and engage directly with the Board and senior management on our strategic priorities and future direction. The meeting will cover key matters including:

- Approval of the FY2026 Audited Financial Statements;
- Re-election of Directors retiring by rotation;
- Appointment and remuneration of auditors; and
- Updates on our growth strategy, ESG priorities, international operations and business outlook.

Shareholders will also be given the opportunity to raise questions and discuss matters relevant to our performance, outlook and long-term value creation.

Meeting materials, including the Notice of Meeting, Proxy Form and FY2026 Annual Report, will be made available on our website ahead of the AGM.

DIGITAL ENGAGEMENT

We use digital channels to provide investors and other stakeholders with timely access to corporate information and updates.

Our corporate website is the primary source for financial results, annual reports, shareholder information, corporate governance and sustainability disclosures, media releases and regulatory announcements. Stakeholders can also download key documents, submit investor enquiries and subscribe to updates.

Our social media channels complement our website by sharing business updates, leadership perspectives, corporate milestones and event highlights.

Sime	https://www.sime.com/
	https://www.linkedin.com/company/sime-group
	https://www.facebook.com/simegroup
	https://www.instagram.com/simegroup
	https://www.youtube.com/@SimeGroup

INDICES REPRESENTATION

Sime is included in the following recognised market and sustainability indices:

FTSE4Good Index

FTSE4Good

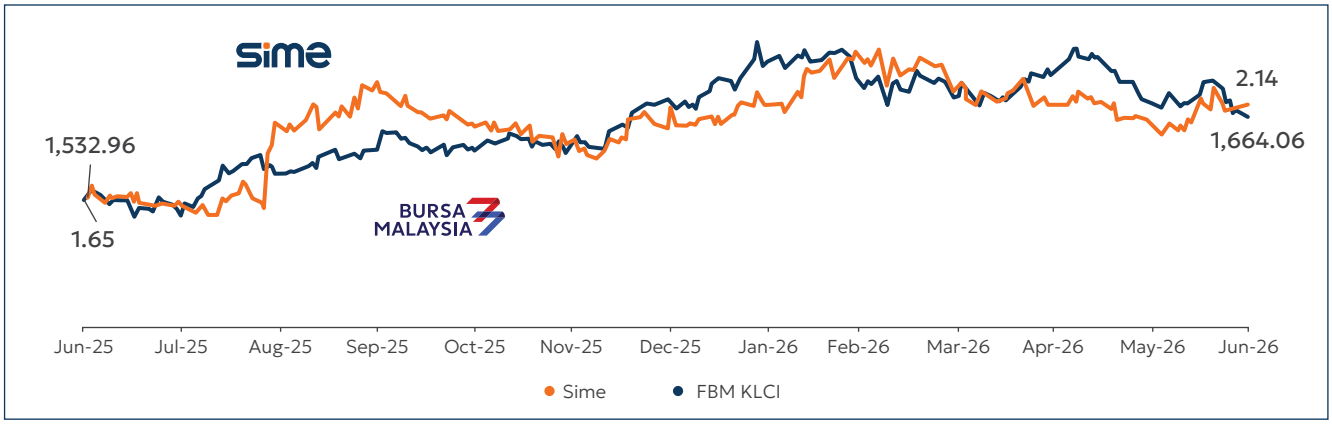
KL Consumer Products Index (KLCM)

MARKET PERFORMANCE & SHAREHOLDER RETURNS

Sime's (KL:SIME) share price rose 29.7% in FY2026, outperforming the FTSE Bursa Malaysia KLCI's (FBM KLCI) 8.6% gain, with total shareholder return (TSR) increasing to 34.6% during the year, compared with a decline of 32.8% in FY2025. The decline in FY2025 was primarily attributable to losses in Sime Motors' China operations and margin pressure following the Caterpillar parts price reduction reflected in our Q3 FY2025 results.

As at 31 August 2026, all 18 analysts had a positive recommendation on SIME, comprising Buy or Hold ratings.

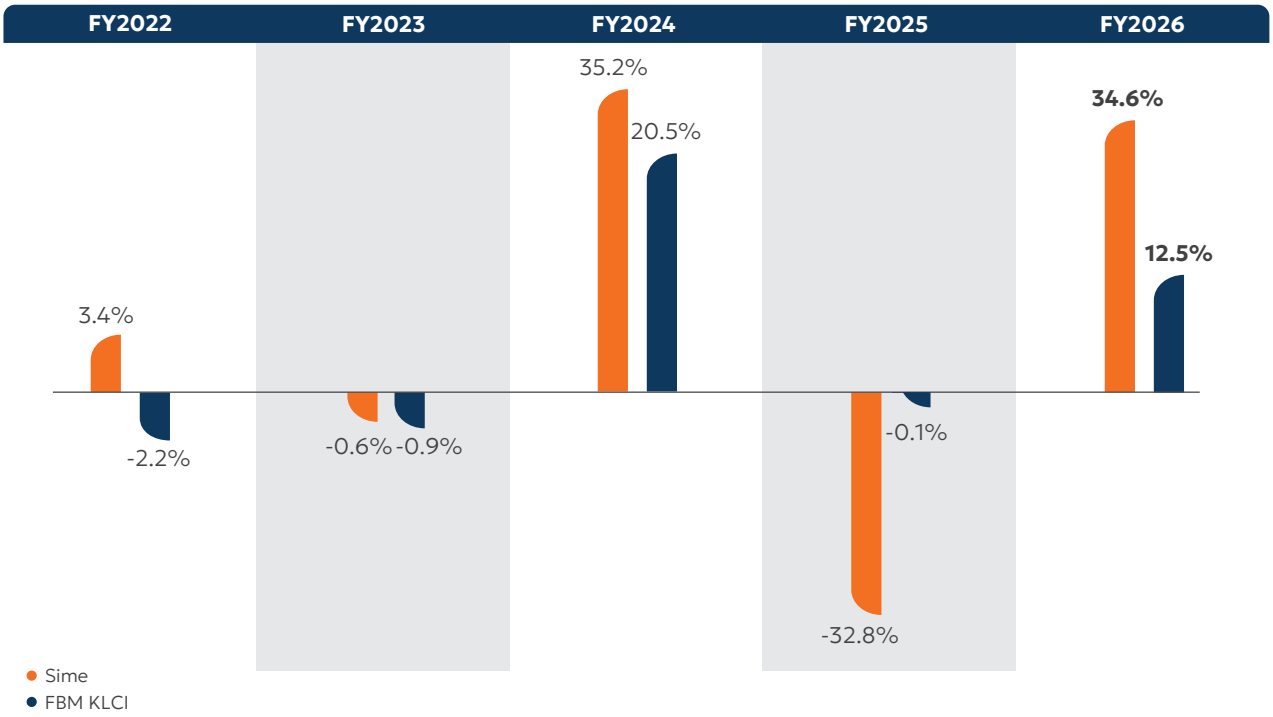
SHARE PRICE PERFORMANCE



	30 June 2025	30 June 2026	Change	% Change
Sime	1.65	2.14	0.49	▲29.7
FBM KLCI	1,532.96	1,664.06	131.10	▲8.6

INVESTOR RELATIONS

TOTAL SHAREHOLDER RETURN



Source: *Bloomberg*

ANALYST RECOMMENDATIONS

As at 31 August 2026

	Organisations				
1	Affin Hwang Investment Bank Berhad	7	CLSA Securities Malaysia Sdn. Bhd.	13	Nomura Securities Malaysia Sdn. Bhd.
2	AmInvestment Bank Berhad	8	Hong Leong Investment Bank Berhad	14	Public Investment Bank Berhad
3	BIMB Securities Sdn. Bhd.	9	JPMorgan Securities (Malaysia) Sdn. Bhd.	15	RHB Investment Bank Berhad
4	CGS International Securities Malaysia Sdn. Bhd.	10	Kenanga Investment Bank Berhad	16	TA Securities Holdings Berhad
5	CIMB Securities Sdn. Bhd.	11	Macquarie Capital Securities (Malaysia) Sdn. Bhd.	17	UBS Group AG
6	Citigroup Global Markets Malaysia Sdn. Bhd.	12	Maybank Investment Bank Berhad	18	UOB Kay Hian (M) Sdn. Bhd.



TOTAL NUMBER OF ANALYSTS
18

BUY
9

HOLD
9

SELL
0

BUSINESS REVIEW



Dean Mehmet
Managing Director, Sime Industrial

"At Sime Industrial, we are focused on helping customers navigate changing market conditions with reliable equipment, service and support. In a year of heightened uncertainty and more disciplined customer spending, we remained resilient, supported by our diversified footprint, strong principal relationships and emphasis on operational discipline. At the same time, we supported growing demand from data centres and other energy-intensive sectors by strengthening our product support and aftermarket capabilities, expanding our Power & Energy offerings and investing in digital and connected solutions. These focused actions position us strongly to capture opportunities as market conditions improve and maintain our long-term growth trajectory."



Sime INDUSTRIAL

SUMMARY OF FY2026 PERFORMANCE

In FY2026, Sime Industrial navigated a challenging operating environment, as geopolitical uncertainty, persistent cost pressures and cautious customer spending weighed on demand across key markets. Revenue and earnings softened as mining customers deferred equipment purchases and reduced planned maintenance expenditure.

Despite these headwinds, we demonstrated resilience, supported by our diversified geographic presence and balanced exposure across industries and commodities. Disciplined cost and working capital management further helped to mitigate challenging market conditions.

We continued to benefit from our installed equipment population, which provided a resilient base of recurring aftermarket revenue, while customers' continued focus on equipment reliability, uptime and productivity supported demand for our service offerings. Demand for reliable power solutions, particularly from data centre developments in Asia, also supported opportunities in the Power & Energy business.

With continued focus on operational efficiency, inventory optimisation, fleet utilisation and portfolio performance, we remain on track to manage near-term volatility while pursuing longer-term opportunities across resources, infrastructure, data centres and energy-efficient solutions.

WHAT WE DO

Sime Industrial partners with Caterpillar and other world-leading industrial brands to deliver heavy equipment, power systems, rental solutions, product support and integrated solutions. With operations across 14 countries and territories in the Asia Pacific region, we serve a customer base spanning a range of sectors.

Business Segments

- Industrial equipment sales (new and used)
- Equipment rental
- Power systems sales
- Rental services
- Product support
- Industrial solutions

Customer Sectors

- Resources
- Infrastructure
- Maritime industries
- Power generation
- Oil & gas
- Material handling
- Agriculture

BUSINESS REVIEW

KEY FOCUS AREAS & RESULTS

GROW THE CORE

- Supported resources, infrastructure and industrial customers through equipment sales, maintenance, rental and integrated solutions.
- Expanded high-margin aftermarket revenue through parts, service and rebuild programmes that help our customers manage equipment lifecycle costs.
- Strengthened our Power & Energy business by delivering power generation projects supporting data centre developments in Malaysia, China and Singapore.
- Worked closely with Caterpillar and other principals to broaden customer solutions, strengthen product competitiveness and support growth across key markets.

OPERATIONAL EXCELLENCE

- Improved cost and working capital efficiency through disciplined expense management and continued inventory optimisation.
- Enhanced operating efficiency at the regional level through streamlined organisational structures and strengthened parts and service capabilities.
- Progressed facility and network improvements, including the Mackay Parts Fulfilment Centre, to increase capacity and improve parts availability.
- Advanced process simplification and digitalisation through a Division-wide implementation of business improvement programmes for internal systems.
- Improved field service productivity, decision-making and customer responsiveness at Hastings Deering through the rollout of Starlink technology in new field service vehicles.

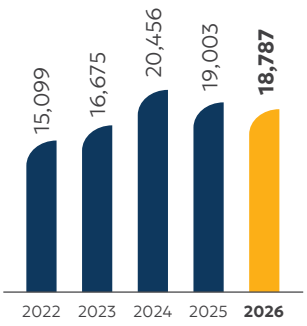
FUTURE READY

- Expanded energy transition capabilities through cogeneration, energy-efficient power systems and lower-emission industrial solutions.
- Completed connectivity upgrades across connected equipment, enabling greater use of telematics, remote services and proactive maintenance.
- Advanced digital and technology-enabled solutions to help our customers improve equipment productivity, utilisation and lifecycle performance.
- Expanded participation in electrified equipment in Malaysia through Terberg Tractors Malaysia delivering the first fleet of electrified terminal tractors.

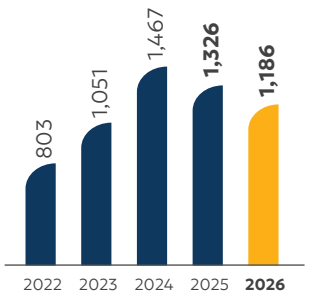
PERFORMANCE HIGHLIGHTS

Financial Performance

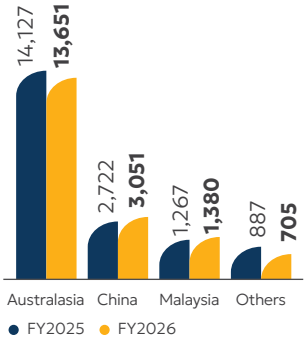
Revenue
(RM million)



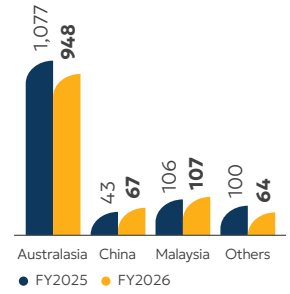
Reported PBIT
(RM million)



Revenue by Region
(RM million)

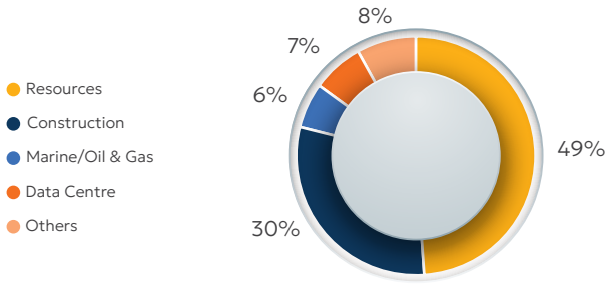


Reported PBIT by Region
(RM million)

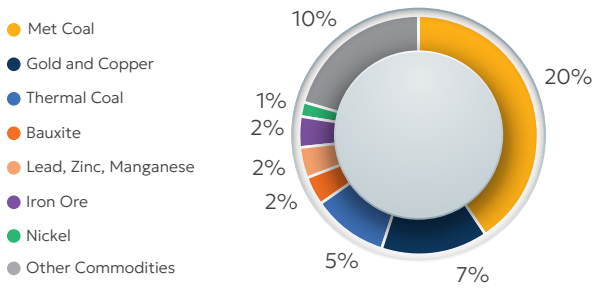


Non-financial Performance

Revenue Mix by Sector



Share of Resources Revenue by Commodity Exposure



KEY CHALLENGES & GROWTH OPPORTUNITIES

Key Challenges	Mitigation Strategies
Volatility across operating environments	• Leveraging our diversified exposure across resources, infrastructure, power generation, rental and industrial solutions to mitigate against sector-specific fluctuations. • Maintaining disciplined cost, inventory and working capital management. • Closely monitoring customer demand, commodity exposure, project timing and regional market conditions.
Customer focus on cost discipline and productivity	• Expanding product support and rebuild offerings, including the 22-machine Stanmore Resources rebuild programme and flexible fixed-scope component solutions that help customers manage lifecycle costs. • Strengthening connected asset and field-service capabilities through the completion of the 2G and 3G connectivity upgrade, growing adoption of Cat Remote Services and the rollout of Starlink connectivity in field service vehicles. • Working closely with our customers to deliver solutions aligned with their operating requirements and capital priorities.
Increased competition across equipment and solutions markets	• Working with Caterpillar and other principals to improve product fit, competitiveness and customer solution alignment. • Differentiating our solutions through technical capability, reliability, network coverage and aftermarket support, supported by investments in the Mackay Parts Fulfilment Centre to improve parts availability and service capacity. • Continuing to develop Power & Energy, rental and integrated solutions to broaden our customer offerings.

Growth Opportunities	Our Approach
Sustained demand for resources and infrastructure-linked project activity	• Supporting resources, infrastructure and construction customers through heavy equipment, rental and product support solutions that deliver productivity and utilisation benefits. • Leveraging our expanded Australian footprint, including our Caterpillar dealerships, Cavpower and Onsite, to capture opportunities across copper, metallurgical coal, critical minerals and major infrastructure activity. • Growing recurring revenue from the installed equipment base through parts, service, rebuild and lifecycle support.
Growing demand for reliable power solutions	• Expanding participation across data centres, oil & gas, marine and other mission-critical sectors, building on recent Power & Energy project wins in Malaysia, China and Singapore. • Delivering reliable and energy-efficient power solutions through power generation and cogeneration applications. • Supporting customers through end-to-end power solutions spanning project execution, maintenance, technical support and lifecycle services for mission-critical power assets.
Customer demand for productivity, uptime and energy-efficient solutions	• Expanding product support, parts, component rebuilds, maintenance and lifecycle offerings to extend equipment life, improve uptime and optimise asset utilisation and lifecycle costs. • Investing in telematics and remote services for proactive maintenance, alongside Starlink connectivity to improve field productivity and customer responsiveness. • Supporting customer decarbonisation and efficiency through electrified industrial equipment, cogeneration and energy-efficient power solutions, including electric terminal tractors and the Port Klang EcoGen plant.

OUTLOOK & STRATEGIC PLANS

- Leveraging our diversified geographic, sector and commodity footprint to capture demand across resources, infrastructure, data centres and energy-intensive sectors.
- Expanding our product support, parts, rebuild and lifecycle capabilities to support customer uptime, productivity and long-term asset performance.
- Expanding our Power & Energy business by supporting increasing demand for reliable, scalable and lower-emission power solutions.
- Accelerating digitalisation, connected asset capabilities and process optimisation to improve customer responsiveness and operational efficiency.
- Maintaining strong capital discipline through effective cost, working capital, inventory and fleet management while improving profitability and returns, including ROE.

BUSINESS REVIEW



Andrew Basham
Managing Director, Sime Motors

"FY2026 reinforced the importance of remaining agile in an automotive industry undergoing rapid change. Despite continued competition and pricing pressure, we made further progress in improving operational efficiency and returns across the Division. As the industry continues to evolve, our strong principal partnerships and growing presence across the automotive value chain position us to respond to changing customer needs and build on opportunities across our markets and businesses. We remain focused on creating lasting value for our customers and stakeholders, balancing growth with continued operational and financial discipline."



Sime MOTORS

SUMMARY OF FY2026 PERFORMANCE

Sime Motors delivered a stronger performance in FY2026, supported by momentum from BYD in Malaysia and Singapore, continued demand for BMW and other key brands and disciplined portfolio and operational improvement initiatives.

Across the Division, performance reflected the different conditions in each of our markets and the actions taken to strengthen their respective operations. We maintained our focus on established premium and mass-market brands, while expanding our portfolio across ICE and xEV models. This broader offering enabled Sime Motors to respond to changing customer preferences and participate in evolving areas of demand across the automotive value chain.

During the year, we also continued to develop higher-value revenue streams beyond new vehicle sales, particularly through aftersales, used vehicles and assembly. Alongside this, targeted portfolio, network and cost optimisation initiatives progressed across priority markets. These actions helped to improve efficiency and mitigate pricing pressures while positioning Sime Motors to deliver stronger long-term returns.

WHAT WE DO

Sime Motors operates across the full automotive value chain, with a presence in 10 markets in Asia Pacific. Our broad geographical presence provides access to a diverse and growing customer base, supported by an extensive dealership network and long-standing partnerships with many world-leading automotive and commercial truck brands.

Business Segments

- Assembly
- Distribution and import
- Retail of new and used cars
- Aftersales services
- Vehicle rental

KEY FOCUS AREAS & RESULTS

GROW THE CORE

- Strengthened performance across key brands and markets, driven by the continued success of BYD in Malaysia and Singapore, strong BMW demand across operating regions and growing momentum from XPENG in Hong Kong.
- Expanded participation in higher-margin segments through continued growth in aftersales, used vehicles and related ownership services.
- Advanced Inokom's assembly capabilities, including the assembly of the BMW i5, the first fully electric BMW model assembled in Asia Pacific.
- Continued to refine our portfolio through the introduction of Geely in Australia, strengthening participation in the growing affordable and technology-enabled mobility segment.

OPERATIONAL EXCELLENCE

- Optimised our retail footprint and business portfolio, including through network rationalisation, to improve efficiency and returns.
- Maintained cost and working capital discipline through workforce, inventory and operating expense management.
- Strengthened operating performance through targeted business improvement programmes across China, Australia and other priority markets.
- Advanced process simplification and digitalisation through greater use of automation, data and AI-enabled tools across lead management, pricing and inventory management.

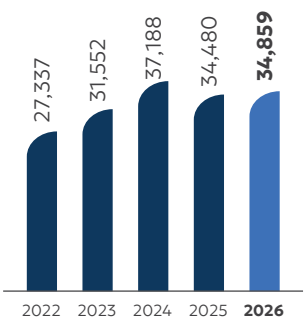
FUTURE READY

- Expanded our range of offerings across ICE and xEV models to deliver greater value and choice to customers.
- Deepened our presence in the xEV ecosystem through electric and plug-in hybrid vehicle offerings, used xEV propositions and charging-related services, including KINETA's expansion into multi-brand EV charger installation and aftersales support.
- Made progress in expanding our assembly capabilities across multiple powertrains in support of principal requirements and Malaysia's localisation agenda.
- Expanded digital, data and AI-enabled capabilities to improve customer insights, engagement and service delivery across key markets.

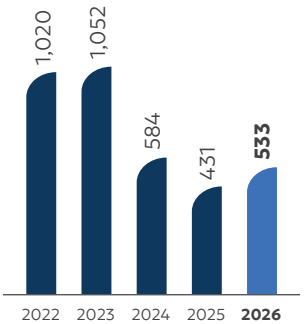
PERFORMANCE HIGHLIGHTS

Financial Performance

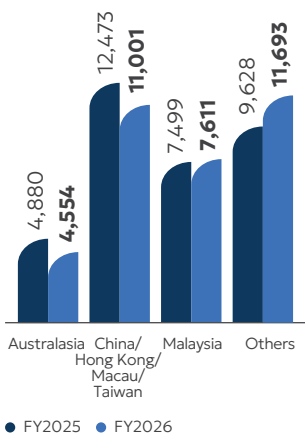
Revenue
(RM million)



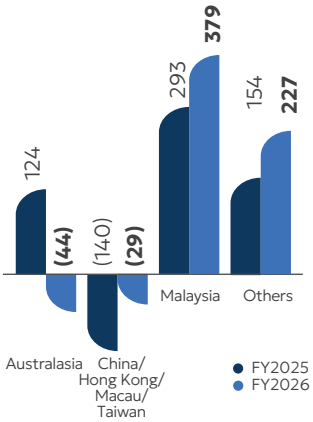
Reported PBIT
(RM million)



Revenue by Region
(RM million)



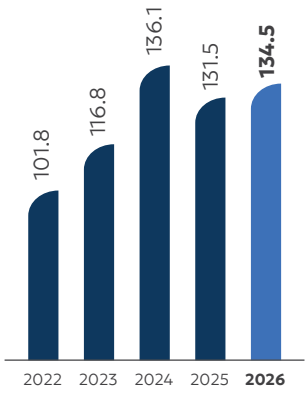
Reported PBIT by Region
(RM million)



Note:
Others include Singapore, Indonesia and Thailand.

Non-financial Performance

Unit Sales
('000)



Note:
Includes new and used vehicle sales.

BUSINESS REVIEW

KEY CHALLENGES & GROWTH OPPORTUNITIES

Key Challenges	Mitigation Strategies
Intensifying competition, pricing pressure and changing customer preferences	• Leveraging our diversified brand portfolio, including BMW, BYD, XPENG and Geely in Australia, to serve customers across premium, luxury, value-oriented and emerging mobility segments amid changing customer preferences and economic conditions. • Expanding our participation in xEV segments, including the introduction of BYD's SEALION 6 DM-i, its first plug-in hybrid electric vehicle in Singapore. • Differentiating our customer proposition through aftersales excellence and enhanced retail experiences, including BYD Mansion Macalister in Penang. • Maintaining a strong pipeline of competitive new products through our OEM partnerships, including BMW's upcoming Neue Klasse platform. • Improving retail profitability through network consolidation, lease renegotiations, workforce optimisation and productivity improvements across sales and aftersales operations.
Policy changes reshaping automotive market dynamics	• Maintaining active engagement with regulators, industry bodies and principals to anticipate changes in automotive policies, incentives and market requirements. • Working with principals to align product availability, powertrain mix and market strategies with evolving xEV policies, import settings and localisation requirements. • Maintaining the operational and supply chain flexibility needed to respond to changing compliance and market access requirements across our regions. • Investing in the technical capabilities and specialised skills required to support evolving vehicle technologies, regulatory requirements and sustainability standards.

Growth Opportunities	Our Approach
Expanding assembly and localisation opportunities in Malaysia	• Leveraging Inokom's multi-brand platform and OEM relationships to pursue further localisation and assembly programmes across ICE and xEV segments. • Building on proven programmes including the BMW i5, the first fully electric BMW assembled in Asia Pacific, and Chery's Tiggo Cross, one of the brand's flagship global models, as Inokom expands its role in supporting Chery's right-hand-drive markets in ASEAN. • Expanding manufacturing capacity and capability to support higher production volumes, future programmes and export growth, including through the advanced paint facility.
Increasing demand for high-value automotive services and solutions	• Expanding high-value offerings, including aftersales, used vehicles and integrated ownership solutions, across our established customer base through initiatives such as EV NEXT and BYD Certified. • Deepening customer relationships beyond the initial vehicle sale to support retention, repeat business and recurring revenue, including through parts, servicing and long-term ownership support. • Leveraging digital platforms such as OneGo and AI-enabled solutions to strengthen customer engagement and used vehicle competitiveness, including online vehicle browsing, service bookings, trade-in quotations and instant vehicle valuations. • Strengthening financing, leasing and integrated ownership solutions to improve affordability and provide customers with greater flexibility amid continuing cost pressures.

OUTLOOK & STRATEGIC PLANS

- Maintaining a disciplined and balanced portfolio that strengthens our market positions while responding to evolving customer preferences across brands and powertrains.
- Accelerating growth in high-value segments, including aftersales, used vehicles, assembly and other automotive services.
- Expanding assembly and localisation opportunities in Malaysia by leveraging Inokom's multi-powertrain manufacturing capabilities and strengthening partnerships with our principals.
- Advancing the use of digital, data, automation and AI to enhance customer engagement, operational efficiency and decision-making.
- Continuing to optimise our portfolio, network and cost base while maintaining disciplined capital allocation to improve returns and support long-term value creation.



Dato' Mustamir Mohamad
Managing Director,
Sime UMW

"FY2026 demonstrated the strength and resilience of Sime UMW's businesses. In an evolving operating environment, we remained focused on disciplined execution, operational excellence and investing in capabilities that will sustain our long-term competitiveness. These efforts strengthened our position and reinforced our confidence in creating sustainable value for our stakeholders."



Sime UMW

SUMMARY OF FY2026 PERFORMANCE

Sime UMW delivered a resilient performance despite a tough market environment in FY2026, supported by the continued strength of Malaysia's automotive market.

Toyota and Perodua maintained their leadership positions in the non-national and national segments respectively, achieving FY2026 market shares of 11.4% and 42.3% respectively, for a combined market share of 53.7%, despite intensifying competition and evolving market dynamics. To further entrench our market position, we increased our participation in the growing SUV segment and strengthened our presence in electrified mobility through the expansion of Toyota's portfolio, the introduction of new hybrid models and the launch of Perodua's first electric vehicle.

Across our Motor and Non-Motor segments, Sime UMW progressed several strategic and operational priorities to enhance long-term competitiveness. These included strengthening localisation and technology capabilities through strategic partnerships, advancing the Lubricants turnaround programme, and improving operational efficiency, working capital management and capital discipline.

We also continued to deepen collaboration with our long-standing partners, namely Toyota Motor Corporation, Perodua, KYB Corporation and Toyota Industries Corporation, enhancing our ability to capture opportunities across the automotive and industrial value chains.

WHAT WE DO

Sime UMW is a leading player involved in the Automotive, Equipment, Manufacturing & Engineering and Aerospace sectors. Supported by strategic partnerships and a diverse portfolio, we serve customers across domestic and international markets.

Business Segments

- Automotive
- Equipment
- Manufacturing & Engineering
- Aerospace

BUSINESS REVIEW

KEY FOCUS AREAS & RESULTS

GROW THE CORE

- Maintained our strong position in Malaysia's automotive market, with Perodua and Toyota leading the national and non-national segments respectively and Perodua Bezza remaining the best-selling model in Malaysia.
- Expanded participation in the growing SUV segment through the introduction of the Toyota Yaris Cross and Perodua Traz.
- Expanded Toyota's electrified vehicle portfolio through Toyota's multi-pathway strategy, which included the introduction of new battery electric and hybrid electric vehicle models.
- Introduced Perodua's first battery electric vehicle, the QV-E, enhancing the brand's potential for growth in Malaysia's evolving automotive market.
- Strengthened our participation across the automotive ownership lifecycle through the "Best in Town" aftersales philosophy, used vehicles, financing and assembly.

OPERATIONAL EXCELLENCE

- Progressed our Lubricants turnaround programme through brand repositioning, strategic partnerships, the extension of our distribution rights to Pennzoil, revenue diversification as well as cost optimisation and margin improvement initiatives.
- Delivered the first 100% Malaysian-made Rolls-Royce's rear fan case, reflecting our growing capabilities within the Aerospace business.
- Retained our position as a member of Rolls-Royce's High Performance Supplier Group for the sixth consecutive year.
- Received the 2025 Premier Club (Crystal) and 2025 President Award (Bronze), recognising us as one of Toyota Material Handling International's best-performing distributors.
- Strengthened cost and working capital management to support cash generation, capital efficiency and improved returns.
- Progressed shared services transformation to strengthen our operating model and improve service delivery.

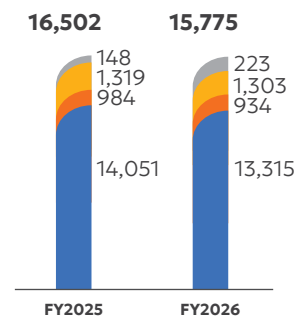
FUTURE READY

- Advanced electrification readiness through Toyota's multi-pathway strategy and Perodua's xEV roadmap.
- Enhanced localisation and technology capabilities through KYB-UMW's strategic partnership with Hubei Henglong, strengthening our position within the evolving automotive value chain.
- Further developed local manufacturing and assembly capabilities to support new products and changing automotive requirements.
- Continued to explore opportunities in sustainable products and solutions across the automotive and industrial value chains.

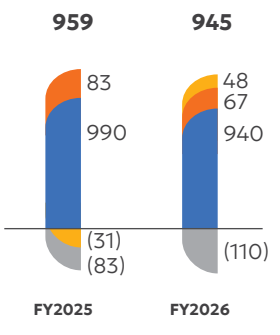
PERFORMANCE HIGHLIGHTS

Financial Performance

Revenue*
(RM million)



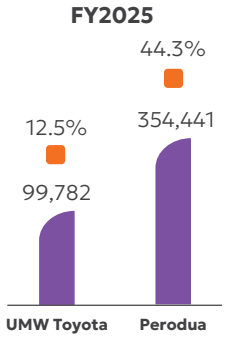
Reported PBIT*
(RM million)



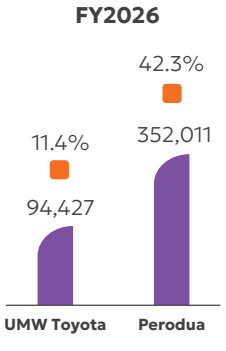
* *Excludes discontinued operations.*

Non-financial Performance

Number of Vehicles Sold and Market Share



Note: *Volumes and market shares for the period July 2024 to June 2025.*



Note: *Volumes and market shares for the period July 2025 to June 2026.*

KEY CHALLENGES & GROWTH OPPORTUNITIES

Key Challenges	Mitigation Strategies
Intensifying competition in Malaysia's automotive market	• Leveraging the strength of the Toyota and Perodua brands to reinforce customer loyalty, supported by broad product offerings. • Enhancing our model lineup in the growing SUV segment. • Differentiating our offerings through aftersales services and pre-owned vehicles. • Working closely with our principals to strengthen our product pipeline and sustain long-term market competitiveness.
Navigating the transition towards a multi-powertrain automotive market	• Maintaining a balanced product portfolio spanning internal combustion, hybrid and battery electric vehicles. • Advancing localisation, technology development and manufacturing capabilities to support future mobility requirements.
Evolving automotive policies and regulatory requirements in Malaysia	• Maintaining active engagement with government and industry stakeholders on policy, technology and industry development priorities. • Leveraging local manufacturing and assembly capabilities to support Malaysia's localisation agenda. • Aligning product and technology offerings with evolving regulatory requirements and customer expectations. • Strengthening collaboration with our principals and industry partners to support compliance and industry competitiveness.

Growth Opportunities	Our Approach
Increasing adoption of electrified vehicles across Malaysia's automotive market	• Broadening our electrified vehicle portfolio while enhancing the customer service experience to capture growing demand. • Lowering barriers to electric vehicle ownership through solutions such as Perodua's Battery-as-a-Service (BaaS) leasing model.
Growing demand for mobility, aftersales and automotive services	• Enhancing aftersales, financing and pre-owned vehicle offerings across Toyota and Perodua's established customer base. • Delivering an integrated ownership experience – from discovery to renewal – to support customer retention and capture additional value throughout the vehicle lifecycle. • Harnessing digital capabilities and customer insights to improve engagement and service delivery. • Increasing intra-Group commercial collaboration to unlock cross-business opportunities.
Increasing localisation across Malaysia's automotive sector	• Accelerating localisation initiatives, including the Perodua Ativa Hybrid programme and assembly of the QV-E in collaboration with Tan Chong Motors. • Advancing local manufacturing capabilities and building a more resilient automotive supply chain through strategic industrial partnerships and technology transfer.

OUTLOOK & STRATEGIC PLANS

- Reinforcing leadership in Malaysia's automotive market through Toyota and Perodua, with a focus on strengthening competitiveness across evolving customer and market segments.
- Continuing portfolio optimisation and business improvement initiatives to enhance operational efficiency, improve capital productivity and drive sustainable long-term returns.
- Strengthening localisation and technology capabilities through strategic partnerships and manufacturing initiatives to support future mobility trends.
- Accelerating Toyota Material Handling's transition towards a lifecycle value management model that maximises asset monetisation and expands recurring revenue streams across rental, service, parts and disposal activities, while reducing dependence on cyclical equipment sales.
- Deepening collaboration with principals, government and industry stakeholders to support Malaysia's automotive development and long-term industry competitiveness.



CREATING SUSTAINABLE VALUE

Our refreshed Sustainability Blueprint strengthens Sime's commitment to delivering meaningful outcomes across our People, Planet and Profit pillars through to 2030. Guided by our Net Zero Roadmap, we continue to drive responsible growth, enhance resilience and progress towards our ambition of achieving Net Zero emissions by 2050. This year also marks the first time our Sustainability Statement is aligned with the International Financial Reporting Standard (IFRS) Sustainability Disclosure Standards and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, further strengthening the transparency and quality of our sustainability reporting.

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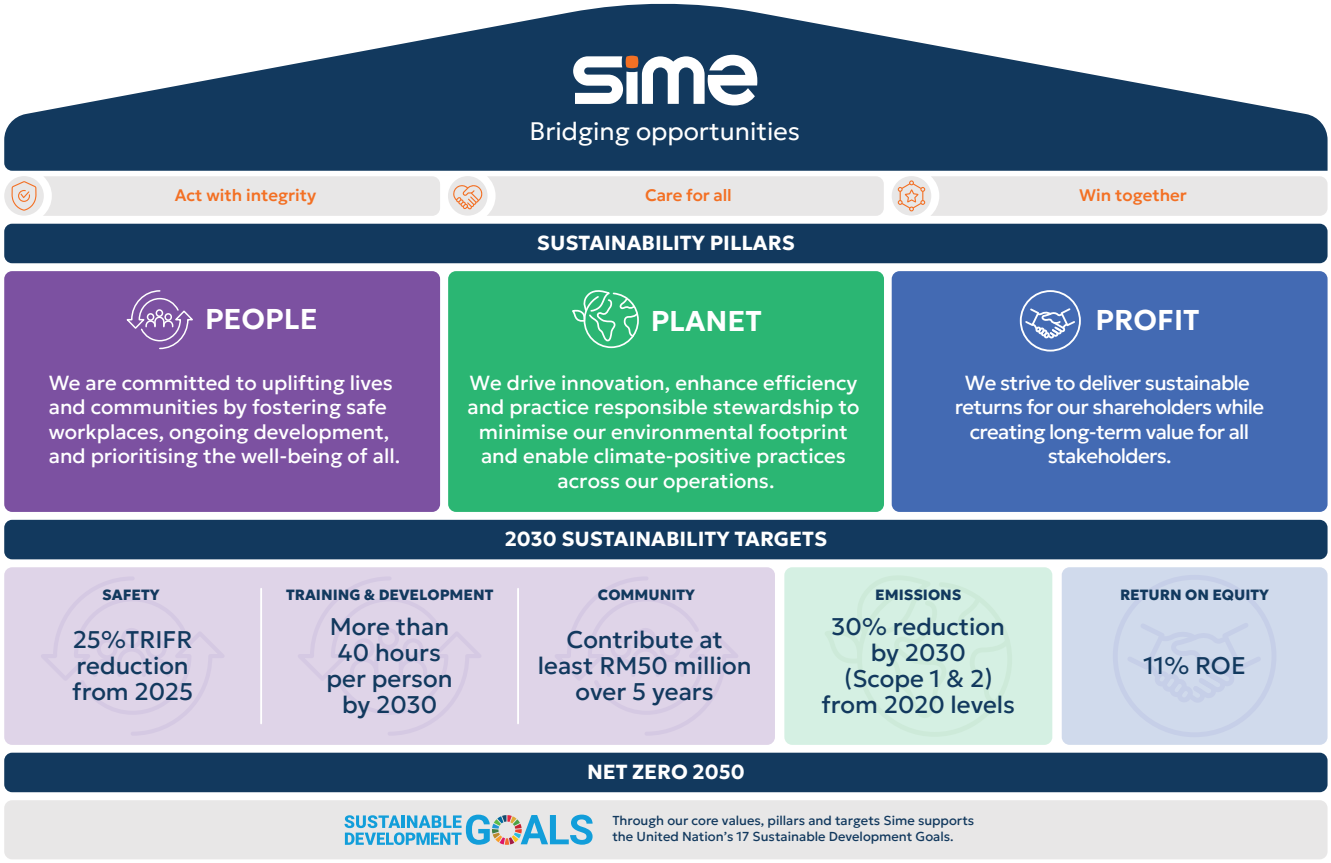
SUSTAINABILITY BLUEPRINT AND TARGETS

Our Sustainability Blueprint remains central to Sime's strategy, guiding how we create long-term value for our customers, employees, shareholders, communities and the planet. To reflect the evolving needs of our business and the sustainability landscape, we have refreshed the Blueprint with five targets across our Planet, People and Profit pillars, strengthening our focus through to 2030.

The refreshed targets build on strong progress under our previous Blueprint and provide a clear framework for delivering measurable outcomes while responding to changing stakeholder expectations, regulatory requirements and business priorities.

Supported by our Net Zero Roadmap, we are committed to achieving Net Zero greenhouse gas emissions across our portfolio by 2050, while enhancing resilience, enabling responsible growth and strengthening Sime's long-term competitiveness.



PEOPLE

SAFETY

Target	FY2026 Progress
25% TRIFR reduction from 2025	Group TRIFR decreased by 14.5% in FY2026, from 2.56 to 2.19 per million hours worked, outperforming the FY2026 improvement target and demonstrating progress towards the FY2030 target of a 25% reduction against the FY2025 baseline.

TRAINING AND DEVELOPMENT

Target	FY2026 Progress
More than **40 hours** per person by 2030	Sime employees undertook more than 710,000 learning hours across the Group, averaging 25 training hours per employee as it continued to build leadership capability, develop future-ready talent and foster a culture of continuous learning.

COMMUNITY

Target	FY2026 Progress
Contribute at least **RM50 million** over 5 years	Sime contributed RM30 million to community initiatives, surpassing the halfway mark towards its FY2030 commitment of contributing at least RM50 million over five years.

PLANET

EMISSIONS

Target	FY2026 Progress
30% Reduction by 2030 (Scope 1 & 2) from 2020 Levels	In FY2026, Sime reduced absolute emissions by 63,000 tCO_2e from its FY2020 baseline, improving on its FY2025 performance and remaining on track to meet its 2030 emissions reduction target.

PROFIT

RETURN ON EQUITY (ROE)

Target	FY2026 Progress
11% ROE	The Group recorded an improvement in core ROE from 6.2% in FY2025 to 8.0% in FY2026, driven by higher core profitability from the Motors division and lower finance costs.

FY2026 Activities

Safety Strategy

- Refreshed FY2026–FY2030 Group Safety Strategy around Leadership & Capability, Excellence in Fundamentals, Simplification and Learning & Resilience.

Critical Risk Management

- Identified 12 Group critical risks and completed detailed risk assessments with Critical Control Performance Standards.

Leadership Capability

- Refreshed SELF Programme and developed Safety Leadership Essentials for operational leaders.

Safety Culture

- Improved safety interaction quality, stronger hazard and near-miss reporting and achieved 88% close-out of high-risk actions against the 80% target.

FY2026 Activities

Leadership Pipeline

- Continued to strengthen leadership capability through the Aspiring Leaders Programme (ALP), People Managers Programme (PMP) and Strategic Leaders Programme (SLP) across the organisation.

Future Skills

- Increased technical, functional, sustainability, digital and business-critical learning initiatives.

Talent Development

- Strengthened the talent pipeline through Sime Management Trainee (SMT) programme and Technical and Vocational Education and Training (TVET) initiatives.

Continuous Learning

- Encouraged employee ownership of learning and expanded future-focused learning opportunities.

FY2026 Activities

Governance

- Established the Community Contribution Governance & Reporting Guideline.

Inclusive Communities

- Expanded programmes supporting vulnerable and underserved communities.

Education & Skills

- Scholarships, TVET and education support initiatives through Yayasan Sime Darby.

Partnerships

- Strengthened collaboration with government agencies, Non-Governmental Organisations (NGOs)and community organisations.

FY2026 Activities

Net Zero Roadmap

- Published Sime's Net Zero Roadmap outlining FY2026–FY2030 "Quick Wins" and Scope 2 decarbonisation strategy.

Renewable Energy

- Installed an additional 9.5 MW of solar capacity at Inokom in Malaysia, Cavpower in Australia and UMW facilities in Malaysia, Singapore and China, with a further 10 MW approved for deployment.

Operational Decarbonisation

- Established Communities of Practice (CoP) to accelerate decarbonisation, renewable electricity adoption and lower-emission fleet initiatives across businesses.

Climate Data & Reporting

- Implemented a cloud-based, audit-ready emissions reporting platform across the Group portfolio.

FY2026 Activities

- Undertook initiatives to improve cost and working capital efficiency, including undertaking network rationalisation.

- Undertook initiatives to expand participation in higher margin segments of the business.

MATERIAL MATTERS

Our FY2025 material matters continue to guide Sime's sustainability approach in FY2026, underpinning how we create long-term value. We manage these priorities through strong leadership, effective risk control and a 'No Harm' culture, while continued focus on partnerships, innovation and digital transformation supports resilient and sustainable growth.

PEOPLE

Labour Practices
- Supports the principles of the UN SDG and adheres to Malaysia's Living Wage Policy.
- Maintained grievance and employee relations mechanisms, while reinforcing human rights and labour standards.
- Enhanced responsible labour practices through development programmes, performance management and Group-wide performance reviews.
- Strengthened employee wellbeing and engagement through targeted wellbeing programmes, transparent communication and career development opportunities that support employees' physical, mental and professional growth.

Health and Safety
- Refreshed the Group Safety Strategy and roadmap.
- Established the Group Critical Risk Management Program across 12 critical risks, supported by detailed risk assessments and Critical Control Performance Standards.
- Reduced Group TRIFR by 14.5%, from 2.56 to 2.19 per million hours worked, outperforming the FY2026 target.
- Completed 116 critical controls verification across the group.
- Three significant safety events resulted in serious injuries. The events were investigated, corrective actions implemented and learnings shared across relevant businesses.
- Delivered refreshed SELF program to more than 4,500 employees, including approximately 2,000 leaders, strengthening safety leadership and organisational learning.

Diversity
- Continued building an inclusive workplace culture anchored in Sime's values and behavioural expectations.
- Expanded leadership development across organisational levels.
- Promoted equitable access to learning, career development and progression opportunities.

Employee Training and Development
- Strengthened future talent through graduate and TVET initiatives to support long-term workforce sustainability.
- Expanded sustainability, digital and business-critical learning to build capabilities for emerging business needs.

Community Contributions and Development
- Strengthened governance and support for vulnerable communities, education, skills and livelihoods through Yayasan Sime Darby and Group initiatives.
- Deepened partnerships with government, NGOs and communities.

PLANET

Energy and Emissions Management
- Installed an additional 9.5 MW of solar capacity at Inokom, Cavpower and UMW Malaysia, Singapore and China.
- Strengthened decarbonisation engagement via Group Sustainability-led CoP forums.

Climate Change
- Identified key physical risks affecting Sime's operations.
- Identified key transition risks and opportunities for the Group.
- Performed resilience assessment of Sime's strategy and business model across short, medium and long-term horizons.

Waste and Effluent Management
- Strengthened Group waste and effluent governance and reporting.
- Increased the Group waste diversion rate from 58% in FY2025 to 65% in FY2026, exceeding the 60% target.
- Targeted high-waste and lower-performing sites through waste recovery and operational-efficiency initiatives.

Water Management
- Established a risk-based Group water stewardship strategy and identified 96 high-risk water sites.
- Developed a roadmap to implement water management plans across all identified high-risk sites by FY2030.
- Strengthened water governance and reporting through the Environmental Reporting Procedure and continued targeted water-reduction and reuse initiatives at priority sites.

PROFIT

Business Continuity
- Conducted 19 desktop walkthrough exercises covering operational, supply chain, technology and cybersecurity disruption scenarios.
- Tested crisis response, communications, IT recovery and cyber incident management capabilities.

Business Ethics and Compliance
- Reinforced Group-wide integrity awareness through Sime Integrity Day and the Integrity Pledge.
- Revised the Gifts, Hospitality & Donations Procedure, and strengthened corruption risk assessments.

Responsible Supply Chain
- Enhanced ESG questionnaires and vendor segmentation, strengthening sustainability considerations in supplier management.
- Piloted ESG vendor maturity assessments to improve visibility of supplier practices and support more informed engagement.

Customer Satisfaction
- Expanded digital and remote customer services, including CAT Remote Services, improving diagnostics, response times and support.
- Enhanced the OneGo app, increasing digital service bookings in Malaysia from 4% to 10%.
- Expanded digital customer experiences across Motors and UMW Toyota markets and received recognition for service, retail experience and brand trust.

Data Privacy and Security
- Strengthened information governance, data protection and regulatory compliance.
- Enhanced cybersecurity monitoring, risk management and third-party oversight.
- Strengthened security and privacy governance for responsible digital transformation.

Sustainable Product Offering
- Secured an agreement with Pelabuhan Tanjung Pelepas through Terberg Tractors Malaysia to supply 52 electric terminal tractors, following trials showing lower emissions and operating costs.
- Expanded Sime Darby Energy Solutions cogeneration offerings, with more than 15 plants delivered and over 10 plants under long-term service agreements.
- Expanded hybrid and BEV offerings across Toyota, Perodua and Porsche, alongside new EV brand representation of Geely.
- Introduced GRANTT Nova Blue diesel exhaust fluid to support NOx reduction and vehicle emissions compliance.

In FY2027, we will work towards identifying sustainability-related risks and opportunities for disclosure in FY2028 report onwards.

SUSTAINABILITY STATEMENT

BASIS OF PREPARATION

COMPLIANCE WITH NSRF SUSTAINABILITY DISCLOSURE GUIDELINES

Sime and its subsidiaries (Sime) has prepared this Sustainability Statement in accordance with the IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures issued by the International Sustainability Standards Board (ISSB), in compliance with Bursa the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and the National Sustainability Reporting Framework (NSRF).

TRANSITION RELIEFS AND PROPORTIONALITY MECHANISMS ADOPTED AS PART OF THIS REPORT

Sime has elected to apply the following transition reliefs available to Group 1 companies under the NSRF, which incorporates transition reliefs provided in IFRS S1 and IFRS S2, for the FY2026 reporting period:

- Report only climate-related risks and opportunities (CROs) in accordance with IFRS S2;
- Not to provide comparative information for metrics disclosed for the first time in FY2026; and
- Not to disclose Scope 3 greenhouse gas emissions.

CONNECTIVITY WITH FINANCIAL STATEMENTS, REPORTING BOUNDARIES, TIME HORIZONS, AND TARGET SETTING

Sime Darby Berhad is a Malaysian headquartered multi-national specialising in automotive and industrial equipment sectors.

For more information on Sime's business segments, please refer to Our Businesses on pages 18 to 19.

This disclosure should be read alongside Sime's consolidated financial statements, which comply with Malaysian Financial Reporting Standards (MFRS), IFRS Accounting Standards, and the Companies Act 2016. The disclosure is aligned with the reporting period of the corresponding consolidated financial statements.

Time horizons for the Group have been defined based on when CROs are reasonably expected to arise and align with the Group's and relevant internationally-recognised timeframes. As of the reporting date, the following time horizons have been established to support strategic planning:

- **Short-term:** FY2027
- **Medium-term:** FY2028 to FY2030
  Aligned with Sime's Sustainability Blueprint
- **Long-term:** FY2031 to FY2050
  Aligned with both Sime's Net Zero target and Malaysia's Net Zero pledge

Sime's sustainability strategy and targets are shaped by a combination of international frameworks and stakeholder expectations. This balanced approach ensures its efforts remain aligned with global standards and responsive to the commercial imperatives across our value chain.

The reporting boundary of this climate-related disclosure matches the Group's consolidated financial statements unless specifically noted otherwise. Greenhouse gas (GHG) inventory applies an 'operational control' methodology with further information available in GHG Calculation Methodology section on pages 84 to 85.

The presentation currency is Malaysian Ringgit (RM), which aligns to the presentation currency used in the consolidated financial statements.

STATEMENT OF INTERNAL ASSURANCE

The Group Corporate Assurance (GCA) department, which reports directly to the Governance and Audit Committee (GAC), performed an internal review of the Sustainability Statement against the disclosure requirements of IFRS S2 Climate-related Disclosures and the NSRF. The review assessed whether the required disclosures relating to governance, strategy, risk management, and metrics and targets were appropriately addressed within the Sustainability Statement.

SUSTAINABILITY STATEMENT

JUDGEMENTS AND MEASUREMENT UNCERTAINTIES

In preparing this Sustainability Statement, Sime exercised judgement in assessing CROs that could potentially affect the Group, and in identifying material information for disclosure. The preparation also requires the use of estimates for certain amounts that cannot be measured directly.

This section outlines the key judgements applied by the Group during preparation of the Sustainability Statement, together with significant measurement uncertainties.

JUDGEMENT AND MEASUREMENT UNCERTAINTIES

Topic	Description	Section
Transition Relief and Proportionality Mechanisms	Sime acknowledges that measurement uncertainty exists in aspects of climate-related disclosures, particularly where quantitative information in not yet reliable or where data limitations affect the level of confidence in the accuracy of results. In such circumstances, Sime has provided qualitative commentary to reflect the nature and potential impact of CROs Sime is committed to progressing the robustness of its climate-based reporting outputs in future reporting periods as climate data quality, availability and methodologies improve. In preparing this climate-related-related disclosure, Sime exercised judgement and applied assumptions in areas where limitations exist due to evolving of methodologies, analysis approaches and data availability. These key judgements and assumptions include the determination of CROs that could reasonably affects Sime's business model, value chain, financial performance and the strategic decisions. Where appropriate, Sime applied the proportionality mechanism provided within the standards which allows the companies to use all reasonable and supportable information available without incurring undue cost or effort.	Basis of Preparation
Climate risk assessment	Sime recognises that climate risk assessment methodologies continue to evolve and that the current assessment is subject to the following assumptions, exclusions and limitations: **Scope limitation –** The current physical climate risk assessment covers selected key markets and operating sites identified under Sime's climate change risk assessment programme. As the programme is being implemented in phases over multiple financial years, the current assessment does not represent a comprehensive Group-wide assessment. **Scenario and modelling uncertainty –** The climate scenario analysis is informed by hotspot screening and physical climate risk ratings derived from an established climate assessment methodology. Assessment outcomes are subject to inherent uncertainties associated with climate science, model assumptions, data inputs and projected time horizons, which may evolve over time. **Key scenario assumptions –** The climate scenario analysis considered assumptions relating to climate-related policy and regulatory developments across key operating jurisdictions, macroeconomic and market trends affecting energy prices, customer demand and investment cycles, regional physical climate variables such as rainfall intensity and heat exposure, expected changes in energy usage and grid emissions intensity, and the progressive development and adoption of lower-emission technologies, including renewable energy, EV, battery and lower-carbon equipment solutions.	Climate Scenario Analysis, Physical Risks, Transition Risks & Opportunities and Resilience Assessment

Topic	Description	Section
	Materiality assessment assumptions – The assessment of material CROs is based on internal methodologies, assumptions and management judgement. These approaches will continue to be refined and enhanced with reference to evolving regulatory expectations, industry practices and available guidance. **Financial impact assessment –** Quantification of current and anticipated financial impacts and exposure has not been included in the current reporting period. The methodology and supporting data required for financial assessment are still being developed and validated and will be progressively enhanced as data availability and assessment capabilities improve. Accordingly, quantitative financial impacts have not been disclosed as at the reporting date, while qualitative financial effects are provided for identified CROs where relevant. Given the evolving nature of climate science, regulatory developments, market expectations and data availability, Sime will continue to review and refine its climate risk assessment methodologies, assumptions and disclosures to support a reasonable and robust approach to managing CROs.	
GHG Calculation Methodology	Due to the nature of GHG emissions relying on estimates, including emission factors published by third parties, Sime's reported GHG emission figures involve measurement uncertainties. • For identified non-material Scope 1 and 2 GHG emissions sources (defined as individual sources less than 1% of Sime's total Scope 1 and 2 GHG emissions and in aggregate, across all sources less than 5% of Sime's total Scope 1 and 2 GHG emissions), Sime uses estimates based on historical trends. This includes Scope 1 sources such as town gas, welding gases and fugitive emissions from refrigerants. • For other activity data that is not available on a timely basis, Sime also uses estimates based on historical trends. Where activity data is missing, Sime uses proxy data. Missing activity data is identified through both activity-based and spend-based checks. Activity-based checks are based on comparisons with previous reporting periods, while spend-based checks are based on Group financial reporting data. • Material omissions trigger checks back through the reporting chain for amendments using actual data, while known non-material missing data issues may be remedied through proxy data. • While more than 95% of emissions are calculated using actual activity data, uncertainty remains inherent in the emission factors and methodologies applied. However, the inventory predominantly uses emission factors sourced from internationally recognised databases and local regulatory authorities, which reduces the likelihood of material uncertainty in reported emissions.	Metrics and Targets

SUSTAINABILITY STATEMENT

GOVERNANCE

OUR SUSTAINABILITY BOARD GOVERNANCE STRUCTURE

Sime's governance framework provides clear oversight, accountability and transparency for the management of CROs. Oversight of sustainability and climate-related matters is anchored at Board level and supported through dedicated committees and management structures across the Group.

The Board of Directors retains ultimate accountability for guiding the Group's strategic direction on sustainability, including the oversight of climate-related risks, opportunities and target setting. These responsibilities are formalised in the Board Charter.

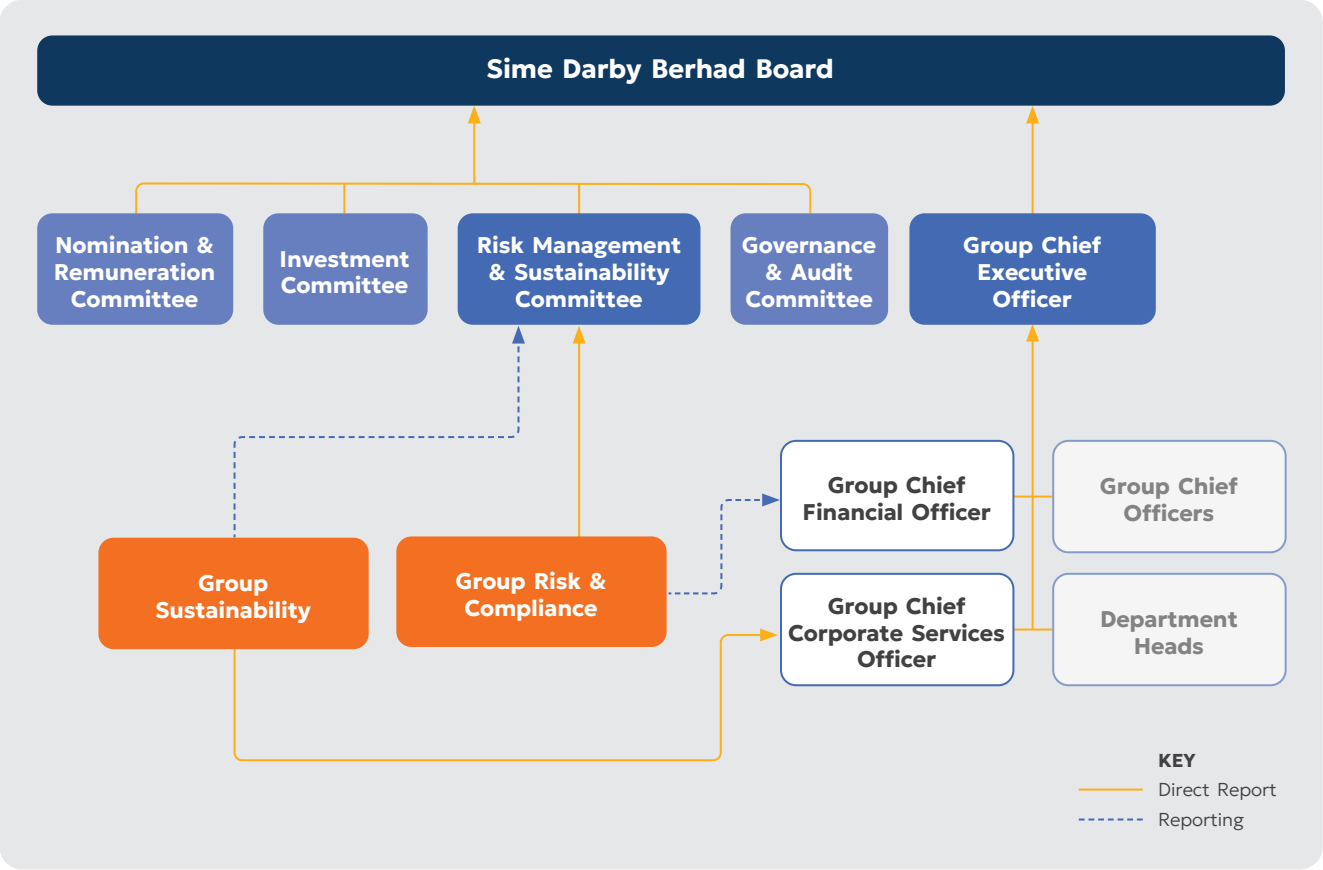
To support the Board, oversight is delegated to the Risk Management & Sustainability Committee (RMSC), as articulated in the RMSC Terms of Reference. The RMSC is responsible for reviewing CROs, monitoring the Group's sustainability performance and ensuring alignment with regulatory and disclosure requirements. The Committee convenes on a quarterly basis, providing regular oversight of climate-related matters and the integration of sustainability considerations in major business decisions including but not limited to:

- Impact that acquisitions or large investments may have in climate-related, environmental, social and/or governance practices; and
- Incorporation of sustainability and climate-related initiatives into budgets where applicable.

Group Sustainability and Group Risk & Compliance assist the RMSC in discharging its responsibilities, including the development of frameworks and policies that contribute to business resilience.

The Board provides strategic oversight, with support from sub-committees including RMSC and Group Management Committee (GMC) which are responsible for sustainability governance and operational decision-making.

Figure 1. Board Governance Structure



MANAGEMENT'S ROLE IN SUSTAINABILITY GOVERNANCE

The GMC, Divisional heads, sustainability leads and sustainability target owners are responsible for operational execution. This includes implementing sustainability initiatives, embedding climate considerations into business activities, monitoring performance and reporting outcomes across the Group.

Management plays an essential role in executing the Group's climate-related strategies and for ensuring compliance with internal governance requirements and external reporting standards.

Sime's sustainability response is mobilised from the ground up, with resources from all divisions regularly reporting performance, challenges and opportunities through established networks. Sustainability considerations are embedded in decision making across all levels of the organisation.

Group Sustainability is responsible for driving Sime's Climate Response and has deployed procedures and technology solutions which:

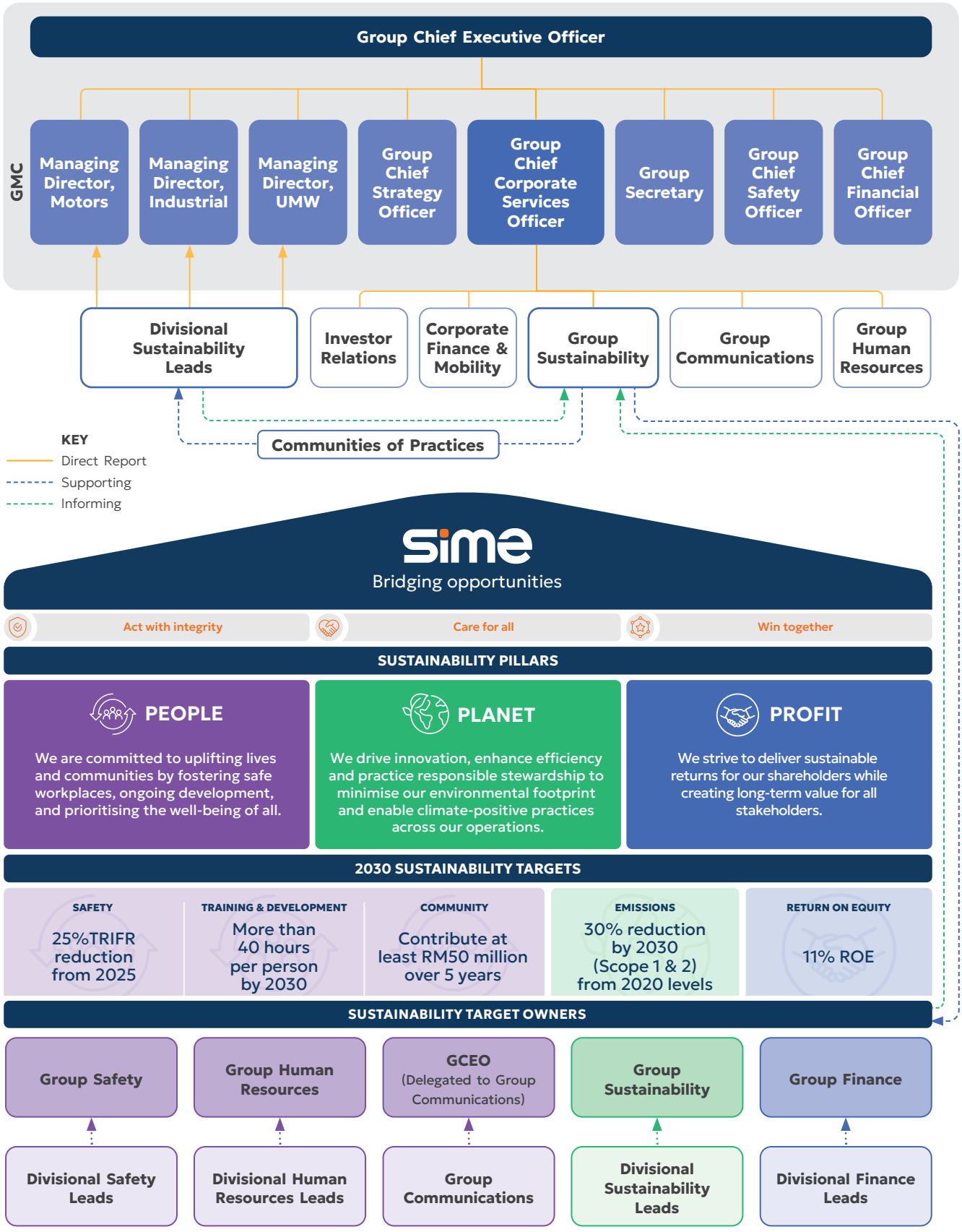
- monitor, track and capture emissions data consistently across all sites; and
- support carbon abatement initiatives centred in our emissions reduction strategy and Net Zero Roadmap.

Group Sustainability analyses operational data, facilitates alignment with sustainability targets and reviews major initiatives prior to GMC approval. This structured flow of insights, from site level contributors up to leadership, enhances knowledge sharing, enhances decision-making, supports knowledge sharing and ensures alignment with the Group's sustainability priorities and best practice standards.



SUSTAINABILITY STATEMENT

Figure 2. Operational Management Structure



SUSTAINABILITY-RELATED POLICIES AND GUIDELINES

Sime's key governance framework is the Group Policies & Authorities (GPAs) that define roles, responsibilities, decision rights and internal controls essential for effective sustainability governance. These include policies related to strategy development, climate-related reporting, and budgeting for sustainability expenditure and major transactions.

Additional Sustainability Governance documentation includes:

Sime's Responsible Sourcing Policy	Sime Human Rights Charter	Net Zero Roadmap
Serves as the cornerstone to guide our operations and ensure that ethical, sustainable and fair practices are upheld throughout our supply chain.	Serves to set out Sime's commitment to assess, prevent, mitigate and address human rights impacts, including modern slavery risks in our operations and supply chain.	Sets out Sime's strategy to cut emissions with Malaysia at the heart of our efforts. Aligned with the Paris Agreement, it supports a resilient future in a sustainable world.
Read more at https://www.sime.com/wp-content/uploads/2025/01/Sime-Responsible-Sourcing-Policy.pdf	*Read more at https://www.sime.com/wp-content/uploads/2026/08/Sime-Human-Rights-Charter-Final.pdf*	*Read more at https://www.sime.com/wp-content/uploads/2025/12/Net-Zero-Roadmap.pdf*

Executive remuneration is linked to a range of performance metrics including financial, operational and sustainability. Sustainability-related KPIs are incorporated into the scorecards of the Group Chief Corporate Services Officer and Divisional Managing Directors, while sustainability outcomes are embedded within the Group Chief Executive Officer's staged-gate KPI framework. These KPIs reflect the execution of the sustainability initiatives including progress against targets set out in the Group Sustainability Blueprint. Shareholders are provided with key management compensation components through aggregate disclosures. The Board considers this an appropriate approach at present and will continue to monitor market standards and industry benchmarks on this aspect of executive remuneration.

Together, these policies ensure that climate-related considerations are systematically integrated into strategic planning, risk management, financial management and operational execution.

TRAINING AND DEVELOPMENT

To ensure that sustainability governance remains robust and forward looking, Sime places strong emphasis on developing internal capabilities related to climate governance, climate risk management and sustainability reporting.

Group Secretary coordinates with Directors to ensure they stay abreast of regulatory and changes in governance expectations. Sime also provides training and professional development opportunities for roles involved in climate-related matters including but not limited to:

- CoP workshops focused on the implementation of GHG abatement initiatives and supporting cross functional collaboration and knowledge sharing.
- Participation in Bursa Malaysia's Corporate Sustainability Intelligence (CSI) platform, providing feedback to simplify reporting processes and strengthening technical competencies.
- Participation in Bursa Malaysia's Sustainability Accelerator Programme, equipping teams with enhanced perspective on climate-related disclosures, scenario analysis, identification and assessment of CROs.

SUSTAINABILITY STATEMENT

RISK MANAGEMENT

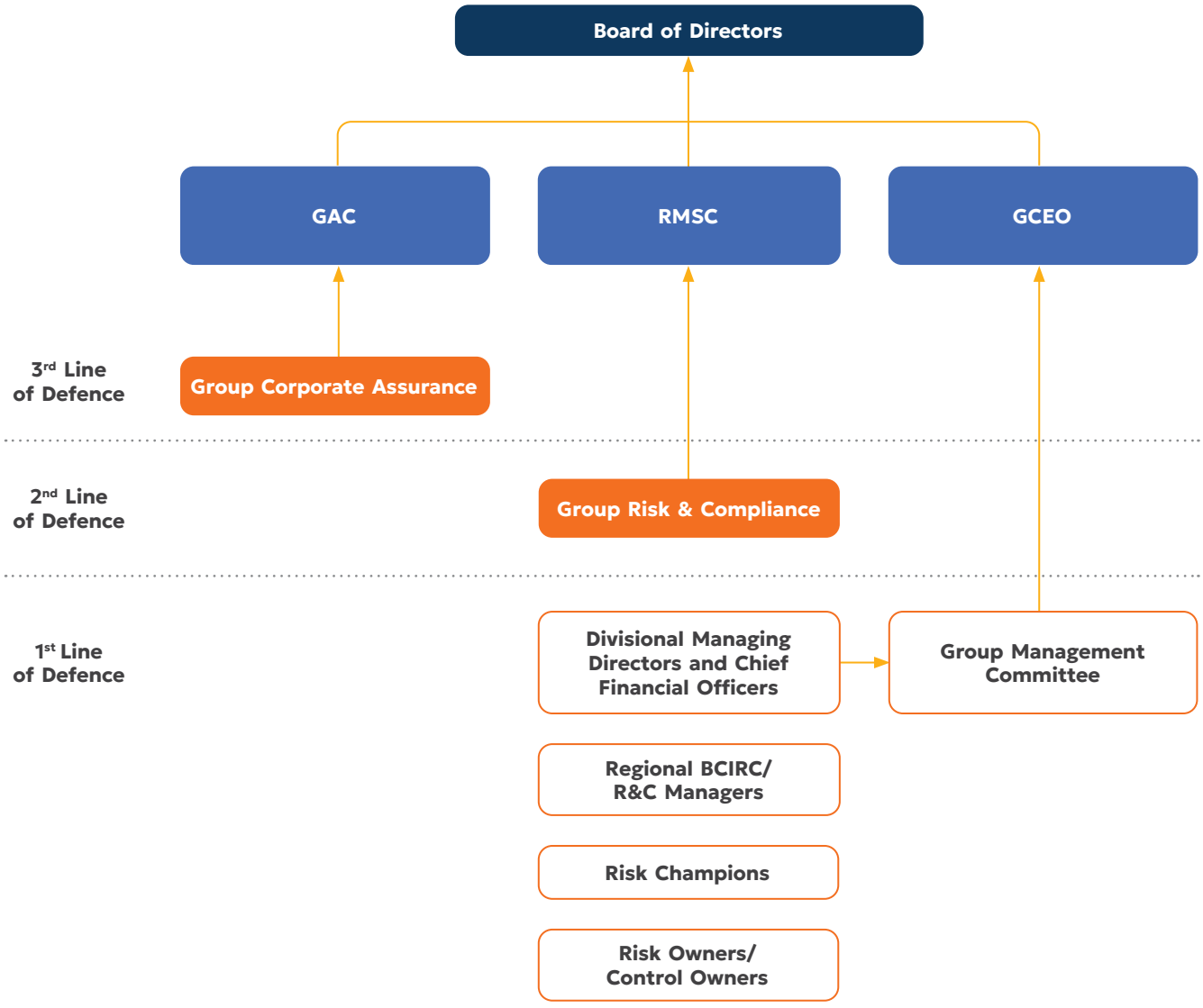
ORGANISATIONAL STRUCTURE

Sime has an established and structured risk governance framework to oversee the identification, assessment and management of Group-wide risks, including climate-related risks and opportunities, in alignment with the requirements of IFRS S2.

Oversight of climate-related risks and opportunities is exercised by the Board of Directors through the RMSC. The RMSC is supported by management through clearly defined roles and responsibilities across the Group, including Risk Owners, Risk Champions, Regional Business Continuity, Integration, Risk & Compliance (BCIRC) and Risk & Compliance (R&C) managers, as well as Divisional Managing Directors and Chief Financial Officers.

This governance framework integrates CROs into the Group's Enterprise Risk Management (ERM) process, ensuring clear accountability, consistent risk identification and assessment, and robust escalation and reporting mechanisms. The framework supports ongoing oversight, monitoring and disclosure of material CROs across the Group.

The diagram below outlines the Group's risk governance structure.



CLIMATE CHANGE RISK ASSESSMENT AND INTEGRATION TO ERM

Sime identifies, assesses and monitors CROs through a structured Climate Change Risk Assessment (CCRA) process embedded within the Group's ERM framework. This approach ensures that climate-related considerations are evaluated consistently with other enterprise risks and are subject to established governance, review, escalation and monitoring processes.

The CCRA process comprises two main stages:

- **Identification and assessment:** CROs are identified through horizon scanning to establish the relevant operating, regulatory, market and environmental context. The assessment considers Sime's business model, strategic priorities, operating footprint and value chain, including OEMs, suppliers, joint ventures, associates and customers while also taking into consideration industry-specific sustainability risks and opportunities identified under the Sustainability Accounting Standards Board (SASB) Standard. Identified risks and opportunities are assessed across multiple climate scenarios and short, medium and long-term time horizons to determine their potential impact on operations, assets, supply chains, customers, markets and access to capital. Key inputs include:
    - Site-level physical hazard analysis using an established climate assessment platform under +4°C (representing Shared Socioeconomic Pathway SSP5-8.5) scenario;
    - Transition risk analysis based on global climate scenarios under +1.5°C (high ambition represented by International Energy Agency (IEA)'s Net Zero by 2050 scenario and Network for Greening the Financial System (NGFS)' Net Zero 2050 scenario); and
    - Internal operational and financial data to contextualise exposure and potential impacts.
- **Determination of material disclosures:** Sime prioritises CROs for disclosure by considering the likelihood and magnitude of potential impacts across the defined time horizons, including effects on operations, assets, customers, supply chains, workforce, revenue, operating costs, capital expenditure and access to capital. The assessment also considers whether the information could reasonably be expected to influence decisions made by primary users of general-purpose financial reports. This supports alignment between the CCRA process, ERM prioritisation and sustainability-related financial disclosure requirements.

Physical risk screening is undertaken across selected key operational sites using an established climate assessment platform to assess exposure to identified physical climate hazards. Climate-related risks are assessed using Sime's established risk assessment approach, considering likelihood and potential impact across relevant financial and non-financial dimensions. Existing controls, mitigation measures and adaptation actions are considered in determining prioritisation and escalation, while emerging or longer-term risks are monitored as assumptions and exposure levels evolve.

Transition risks and opportunities are assessed by evaluating potential exposure arising from technological, policy, market and reputational factors. The assessment considers potential impacts on operations, customer demand, cost exposure, revenue opportunities and strategic positioning, and supports the prioritisation of material transition risks and opportunities for integration into the ERM framework and relevant strategic planning processes.

Outputs from the CCRA are to be incorporated into the Group's risk register and will be reviewed periodically through the established ERM review cycle. CROs assessed as potentially material are prioritised for ongoing oversight and escalated to management and Board-level committees where they meet the relevant reporting or escalation thresholds. The CCRA methodology, assumptions and outputs will be refreshed periodically as data availability, climate science, regulatory expectations and business conditions evolve.

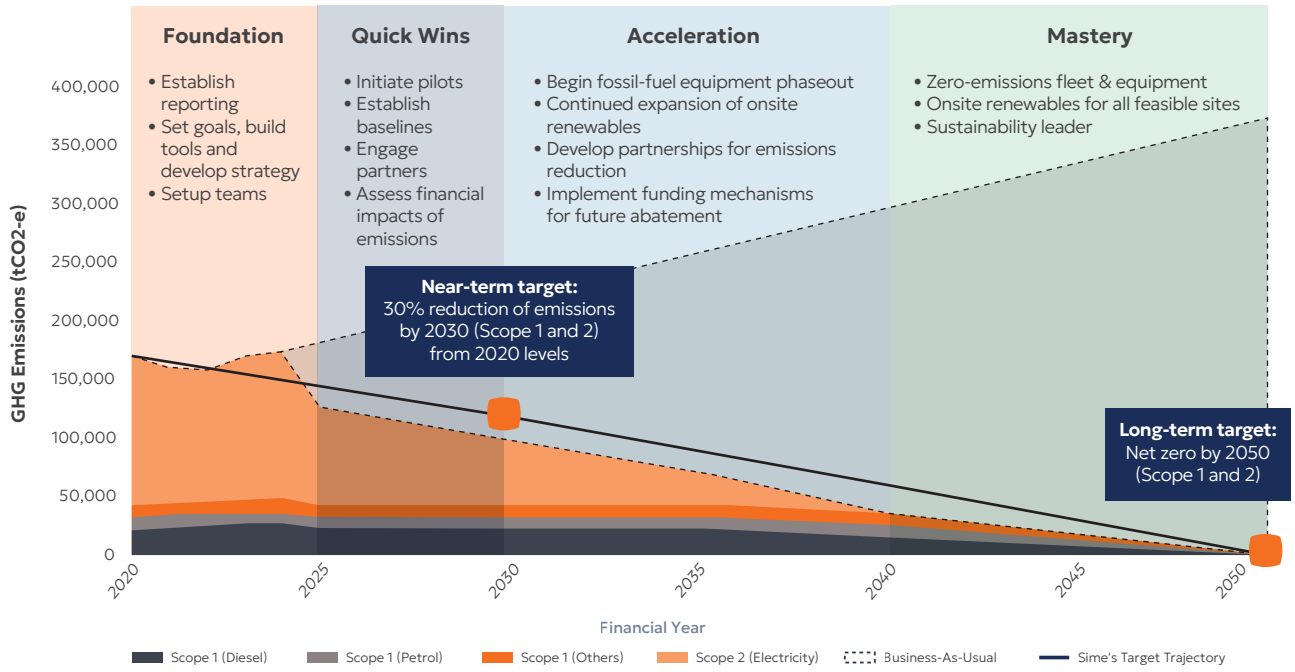
SUSTAINABILITY STATEMENT

STRATEGY

STRATEGY AND DECISION MAKING

Sime's transition planning strategy is developing and influenced by well established key corporate work streams that includes the 5-Year Strategy Masterplan, Sustainability Blueprint and the Net Zero Roadmap. These Board-approved strategic plans drive sustainable growth, profitability and are supported by Sime's strategic pillars of Operational Excellence, Growing the Core and Future Ready.

NET ZERO ROADMAP



Footnote: From Sime Net Zero Roadmap published in FY2026

Sime's climate response activities focus on:

Growing the Core

Sime's most impactful response to addressing climate is through initiatives that protect and grow the core service offering. Examples include:

- Improving profitability and reducing emission intensity at manufacturing facilities through installation of on-site renewable electricity assets.

  For more information, refer to the Planet section on pages 64 to 65.

- Strengthening relationships across our value chain to navigate evolving consumer preferences and delivering low-emission product and service offerings that support our decarbonisation goals; and
- Reviews by the Board on large capital investments to ensure significant risks, including physical risks, have been identified and supported by appropriate mitigation strategies.

Future Ready:

- Introducing cogeneration and alternative power solutions to meet growing demand from energy transition activities.
- Capitalising on the growth of critical mineral development through deliveries of new and rental heavy equipment.
- Partnering with original equipment manufacturers that offer low emission products.

For mitigation efforts, Sime's Net Zero Roadmap outlines a structured approach to reducing emissions across its operations. Built on the foundations of the Sustainability Blueprint, the roadmap focuses on operational efficiency, responsible sourcing and collaboration with partners to support regional progress. The strategy is phased into four stages—Foundation, Quick Wins, Acceleration, and Mastery—each guiding targeted actions such as expanding renewable energy use, improving equipment efficiency and enhancing reporting capabilities. These efforts are supported by Sime's sustainability governance that ensure alignment across divisions and regular oversight by the Board and senior leadership.

Key assumptions and dependencies used to develop the Net Zero Roadmap include continued support of operational jurisdictions (Malaysia, China and Australia) and major investors of national and corporate net zero targets; continued transition towards hybrid or electric vehicles and equipment powered by greening electricity grids.

As Sime transitions to a lower-carbon economy, the Net Zero Roadmap also serves as a long-term mitigation strategy to manage climate risks and support business resilience. It provides a clear framework for engaging stakeholders, evaluating opportunities and integrating sustainability into business operations. The company remains focused on practical, financially sound initiatives that contribute to a more resilient and future-ready organisation.

Sime's approach to managing Scope 1, 2 and 3 emissions is outlined in our Net Zero Roadmap. Key initiatives include decoupling emissions from business growth through the introduction of site level efficiency baselines and standards, as well as increasing the share of renewable energy by expanding onsite solar generation and sourcing certified green electricity.

Work is ongoing in capturing the insights from Sime's climate scenario analysis to generate funding approaches for upcoming mitigation and adaptation activities. Importantly, Sime is considering the issues around a just transition by considering the impacts of the low-carbon transition on our Asia-Pacific workforce in a rapidly changing world.

For further information on direct and indirect mitigation and adaptation efforts on both physical and transition risks, please refer to Physical Risks and Transition Risks and Opportunities sections respectively.

CLIMATE SCENARIO ANALYSIS

Sime undertook climate-related scenario analysis to assess the resilience of its strategy and business model under a range of plausible climate futures and to inform the identification and prioritisation of material CROs. The scenario analysis considers both physical and transition drivers and is used to challenge assumptions, support risk prioritisation discussions and guide the development of proportionate mitigation and adaptation actions. The analysis also informs Sime's assessment of strategic resilience, including potential implications for operational continuity, workforce safety, asset protection, supply chain resilience, customer demand, portfolio development and future capital allocation priorities.

For physical risks, Sime used two warming pathways commonly applied in physical climate risk assessment: a +2°C "middle-of-the-road" pathway and a +4°C "high physical impact" pathway, assessed across short, medium and long-term horizons. These scenarios were based on the Intergovernmental Panel on Climate Change (IPCC)'s Shared Socioeconomic Pathways (SSPs) and Representative Concentration Pathways (RCPs).

For transition risks and opportunities, Sime considered a high-ambition transition pathway aligned with a 1.5°C warming trajectory and a mid-ambition 2°C pathway. These scenarios were informed by globally recognised reference scenarios, including those developed by the IEA and NGFS, and were assessed through transition hotspot analysis. These transition scenarios were used to consider potential changes in policy and regulation, energy costs, customer demand, technology adoption, market growth opportunities and the pace of decarbonisation across relevant operating markets. The selected scenarios were used to assess the potential impacts of CROs on Sime's operations, assets, workforce, supply chains and broader business activities across the relevant time horizons.

For FY2026, the assessment covered selected key operating sites and business activities across our key markets in line with the phased CCRA implementation programme. The scenarios were selected as they reflect a range of plausible physical and transition climate pathways relevant to Sime's operating footprint, value chain and strategic planning horizons.

The assessment considered operational continuity, workforce safety, asset protection and supply chain resilience across short, medium and long-term horizons, and was conducted during FY2026. The scenario analysis indicated that Sime's most relevant physical exposures relate to heavy rain and heat stress, while key transition-related exposures and opportunities relate to carbon pricing, customer demand for low-carbon products and services, critical minerals growth and advancement in EV technology. These findings informed the prioritisation of material CROs disclosed in Physical Risks and Transition Risks and Opportunities sections on pages 78 to 83 and supported the assessment of strategic resilience in Resilience Assessment section on page 84.

SUSTAINABILITY STATEMENT

PHYSICAL RISKS

Heavy rain and heat stress may affect Sime's operations, assets, workforce and value chain in different ways. Heavy rain may disrupt site access, logistics and service delivery, while heat stress may affect workforce safety, productivity and operating conditions, particularly at sites with outdoor or high-exertion activities. The related mitigation and adaptation actions, together with current and anticipated financial effects, are set out below.

Physical Risks		
[Acute] Heavy Rain	**Time Horizon:**	✓ Short-term (2027) ✓ Medium-term (2030) ✓ Long-term (2050)
Effects on business model and value chain:	Potential business impacts arising from heavy rain across the Industrial, Motors and UMW divisions include: • Damage to assets, facilities, critical equipment, parts inventory and records, including water ingress, inundation and contamination of parts, which may require repairs, clean-up activities, temporary closures and extended recovery time. • Disruption to operations and service delivery due to impacted access routes, utilities and logistics during severe events, leading to downtime, delayed deliveries and potential impacts to customer uptime and contractual service levels. • Workforce safety risks, including slips, electrical hazards and restricted access, together with increased incident response demand during and immediately after severe weather events.	
Mitigation and Adaptation Actions:	• Maintain site-level flood and severe weather response arrangements aligned with Emergency Response and Business Continuity Plans, covering pre-event preparedness, heavy rain guidelines, evacuation procedures, response protocols for power outages and network failures, and post-event inspections. • Enhance physical site resilience and asset protection through periodic roof, gutter and drainage inspections, stormwater management, housekeeping, sandbagging or temporary barriers at high-exposure locations, utility isolation measures, and relocation or securing of critical equipment, records, vehicles and onsite stock to higher ground where practicable. • Support timely recovery through employee training on flood prevention and stormwater awareness, integration of incident review lessons into site environmental plans, maintenance of critical spares and inventory arrangements, and material damage, asset damage and business interruption insurance coverage at key locations.	
Current financial effects	For FY2026, based on available information and management's assessment, no material climate-related events or business disruptions were identified during the reporting period that resulted in separately identified material financial impacts. Any financial effects associated with climate-related matters, where incurred, were not separately disclosed as climate-related items in the financial statements. The Group is continuing to enhance its processes and disclosures relating to the identification, assessment and reporting of climate-related financial impacts, including improving the level of detail and transparency provided in future reporting periods.	
Anticipated financial effects	Quantified financial impacts over the relevant future time horizons have not been determined. Potential impacts over the short and medium term include expense relating to repairs and maintenance, clean-up activities, temporary relocation, overtime and contractor costs, freight and logistics expenses, as well as revenue effects arising from service disruptions or delayed deliveries, together with possible increases in insurance premiums and deductible-related costs. Over the longer term, the extent of financial impact will depend on assumptions and uncertainties that may evolve over time. Sime's control environment will continue to address the commercial risks associated with this hazard. Potential adaptation measures may include further investment in site resilience, asset protection, drainage improvements, emergency preparedness and business continuity measures to reduce disruption from heavy rainfall events.	

[Chronic] Heat Stress	Time Horizon: ✓ Short-term (2027) ✓ Medium-term (2030) ✓ Long-term (2050)
Effects on business model and value chain:	Potential business impacts arising from heat stress across the Industrial, Motors and UMW divisions includes: • Higher operating costs and asset strain due to increased cooling and employee welfare requirements, including air-conditioning, ventilation and hydration provisions. Sustained high temperatures may also accelerate wear and tear on site infrastructure and equipment, requiring additional maintenance or upgrades. Power constraints or outages may further disrupt workshop operations, IT systems and logistics activities. • Reduced productivity and service capacity due to work-rest cycles, job rotation, reduced workloads and rescheduling of higher-exertion activities to cooler periods, potentially lengthening service turnaround times during sustained heat periods. • Workforce health and safety impacts, including heat illness, dehydration and fatigue, which may increase incident likelihood and medical response needs, particularly for outdoor and high-exertion tasks.
Mitigation and Adaptation Actions:	• Apply business unit heat management procedures, including Environmental Heat Risk Management Procedures where applicable, with defined trigger thresholds through Thermal Work Limit monitoring, escalation protocols, supervisor controls, workforce briefings, and training on heat illness recognition, prevention and response. • Monitor heat conditions using weather forecasts and site-based indicators such as heat index or Thermal Work Limit, and adjust work practices through work-rest cycles, job rotation, reduced workloads, revised travel plans, and rescheduling of higher-exertion or outdoor activities to cooler periods or away from peak temperature hours. • Maintain engineering, welfare and emergency preparedness controls, including cooled or shaded work and break areas, ventilation, hydration and electrolyte access, suitable PPE, UV protection guidance and breathable uniforms, supported by first aid readiness, incident reporting, H&S risk register reviews, insurance coverage at key locations, and integration of incident review learnings into site environmental plans.
Current financial effects	For FY2026, based on available information and management's assessment, no material climate-related events or business disruptions were identified during the reporting period that resulted in separately identified material financial impacts. Any financial effects associated with climate-related matters, where incurred, were not separately disclosed as climate-related items in the financial statements. The Group is continuing to enhance its processes and disclosures relating to the identification, assessment and reporting of climate-related financial impacts, including improving the level of detail and transparency provided in future reporting periods.
Anticipated financial effects	Quantified financial impacts over the relevant future time horizons have not been determined. Potential impacts over the short and medium term include expenses relating to increased cooling costs, welfare controls and short-duration productivity losses, with possible facility upgrades over the medium to longer term. Over the longer term, the extent of financial impact will depend on assumptions and uncertainties that may evolve over time. Sime's control environment will continue to address the commercial risks associated with this hazard. Potential adaptation measures may include changes to workforce deployment and site design standards, as well as increased investment in resilience measures to maintain safe and productive operations under higher baseline temperatures.

SUSTAINABILITY STATEMENT

TRANSITION RISKS AND OPPORTUNITIES

Sime's transition pathway is shaped by evolving policy and regulatory requirements, technological advancement, changing customer expectations and growth opportunities linked to the low-carbon economy. These developments may affect operating costs, product and service demand, investment priorities and portfolio positioning across the Industrial, Motors and UMW divisions. The material transition-related risk and opportunities assessed for the current reporting period are set out below.

Transition Risk	
[Policy & Regulatory] Increased Energy Costs Due to Carbon Pricing	**Time Horizon:** ✓ Short-term (2027) ✓ Medium-term (2030) ✓ Long-term (2050)
Effects on business model and value chain:	Carbon pricing transition risk may increase electricity and fuel costs across the Industrial, Motors and UMW divisions, including assembly plants, branches, workshops, parts warehousing, field service, technician travel and logistics. These impacts are expected to arise mainly through operational energy use and supplier pass-through. Additional capital and operating expenditure may be required over time for energy-efficiency upgrades, renewable electricity procurement where feasible, and improved monitoring of energy use to manage cost exposure and support the Net Zero Roadmap. Energy Efficiency & Conservation Act 2024 requires additional compliance and management oversight. However, at this time, it is not deemed material.
Mitigation and Adaptation Actions:	Sime's Sustainability Blueprint and Net Zero Roadmap provide the key strategic and governance framework to manage potential carbon pricing impacts, guide emissions reduction initiatives and support alignment of mitigation actions across the Group. Energy cost exposure is managed through site-level efficiency initiatives, including facilities optimisation, maintenance practices and lighting/HVAC upgrades, together with increasing renewable energy use where feasible through green electricity products, on-site generation and other credible renewable supply arrangements. *Refer to contractual instruments within Metrics and Targets section on page 86 for further detail.*
Current financial effects	For FY2026, the financial effects related to transition risks and opportunities were not separately identified and disclosed in the financial statements. The Group is continuing to enhance its processes and disclosures relating to the identification, assessment and reporting of climate-related financial impacts, including improving the level of detail and transparency provided in future reporting periods.
Anticipated financial effects	Quantified financial impacts over the relevant future time horizons have not been determined. Potential impacts over the short and medium term include expenses relating to higher electricity and fuel costs and incremental capital expenditure for renewable energy assets and efficiency upgrades. Over the longer term, the extent of financial impact will depend on assumptions and uncertainties that may evolve over time. Sime's control environment will continue to address the commercial risks associated with this transition risk, including through delivery of the Net Zero Roadmap and related energy management initiatives.

Transition Opportunity	
[Market] Growing demand for low-carbon products and solutions	**Time Horizon:** ✓ Short-term (2027) ✓ Medium-term (2030) ✓ Long-term (2050)
Effects on business model and value chain:	Policy support, tightening regulations and rising customer expectations on emissions reduction, waste reduction and energy efficiency are expected to increase demand for lower-carbon and more sustainable products and services across Sime's key markets. Sime's competitiveness and growth prospects may be affected if its product and service portfolio does not keep pace with evolving market, regulatory and customer requirements. Technology-enabled product and service opportunities: Advances in low-carbon and alternative fuel technologies create opportunities for Sime to expand its product and aftermarket offerings, support customer decarbonisation and capture emerging growth. These opportunities are supported by OEM product roadmaps, including lower-emission equipment, rebuild and remanufacturing options, and technologies such as electric-drive, diesel-electric, battery-electric, trolley-assist and Dynamic Energy Transfer solutions, with opportunity realisation dependent on technology maturity, customer readiness and Sime's ability to maintain portfolio flexibility.
Effects on strategy and decision-making:	Ongoing engagement with OEMs and customers will support alignment of the product and service portfolio with emerging low and zero-emission technology pathways, relevant OEM-led initiatives, and evolving customer and market requirements for more energy-efficient and sustainable offerings. Organisational capability, workforce readiness and technical expertise will be progressively strengthened to support the deployment, maintenance, lifecycle management and customer transition pathways associated with electrified, alternative energy and lower-emission technologies. Operational and market readiness will be enhanced through facility, tooling, safety and support process preparedness, collaboration with customers and infrastructure providers on charging, power and site-readiness constraints, and continued monitoring of technology adoption, competitor activity and customer requirements to inform go-to-market timing.
Current financial effects	For FY2026, the financial effects related to transition risks and opportunities were not separately identified and disclosed in the financial statements. The Group is continuing to enhance its processes and disclosures relating to the identification, assessment and reporting of climate-related financial impacts, including improving the level of detail and transparency provided in future reporting periods.
Anticipated financial effects	Quantified financial impacts over the relevant future time horizons have not been determined. Potential impacts over the short and medium term include training, tooling, plant and workshop readiness, together with potential revenue growth from low-carbon products and services. Over the longer term, opportunity realisation will depend on assumptions and uncertainties that may evolve over time, including market demand, technology maturity, OEM product roadmaps and customer readiness. Financial impacts are expected to be managed and opportunities pursued through the 5-Year Strategy Masterplan and ongoing portfolio development.

SUSTAINABILITY STATEMENT

Transition Opportunity		
[Market] Expansion of Mining Industry for Critical Minerals	**Time Horizon:**	✓ Short-term (2027) ✓ Medium-term (2030) ✓ Long-term (2050)
Effects on business model and value chain:	Growth in critical minerals and broader energy-transition demand is expected to support continued mining investment in commodities such as copper, nickel, manganese, lead, zinc, gold and rare earth-related value chains, particularly in Australia. Sime's Australian Industrial footprint, including Onsite, Cavpower and Hastings Deering, provides exposure to battery-metal-rich and transition-relevant mining regions. This may create opportunities for the Industrial business, including increased heavy equipment sales, rentals, parts, field service and lifecycle product support. Opportunity realisation is expected to be strongest where mine expansions increase equipment utilisation and recurring aftermarket demand, with potential value from rentals, parts, rebuild and remanufacturing, field service support and broader fleet uptime solutions.	
Effects on strategy and decision-making:	Commercial coverage and solution offerings will be maintained in critical minerals growth corridors, including equipment sales, rentals, rebuild and remanufacturing, and site-service support to address evolving customer requirements across the mining value chain. Strategic account planning and OEM collaboration will continue to support mining customers as they expand into battery metals, aligning fleet, uptime and decarbonisation needs with the availability of lower-emission equipment, power solutions and commercially justified pilots. Workforce capability, parts forecasting and service-network readiness will be strengthened to scale product support, improve fleet uptime and support demand growth in regions expected to benefit from critical minerals development.	
Current financial effects	For FY2026, the financial effects related to transition risks and opportunities were not separately identified and disclosed in the financial statements. The Group is continuing to enhance its processes and disclosures relating to the identification, assessment and reporting of climate-related financial impacts, including improving the level of detail and transparency provided in future reporting periods.	
Anticipated financial effects	Quantified financial impacts over the relevant future time horizons have not been determined. Potential impacts over the short and medium term include increased equipment sales, recurring revenue from parts and services, rentals and fleet support for expanding critical minerals operations, and potential working capital growth to support higher activity levels. Over the longer term, demand for critical minerals may create opportunities for revenue growth, higher service intensity and long-term value creation through strategic investment in capacity, capabilities and low-emission solutions in selected regions.	

Transition Opportunity				
[Technology] Advancement in EV Technology	**Time Horizon:**	✓ Short-term (2027)	✓ Medium-term (2030)	✓ Long-term (2050)
Effects on business model and value chain:	The automotive business segment is highly exposed to EV technology advancement, with Sime advancing EV adoption through multi-brand EV retail expansion, regional charging initiatives and a broader end-to-end EV ecosystem strategy. Sime Motors and Sime UMW represent OEMs with expanding electric and hybrid line-ups, supporting Sime's role as an EV retail and distributor enabler across key markets. Technology-driven growth opportunity: Rapid EV technology advancement creates opportunities to capture growing demand for sustainable mobility, strengthen market position and enhance revenue. Ongoing engagement with vehicle and battery OEMs will support product availability, adoption readiness and Sime's ability to meet evolving customer demand for electric and efficient transportation solutions.			
Effects on strategy and decision-making:	Ongoing engagement with OEM partners, together with monitoring of battery technology developments, regulatory trends and customer preferences, will support Sime's ability to remain competitive and responsive to the evolving EV and low-emission mobility market. The product portfolio will be broadened across electric, hybrid, hydrogen and more fuel-efficient lower-emission models to support sustainability objectives, meet evolving market demand and reduce technology concentration risk across multiple powertrain and battery solutions. Technical training, advanced diagnostics, safety standards and parts readiness will be strengthened to support long-term serviceability, customer confidence and the effective deployment of low-emission vehicle technologies across the value chain.			
Current financial effects	For FY2026, the financial effects related to transition risks and opportunities were not separately identified and disclosed in the financial statements. The Group is continuing to enhance its processes and disclosures relating to the identification, assessment and reporting of climate-related financial impacts, including improving the level of detail and transparency provided in future reporting periods.			
Anticipated financial effects	Quantified financial impacts over the relevant future time horizons have not been determined. Potential impacts over the short and medium term include growth in EV sales and service revenue driven by increasing EV demand, alongside investments in technician capability, tooling and support infrastructure, and changes in parts/service mix and working capital requirements. Over the longer term, EV adoption may support portfolio relevance, competitiveness and revenue resilience, subject to continued alignment with OEM pathways and customer transition needs, with potential capital deployment to expand service network capability and support infrastructure-linked offerings.			

SUSTAINABILITY STATEMENT

RESILIENCE ASSESSMENT

Sime assessed the resilience of its strategy and business model through climate-related scenario analysis covering physical and transition climate scenarios across short, medium and long-term horizons. The assessment considered the potential implications of CROs on operations, assets, workforce, supply chains, customer demand, investment priorities and portfolio positioning.

Based on the scenario analysis performed to date and the current scope of assessment, Sime considers its strategy and business model to be reasonably resilient under the climate scenarios assessed. This is supported by Sime's diversified business portfolio, established risk and resilience management processes, strategic planning cycle, portfolio flexibility, site-level resilience measures, Net Zero Roadmap and disciplined capital allocation processes.

The mitigation and adaptation actions disclosed in Physical Risks and Transition Risks and Opportunities sections on pages 78 to 83 support operational continuity, workforce safety, asset protection, emissions reduction and transition readiness. These actions also support Sime's ability to respond to potential increases in operating costs, changes in customer demand and selected opportunities associated with low-carbon products and services, critical minerals growth and EV technology advancement.

Sime recognises that the assessment remains subject to limitations in data availability, methodology maturity, modelling assumptions and the phased implementation of the CCRA programme. The Group will continue to strengthen its climate-related assessment capabilities and integrate climate considerations into strategic planning, business planning, risk management and capital allocation processes.

METRICS AND TARGETS

GHG CALCULATION METHODOLOGY

Sime calculates its Scope 1 and Scope 2 GHG emissions in accordance with the *GHG Protocol Corporate Standard*. Alignment with a globally-recognised guidelines ensures transparency and consistency in climate-related disclosures across all our operations.

Sime reports GHG emissions using the operational control approach, as it reflects the activities where Sime has most influence and greatest ability to respond to climate challenges and implement mitigation strategies. Operational control is defined as the authority to introduce and implement operating policies at a facility. Accordingly, the reporting boundary includes all subsidiaries where Sime has operational control recognised in Sime's financial statements. During the reporting period, there was a change to the Group structure that resulted in a GHG base year recalculation and the removal from Sime's inventory for FY2026 and prior reporting periods.

The change involved a disposal of the Group's stake in Sime Darby Lockton Insurance Brokers Sdn Bhd from 60% to 30% effective 4 September 2025.

Sime calculates its Scope 1 and Scope 2 GHG emissions using the indirect measurement method based on activity quantities and emission factors, because direct measurement is not available. Sime calculates its Scope 2 GHG emissions under both the location-based and market-based methods. A location-based method reflects the average emissions intensity of grids on which energy consumption occurs using grid-average emission factor data. A market-based method reflects emissions from electricity using emission factors from contractual instruments such as renewable energy certificates, green electricity tariffs or supplier/region-specific emissions factors.

For the measurement of emissions, Sime uses the following activity data:

- **Scope 1 GHG emissions:** quantities of fuel or materials consumed based on expenses incurred from Sime's suppliers or specific measurement meters (such as fuel tank meters) where available or more appropriate.
- **Scope 2 GHG emissions**: quantities of purchased electricity and heating consumed based on invoices received from the group's utility providers where available.

For Scope 1 emissions factors, Sime uses the most recent National Greenhouse Accounts (NGA) factors for Australia and 2019 refinement to the IPCC 2006 emissions factors for all other countries (including Malaysia). For Scope 2 (location-based) emissions factors, Sime uses the most recent regional emissions factors developed by local authorities for Australia and Hong Kong; and the most recent country-specific emission factors developed by the IEA for all other countries (including Malaysia). For Scope 2 (market-based) emissions factors, as Australia is the only Sime-operational country with a published residual mix factor, all market-based Scope 2 emission factors other than Australia default to their location-based Scope 2 emission factors. Sime calculates an Australia-wide market-based emission factor using the voluntary market-based Scope 2 emissions guideline published by the Clean Energy Regulator (CER) Australia and used for National Greenhouse and Energy Reporting Scheme calculations.

For FY2026, Sime updated certain aspects of our GHG emissions measurement approach, inputs and assumptions aligned with the IFRS Sustainability Disclosure Standards and GHG Protocol. Key changes included:

Updates FY2026
• Expanded Scope 2 reporting to disclose both market-based and location-based emissions.
• Reviewed and updated selected emission factors and calculation assumptions following an independent assessment of emission factors and emissions reporting procedures.
• Implemented a cloud-based emissions reporting platform to support the collection, calculation, aggregation and management of greenhouse gas emissions data across the Group.

These updates were implemented to enhance the accuracy, transparency and governance of the Group's emissions reporting. The changes relate to measurement methodologies and reporting processes and do not reflect changes in the Group's underlying operational performance or decarbonisation strategy.

TARGET SETTING, REVIEWING, AND TRACKING METHODOLOGY

The RMSC, is responsible for overseeing the Group's climate-related targets and performance.

Sime's methodology for setting emission reduction targets is influenced by the Paris Agreement and the Malaysian government's commitment to Net Zero, without reliance on sector decarbonisation approaches. While the methodology for target setting has not been validated by a third party, target performance is reviewed annually by internal assurance teams. More information can be found within our Net Zero Roadmap.

DISCLOSURE ON USE OF INTERNAL CARBON PRICING, CARBON CREDITS, PPAS, AND RECS

Sime has not utilised carbon offset credits as part of its emissions reduction strategy. Instead, Sime's focus remains on direct emissions reductions and the procurement of renewable energy through Power Purchase Agreements (PPAs) and Renewable Energy Certificates (RECs). All instruments acquired are fully compliant with applicable legal and regulatory requirements of each jurisdiction, supporting our commitment to credible and transparent sustainability practices.

An Internal carbon pricing mechanism has not been implemented but it is considered within our Net Zero Roadmap. Sime continues to evaluate the merits of its implementation as means to achieve its sustainability objectives.

SUSTAINABILITY STATEMENT

CRO METRICS AND TARGETS, TARGET PERFORMANCE AND INTERIM MILESTONES

Summary of GHG emissions

GHG Emissions Reporting* (tCO_2e)	Scope 1	Scope 2 (location-based)	Total Scope 1 & 2 (location-based)	Scope 2 (market-based)	Total Scope 1 & 2 (market-based)
FY2026	45,027	141,363	186,390	75,351	120,378

GHG Emissions Target Reporting

Sime's mitigation target of 30% absolute reduction against FY2020 levels by FY2030 covers Scope 1 and Scope 2 (market-based) emissions.

FY2020 Base Year Total Scope 1 & 2 (market-based) GHG emissions (tCO_2e)	FY2026 Total Scope 1 & 2 (market-based) GHG emissions (tCO_2e)	Emissions variance from base year	% emissions reduction from base year
183,472	120,378	-63,094	34

Note:
For completeness, Sime reports Nil (0) tCO_2e Scope 1 and 2 GHG emissions for its other investees as part of this reporting period.

Based on the progress to date shown above, Sime is well positioned to achieve its FY2030 target.

Contractual instruments

Sime has long-term agreements to purchase RECs from various renewable energy producers as part of its strategy to reduce market-based Scope 2 emissions.

For FY2026, Sime acquired and retired 72 GWh RECs and purchased 42 GWh of renewable electricity under PPA contracts.

CROs metrics and monitoring

- Physical risks exposure is measured by sites and their proportion of business activity potentially impacted.
- Transition risks are monitored regionally and by operational division.
- Transition opportunities are monitored by their impact to revenue.
- Capital deployment and resource allocation towards climate-related mitigation and adaptation efforts are assessed on a similar commercial basis as other capital and operational initiatives. A decarbonisation impact assessment is measured with a financial proxy being kWh of renewable energy generation as a more relevant indicator for this metric.
- Targets for GHG emission reduction are communicated within the Net Zero Roadmap. Sime is monitoring additional Industry-based metrics for their relevance as CRO metrics and future target setting.

Industry-based climate-related metrics

- Sime has considered the SASB Industry-based Guidance, specifically Volume 6 – Multiline and Specialty Retailers & Distributors and has selected the standard metrics in the table below.
- Sime will continue to evaluate useful metrics, for assessing our CRO's, that support decision-useful disclosures.

SASB Code	Metrics	Unit	FY2026	Targets
CG-MR-130a.1	(1) Total Energy Consumed	GJ	1,620,812	Integrated within FY2030 emissions reduction Target (Combined Scope 1 and 2)
	(2) Percentage energy consumed that was from grid electricity	%	54	
	(3) Percentage energy consumed that was renewable energy	%	30	

EVENTS AFTER THE REPORTING PERIOD

No transactions, other events or conditions occurring after the end of the reporting period and before the date of authorisation of issue of this report have taken place that need to be disclosed in this report.

SIME DARBY BHD

IFRS S2

Date & Time: 2026-10-13_13:07:42

Main Market | Group 1 | FYE 30/06/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
GHG emissions	Scope 1	Metric tonnes of carbon dioxide equivalents (tCO2e)	—	45027	Mitigation targets of 30% absolute reduction against 2020 levels and net zero by 2050. Applicable to all entities under Sime's operational control. Informed by Malaysia's Nationally Determine Contribution (NDC).	Internal
GHG emissions	Scope 2 Location-based	Metric tonnes of carbon dioxide equivalents (tCO2e)	—	141363	—	Internal
GHG emissions	Scope 2 Market-based	Metric tonnes of carbon dioxide equivalents (tCO2e)	—	75351	Mitigation targets of 30% absolute reduction against 2020 levels and net zero by 2050. Applicable to all entities under Sime's operational control. Informed by Malaysia's Nationally Determine Contribution (NDC).	Internal
Energy Management	Total Energy Consumed	GJ	—	1620812	—	Internal
Energy Management	Percentage energy consumed that was from grid electricity	%	—	54	—	Internal
Energy Management	Percentage energy consumed that was renewable energy	%	—	30	—	Internal

CORPORATE INFORMATION

BOARD OF DIRECTORS

Dato' Abdul Rahman Ahmad
(Non-Independent Non-Executive Chairman)

Thayaparan Sangarapillai
(Senior Independent Non-Executive Director)

Tan Sri Ahmad Badri Mohd Zahir
(Non-Independent Non-Executive Director)

Tan Sri Muhammad Shahrul Ikram Yaakob
(Independent Non-Executive Director)

Dato' Lee Cheow Hock Lawrence
(Non-Independent Non-Executive Director)

Moy Pui Yee
(Independent Non-Executive Director)

Dato' Dr. Nirmala Menon
(Independent Non-Executive Director)

Scott William Cameron
(Independent Non-Executive Director)

Tengku Dato' Sri Azmil Zahruddin Raja Abdul Aziz
(Independent Non-Executive Director)

Professor Emeritus Datuk Ts. Ir. Dr. Siti Hamisah Tapsir, FASc
(Independent Non-Executive Director)

Hanizan Hood
(Non-Independent Non-Executive Director)

Dato' Seri Ahmad Johan Mohammad Raslan
(Independent Non-Executive Director)

Hafiz Imran Ahmad Rashidi
(Alternate Director to Hanizan Hood)

Dato' Jeffri Salim Davidson
(Executive Director)

GROUP CHIEF EXECUTIVE OFFICER

Dato' Jeffri Salim Davidson

GROUP SECRETARY

Junaidah Abdul Rahim
(MACS 01995)
(SSM PC No. 202508000046)

REGISTERED OFFICE

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Facsimile: +603-7623 2100
Email: communications@sime.com
Website: www.sime.com

SHARE REGISTRAR

Vistra Investor & Issuing House Services Sdn Bhd
(formerly known as Tricor Investor & Issuing House Services Sdn Bhd)

(Registration No. 197101000970 (11324-H))

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Telephone: +603-2783 9299
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Wilayah Persekutuan, Malaysia

AUDITORS

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Chartered Accountants
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P.O. Box 10192
50706 Kuala Lumpur
Wilayah Persekutuan, Malaysia

Telephone: +603-2173 1188
Facsimile: +603-2173 1288

FORM OF LEGAL ENTITY

Incorporated on 7 November 2006 as a private company limited by shares under the Companies Act, 1965 and deemed registered under the Companies Act 2016. Converted into a public company limited by shares on 5 April 2007

STOCK EXCHANGE LISTING

Listed on the Main Market of Bursa Malaysia Securities Berhad since 30 November 2007

Stock Code: 4197
Stock Name: SIME

PLACE OF INCORPORATION AND DOMICILE

Malaysia

BOARD AT A GLANCE

GENDER




69% | 31%

NATIONALITY



11
MALAYSIANS

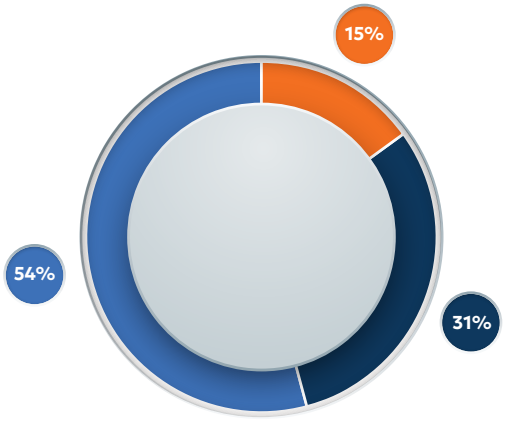


1
SINGAPOREAN



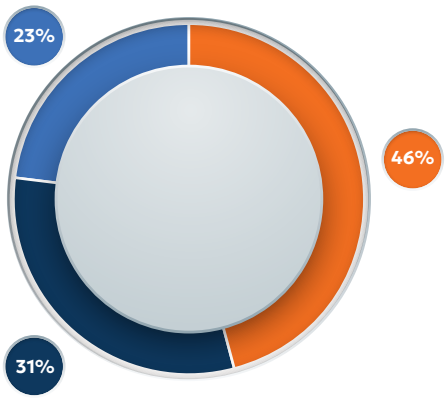
1
AUSTRALIAN

AGE BAND



50-59 Years Old | 60-69 Years Old | 70-79 Years Old

LENGTH OF SERVICE



0-3 Years | 3-6 Years | 6-9 Years

INDEPENDENCE



Independent Directors | Non-Independent Directors

BOARD OF DIRECTORS



DATO' ABDUL RAHMAN AHMAD

Non-Independent Non-Executive Chairman

Age	Nationality	Gender
57	**Malaysian**	**Male**

Date of Appointment
7 May 2026

Length of Service (as at 30 September 2026)
4 months

Academic/Professional Qualification/Membership(s)
- Master of Arts in Economics, Cambridge University, United Kingdom
- Member, Institute of Chartered Accountants in England and Wales
- Member, Malaysian Institute of Accountants

Other Directorship(s)

Listed Entity	Public Companies
Nil	Nil

Total Board Meetings Attended in FY2026
2/2*

Board Committee(s)
Nil

Areas of Expertise
Business, Financial, Stakeholder Management & Government Affairs, Leadership & Strategic Thinking and Risk Management

Relevant Experience
Previously the President & Group Chief Executive (PGCE) of Permodalan Nasional Berhad (PNB). Prior to that, he served as the Group Chief Executive Officer (GCEO) of CIMB Group Holdings Berhad and Chief Executive Officer (CEO) of CIMB Bank Berhad from 2020 to 2024, and earlier as the PGCE of PNB between 2016 and 2019. He has held senior leadership positions across a broad range of sectors, including as GCEO of Malaysian Resources Corporation Berhad and Media Prima Berhad, and as CEO of Ekuiti Nasional Berhad. He also served as the Non-Independent Non-Executive Chairman of Sime Darby Berhad from 2019 to 2020 and Velesto Energy Berhad from 2017 to 2019. He is currently a member of Investment Panel of Kumpulan Wang Amanah Negara.

Note:
* *Reflects the number of meetings attended during the period of office held.*



THAYAPARAN SANGARAPILLAI

Senior Independent Non-Executive Director

Age	Nationality	Gender
71	**Malaysian**	**Male**

Date of Appointment
1 December 2017

Length of Service (as at 30 September 2026)
8 years and 10 months

Academic/Professional Qualification/Membership(s)
- Fellow, Institute of Chartered Accountants in England & Wales
- Member, Malaysian Institute of Certified Public Accountants
- Member, Malaysian Institute of Accountants

Other Directorship(s)

Listed Entity	Public Companies
• Sime Darby Property Berhad • Robi Axiata PLC (Bangladesh)	Nil

Total Board Meetings Attended in FY2026
9/10

Board Committee(s)
- Chairman, Governance & Audit Committee
- Member, Risk Management & Sustainability Committee

Areas of Expertise
Audit, Business and Corporate Finance

Relevant Experience
Began his career with Price Waterhouse (now known as PricewaterhouseCoopers) and has over 35 years of experience providing audit and business advisory services to clients across a wide range of industries. His portfolio included major public listed companies in power, telecommunications, automotive, property development, plantation, manufacturing, and trading sectors. He led assignments on financial due diligence, mergers & acquisitions, initial public offerings, finance function effectiveness reviews, and other advisory work.



TAN SRI AHMAD BADRI MOHD ZAHIR

Non-Independent Non-Executive Director

Age	Nationality	Gender
66	**Malaysian**	**Male**

Date of Appointment
1 September 2020

Length of Service (as at 30 September 2026)
6 years and 1 month

Academic/Professional Qualification/Membership(s)
- Master in Business Administration, University of Hull
- Degree in Land and Property Management, Universiti Teknologi MARA

Other Directorship(s)

Listed Entity	Public Companies
RHB Bank Berhad	• Waqaf FELDA • Yayasan FELDA

Total Board Meetings Attended in FY2026
10/10

Board Committee(s)
- Chairman, Risk Management & Sustainability Committee

Areas of Expertise
Strategic Investment, Loan Management, Financial Market, and Actuarial Science

Relevant Experience
Currently the Chairman of RHB Bank Berhad, Malaysian Rubber Board (Lembaga Getah Malaysia), Federal Land Development Authority (FELDA), Waqaf FELDA and Yayasan FELDA. Has held various senior positions in the Ministry of Finance, including Secretary General of the Treasury. Has served on the Boards of Employees Provident Fund, Bank Negara Malaysia, the Retirement Fund Incorporated (KWAP), Permodalan Nasional Berhad, and Tenaga Nasional Berhad. Possesses extensive experience in strategic investment, loan management, financial markets, and actuarial science.



DATO' DR NIRMALA MENON

Independent Non-Executive Director

Age	Nationality	Gender
66	**Malaysian**	**Female**

Date of Appointment
15 November 2019

Length of Service (as at 30 September 2026)
6 years and 10 months

Academic/Professional Qualification/Membership(s)
- Degree in Medicine, University of Mysore

Other Directorship(s)

Listed Entity	Public Companies
Nil	Amanat Lebuhraya Rakyat Berhad

Total Board Meetings Attended in FY2026
10/10

Board Committee(s)
- Chairman, Nomination & Remuneration Committee
- Member, Investment Committee

Areas of Expertise
Insurance, Medical and Healthcare

Relevant Experience
Possesses extensive experience in the insurance and health sectors, having held various leadership positions within the Asian life and health insurance industry. Served as a Medical Officer at Hospital Kuala Lumpur for seven years before transitioning to the insurance sector. Became the first female Chief Executive Officer in Malaysia's life insurance industry as President and Chief Executive Officer of ING Malaysia Berhad, and later served as Head of South Asia at ING Asia Pacific Ltd. Also held the role of Executive Vice President and Head of Designated Markets & Health Asia at MetLife Asia Pacific Ltd. Former Director of Khazanah Nasional Berhad, AXA Affin General Insurance Berhad, and Nestlé (Malaysia) Berhad.

BOARD OF DIRECTORS



DATO' LEE CHEOW HOCK LAWRENCE

Non-Independent Non-Executive Director

Age	Nationality	Gender
72	**Singaporean**	**Male**

Date of Appointment
1 March 2018

Length of Service (as at 30 September 2026)
8 years and 7 months

Academic/Professional Qualification/Membership(s)
- Fellow, Institute of Chartered Accountants in England and Wales

Other Directorship(s)

Listed Entity	Public Companies
Nil	Nil

Total Board Meetings Attended in FY2026
9/10

Board Committee(s)
- Chairman, Investment Committee
- Member, Risk Management & Sustainability Committee

Areas of Expertise
Automotive, Accounting and Management

Relevant Experience
Former Managing Director of Sime's Motors Division, having served the Sime Group in various capacities for over 36 years. Oversaw the growth and development of the Motors Division during his tenure.



TAN SRI MUHAMMAD SHAHRUL IKRAM YAAKOB

Independent Non-Executive Director

Age	Nationality	Gender
65	**Malaysian**	**Male**

Date of Appointment
8 June 2022

Length of Service (as at 30 September 2026)
4 years and 3 months

Academic/Professional Qualification/Membership(s)
- Bachelor of Science in Ecology, University of Malaya
- Diploma in Public Administration, National Institute of Public Administration
- Advanced Management Programme at the Harvard Business School

Other Directorship(s)

Listed Entity	Public Companies
Nil	Nil

Total Board Meetings Attended in FY2026
10/10

Board Committee(s)
- Member, Nomination & Remuneration Committee
- Member, Governance & Audit Committee

Areas of Expertise
Inter-governmental relations, foreign policies, international and regional politics and security

Relevant Experience
Currently Ambassador of Malaysia to the United States of America. Former Secretary General of the Ministry of Foreign Affairs of Malaysia and Permanent Representative of Malaysia to the United Nations in New York. Held numerous senior positions in the Ministry of Foreign Affairs since 1988, including Ambassador to Qatar and Austria. Served as the Governor for Malaysia and Chairman of the International Atomic Energy Agency (IAEA) Board of Governors. Former Director of the Board of Dewan Bahasa and the Malaysian Institute of Maritime.



MOY PUI YEE
Independent Non-Executive Director

Age	Nationality	Gender
59	**Malaysian**	**Female**

Date of Appointment
2 July 2018

Length of Service (as at 30 September 2026)
8 years and 3 months

Academic/Professional Qualification/Membership(s)
- Graduated in Economics and in Law, Monash University of Australia
- Admitted to the Malaysian Bar in 1992

Other Directorship(s)

Listed Entity	Public Companies
Nil	Nil

Total Board Meetings Attended in FY2026
10/10

Board Committee(s)
- Member, Risk Management & Sustainability Committee

Areas of Expertise
Legal and Corporate Finance

Relevant Experience
Currently a partner and co-head of the Corporate Mergers & Acquisition Practice Group at Rahmat Lim & Partners. Active in legal practice since 1992, specialising in take-overs, mergers and acquisitions (both private and public), joint ventures, foreign investments, and corporate and commercial transactions. Involved in transactions across various industries including financial services, energy and power, manufacturing, retail and consumer, hospitality, and plantations. Additionally, a partner at Allen & Gledhill LLP, the firm's associate firm in Singapore.



SCOTT WILLIAM CAMERON
Independent Non-Executive Director

Age	Nationality	Gender
68	**Australian**	**Male**

Date of Appointment
1 January 2023

Length of Service (as at 30 September 2026)
3 years and 9 months

Academic/Professional Qualification/Membership(s)
- Bachelor of Commerce, University of Queensland
- Fellow, the Institute of Chartered Accountants, Australia
- Fellow, the Australian Institute of Company Directors
- Advanced Management Programme, Harvard Business School

Other Directorship(s)

Listed Entity	Public Companies
Nil	Engenco Ltd (Australia)

Total Board Meetings Attended in FY2026
9/10

Board Committee(s)
- Member, Governance & Audit Committee
- Member, Investment Committee

Areas of Expertise
Finance, mining and infrastructure, resources, marine, and power generation

Relevant Experience
Began his career with Price Waterhouse in Brisbane, Sydney, and New York before joining Hastings Deering (Australia) Limited as Finance Director in June 1992. Brings over 27 years of experience across diverse sectors including mining and infrastructure, resources, marine, power generation, training, and heavy industry machine maintenance and repair. Held various senior management roles, including Managing Director of the Industrial Division at Sime Darby Berhad, prior to his retirement on 31 December 2019.

BOARD OF DIRECTORS



TENGKU DATO' SRI AZMIL ZAHRUDDIN RAJA ABDUL AZIZ

Independent Non-Executive Director

Age	Nationality	Gender
56	**Malaysian**	**Male**

Date of Appointment
1 August 2023

Length of Service (as at 30 September 2026)
3 years and 2 months

Academic/Professional Qualification/Membership(s)
- Bachelor's degree in Economics, University of Cambridge
- Chartered Accountant and Member of Malaysian Institute of Accountants
- Fellow, Institute of Chartered Accountants in England and Wales

Other Directorship(s)
Listed Entity
- CelcomDigi Berhad
- CIMB Group Holdings Berhad

Public Companies
- CIMB Bank Berhad
- CIMB Thai Bank Public Company Limited

Total Board Meetings Attended in FY2026
10/10

Board Committee(s)
- Member, Governance & Audit Committee
- Member, Risk Management & Sustainability Committee

Areas of Expertise
Business, financial, risk management, human capital, telecommunications, healthcare, financial services, technology & innovation, infrastructure and aviation

Relevant Experience
Began his career with PricewaterhouseCoopers in London and Hong Kong. Currently serves as Chairperson of CelcomDigi Berhad and CIMB Thai Bank Public Company Limited, and is a board member of CIMB Group Holdings Berhad and CIMB Bank Berhad. Former Chief Investment Officer at Khazanah Nasional Berhad, where he oversaw its investment portfolio and held senior roles including Deputy Managing Director and Executive Director of Investments from 2011 to 2022. Previously the Managing Director and Chief Executive Officer of Malaysia Airlines and held various leadership positions at Penerbangan Malaysia Berhad. Also served as Chairman of UEM Group Berhad and has been a director at Axiata Group Berhad and IHH Healthcare Berhad.



PROFESSOR EMERITUS DATUK TS. IR. DR. SITI HAMISAH TAPSIR, FASc

Independent Non-Executive Director

Age	Nationality	Gender
65	**Malaysian**	**Female**

Date of Appointment
8 March 2024

Length of Service (as at 30 September 2026)
2 years and 6 months

Academic/Professional Qualification/Membership(s)
- Diploma in Civil Engineering, Institut Teknologi Mara (now known as Universiti Teknologi MARA, UiTM)
- Bachelor of Science in Civil Engineering, New England College
- Master of Science in Civil Engineering, from University of Lowell (now known as University of Massachusetts Lowell)
- Doctor of Philosophy, University of Leeds
- Advanced Management Programme, Harvard Business School
- Razak School of Government Senior Leadership Programme, SAID Business School, University of Oxford

Other Directorship(s)

Listed Entity	Public Companies
• Malayan Cement Berhad	Nil
• Oppstar Berhad	

Total Board Meetings Attended in FY2026
10/10

Board Committee(s)
- Member, Nomination & Remuneration Committee

Areas of Expertise
Business, financial, risk management, human capital, healthcare and education

Relevant Experience
Started her career as a Civil Engineer in 1984 at the Public Works Department in Kuala Lumpur and at Bethel Duncan Associates in Burlington, Massachusetts, USA, before joining Universiti Teknologi Malaysia (UTM) as a lecturer in 1987. During her tenure at UTM, she held various roles, including as the Deputy Vice Chancellor and Campus Director of UTM International Campus. She left UTM in 2009 to join the Ministry of Higher Education, where she was promoted to Director General of Higher Education in 2017. After leaving the Ministry of Higher Education, she served as Secretary General of the Ministry of Science, Technology, and Innovation (MOSTI) from 2019 to 2021. In 2020, she was also appointed Adjunct Professor at UTM until her departure in 2021. Following her retirement from MOSTI, she joined UCSI University as Group Chief Executive Officer.



HANIZAN HOOD
Non-Independent Non-Executive Director

Age	Nationality	Gender
53	**Malaysian**	**Female**

Date of Appointment
1 July 2025

Length of Service (as at 30 September 2026)
1 year and 3 months

Academic/Professional Qualification/Membership(s)
- Bachelor of Arts (Economics), Northwestern University
- Advanced Management Programme, Harvard Business School

Present Directorship(s)

Listed Entity
Nil

Public Companies
- Pelaburan Hartanah Berhad
- PHB Asset Management Berhad

Total Board Meetings Attended in FY2026
10/10

Board Committee(s)
- Member, Investment Committee
- Member, Nomination & Remuneration Committee

Areas of Expertise
Investment and Fund Management

Relevant Experience
Currently the Group Chief Investment Officer of Permodalan Nasional Berhad (PNB), leads the overall formulation and execution of PNB's investment strategy across multiple asset classes and funds under management. Over 30 years of experience in investment and fund management.



DATO' SERI AHMAD JOHAN MOHAMMAD RASLAN
Independent Non-Executive Director

Age	Nationality	Gender
67	**Malaysian**	**Male**

Date of Appointment
1 July 2026

Length of Service (as at 30 September 2026)
3 months

Academic/Professional Qualification/Membership(s)
- Bachelor of Economics (Honours) in Economics and Accountancy, University of Hull, United Kingdom
- Fellow, the Institute of Chartered Accountants in England and Wales
- Member, Malaysian Institute of Certified Public Accountants
- Member, Malaysian Institute of Accountants

Present Directorship(s)

Listed Entity
Nil

Other Public Companies
- YTL Digital Bank Berhad
- Institute of Corporate Directors Malaysia

Total Board Meetings Attended in FY2026
Not Applicable

Board Committee(s)
- Member, Governance & Audit Committee
- Member, Risk Management & Sustainability Committee

Areas of Expertise
Accountancy, Governance and Sustainability

Relevant Experience
Began his career with Robson Rhodes Chartered Accountants in 1981 prior to joining Price Waterhouse in London in 1990. He returned to Malaysia in 1992 to join Price Waterhouse Kuala Lumpur and was admitted as a Partner in 1993. He was involved in the merger with Coopers & Lybrand in 1998 to form PricewaterhouseCoopers (PwC) and subsequently served as Executive Chairman of PwC Malaysia from 2004 until his retirement in 2012.

He held several government appointments, including Chairman of the Financial Reporting Foundation (2003-2009), member of Bank Negara Malaysia's Financial Stability Executive Committee (2009-2012), and member of the International Advisory Panel of the Labuan Financial Services Authority (2004-2012). He was also the President of the Malaysian Institute of Certified Public Accountants (MICPA) from 2011 to 2012.

He is currently the Chairman of YTL Digital Bank Berhad and the Audit Oversight Board of the Securities Commission Malaysia, and a Director of the Institute of Corporate Directors Malaysia (ICDM). His previous directorships include Eco World International Berhad, AMMB Holdings Berhad and Sime Darby Property Berhad, among others.

BOARD OF DIRECTORS



DATO' JEFFRI SALIM DAVIDSON

Non-Independent Executive Director

Age	Nationality	Gender
62	**Malaysian**	**Male**

Date of Appointment
1 December 2017

Length of Service (as at 30 September 2026)
8 years and 10 months

Academic/Professional Qualification/Membership(s)
- Bachelor of Science in Geology, University College London
- Member, Institute of Chartered Accountants in England & Wales
- Advanced Management Programme, Harvard Business School

Present Directorship(s)

Listed Entity
Nil

Public Companies
- Sime Darby Holdings Berhad
- Sime Darby Malaysia Berhad
- Kumpulan Sime Darby Berhad
- UMW Holdings Berhad

Total Board Meetings Attended in FY2026
10/10

Board Committee(s)
Nil

Areas of Expertise
Accounting, Finance and Business Administration

Relevant Experience
Began his career with Coopers & Lybrand, London in 1986 before joining the Sime Group in 1992. He has held various senior management positions within the Group across China, Singapore, and Malaysia. In 2017, he was appointed as the Group Chief Executive Officer of Sime Darby Berhad.



HAFIZ IMRAN AHMAD RASHIDI

(Alternate Director to Hanizan Hood)

Age	Nationality	Gender
46	**Malaysian**	**Male**

Date of Appointment
7 May 2026

Length of Service (as at 30 September 2026)
4 months

Academic/Professional Qualification/Membership(s)
- Master of Electronic Engineering, University of Sheffield, United Kingdom

Present Directorship(s)

Listed Entity
Nil

Public Companies
Nil

Total Board Meetings Attended in FY2026
Not Applicable

Board Committee(s)
Nil

Areas of Expertise
Investment management, corporate finance & strategy, stakeholder engagement.

Relevant Experience
Currently Vice President at Permodalan Nasional Berhad (PNB), where he heads the Financial Institutions cluster within the Strategic Investments team. He is responsible for performance monitoring and value creation initiatives of PNB's strategic and core investee companies.

He has over 21 years of experience in investment, corporate finance & strategy, and value creation across multiple sectors, having joined PNB since August 2004.

Additional Information

1. Except as disclosed below, the other Directors have no family relationship with any Director or major shareholder of Sime Darby Berhad (Sime), no conflict of interest or potential conflict of interest, including interest in any competing business with Sime or its subsidiaries, and have not been convicted of any offences in the past five years or subject to public sanctions or penalties by relevant regulatory authorities during the financial year (other than traffic offences):

   (i) Dato' Abdul Rahman Ahmad, Dato' Lee Cheow Hock Lawrence, Puan Hanizan Hood (including her alternate, Encik Hafiz Imran Ahmad Rashidi) are nominees of Permodalan Nasional Berhad on the Board of Sime. They will recuse from voting and participating in any discussions and deliberations involving interest of PNB Group at Board and Board Committee meetings of Sime, where applicable.

   (ii) Puan Hanizan Hood is also the Nominee Director of PNB on the Board of Perusahaan Otomobil Kedua Sdn Bhd (Perodua), a 38% associate of Sime. She will recuse from voting and participating in any discussions and deliberations involving interest of Perodua Group at Board and Board Committee meetings of Sime, where applicable.

   (iii) Tan Sri Ahmad Badri Mohd Zahir is the Nominee Director of Employees Provident Fund (EPF). He is also the Chairman of RHB Bank Berhad (RHB). He will recuse himself from voting and participating in any discussions and deliberations involving interests of EPF Group and RHB Group at Board and Board Committee meetings of Sime, where applicable.

   (iv) Ms Moy Pui Yee is a partner at Rahmat Lim & Partners (RLP), a firm that provides legal services to the SDB Group from time to time. Ms Moy will maintain strict independence and non-involvement in any matters involved the Sime Group and RLP. Where applicable, Ms Moy will abstain from Board discussions or decisions regarding the appointment of legal firms or the approval of fees where RLP may be involved and will also ensure compliance with the independence requirements prescribed under the Main Market Listings Requirements of Bursa Malaysia Securities Berhad.

   (v) Tengku Dato' Sri Azmil Zahruddin Raja Abdul Aziz is a Director of CelcomDigi Berhad, CIMB Group Holdings Berhad, CIMB Bank Berhad, and CIMB Thai Bank Public Company Limited (Companies). Tengku Azmil will recuse from voting and participating in any discussions and deliberations involving the interest of CelcomDigi Berhad, CIMB Group Holdings Berhad and CIMB Bank Berhad and/or their group of companies at Board and Board Committee meetings of Sime, where applicable.

   (vi) Dato' Seri Ahmad Johan Mohammad Raslan is a Director of the Institute of Corporate Directors Malaysia (ICDM) and Chairman of the Audit Oversight Board (AOB) of Securities Commission Malaysia. Dato' Seri Ahmad Johan's role is a Non-Executive and Independent Director with ICDM. He does not derive any personal benefit from engagements between ICDM and Sime Group. He will abstain from all deliberations, discussions and decision-making relating to the appointment or engagement of ICDM by the Sime Group, in accordance with the Sime's conflict of interest framework.

   With regard to the AOB, its role is regulatory in nature and focuses on the oversight of auditors rather than any specific company. Given Dato' Seri Ahmad Johan's dual roles as Chairman of the AOB and a member of the Governance & Audit Committee (GAC) of Sime Board, there may be a perception of conflict of interest in relation to matters involving the Company's external auditors such as appointment of external auditors. Accordingly, to mitigate any such conflict, Dato' Seri Ahmad Johan will abstain from participating in any deliberations and decision-making at both the AOB and GAC levels concerning audit matters involving Sime where recusal is deemed appropriate.

   (viii) Dato' Jeffri Salim Davidson is Nominee Director of Sime on the Board of Perodua. He will recuse from voting and participating in any discussions and deliberations involving interest of Perodua Group at Board meetings of Sime, where applicable.

2. Directorships held by the Directors in other companies if any, are disclosed in the Board of Directors section at http://www.sime.com/company/board-of-directors.

3. The full profile of Directors are available on the Company's corporate website at https://www.sime.com/about/board-of-directors/.

EXECUTIVE LEADERSHIP



DATO' JEFFRI SALIM DAVIDSON
Group Chief Executive Officer

Age	Nationality	Gender
62	Malaysian	Male

Academic/Professional Qualification/ Membership(s)
- Bachelor of Science in Geology, University College London
- Member, Institute of Chartered Accountants in England & Wales
- Advanced Management Programme, Harvard Business School

Present Directorship(s) in Listed Entity/ Other Public Companies
- Sime Darby Berhad
- Sime Darby Holdings Berhad
- Sime Darby Malaysia Berhad
- Kumpulan Sime Darby Berhad
- UMW Holdings Berhad

Relevant Experience
Began his career with Coopers & Lybrand, London in 1986 before joining the Sime Group in 1992. He has held various senior management positions within the Group across China, Singapore and Malaysia. He was appointed the Group Chief Executive Officer of Sime Darby Berhad in 2017.

MUHAMMAD NOOR ABD AZIZ @ HASHIM
Group Chief Financial Officer

Age	Nationality	Gender
54	Malaysian	Male

Academic/Professional Qualification/ Membership(s)
- Bachelor of Finance and Accounting, Salford University, United Kingdom
- Fellow, Chartered Institute of Management Accountants
- Member, Malaysian Institute of Accountants
- Advanced Management Programme, Harvard Business School
- Corporate and Financial Restructuring Programme, Amsterdam Institute of Finance

Present Directorship(s) in Listed Entity/ Other Public Companies
- Kumpulan Sime Darby Berhad
- Sime Darby Holdings Berhad
- Sime Darby Malaysia Berhad
- Sime Darby Allied Products Berhad
- UMW Holdings Berhad

Relevant Experience
Has over 29 years of experience as a finance and business leader, with expertise in manufacturing, logistics, e-commerce, package/freight delivery, healthcare, infrastructure solutions, and the automotive industry within FMCG, retail, concession and trading sectors. Before joining Sime, he was the Chief Financial Officer for UEM Edgenta Berhad and the Group Chief Financial Officer for Pos Malaysia Berhad.

ALICIA O'DONOGHUE
Group Chief Strategy Officer

Age	Nationality	Gender
48	Australian	Female

Academic/Professional Qualification/ Membership(s)
- Bachelor of Business (Management and Marketing), Monash University
- Bachelor of Communications (Psychology), Monash University
- Masters in Market Strategy, Monash University
- Master of Business Administration, University of Queensland

Present Directorship(s) in Listed Entity/ Other Public Companies
Nil

Relevant Experience
Has over 27 years of experience in senior strategy roles. She has worked for Deloitte London, PwC Australia and EY Oceania across a diverse set of industries and geographies. Immediately prior to joining Sime Group, she was the Vice President Markets and Strategy, Asia Pacific at Orica. She joined the Sime Group in 2020 as the General Manager of Portfolio Strategy for the Industrial Division and was promoted to Group Chief Strategy Officer in 2024.



Date of Appointment
1 October 2024

MEGAT SHAHRUL AZMIR NORDIN

Group Chief Corporate Services Officer

Age	Nationality	Gender
56	**Malaysian**	**Male**

Academic/Professional Qualification/ Membership(s)

- Bachelor of Science in Electrical Engineering, Widener University

Present Directorship(s) in Listed Entity/ Other Public Companies

Nil

Relevant Experience

Has over 30 years of expertise in strategy, growth, turnaround management, manufacturing and management consulting. He has a dual role as the Managing Director of the Equipment Division at Sime UMW. Prior to joining UMW, he held various leadership roles at General Electric, focusing on country strategy, business development and enterprise sales in Malaysia. He later served as Asia-Pacific Marketing Director for GE Power & Water, where he led strategic development and execution across 20 countries in the region.

Date of Appointment
1 August 2018

ROSELAINI FAIZ

Group Chief Human Resources Officer

Age	Nationality	Gender
61	**Malaysian**	**Female**

Academic/Professional Qualification/ Membership(s)

- Bachelor of Economics (majoring in Analytical Economics), University of Malaya

Present Directorship(s) in Listed Entity/ Other Public Companies

Nil

Relevant Experience

Had served as the Director of Human Capital & Communications at Danajamin Nasional Berhad. Prior to that, she was the Head of Human Resources at Hong Leong Bank Berhad. Her earlier roles included Director of Human Resources at CIMB Aviva Assurance Berhad, Chief Human Resources Officer at Kuwait Finance House (Malaysia) Berhad, Head of Rewards & Benefits Administration at Standard Chartered Bank Malaysia Berhad and Vice President of Compensation and Benefits at Citibank Berhad.

Date of Appointment
7 November 2022

DENY RAHARDJO

Group Chief Information & Digital Officer

Age	Nationality	Gender
55	**Singaporean**	**Male**

Academic/Professional Qualification/ Membership(s)

- Bachelor of Science in Computer Science, University of Bina Nusantara
- MBA in Finance, Indonusa Esa Unggul University
- PhD, Universitas Pelita Harapan

Present Directorship(s) in Listed Entity/ Other Public Companies

Nil

Relevant Experience

Has over 30 years of experience in the information and technology industry, having held senior global leadership roles across major automotive, manufacturing, semiconductor, telecommunications and IT software and services companies. He was the Chief Information Officer and a board member at APP Indonesia - Sinarmas Group. Additionally, he had an extensive career with Microsoft as the Area IT Head – APAC and GCR and as Vice President of IT – Managed Services with Telstra International, where he was responsible for business information systems, technology strategy, IT infrastructure, and the delivery of major enterprise solutions.

EXECUTIVE LEADERSHIP



LEE SMITH
Group Chief Safety Officer

Age	Nationality	Gender
53	Australian	Male

Academic/Professional Qualification/ Membership(s)
- Diploma of Occupational Health and Safety, Australasian College of Health and Safety
- Certificate of Occupational Health and Safety, Central Queensland University
- G3: G-MIRM Risk Management Systems (Global Minerals Industry Risk Management), The University of Queensland
- Deputy's Certificate of Competency for Underground Coal
- Mines, Queensland Board of Examiners
- Former Member, Queensland Coal Mining Safety and Health Advisory Committee – Minister-appointed
- Operators' Representative, Queensland Resources Council

Present Directorship(s) in Listed Entity/ Other Public Companies
Nil

Relevant Experience
Has over 22 years of global experience in senior health, safety, sustainability, environment and risk management roles across the mining, manufacturing and transportation section. He joined Hastings Deering in January 2023 as General Manager Health, Safety and Sustainability before being promoted as Group Chief Safety Officer in April 2025.

DEAN MEHMET
Managing Director, Industrial Division

Age	Nationality	Gender
62	Australian	Male

Academic/Professional Qualification/ Membership(s)
- Bachelor of Mechanical Engineering (Hons), Queensland University of Technology
- Stanford Executive Program in Organisational Leadership
- Member, Australian Institute of Company Directors

Present Directorship(s) in Listed Entity/ Other Public Companies
Nil

Relevant Experience
Has almost 41 years of industry experience, including 22 years in Chief Executive leadership roles at multinational corporations such as BlueScope Steel and Royal Dutch Shell. He joined the Group in 2012 as the Chief Operating Officer at Hastings Deering (Australia) Limited and was later promoted to Chief Executive Officer and Managing Director of the Hastings Deering Group, leading the entire industrial business portfolio across Australia, Papua New Guinea, Solomon Islands and New Caledonia. He was appointed Managing Director of Sime Darby Industrial – Australasia in 2020 before assuming his current role.

Note:
Dean Mehmet will retire as Managing Director, Industrial Division, with effect from 30 November 2026.

ANDREW BASHAM
Managing Director, Motors Division

Age	Nationality	Gender
60	Australian	Male

Academic/Professional Qualification/ Membership(s)
- Bachelor of Economics, University of Adelaide
- Fellow, Institute of Chartered Accountants

Present Directorship(s) in Listed Entity/ Other Public Companies
Nil

Relevant Experience
Has over 29 years of extensive experience in management, business development, and operations for leading global automotive brands. Began his career in audit and accounting with Price Waterhouse Australia before transitioning to distribution and logistics, eventually taking on senior management roles in various automotive companies.



DATO' MUSTAMIR MOHAMAD

Managing Director,
UMW Division

Age	Nationality	Gender
54	Malaysian	Male

Academic/Professional Qualification/ Membership(s)

- Bachelor of Science in Accounting and Finance, London School of Economics and Political Science
- Fellow, Institute of Chartered Accountants in England and Wales
- Member, Malaysian Institute of Accountants
- Advanced Management Programme, Harvard Business School

Present Directorship(s) in Listed Entity/ Other Public Companies

- Sime Darby Holdings Berhad
- UMW Holdings Berhad

Relevant Experience

Began his career at PricewaterhouseCoopers in London in 1995, followed by a seven-year tenure at Bank Negara Malaysia, where he was involved in investment operations and financial markets. He joined Sime's Group Strategy department in 2005 and later transitioned to the Group's Plantation Division where he led strategy and business development. Prior to his appointment as Managing Director of the UMW Division, he was the Group Chief Financial Officer of Sime from November 2017 to December 2023.

JUNAIDAH ABDUL RAHIM

Group Secretary

Age	Nationality	Gender
49	Malaysian	Female

Academic/Professional Qualification/ Membership(s)

- Bachelor of Laws with Honours and a Postgraduate Diploma in Legal Practice, Bond University
- Advocate & Solicitor to the High Court of Malaya
- Solicitor to the Supreme Court of New South Wales
- Member of the Malaysian Association of Company Secretaries

Present Directorship(s) in Listed Entity/ Other Public Companies

Nil

Relevant Experience

Has over 26 years of experience in the corporate and financial sectors. Prior to joining Sime she held executive leadership roles in ERS Energy Sdn Bhd, Bank Pembangunan Malaysia Berhad and Danajamin Nasional Berhad. Before taking on in-house legal and governance roles, she was a Partner with Albar & Partners, practising in the areas of corporate and banking & finance, with a focus on capital markets and corporate finance transactions.

Additional Information

1. None of the Executive Leadership has family relationship with any Director or major shareholder of Sime, conflict of interest or potential conflict of interest, including interest in any competing business with Sime or its subsidiaries or has been convicted of any offences, other than traffic offences, in the past five years or subject to public sanctions or penalties by relevant regulatory authorities during the financial year.

2. Directorships held by the Executive Leadership in other companies if any, are disclosed in the Executive Leadership section at https://www.sime.com/about/executive-leadership/.

3. The full profile of Executive Leadership is available on Sime's corporate website at https://www.sime.com/about/executive-leadership/.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A Board Leadership and Effectiveness

The Board of Directors (Board) of Sime is pleased to present this Corporate Governance (CG) Overview Statement, which explains how the Company implemented its corporate governance framework during the financial year under review to support effective oversight, responsible decision-making and sustainable value creation.

This CG Overview Statement has been prepared in accordance with the Main Market Listing Requirements (MMLR) of Bursa Malaysia Securities Berhad (Bursa Malaysia) and should be read together with Sime's Corporate Governance Report (CG Report), which set out the Company's application of each Practice under the Malaysian Code on Corporate Governance 2021 (MCCG 2021) and is available on the Company's website at www.sime.com/investor-relations/annual-reports/.

The Company's corporate governance practices are guided by, and have been reviewed against, the three principles of the MCCG 2021:

PRINCIPLE A	PRINCIPLE B	PRINCIPLE C
Board Leadership and Effectiveness	**Effective Audit and Risk Management**	**Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders**

During the financial year under review, the Company applied the Practices under the MCCG 2021 except Practice 8.2, which recommends disclosure – on a named basis and in bands of RM50,000, of the remuneration components of the top five Senior Management personnel. The reasons for the departure and the alternative measures adopted by the Company are set out in the CG Report.

The Board's key areas of focus during the financial year under review included the Group's strategic plan, Return on Equity (ROE) improvement initiatives, Board and Senior Management succession planning, business and portfolio priorities, sustainability-related priorities, risk management and internal controls. Further details of the Board's activities are set out under "Key Board and Board Committees' Activities of FY2026".

BOARD RESPONSIBILITIES AND GOVERNANCE FRAMEWORK

The Board is responsible for the leadership, governance and long-term success of the Group. It sets the Group's strategic direction, oversees business and financial performance, and monitors the effectiveness of the Group's governance, risk management and internal control frameworks.

In discharging its responsibilities, the Board acts in accordance with the Company's Constitution, applicable laws and regulatory requirements. The Group's governance framework is informed by, among others:

a Companies Act 2016

b MMLR of Bursa Malaysia

c Guidelines on Conduct of Directors of Listed Corporations and their subsidiaries published by the Securities Commission of Malaysia

d MCCG 2021

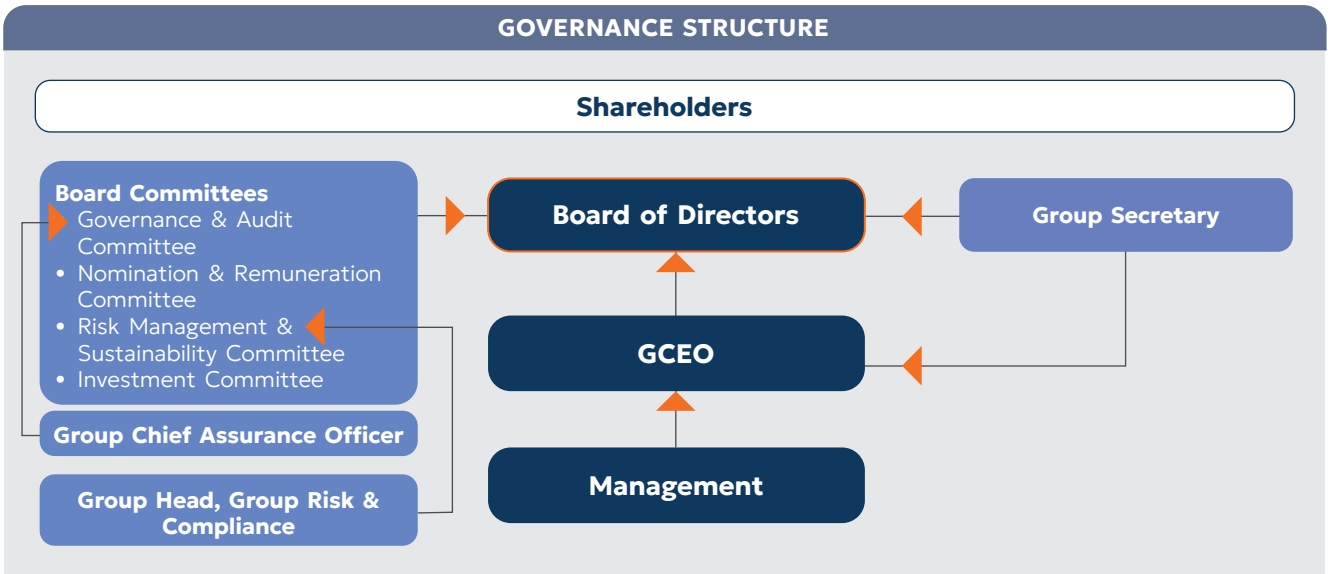
e Corporate Governance Guide 4th Edition issued by Bursa Malaysia

f Relevant institutional investors' corporate governance and voting guidelines

The Board Charter serves as the primary governance document, outlining the roles and responsibilities of the Board, individual Directors and Board Committees, and identifies matters reserved for the Board's decision. The Board Charter is available on the Company's website at https://www.sime.com/sustainability/governance/.

The Board delegates specific responsibilities to its Committees within their respective Terms of Reference (TOR) but retains ultimate responsibility for the Group's performance and affairs. The Group Policies and Authorities (GPA) further define the limits of authority of the Board, the GCEO and Management, and set out the principal policies applicable across the Group. They are subject to regular review to ensure their continued effectiveness, relevance and alignment with evolving corporate governance standards and regulatory requirements.

The Board governance structure is illustrated below:



CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A Board Leadership and Effectiveness

BOARD LEADERSHIP & DEMARCATION OF RESPONSIBILITIES

The positions of Chairman, GCEO and Senior Independent Director are held by different individuals. Their respective responsibilities are defined in the Board Charter to maintain clear accountability between Board leadership, executive management and independent oversight.

Designation/Directorship	Roles and Responsibilities
Chairman	Dato' Abdul Rahman Ahmad was appointed as Chairman and Non-Independent Non-Executive Director (NINED) with effect from 7 May 2026, following the departure of Tan Sri Samsudin Osman on 31 December 2025. The Chairman leads the Board, sets its agenda and promotes an environment in which Directors can contribute openly and constructively. With the support of the Group Secretary, the Chairman ensures that Directors receive accurate, timely and relevant information to support informed deliberation and decision-making. The Chairman sets the tone at the top, champions the adoption of good corporate governance practices across the Group, and promotes Board effectiveness by providing leadership on strategy, governance and compliance matters.
Group Chief Executive Officer (GCEO)	Dato' Jeffri Salim Davidson, the GCEO, is responsible for the day-to-day management of the Group and the implementation of the strategies, policies and decisions approved by the Board. The GCEO is accountable to the Board for the Group's operational and financial performance and is supported by Management in executing the Group's strategic priorities.
Senior Independent Director	Mr Thayaparan Sangarapillai, the Senior Independent Director, provides independent counsel to the Chairman, acts as an intermediary for Directors where necessary and serves as an alternative point of contact for shareholders and stakeholders whose concerns cannot appropriately be addressed through the Chairman or GCEO. The Senior Independent Director also oversees the Group's whistleblowing framework, including the process by which material concerns are investigated and escalated. Mr Thayaparan will retire from the Board on 30 November 2026 upon completing his nine years as an Independent Director, in accordance with the Board's tenure policy. The NRC is undertaking succession planning to support the orderly transition of his responsibilities, with the appointments to the roles of Senior Independent Director and Chairman of the GAC to be assessed and recommended to the Board closer to his retirement.

BOARD COMMITTEES

The Board has established four Committees to assist in discharging its responsibilities:

- Governance & Audit Committee (GAC)
- Nomination & Remuneration Committee (NRC)
- Risk Management & Sustainability Committee (RMSC)
- Investment Committee (IC)

Each Committee operates under its own TOR approved by the Board, which is available on Sime's website at https://www.sime.com/sustainability/governance/.

The Chairman of the Board does not chair any Board Committee, and all Board Committees comprise Non-Executive Directors (NEDs). Each Board Committee considers matters within its mandate and reports its principal deliberations and recommendations to the Board. Committee Chairpersons brief the Board after each meeting, and minutes of Board Committee meetings are tabled for the Board's review. The Board retains overall responsibility for matters delegated to the Committees. Each Committee is supported by the Group Secretary and may, where necessary, seek independent professional advice, in the discharge of its duties.

ROLES OF BOARD COMMITTEES

a Governance & Audit Committee

The GAC assists the Board in overseeing:

- the integrity of the Group's financial reporting;
- the adequacy and effectiveness of the Group's governance and internal control systems;
- independence and effectiveness of the internal and external audit functions; and
- material internal audit investigation outcomes and remedial actions.

The GAC comprises five Independent Non-Executive Directors (INEDs), exceeding the applicable minimum composition and independence requirements under the MMLR of Bursa Malaysia.

Name	Membership/Designation
Thayaparan Sangarapillai	Chairman/INED
Tan Sri Muhammad Shahrul Ikram Yaakob	Member/INED
Scott William Cameron	Member/INED
Tengku Dato' Sri Azmil Zahruddin Raja Abdul Aziz	Member/INED
Dato' Seri Ahmad Johan Mohammad Raslan[1]	Member/INED

Note:
[1] Appointed as a member with effect from 1 July 2026

Dato' Seri Ahmad Johan Mohammad Raslan was appointed to the GAC with effect from 1 July 2026 as part of the Board and Committee succession plan, having regard to the impending retirement of the current GAC Chairman upon completion of his nine-year tenure. The appointment provides a transition period and supports continuity in the GAC's composition and oversight.

b Nomination & Remuneration Committee

The NRC assists the Board in relation to:

- Board and Board Committee appointments and composition;
- Board, Board Committee and Senior Management succession planning;
- annual Board and Board Committee effectiveness assessments;
- Directors' fit and proper assessments;
- NEDs and Management remuneration framework and policies; and
- Directors' training.

The NRC comprises four NEDs, three of whom are INEDs.

Name	Membership/Designation
Dato' Dr. Nirmala Menon	Chairperson/INED
Tan Sri Muhammad Shahrul Ikram Yaakob	Member/INED
Professor Emeritus Datuk Ts. Ir. Dr. Siti Hamisah Tapsir, FASc	Member/INED
Hanizan Hood	Member/NINED

c Risk Management & Sustainability Committee

The RMSC assists the Board in overseeing:

- the Group's risk management framework and processes;
- the identification, assessment and management of key risks and emerging risks affecting the Group;
- the Group's sustainability strategy and framework;
- the material sustainability-related risks and opportunities;
- climate-related matters; and
- performance against the Group's sustainability priorities and measures.

The RMSC comprises six NEDs, four of whom are INEDs.

Name	Membership/Designation
Tan Sri Ahmad Badri Mohd Zahir	Chairman/NINED
Dato' Lee Cheow Hock Lawrence	Member/NINED
Moy Pui Yee	Member/INED
Thayaparan Sangarapillai	Member/INED
Tengku Dato' Sri Azmil Zahruddin Raja Abdul Aziz	Member/INED
Dato' Seri Ahmad Johan Mohammad Raslan[1]	Member/INED

Note:
[1] Appointed as a member with effect from 1 July 2026

Dato' Seri Ahmad Johan Mohammad Raslan was also appointed to the RMSC with effect from 1 July 2026 as part of the Board's succession and Committee composition planning. His appointment reflects the strength of his sustainability competency, as assessed against the Board Competency Matrix, and complements the existing skills and experience of the RMSC.

d Investment Committee

The IC assists the Board in evaluating significant business and investment proposals, including acquisitions, partnerships, disposals and major capital expenditure. In undertaking its review, the IC considers the strategic rationale, expected financial and non-financial benefits, principal risks, mitigation measures and alignment with the Group's capital allocation priorities before making recommendations to the Board.

The Committee also monitors the implementation of the Group's strategy and material strategic initiatives and considers relevant industry and market developments.

The IC comprises four NEDs, two of whom are INEDs.

Name	Membership/Designation
Dato' Lee Cheow Hock Lawrence	Chairman/NINED
Scott William Cameron	Member/INED
Dato' Dr. Nirmala Menon	Member/INED
Hanizan Hood	Member/NINED

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A Board Leadership and Effectiveness

BOARD CHANGES AND SUCCESSION DURING FY2026

The composition and leadership of the Board changed during FY2026 as part of the Board's succession and renewal process:

- Tan Sri Samsudin Osman resigned as Chairman and NINED on 31 December 2025.
- Encik Edree Ahmad resigned as Alternate Director to Puan Hanizan Hood with effect from 31 December 2025.
- Puan Hanizan Hood assumed the role of Interim Chairperson pending the appointment of a new Chairman on 1 January 2026.
- Dato' Abdul Rahman Ahmad was appointed as Chairman and NINED on 7 May 2026.
- Encik Hafiz Imran Ahmad Rashidi was appointed as Alternate Director to Puan Hanizan Hood on 7 May 2026.
- Dato' Seri Ahmad Johan Mohammad Raslan was appointed as an INED on 1 July 2026 as part of the Board's succession and competency renewal process.

These changes were considered within the Board's succession framework and against the Board Competency Matrix to maintain an appropriate balance of independence, experience and competencies.

BOARD COMPOSITION AND DIVERSITY

The Board's composition is guided by the Board Composition Policy, which supports an appropriate mix of independence, skills, experience, professional background, gender, age and perspectives.

In February 2026, the Board formalised a Board Competency Matrix to support Board succession planning and renewal. The Matrix serves as a structured tool to identify competencies required to oversee the Group's strategy and businesses, assess the Board's collective strength and identifies competency gaps and succession priorities.

The NRC uses the Matrix when considering prospective Director appointments, Board and Board Committee composition, and succession priorities.

The Matrix distinguishes between essential and complementary competencies and will be reviewed periodically to maintain alignment with the Group's strategic priorities and operating environment.

As at 30 September 2026, the Board comprised 13 Directors, compared with 12 Directors previously. The temporary increase was undertaken to facilitate Board and Board Committee succession ahead of Mr Thayaparan Sangarapillai's retirement on 30 November 2026 upon completing nine years as an Independent Director. The overlap provides a transition period and supports continuity in Board and Board Committee responsibilities.

The Board comprised eight INEDs, four NINEDs and the GCEO as the executive director. Independent Directors therefore constituted a majority of the Board, exceeding the one-third independence requirement under the MMLR of Bursa Malaysia and aligning with MCCG 2021 recommendation for a majority-independent Board.

As of 30 September 2026, the Board comprised four female Directors, representing 31% of the Board and meeting the recommendation under Practice 5.9 of the MCCG 2021. Women also represented 25% of the Group's workforce and 30% of executive leadership roles.

ROLE OF INDEPENDENT DIRECTORS

Independent Directors provide objective oversight and constructive challenge of Management's proposals, performance and assumptions. Their collective presence supports balanced Board deliberation and protects the interests of the Company and its shareholders as a whole.

The INEDs meet twice annually without the presence of NINEDs and Management. These sessions provide a dedicated forum for the Independent Directors to discuss matters affecting Board effectiveness, governance and the Group's affairs, and to identify matters requiring further deliberation by the full Board. The Senior Independent Director chairs these sessions and, where appropriate, escalates the matters raised to the Chairman or the Board.

The Board has adopted a tenure policy under which an Independent Director does not serve beyond a cumulative period of nine years. Each Independent Director provides an annual declaration of independence. In assessing independence, the NRC and the Board consider, amongst others, the criteria under the MMLR of Bursa Malaysia, the Director's relationships and circumstances, the ability to exercise independent judgement and relevant findings from the annual Board Effectiveness Assessment (BEA). Having considered the annual declarations and the results of the BEA 2026, the Board was satisfied that the Independent Directors continued to demonstrate independence of character and judgement.

DIRECTORS' FIT AND PROPER POLICY

The Board has adopted a Fit and Proper Policy for the appointment and re-election of Directors. The Policy provides for assessment of, among other matters: character and integrity, experience and competence, time commitment, reputation and financial integrity. The NRC undertakes the assessment and makes its recommendation to the Board. The Policy is available on the Company's website at https://www.sime.com/sustainability/governance/.

BOARD APPOINTMENTS & INDUCTION

Board appointments are undertaken through a structured process overseen by the NRC.

Candidates are assessed under the Directors' Fit and Proper Policy and mapped against the Board Competency Matrix to determine how their skills, experience and attributes would complement the Board's existing strengths, address identified succession or competency needs and support the Group's strategic priorities.

In accordance with the Board Charter and the Board Composition Policy, the NRC also considers the Board's size, independence, diversity, tenure profile, Board Committee composition and the annual BEA outcomes before recommending an appointment to the Board. Candidates may be identified through Directors, major shareholders, Management or external search firms. Irrespective of the source of nomination, candidates are subject to the same assessment and recommendation process.

New Directors undergo a formal induction programme covering the Group's governance framework, strategy, business, financial position, principal risks and key operating markets. During the year, formal induction programmes were conducted for Dato' Abdul Rahman Ahmad and Dato' Seri Ahmad Johan Mohammad Raslan.

Directors are required to notify the Chairman before accepting other directorships. As at 30 September 2026, no Director held more than five directorships in listed issuers, in compliance with paragraph 15.06 of the MMLR of Bursa Malaysia.

BOARD ATTENDANCE AND ACCESS TO INFORMATION

The Board recognises that consistent attendance and active participation are essential to effective governance and informed decision making. During the financial year under review, the Board convened 10 meetings, comprising seven scheduled meetings and three unscheduled meetings. The attendance of each Director is set out below:

Board		Scheduled Meeting	Unscheduled Meeting	Total
Dato' Abdul Rahman Ahmad^		2/2	–	2/2
Thayaparan Sangarapillai		7/7	2/3	9/10
Tan Sri Ahmad Badri Mohd Zahir		7/7	3/3	10/10
Tan Sri Muhammad Shahrul Ikram Yaakob		7/7	3/3	10/10
Dato' Lee Cheow Hock Lawrence		7/7	2/3	9/10
Moy Pui Yee		7/7	3/3	10/10
Dato' Dr. Nirmala Menon		7/7	3/3	10/10
Scott William Cameron		7/7	2/3	9/10
Tengku Dato' Sri Azmil Zahruddin Raja Abdul Aziz		7/7	3/3	10/10
Professor Emeritus Datuk Ts. Ir. Dr. Siti Hamisah Tapsir, FASc		7/7	3/3	10/10
Hanizan Hood		7/7	3/3	10/10
Dato' Jeffri Salim Davidson		7/7	3/3	10/10
Dato' Seri Ahmad Johan Mohammad Raslan#		n/a	n/a	n/a
Tan Sri Samsudin Osman@		3/4	2/2	5/6*

Notes:
** Reflects the number of meetings attended during the period of office held*
@ Resigned on 31 December 2025
^ Appointed on 7 May 2026
 # Appointed on 1 July 2026
n/a – Not Applicable

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A Board Leadership and Effectiveness

During the financial year, Puan Hanizan Hood attended all Board and Board Committee meetings for which she was eligible to attend. Accordingly, her Alternate Director was not required to attend any such meetings on her behalf.

Board and Board Committee meeting dates are scheduled in advance. Directors receive agenda papers and supporting materials through a secure digital platform. Management and external advisers attend meetings where their input is required to support decision-making.

The Group Secretary supports the Board by coordinating meetings, ensuring the timely circulation of materials, maintaining records of deliberations and decisions and keeping Directors informed of relevant governance and regulatory developments.

INDEPENDENT JUDGEMENT AND MANAGEMENT OF CONFLICTS

Directors are expected to exercise independent judgement and act in the best interests of the Company.

To safeguard the integrity of the Board's decision-making process, Directors are required to declare any conflicts of interest at the commencement of each meeting. When a conflict arises, the affected Director is required to comply with the applicable mitigation measures, which may include leaving the meeting during the relevant deliberation, not participating in the discussion and abstaining from voting.

The Group's Conflict of Interest Guideline establishes the Group's framework for identifying, disclosing, assessing and managing conflicts of interest. Directors' conflict disclosures during the financial year under review are set out in the Board of Directors section on page 97 of this Annual Report 2026.

In addition, the NEDs meet at least once annually without Management present to facilitate candid discussion on matters relevant to the Board's oversight responsibilities, including the performance of Management and any concerns that may be more appropriately considered in Management's absence. The Chairman communicates relevant feedback and follow-up actions to Management, where appropriate.

KEY BOARD AND BOARD COMMITTEES' ACTIVITIES OF FY2026

During FY2026, the Board focused on the Group's strategic execution, financial and operational performance, governance, risk management and succession.

Strategy and Business Performance

The Board:

- reviewed the Group's strategic plan and the initiatives required to improve returns;
- considered the Group's business priorities, including the performance of key operating markets and implementation of material projects;
- reviewed annual budgets and challenged the underlying assumptions, risks and performance targets;
- considered emerging trends, competitive and industry developments;
- reviewed measures to improve operational efficiency, recurring earnings and capital discipline; and
- evaluated the GCEO's key performance indicators against the Group's priorities.

Financial Performance and Capital Management

The Board:

- reviewed quarterly and full year financial performance and recommendations from the GAC;
- reviewed proposed dividend and the underlying solvency assessments;
- considered the Group's balance sheet, cash flow, capital allocation and Return on Equity; and
- reviewed the appointment and proposed remuneration of the external auditors.

Governance, Risk and Succession

The Board:

- reviewed the Group's risk profile and received regular updates from RMSC;
- reviewed internal control environment and received regular updates from the GAC;
- considered related party transactions and Directors' conflicts of interest;
- approved changes to Board composition;
- reviewed Board, Board Committee and Senior Management succession;
- considered appointments and contract renewals for key Management positions; and
- considered the outcomes of the BEA 2026 and related follow-up priorities.

BOARD FOCUS AREAS FOR THE NEXT FINANCIAL YEAR

The Board's priorities for the next financial year include:

- monitoring delivery of the Group's strategic and financial targets through clearer divisional, country and entity-level measures;
- strengthening cost discipline, operational efficiency and sustainable margin improvement;
- overseeing portfolio optimisation and turnaround priorities; and
- continuing Board, Board Committees and Senior Management succession.

Board Committees Activities

During FY2026:

- the GAC held five meetings. *Refer to the GAC Report on page 122 for details of key matters discussed during the financial year;*
- the NRC held eight meetings. *Refer to the NRC Report on page 114 for details of key matters discussed during the financial year;*
- the RMSC held five meetings. *Refer to the RMSC Report on page 127 for details of key matters discussed during the financial year;* and
- the IC held six meetings. *Refer to the IC Report on page 134 for details of key matters discussed during the financial year.*

BOARD EFFECTIVENESS ASSESSMENT

The Board conducts an annual BEA covering the Board, Board Committees and individual Directors. Following the externally facilitated assessment conducted by the Institute of Corporate Directors Malaysia (ICDM) in 2025, the BEA 2026 was conducted internally through a structured questionnaire, which maintained continuity with the prior-year themes and reviewed progress against the key priority areas arising from the ICDM review, without duplicating the comprehensive externally facilitated assessment.

The NRC reviewed the findings and presented the recurring themes to the Board. The Board noted the progress made against the areas identified in the externally facilitated assessment conducted by ICDM in 2025 and agreed that the findings would continue to inform ongoing improvements. Individual Director feedback was provided to the Chairman to support confidential discussions with the respective Directors.

The assessment affirmed that the Board and its Committees continued to operate effectively and remained within the range expected of a high-performing Board, consistent with the findings of the 2025 assessment.

BOARD ENGAGEMENT

During the financial year under review, the Board's engagement programme was aligned with the Group's principal strategic issues and markets.

A Board and Management Strategy Retreat was held in Beijing to coincide with the Beijing Auto Show. The programme provided Directors with first-hand exposure to the rapid development of Chinese automotive manufacturers and the competitive and technological changes reshaping the automotive industry. The retreat also enabled the Board to consider the implications of these developments for the Group's automotive portfolio, market positioning and capital allocation priorities.

Directors also engaged with key principals, including BMW and Caterpillar, on their respective strategies, market developments and areas of alignment with the Group. The Board received perspectives on BMW's product and market plans, including the Neue Klasse range and Caterpillar's competitiveness and strategic priorities.

The Board also received updates on:

- engagements with Toyota and other Japanese stakeholders;
- developments relevant to market share and product strategy;
- the Group's engagements with the Malaysian Government; and
- the Group's contribution to national priorities, including local assembly and increased local content.

These engagements supplemented formal Board papers by providing Directors with direct market, partner and stakeholder perspectives relevant to the Group's strategy and oversight responsibilities.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE A Board Leadership and Effectiveness

DIRECTORS' TRAINING

Directors' development needs are considered by referencing the annual BEA, changes in the Group's strategy and operating environment, regulatory developments and individual development priorities.

The Company facilitates periodic Board and offsite briefings on matters relevant to the Group and shares suitable external and internal training opportunities with Directors. Individual Directors remain responsible for identifying and pursuing additional development appropriate to their respective roles and needs. Where a specific development need is identified, the Group Secretary supports the Director in sourcing an appropriate programme. Directors also receive targeted briefings on emerging developments through Board and Management presentations, including updates on technology, AI, cybersecurity, and sustainability.

As at 30 September 2026, all Directors have completed the Mandatory Accreditation Programme (MAP) Part I. Save for Encik Hafiz Imran Ahmad Rashidi, who is scheduled to complete MAP Part II within the timeframe prescribed by Bursa Securities, all Directors have completed the MAP Part II, as prescribed by Bursa Securities.

Details of the training programmes attended by the Directors during the financial year are set out below.



Governance and Leadership:

"LTIP Roadshow Session with PNB Nominee Directors and NRC Chairs", "Dialogue Session with Securities Commission", "FIDE Core Program Module A & B", "Chairperson's Circle – Excellence in Board Leadership", "Board Effectiveness Workshop", "The Power of the Chair: How Boardroom Dynamics Shape Outcomes", "Governing with an Ethical Lens" "Boardroom Blind Spots: Navigating Grey Zones and Managing Conflicts of Interest", "Conflict of Interest", "Building a Resilient Organisation", "YTL Lead Conference", "Trust on Trial: Fiduciary Duties in Modern Boardroom", "Empowering Educators: Transformational Leadership for 21st Century Teaching", "Educational Leadership in PHEI", "Caffeine & Conversations: A Private CEO Dialogue on Leadership Through Disruption".



Sustainability and ESG:

"Strategy Dialogue on Sustainable Finance with Dr. Ma Jun", "IFRS Sustainability Disclosure Standards (IFRS SDS) and Malaysia's National Sustainability Reporting Framework (NSRF)", "Future-Proofing the Board: ISSB Standards and the Next Frontier of ESG Leadership", "Strategic Success on the Path to Net Zero", "Covid-19 Pandemics: Science Diplomacy in Action", "Ethical Challenges and Public Policy Responses", "Future-Proofing OneHealth Action for Regional and Global Health Security".



Technology and Risk:

"AI Development Session for Board Members", "AI in the Boardroom", "Cybersecurity Insight – Briefing for Executives", "Cybersecurity Session for Board Members", "Board Session on Data Management", "Workshop on Recovery Planning", "Cybersecurity & Emerging Technology Risk", "ICAEW Ethics Course Module 3.5: AI Ethics for Accountant", "Healthcare and Education Reimagined: The UCSI Model of Entrepreneurial Growth".



Finance and Regulatory Updates:

"Board Training Session on Islamic Finance", "Overview of MFRS 9 and MFRS 136 by PwC", "In-House Training on Basel III Requirements", "Anti-Money Laundering and Counter Financing of Terrorism (AML/CFT) Training", "2026 BNM Address on the Malaysian Economy & Panel Discussion".



Specialised Topics:

"China Market Update", "Khazanah Megatrends Forum (KMF)", "Gemilang Fellowship Forum with MKII", "PNB Knowledge Forum", "The Return of the State: Macro and Markets in the Age of Economic Security", "Braving Beyond Horizons", "ASEAN Business and Investment Summit 2025", "ASEAN Inclusive Growth Summit 2025", "Global Activity and Operating Environment", "SIDC-IMD Executive Learning Expedition to Shenzhen – Discover Innovation, Disruption & Strategic Growth in the World's Fastest-Changing Market".

ACCESS TO GROUP SECRETARY AND OTHERS

Puan Junaidah Abdul Rahim, the Group Secretary, is qualified to act as a company secretary under Section 235 of the Companies Act 2016, with her roles and responsibilities clearly defined in the Board Charter. The Group Secretary advises the Board on governance matters and supports the effective conduct of Board and Board Committee meetings, including:

- preparation of meeting agendas;
- timely circulation of papers;
- accurate recording of deliberations and decisions;
- communication of follow-up actions;
- maintenance of statutory records; and
- updates on relevant regulatory and governance developments.

Directors have unrestricted access to the Group Secretary, Management, internal and external auditors and advisers, and relevant information required to discharge their duties. Where necessary, Directors may obtain independent professional advice at the Company's expense, subject to consultation with the Chairman and approval of the Board.

ETHICS AND INTEGRITY

The Board oversees the Group's ethics and integrity framework through the GAC and the Senior Independent Director. The GAC Chairman reports to the Board on significant internal control matters, investigation outcomes and remedial actions arising from the Committee's deliberations.

The Board reviews whistleblowing statistics and case trends, including root causes, the timeliness and independence of investigations, consequence management and corrective actions intended to prevent recurrence. The Senior Independent Director oversees the whistleblowing framework and provides independent oversight of the manner in which material concerns are investigated and escalated.

This oversight is supported by the Code of Business Conduct, Anti-Bribery and Anti-Corruption Policy, Conflict of Interest Guideline and Whistleblowing Charter and Framework.

SUSTAINABILITY

The Board oversees the integration of material sustainability considerations into the Group's strategy, risk management and business planning, supported by the RMSC.

During FY2026, the RMSC received updates on the Group's climate-related risk assessment, sustainability performance and the processes supporting the measurement and reporting of key sustainability data. The Board considered these matters through reports and recommendations from the RMSC and its review of the Sustainability Statement, including progress against the Group's emissions targets and sustainability priorities.

The Group continues to enhance its sustainability-related disclosures in line with the applicable National Sustainability Reporting Framework requirements. Further information on the Group's material sustainability matters, governance, strategy, risk management, metrics and targets is set out in the Creating Sustainable Value section on pages 62 to 87 of this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE B **Effective Audit and Risk Management**

The Board is responsible for ensuring that the Group's financial statements provide a balanced, clear and accurate representation of its financial position, performance and prospects.

FINANCIAL REPORTING

The GAC reviews the Group's quarterly and annual financial statements, significant accounting judgments and matters raised by the external auditors before recommending the quarterly reports and financial statements to the Board for approval.

The Statement of Responsibility by the Board of Directors for the preparation of the audited financial statements of the Company and the Group is disclosed on page 160 of this Annual Report.

For the financial year under review, no accounting irregularities were reported by either the internal or external auditors.

RELATIONSHIP WITH EXTERNAL AUDITORS

The GAC oversees the appointment, independence and effectiveness of the external auditors. The GAC meets the external auditors at each quarterly meeting without Management present, except for the Group Secretary. These private sessions allow the external auditors to raise matters relating to the audit, access to information, Management's cooperation or other concerns directly with the Committee.

Where the external auditors provide non-audit services during the financial year, the GAC reviews the aggregate fees of such engagement and considers whether the services could impair auditor independence or objectivity.

The GAC assesses the external auditors annually, taking into account:

- independence and objectivity;
- professional competence;
- experience and resources;
- audit quality;
- responsiveness;
- communication with the GAC; and
- effectiveness of the audit process.

The outcome of the assessment informs the GAC's recommendation to the Board on the appointment or reappointment of the external auditors.

INTERNAL AUDIT

The internal audit function is carried out by Group Corporate Assurance (GCA), which reports functionally to the GAC and has unrestricted access to the Committee. GCA provides independent assurance on the adequacy and effectiveness of the Group's governance, risk management and internal control processes, and monitors Management's implementation of agreed corrective actions.

Audit findings, Management responses and remediation plans are reported to the GAC for review. GCA also meets privately with the GAC at each quarterly meeting without Management present, except for the Group Secretary. These sessions allow GCA to raise matters relating to the scope of its work, access to information, Management responsiveness or other concerns directly with the Committee.

Further information on GCA's activities during FY2026 is set out in the GAC Report on pages 122 to 126.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board is responsible for maintaining an effective system of risk management and internal control across the Group, encompassing financial, operational, compliance and sustainability-related risks. The RMSC assists the Board by reviewing:

- the Group's risk management framework;
- principal and emerging risks;
- risk appetite and tolerances;
- mitigation plans;
- the status of significant risk incidents; and
- the alignment of risk management with the Group's strategy.

The GAC oversees matters relating to financial reporting, internal controls, assurance and compliance within its mandate. This complementary Committee oversight supports the Board's overall assessment of the Group's risk management and control environment. The system is designed to manage the risk of failure to achieve business objectives and provide reasonable assurance against material misstatement or loss.

Further information is set out in:

the Statement on Risk Management and Internal Control on pages 136 to 143;

the Enterprise Risk Management section on pages 38 to 41;

the GAC Report on pages 122 to 126; and

the Sustainability Creating Sustainable Value section on pages 62 to 87.

PRINCIPLE C Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

The Board oversees the Group's stakeholder engagement and disclosure practices to support timely, accurate, balanced and equal access to material information. The Group engages with a broad range of stakeholders, including shareholders, investors, employees, customers, regulatory authorities, local communities, non-governmental organisations and the media. Matters raised through these engagements are reported through the applicable Management, Board or Board Committee channels where they are relevant to the Group's strategy, risks, operations or stakeholder relationships.

The Company seeks to treat shareholders fairly and equitably and to avoid selective disclosure of material information. Material information is communicated through the appropriate Bursa Securities announcements and the Company's established reporting and engagement channels.

Further details on the Group's stakeholder engagement approach and activities are set out in the Stakeholder Engagement and Value Creation section on pages 26 to 31 of this Annual Report.

ANNUAL GENERAL MEETING

The Annual General Meeting (AGM) is the principal forum for engagement between the Board and shareholders. It enables shareholders to consider the Company's performance, vote on resolutions and raise questions directly with the Board and Management. The Notice of AGM, proposed resolutions and supporting information are provided to shareholders at least 28 days before the meeting to support informed participation.

The 19th AGM of Sime was held in a hybrid format on 13 November 2025. All Directors attended the meeting, together with Management and external auditors. During the meeting, the GCEO presented an overview of the Group's performance, key developments and outlook. Questions raised by shareholders, including those submitted by the Minority Shareholders Watch Group and Permodalan Nasional Berhad, were addressed by the Board and Management.

In line with the Company's commitment to transparency, the minutes of the 19th AGM were published on the Company's website within 30 business days after the meeting.

NOMINATION & REMUNERATION COMMITTEE REPORT



> This report outlines Nomination & Remuneration Committee's (NRC) activities during the financial year in assisting the Board on matters of Board composition and succession, leadership continuity and remuneration governance across the Group.

Dato' Dr. Nirmala Menon
Chairperson of the Nomination & Remuneration Committee

COMPOSITION

In compliance with Paragraph 15.08A(1) of the MMLR of Bursa Malaysia, the NRC comprises exclusively Non-Executive Directors (NEDs), with a majority being Independent Non-Executive Directors. The NRC complies with Practices 1.4 and 5.8 of the MCCG 2021, which provide that the Board Chairman should not be a member of the NRC and that the NRC should be chaired by an Independent Director or the Senior Independent Director. Sime's NRC is currently chaired by an Independent Director.

ROLES AND RESPONSIBILITIES

The NRC's role, among others, is to support the Board in discharging its responsibilities by ensuring the Board remains effective and well balanced with the required mix of skills, experience and knowledge. The NRC also ensures adequate focus on succession planning of critical roles within the Group and recommends to the Board the remuneration structure for the NEDs and the Group's remuneration and bonus framework.

In carrying out its entrusted responsibilities, the NRC plays a pivotal role in shaping the Group's leadership landscape, fostering long-term sustainable growth and enabling the achievement of its strategic objectives. Through a rigorous nomination and review process, the NRC reinforces the Group's commitment to excellence, transparency and governance best practices.

The Terms of Reference (TOR) outlining the authority, duties and responsibilities of the NRC can be accessed on the Company's website at https://www.sime.com/sustainability/governance/.

The composition of the NRC and the attendance record of its members for the financial year under review are as follows:

Members	Membership/Designation	Appointment	Attendance	
			Scheduled Meeting	Unscheduled Meeting
Dato' Dr. Nirmala Menon	Chairperson/Independent Non-Executive Director	15 November 2022	6/6	2/2
Tan Sri Muhammad Shahrul Ikram Yaakob	Member/Independent Non-Executive Director	25 July 2022	6/6	2/2
Professor Emeritus Datuk Ts. Ir. Dr. Siti Hamisah Tapsir, FASc	Member/Independent Non-Executive Director	8 March 2024	6/6	2/2
Hanizan Hood	Member/Non-Independent Non-Executive Director	1 July 2025	5/6*	1/2*

Note:
** Recused from the NRC meetings held during her tenure as Interim Board Chairperson, consistent with the MCCG principle that the Board Chairperson should not serve on the NRC.*

MEETINGS AND ATTENDANCE

During the financial year under review, the NRC held eight meetings, comprising six scheduled meetings and two special meetings to consider time-sensitive matters. All meetings were duly convened and conducted in accordance with the NRC's TOR, with the requisite quorum present. Meeting dates were scheduled in advance to facilitate effective planning, while agendas and meeting materials were circulated through a secure digital platform to enable informed deliberations.

KEY ACTIVITIES OF FY2026

During the financial year ended 30 June 2026, the NRC discharged its responsibilities under its TOR by supporting the Board on matters relating to Board composition and succession, leadership continuity, remuneration governance, talent management and corporate governance practices. Its deliberations were directed at ensuring that the Group continued to maintain an effective Board, a credible leadership pipeline and remuneration frameworks that support sustainable long-term value creation.

In fulfilling its nomination responsibilities, the NRC reviewed proposals for the re-election of Directors standing for re-election at the 20th AGM, considered Board succession priorities including changes in Board leadership, Board competency requirements, and assessed candidates for Board appointments and re-appointments.

The NRC also reviewed succession plans for the GCEO and Senior Management to strengthen leadership continuity and organisational resilience. In parallel, the NRC considered key remuneration and human capital matters, including Non-Executive Directors' (NEDs) fees and benefits, a Board Remuneration Review with the assistance of an external consultant, employees' annual salary increment and market adjustment proposals, fixed-term contract renewals for key senior management positions, the GCEO's performance scorecard, and matters relating to long-term incentive arrangements.

As part of its governance oversight, the NRC reviewed the continued independence of the Independent Directors, considered actual, potential or perceived conflicts of interest relevant to Board appointments and re-election, governance-related disclosures for inclusion in the Annual Report and the Corporate Governance Report, and workforce-related matters through the Global Employee Engagement Survey. During the year, the Board Composition Policy was also amended to formalise the development and use of a Board Competency Matrix as part of the Board's governance framework for succession planning, appointment, re-election and training considerations.

FIT AND PROPER POLICY

Pursuant to Paragraph 15.01A of the MMLR of Bursa Malaysia, listed issuers are required to establish a comprehensive Fit and Proper Policy to govern the appointment and re-election of directors of the listed issuer and its subsidiaries. Sime's Fit and Proper Policy, established on 16 February 2022, sets out the criteria for assessing directors standing for re-election as well as the process for evaluating candidates for new appointments with a focus on character and integrity, experience, competence and time commitment.

During the financial year under review, the Board, through the NRC, assessed the fitness and propriety of the Directors in accordance with this policy, including as part of the annual Board Effectiveness Assessment (BEA) exercise. Based on the NRC's assessment and recommendation, the Board was satisfied that the Directors met the applicable fitness and propriety criteria.

BOARD APPOINTMENT AND SUCCESSION

Sime adopts a rigorous and transparent screening process for the appointment and re-appointment of Directors, ensuring that Board composition needs are met while complying with the Company's Fit and Proper Policy and Board Composition Policy. Candidates are sourced through external recruitment agencies, alongside nominations from major shareholders, and recommendations from Board members and Management. All proposed appointments and re-appointments are evaluated by the NRC before recommendation to the Board.

Once shortlisted, the Group Secretary conducts appropriate background and reference checks, including reviews of publicly available information relating to civil, regulatory or criminal proceedings. The process is depicted below:



NOMINATION & REMUNERATION COMMITTEE REPORT

During the year, the NRC engaged the Institute of Corporate Directors Malaysia (ICDM) to assist in sourcing potential Board candidates. The NRC shared with ICDM the Board's priority competency requirements identified under the Board Competency Matrix, to ensure that candidates sourced would meaningfully address the Board's evolving composition needs.

In line with the Company's protocol, Directors must consult the Board Chairman before accepting external directorships to avoid conflicts with the Company's interests. Directors must notify the Group Secretary in writing upon acceptance of external directorships. Directors are also required to confirm their capacity to devote sufficient time to the Company, taking into account their existing commitments. In compliance with the MMLR of Bursa Malaysia, no Director on the Sime Board holds more than five directorships in listed issuers.

The NRC and the Board regularly review the composition of the Board and Board Committees to ensure that members collectively possess the requisite skills, experience and expertise to address challenges while supporting the Group's strategic objectives. During the year, this review was guided by the Board Competency Matrix, which supports a more structured approach to Board succession planning and renewal.

Following the resignation of Tan Sri Samsudin Osman as Chairman of the Board with effect from 31 December 2025, Puan Hanizan Hood served as Interim Chairperson of the Board pending Permodalan Nasional Berhad's (PNB) nomination of a new Chairman. In considering her appointment to this interim role, the NRC and the Board took into account the need to ensure leadership continuity, orderly Board oversight and an effective transition during the interim period.

The NRC subsequently considered the appointment of Dato' Abdul Rahman Ahmad as Chairman of Sime, following his nomination by PNB. In assessing his appointment, the NRC considered his character and integrity, time commitment, experience and competencies against the Board Competency Matrix, as well as the outcome of background screening. The NRC noted that Dato' Abdul Rahman was then serving as President & Group Chief Executive (PGCE) of PNB and considered this in the context of his impending retirement from PNB and his proposed status as PNB's nominee Director on the Board.

In view of Dato' Abdul Rahman's connection with PNB at the time his appointment was considered, Puan Hanizan, who was then serving as Interim Chairperson of the Board and who is also a PNB nominee director, recused herself from the Board's deliberations and decision on his appointment. This was to ensure that the Board's consideration of the appointment was conducted with the appropriate level of objectivity and governance discipline.

The NRC also considered the appointment of Encik Hafiz Imran as alternate director to Puan Hanizan, coinciding with the appointment of Dato' Abdul Rahman Ahmad as Chairman of the Board. Encik Hafiz Imran replaced Encik Edree Ahmad, who resigned from the alternate director role with effect from 31 December 2025. The NRC considered the appointment in the context of Board composition, continuity of representation and the Company's Fit and Proper Policy before recommending the appointment to the Board.

The NRC also reviewed the candidature of Dato' Seri Ahmad Johan Mohammad Raslan to succeed Mr Thayaparan Sangarapillai, who will retire upon completing his nine-year tenure as an Independent Director in November 2026. Dato' Seri Johan was identified independently by the NRC, separate from the candidate pool subsequently sourced through ICDM. Given the Board's priority to sustain its audit, financial oversight and risk management capability, the NRC assessed Dato' Seri Johan against this requirement and considered him the most suitable candidate against the identified requirements.

The NRC also considered Dato' Seri Johan's external appointments as a Director of ICDM and Chairman of the Audit Oversight Board of the Securities Commission Malaysia. Having considered the nature of those appointments and the available governance safeguards, the NRC concluded that they did not compromise his independence or ability to discharge his responsibilities effectively.

RE-ELECTION OF DIRECTORS

The NRC ensures that the retirement and re-election of Directors comply with applicable laws, regulations and the Company's Constitution. In evaluating Directors due for re-election, the NRC assesses their performance and contribution before making recommendations to the Board for shareholders' consideration at the AGM.

The following depicts the process for re-election of Directors:



Under Rule 103 of the Company's Constitution, at least one-third of the Directors for the time being must retire by rotation at each AGM. Rule 104 further provides that every Director must retire at least once every three years and, if eligible, may offer himself or herself for re-election.

Prior to NRC's evaluation, the rotation list of Directors due for retirement is tabled to the NRC for consideration. The NRC then assesses the relevant Directors against the factors below, with Directors seeking re-election required to provide their consent to stand for re-election.

In assessing Directors' eligibility for re-election at the 20th AGM, the NRC considered:

1. Directors' performance and contribution, including outcomes of the BEA 2026;
2. Level and quality of Directors' contribution to Board and Board Committee deliberations;
3. Character, integrity, experience, competence and overall fitness and propriety of Directors, in accordance with the Company's Fit and Proper Policy;
4. Independence of Independent Directors, where applicable;
5. Time commitment and capacity of Directors to discharge responsibilities effectively;
6. Compliance with the MMLR of Bursa Malaysia's limit on directorships in listed issuers; and
7. Any actual, potential or perceived conflicts of interest arising from external appointments.

The following Directors retire by rotation pursuant to Rule 103 of the Company's Constitution at the 20th AGM, and being eligible, offer themselves for re-election:

1. Tan Sri Ahmad Badri Mohd Zahir
2. Scott William Cameron
3. Tengku Dato' Seri Azmil Zahruddin Raja Abdul Aziz
4. Dato' Lee Cheow Hock Lawrence

Dato' Lee Cheow Hock Lawrence, a nominee Director of PNB, will complete his nine years of service on 28 February 2027, consistent with PNB's institutional governance framework for the periodic refresh of nominee Directors. His proposed re-election at the 20th AGM is intended to support Board and Committee continuity during the intervening period pending completion of his tenure.

Pursuant to Rule 82.2 of the Company's Constitution, Directors appointed to fill a casual vacancy or as an addition to the Board shall hold office only until the conclusion of the next AGM and shall be eligible for re-election. Accordingly, Dato' Abdul Rahman and Dato' Seri Johan retire at the 20th AGM and being eligible, offer themselves for re-election.

The NRC's assessment of their respective appointments, including the relevant competency, independence, conflict of interest and governance considerations, is described in the preceding section on New Board Appointment and Re-appointment.

In considering their re-election, together with the re-election of the other Directors retiring at the 20th AGM, the NRC took into account the applicable Fit and Proper criteria, the Board Competency Matrix, time commitment, independence where applicable, potential conflicts of interest and the findings of the BEA 2026

NOMINATION & REMUNERATION COMMITTEE REPORT

Based on these assessments, the NRC and the Board are satisfied that all Directors seeking re-election have met the applicable performance, competency and fitness and propriety criteria and remain able to continue contributing effectively to the Board. Directors seeking re-election have abstained from all deliberations and decisions concerning their own re-election. None of the Independent Directors seeking re-election has served for more than nine years, consistent with Practice 5.3 of MCCG 2021 and the Board Charter.

REMUNERATION APPROACH

The Board has delegated to the NRC the responsibility of establishing the principles, parameters and governance framework for the Group's remuneration matters.

The NED remuneration structure is designed to attract, retain and motivate high-calibre Board members, reflecting their responsibilities and the complexity of the Group's operations. The NED remuneration is structured on a fixed-fee basis, without linkage to Group's performance or profit, to preserve the objectivity and independence expected of NEDs. During the year, the NRC commissioned an independent external review of NED remuneration, benchmarked against a peer group of comparable listed companies across Malaysia, Singapore and Australia, reflecting the Group's broader regional footprint and the need to continue attracting directors with the requisite expertise. While the review indicated that the total NED fees were competitive against the selected regional peer group, a subsequent comparison against large Malaysian-listed companies showed that NED fees are positioned at the upper end of the observed domestic range. The review supports the Board's objective of ensuring that remuneration remains appropriate to attract and retain directors with the necessary calibre, expertise and experience, while maintaining alignment with shareholders' interests.

Having weighed both perspectives, the NRC and the Board are of the view that current remuneration rates remain reasonable for the year under review, having regard the responsibilities of the NEDs, the complexity and regional footprint of the Group, the domestic market context and the Group's performance. Accordingly, no change is proposed to the rates payable to NEDs for service on the Board and Board Committees.

The NRC nevertheless considered a proposed increase in the aggregate shareholder-approved ceiling for NED fees from RM4.6 million to RM5.0 million to provide sufficient headroom will for anticipated Board and Board Committee succession and appointment changes. The proposed increase does not alter the underlying fee rates and remains subject to the shareholders' approval.

The remuneration package for the GCEO and key pivotal positions is determined at the point of appointment or contract renewal, taking into account market positioning, scope of responsibilities and the need to attract, retain and motivate leadership talent capable of driving the Group's long-term success. For the GCEO, the remuneration framework is structured to align rewards with both corporate and individual performance. It comprises salary, allowances, bonus and benefits that are benchmarked against comparable companies. The GCEO's FY2026 performance was assessed against a balanced scorecard comprising financial and non-financial measures, with sustainability embedded as an operational component of the scorecard. In approving the GCEO's FY2026 scorecard, the NRC and Board focus on value creation, alignment with the Group's strategic priorities and budget, sound governance and appropriately stretched targets.

The NRC conducts an annual review of the GCEO's performance and recommends any remuneration adjustments to the Board. The GCEO is not present and does not participate in any discussions and decisions relating to his own remuneration. The GCEO is further incentivised through a performance-based cash plan that reinforces the link between individual performance and long-term value creation.

The NRC is also responsible for setting the policy and remuneration framework for employees of the Group, including key positions. In determining the annual bonus pool and salary increment, including for key positions whose performance ratings are assessed by the GCEO, the NRC and Board are guided by the Group's financial performance (including Return On Equity), external market benchmarking data, cost sustainability relative to profitability, and prevailing economic conditions, balanced against the need to remunerate employees fairly while remaining competitive in attracting and retaining talent across the Group.

The Company has considered Practice 8.2 of MCCG 2021, which recommends disclosure of the remuneration of its top five Senior Management personnel on a named basis. The Board, with NRC's recommendation, has decided not to adopt this practice, as it is of the view that named disclosure may heighten the risk of talent poaching in a highly competitive industry and could adversely affect the Group's ability to attract and retain senior leadership talent. As an alternative, the Company continues to disclose the GCEO's remuneration on a named basis, provides aggregate disclosure of Senior Management remuneration in the financial statements and explains the governance framework through which the NRC oversees Senior Management remuneration. The Board will periodically review this practice against evolving governance expectations, market practice and stakeholder feedback.

The remuneration of the Directors in respect of FY2026 is set out below:

	Salary & Other Remuneration (RM)	Directors' Fees		Benefits (RM)	LTCIP@ (RM)	Total (RM)
		Company (RM)	Subsidiary (RM)			
Present Directors						
Executive Director						
Dato' Jeffri Salim Davidson	7,001,809	–	–	96,678	2,424,000	9,522,487
Non-Executive Directors						
Dato' Lee Cheow Hock Lawrence		500,000	–	142,583		642,583
Dato' Dr. Nirmala Menon		490,000	–	3,073		493,073
Scott William Cameron		470,000	–	14,033		484,033
Hanizan Hood		431,829^	–	1,348		433,177
Tengku Dato' Sri Azmil Zahruddin Raja Abdul Aziz		340,000	–	73,249		413,249
Thayaparan Sangarapillai		370,000	–	41,778		411,778
Tan Sri Muhammad Shahrul Ikram Yaakob	N/A[1]	330,000	–	9,050	N/A[1]	339,050
Tan Sri Ahmad Badri Mohd Zahir		320,000	–	4,014		324,014
Moy Pui Yee		290,000	–	7,945		297,945
Professor Emeritus Datuk Ts. Ir. Dr. Siti Hamisah Tapsir, FASc		280,000	–	1,987		281,987
Dato' Abdul Rahman Ahmad[2]		84,302#	–	131		84,433
Hafiz Imran Ahmad Rashidi[2]		–	–	131		131
Total for Non-Executive Directors		3,906,131	–	299,322		4,205,453
Former Directors						
Non-Executive Directors						
Tan Sri Samsudin Osman[3]		280,002	–	110,694		390,696
Edree Ahmad[3]	N/A[1]	–	–	747	N/A[1]	747
Mohamad Idros Mosin[4]		–	–	389		389
Total for Non-Executive Directors		280,002	–	111,830		391,832
Grand Total for Non-Executive Directors		**4,186,133**	**–**	**391,832**		**4,597,285**

Notes:

[1] *N/A – Not Applicable*
[2] *Appointed on 7 May 2026*
[3] *Resigned on 31 December 2025*
[4] *Resigned on 1 July 2025*
@ *Long Term Cash Incentive Plan*
^ *Paid directly to PNB under the nominee Director arrangement applicable during the Director's executive tenure at PNB*
# *RM37,635 was paid to PNB under the nominee Director arrangement applicable during the Director's executive tenure at PNB*

NOMINATION & REMUNERATION COMMITTEE REPORT

BOARD EFFECTIVENESS ASSESSMENT

During the financial year, the NRC facilitated the annual BEA covering the Board, Board Committees and individual Directors (BEA 2026). The assessment was conducted internally, following the externally facilitated BEA conducted in the preceding year by ICDM. The external BEA had provided a comprehensive assessment of the Board, Board Committees and Directors, including Board and Management questionnaires and interviews, and concluded that the Board met expectations of a high-performing board with no major concerns on overall effectiveness, while identifying areas for further enhancement.

For the year under review, the NRC adopted a simplified but structured approach. The objective was not to repeat the externally facilitated review, but to preserve continuity with the prior-year themes and assess progress against the key priority areas arising from the ICDM review. The NRC considered that a focused questionnaire was appropriate and proportionate as it would reduce duplication, encourage more meaningful responses and support the MCCG's emphasis on substantive evaluation rather than a box-ticking approach.

The 2026 assessment methodology comprised a confidential questionnaire with ratings and written comments, covering:

- the effectiveness of the Board as a whole;
- the effectiveness of each Board Committee; and
- the contribution, preparedness, independence, judgement and development needs of individual Directors.

The assessment also informs the consideration of Directors due for re-election at the AGM.

The assessment indicated that the Board continued to meet the expectations of a high-performing board. The Board and each of its Committees were assessed within the "Effective" to "Highly Effective" range, with no fundamental concerns identified in relation to their overall effectiveness. The assessment further reviewed progress on improvement areas identified in the external BEA, including Board succession planning, strategic discussions and efforts to strengthen the quality of information presented to the Board.

In relation to Board composition and succession, the prior external BEA had recommended that the Board prioritise the development of a comprehensive Board skills matrix to better inform Directors' training needs and support a more structured succession planning process. During the year, the NRC gave effect to this recommendation by developing a Board Competency Matrix identifying the core competencies required of the Board, with additional competencies considered desirable. To embed this as part of the Company's formal governance framework, the Board Composition Policy was amended to include the development and use of the Board Competency Matrix as a formal requirement in supporting Board succession planning, appointment, re-election and training considerations.

Given the anticipated retirement of one Independent Director by the end of November 2026 and the expected departure of two further Directors by June 2027, the NRC's primary focus during the year was on Board succession planning.

The assessment also considered the quality and timeliness of Board information. In line with the prior external BEA recommendation, Management would continue to improve quality, conciseness and timeliness of Board information.

The NRC and the Board remain committed to continuous improvement in enhancing the effectiveness of the Board and its Committees. The NRC will continue to oversee progress against identified priorities arising from both the externally facilitated BEA and the current internal assessment.

REVIEW OF THE GAC

Pursuant to Paragraph 15.20 of the MMLR of Bursa Malaysia, the NRC reviewed the terms of office and performance of the Governance & Audit Committee (GAC), and having considered the BEA 2026 outcome, the NRC is satisfied that both the Committee as a whole and its individual members have effectively discharged their functions, duties and responsibilities in accordance with the Committee's TOR. The NRC also considered the planned retirement of Mr Thayaparan as GAC Chairman at the end of November 2026 and the appointment of Dato' Seri Johan to the GAC as part of Board Committee succession planning. The NRC will continue to oversee succession planning for the GAC chairpersonship to facilitate an orderly transition and continuity of leadership.

REVIEW OF THE NRC

As part of the Company's established governance review framework, the Board and NRC reviewed the performance of all Board Committees, including the NRC, and subsequently considered the outcome of BEA 2026. The evaluation confirmed that the NRC has played its role effectively. The Board is pleased with the NRC's performance and its continued effectiveness in fulfilling its responsibilities.

Looking ahead, the NRC will focus on three key areas:

- Board succession planning – The NRC will continue to be guided by Director tenure and the Board Competency Matrix in assessing composition and future appointment needs;

- Leadership succession planning — The NRC remains focused on succession readiness, development actions and orderly leadership transition; and

- Remuneration framework — The NRC will continue to ensure continued alignment of performance measures with the Group's strategy, sustainability priorities and long-term value creation.

The NRC remains committed to discharging its responsibilities with rigour and integrity, ensuring Board and leadership continuity, effective succession planning and sound remuneration governance to support the Group's long-term sustainability and value creation for its shareholders and stakeholders.



GOVERNANCE & AUDIT COMMITTEE REPORT

Thayaparan Sangarapillai
Chairman of the Governance and Audit Committee/Senior Independent Director

MEETINGS AND ATTENDANCE

Members	Membership/Designation	Appointment	Attendance
Thayaparan Sangarapillai	Chairman/Senior Independent Director^	1 December 2017	5/5
Tan Sri Muhammad Shahrul Ikram Yaakob	Member/Independent Non-Executive Director	15 November 2022	5/5
Scott William Cameron	Member/Independent Non-Executive Director	1 January 2023	5/5
Tengku Dato' Sri Azmil Zahruddin Raja Abdul Aziz	Member/Independent Non-Executive Director	24 August 2023	5/5
Dato' Seri Ahmad Johan Mohammad Raslan	Member/Independent Non-Executive Director	1 July 2026	Not Applicable

Notes:
^ Appointed as the Senior Independent Director of Sime Darby Berhad on 24 August 2023.

COMPOSITION

The Governance & Audit Committee (GAC) is chaired by Mr Thayaparan Sangarapillai and comprises five members. All five are Independent Non-Executive Directors, in compliance with the MMLR of Bursa Malaysia and the Malaysian Code on Corporate Governance 2021.

ROLES AND RESPONSIBILITIES

A committee of the Sime Board, the GAC is tasked with the following primary objectives:

- To assist the Board in fulfilling its statutory and fiduciary responsibility of monitoring the Group's management of its financial risk processes, accounting and financial reporting practices;
- To enhance the independence of both the external and internal audit functions by providing direction and oversight on behalf of the Board; and
- To review the Group's business processes and the quality of its accounting functions, financial reporting and internal controls;
- To assist the Board in ensuring that an effective ethics programme is implemented across the Group and in monitoring compliance with established policies and procedures.

In discharging its responsibilities, the GAC is assisted by the Group Corporate Assurance (GCA) and Group Risk & Compliance (GRC) departments.

The GAC's performance for FY2026 was evaluated as part of the Board of Effectiveness 2026 exercise. Based on the results of the assessment, the Board was satisfied that the GAC has discharged its duties effectively and in accordance with the Committee's Terms of Reference (TOR).

Detailed TOR of the GAC is available at https://www.sime.com/sustainability/governance/

KEY ACTIVITIES OF FY2026

Financial Reporting

Reviewed and recommended to the Board for approval:

- all quarterly financial results and the annual audited financial statements for FY2026. The GAC's review focused on changes to accounting policies, areas of significant judgement and corrected misstatements;
- the dividends proposed by the Management for the financial year and related solvency assessments; and
- the issuance of Letters of Financial Support to subsidiaries of the Company.

External Audit

- Reviewed and approved the Group Audit Plan, which outlines the audit strategy and approach for FY2026.
- Received the Annual Transparency Report prepared by external auditors, which contains the audit firm's legal and governance structure and measures taken to uphold audit quality and manage risks and indicators of audit quality.
- Affirmed that Messrs. PricewaterhouseCoopers PLT and all members of its engagement team maintained their independence in accordance with the provisions of the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants.
- Noted the internal controls memorandum for the financial year ended 30 June 2025.
- Held four (4) meetings with the external auditors without Management's presence except for Group Secretary to allow the external auditors to raise concerns, if any and discuss relevant issues and obtain feedback for improvement.
- Considered, in consultation with Management, the Group's audit fees and the provision of non-audit services by the external auditors for FY2026 for recommendation to the Board for approval.
- Completed the annual external auditors' assessment before recommending their re-appointment to the Board for approval. Among other things, the assessment covered:
  - governance and independence;
  - communication and interaction; and
  - quality of resources and services.

GOVERNANCE & AUDIT COMMITTEE REPORT

Internal Audit

- Reviewed and approved GCA's audit plan and operating budget for FY2027.
- Reviewed and approved the revised Group Corporate Assurance Charter.
- Reviewed internal assurance reports at each GAC meeting.
- Considered the following:
  - results of planned audits and business advisory reviews;
  - results of whistleblowing investigations and ad-hoc assignments requested by Management;
  - adequacy of the management's responses to audit findings and recommendations;
  - status of audits as compared to the approved Corporate Assurance Plan; and
  - adequacy of audit resources.
- The GAC also provided suggestions for improvement to reinforce the oversight role and to ensure that management holds individuals accountable for their internal control, risk management and governance responsibilities.
- Held four (4) meetings with the Group Chief Assurance Officer (GCAO) without Management's presence, except for the Group Secretary, to allow the GCAO to raise concerns, if any and discuss relevant issues and obtain feedback for improvement.
- Approved the Key Performance Indicators for FY2026 and, at the end of the financial year, conducted the performance appraisal for the GCAO.
- Noted the independent quality assessment review conducted by KPMG Malaysia on the GCA department.
- Reviewed GCA's internal assurance report on relevant sustainability metrics and the processes supporting the Group's sustainability disclosures.

Related Party Transactions (RPTs) and Recurrent Related Party Transactions (RRPTs)

Reviewed RPTs and RRPTs of the Group to ensure compliance with the Companies Act 2016, the MMLR of Bursa Malaysia and the Malaysian Financial Reporting Standards. The review sought to ensure that RPTs and RRPTs are not accorded on terms more favourable than those generally available to the public and that they are not detrimental to the interests of minority shareholders.

Governance and Regulatory Compliance

- Conducted annual review of Group Policies and Authorities (GPAs) and made key amendments related to:
  - **Governance and Compliance:** Standardised Board submission requirements, strengthened the Group Secretary's oversight on Bursa Malaysia disclosures, shareholder matters and director appointments, and clarified the Tender Committee's advisory role.
  - **Financial and Transactional Governance:** Clarified authorities relating to shareholder loans, new business formations and acquisitions, introduced Board approval requirements for diversification into unrelated businesses, and expanded the definition of capital expenditure.
  - **Strategic Alignment and Operations:** Enhanced alignment with the Group's sustainability agenda, clarified Group Strategy's responsibilities to ensure Group-wide strategic coherence, and updated process ownership for Companies Act 2016 and listing-related compliance, where the Group Secretary is now the process owner, replacing the Group Chief Strategy Officer.
  - **Brand Governance:** Introduced the Group's new Brand Identity Guidelines and strengthened compliance requirements to support consistent brand application across the Group.
- Reviewed the Statement on Risk Management and Internal Controls.

Annual Report

Reviewed and endorsed the following:

- Annual Audited Financial Statements for FY2026;
- Statement on Risk Management and Internal Controls;
- GAC report for inclusion in Sime Darby Berhad Annual Report 2026; and
- Corporate Governance Overview Statement.

Other Items

Reviewed:

- The proposed disposal of two wholly-owned dormant subsidiaries of Sime Darby Berhad, Kumpulan Guthrie Berhad and Golden Hope Plantation Berhad to SD Guthrie Berhad, as it constitutes a related party transaction.
- The proposed sponsorship of Minggu Saham Amanah Malaysia 2026 organised by Permodalan Nasional Berhad, a related party.
- The solvency declaration for the share buy-back programme of Sime Darby Berhad.
- The report on Enterprise Risk Management conducted by Ernst & Young Malaysia.
- The Group Consequence Management Policy.
- The disclosure of Conflict of Interest from Sime Darby Berhad Board members and senior management.
- The proposed revision to the TOR of GAC was primarily intended to expand clarity on the governance oversight of whistleblowing.
- Group sponsorships and donations approved by the GCEO for FY2026.
- Status updates by the Group IT department on internal control recommendations and mitigation plans as well as cybersecurity initiatives.
- Summary of the GCEO's approval of investments and capital expenditure in accordance with his limits of authority for FY2026.
- Significant developments and performance matters relating to Group's key associates and joint ventures.

KEY MATTERS CONSIDERED

At every committee meeting, the GAC receives updates on key governance matters, audit initiatives and issues across the Group. The Committee also reviews and reports to the Board on key matters, including financial reporting, significant judgments made by management, significant and unusual events or transactions, and how these matters are addressed.

The key matter considered by the Committee during the financial year was:

	Matters Considered	Outcomes
Recoverability of Indefinite Useful Life Intangible Assets' Carrying Amounts	The GAC reviewed management's annual impairment assessment of goodwill and distribution/dealership rights with indefinite useful lives, which had carrying amounts of RM1,226 million and RM1,160 million, respectively, as at 30 June 2026. The Committee considered the methodology adopted in assessing the recoverability of these assets and reviewed the key assumptions applied in estimating the recoverable amounts of the relevant cash-generating units. These included projected revenue growth rates, earnings before interest, taxes, depreciation and amortisation (EBITDA) growth rates, terminal growth rates and discount rates. The GAC also discussed the assessment with management and the external auditors to understand the basis for the assumptions applied and the sensitivity of the impairment models.	**Based on its review and deliberations, the GAC was satisfied that the impairment assessment was appropriately performed and concurred with management's conclusion that the carrying amounts of goodwill and distribution/ dealership rights with indefinite useful lives remained recoverable as at 30 June 2026.**

GOVERNANCE & AUDIT COMMITTEE REPORT

GROUP CORPORATE ASSURANCE (GCA) DEPARTMENT

The GCA department carries out the Group's internal audit function. This department is headed by Mr Ramesh Ramanathan, who has more than 25 years of experience with two prominent "Big 4" accounting firms. He is a Fellow Member of the Association of Chartered Certified Accountants and a member of the Malaysian Institute of Accountants.

The GCA acts as a centralised function supported by regional corporate assurance teams that are responsible for supervising audit services in designated regions across the Group. The department has 50 internal auditors, led by regional heads in Malaysia, Australia and China.

The GCA is guided by its charter, which delegates functional reporting to the GAC and administrative reporting to the GCEO. This ensures an appropriate degree of independence from the Group's operational units. To uphold independence and objectivity, internal auditors declare annually that they are free from any relationships or conflicts of interest that could compromise their impartiality.

The GCA's principal responsibilities are to undertake regular, systematic reviews of internal control systems and to provide reasonable assurance that the systems in place continue to operate satisfactorily and effectively throughout the Group.

GCA employs a risk-based approach to internal auditing, ensuring the annual audit plan focuses on the Group's principal risks and critical areas aligned with its strategic objectives. The plan is developed using input from a variety of sources, including business strategies and objectives, the materiality and criticality of operations, the maturity of internal controls in auditable areas and feedback from stakeholders.

The GAC reviews, challenges and approves the annual GCA audit plan, with periodic reviews to ensure business alignment, appropriate risk assessment and audit methodology, and a robust audit planning process. One outsourced audit assignment was completed during the year under review.

The Quality Assurance and Improvement Programme, which focuses on the efficiency and effectiveness of audit processes, continues to be applied to assess the quality of audit processes adopted. The programme conducts ongoing internal assessments to identify and recommend improvements to key GCA activities. These are carried out through annual internal team validations.

As required by the Global Internal Audit Standards, an independent quality assessment is conducted at least once every 5 years. KPMG was appointed to conduct an independent assessment, which commenced in January 2026. The assessment found that GCA generally conforms with the Standards promulgated by the Institute of Internal Auditors. Compared with the previous assessment in 2021, GCA's maturity level improved from Mature to Advanced in two areas (Positioning and People) and from Mature to between Mature and Advanced in Process.

In FY2026, the total cost incurred for the internal audit function at the Group was RM19.2 million. In comparison, the cost was RM20.8 million in FY2025. The main reasons for the lower department cost were efforts made to leverage on regional resources and the streamlining of secondee placements.

GROUP RISK & COMPLIANCE (GRC) DEPARTMENT

GRC assists the GAC with governance oversight, particularly by reviewing the adequacy and effectiveness of Group Policies and Authorities (GPAs) and Group Procurement Policies and Authorities.

For further details, please refer to the Risk Management & Sustainability Committee Report on pages 127 to 133 of this report.

This Report was reviewed and approved by the Board of Directors on 28 September 2026.



RISK MANAGEMENT & SUSTAINABILITY COMMITTEE REPORT

Tan Sri Ahmad Badri Mohd Zahir
Chairman of the Risk Management & Sustainability Committee

MEETINGS AND ATTENDANCE

Members	Membership	Appointment Date	Attendance
Tan Sri Ahmad Badri Mohd Zahir	Chairman/Non-Independent Non-Executive Director	1 December 2020	5/5
Dato' Lee Cheow Hock Lawrence	Member/Non-Independent Non-Executive Director	20 July 2018	5/5
Moy Pui Yee	Member/Independent Non-Executive Director	20 July 2018	4/5
Thayaparan Sangarapillai	Member/Senior Independent Non-Executive Director^	4 September 2019	5/5
Tengku Dato' Sri Azmil Zahruddin Raja Abdul Aziz	Member/Independent Non-Executive Director	24 August 2023	5/5
Dato' Seri Ahmad Johan Mohammad Raslan	Member/Independent Non-Executive Director	1 July 2026	Not Applicable

Notes:
^ Appointed as the Senior Independent Non-Executive Director of Sime Darby Berhad on 24 August 2023.

COMPOSITION

The Risk Management and Sustainability Committee (RMSC) consists of four Independent Non-Executive Directors and two Non-Independent Non-Executive Directors, and is chaired by Tan Sri Ahmad Badri Mohd Zahir. Members of the RMSC bring with them a diverse set of expertise and experience and have a solid understanding of the sectors in which the Group operates.

This enables them to execute their role of anticipating, assessing and mitigating potential risks by challenging and facilitating robust discussions on the management of the Group's key risk and sustainability areas.

RISK MANAGEMENT & SUSTAINABILITY COMMITTEE REPORT

ROLES AND RESPONSIBILITIES

The RMSC is primarily responsible for overseeing risk management and sustainability frameworks and policies within the Group and reviewing the efficacy of internal controls to address key risks. The Committee assists the Board in discharging its main responsibilities of identifying principal risks and key trends and deliberating strategic action plans to mitigate the impact of such risks. The Committee oversees sustainability risks and opportunities across the Group, provides the Board with guidance on regional sustainability requirements, and monitors the effectiveness and implementation of the Group's sustainability strategy and Sustainability Blueprint.

The main functions and duties of the RMSC as specified in the Terms of Reference include but are not limited to the following:

- Oversee the implementation of the Group's risk management framework, policies and procedures in identifying and managing risks across the Group's business operations;
- Review the statement on risk management and internal control in the Group's Annual Report to ensure that relevant information as prescribed in the MMLR of Bursa Malaysia is disclosed;
- Oversee the formulation and implementation of policies and programmes to address the Group's key compliance risk areas including any related material matters arising thereof as identified by the compliance framework;
- Evaluate the effectiveness of the risk management framework, processes and support system to identify, assess, monitor and manage the Group's key risks;
- Oversee the implementation of the Group's sustainability framework, policies and procedures for integrating and managing sustainability across the Group's business operations;
- Assist the Board in fulfilling its oversight responsibilities in relation to the Group's Sustainability Blueprint, targets and initiatives focusing on the people, planet and profit aspect of the Group;
- Oversee the processes, framework and strategies designed to manage economic, environmental and social risks, covering matters such as emissions, safety, health, employment practices, environmental practices, human rights, community relations and other relevant sustainability matters; and
- Review and recommend the integration of sustainability including the Group's Sustainability Statement and reporting in the Group's Annual Report in line with the requirements under the MMLR of Bursa Malaysia.

In discharging its responsibilities, the RMSC is assisted functionally by the Group Risk & Compliance, Group Sustainability and Group Safety departments.

The detailed Terms of Reference of the RMSC is available at https://www.sime.com/sustainability/governance

THE GROUP RISK & COMPLIANCE DEPARTMENT (GRC)

GRC's primary role is to assist the RMSC and the Board in discharging their risk management and compliance integrity responsibilities.

GRC is structured to ensure that adequate support is provided at both the GHO and Divisional levels, with responsibilities mainly, but are not limited to the following:

1. **Risk Management**
   Identify, assess and evaluate key strategic, operational, financial and compliance risk areas, as well as risks pertaining to major business proposals;

2. **Training and Awareness**
   Inculcate a strong risk and compliance centric culture across the Group by imparting the necessary skills, knowledge and understanding of risk and compliance management;

3. **Policy Governance**
   Oversee the enhancement and implementation of the Group Policies and Authorities (GPAs) document;

4. **Compliance Programme**
   Implement a risk-based compliance monitoring programme to drive and embed a culture of ethical behaviour and integrity;

5. **Resilience Management**
   Enhance the Group's resilience in the event of a crisis or disaster and ensure the Group is adequately insured against key insurable risks and perils;

6. **Monitoring and Reporting**
   Continuously monitor and report key risk areas to detect and report key incidents and regulatory breaches via appropriate communication and escalation channels; and

7. **Procurement Governance**
   Instil procurement governance by formulating and driving procurement policy and best practices.

GRC is currently headed by Mr. Richard Ong Aik Jin. Richard is a Fellow Member of the Association of Chartered Certified Accountants with more than 22 years of experience in governance, risk and resilience management, compliance and internal controls. He is responsible for implementing appropriate systems, programmes and initiatives to manage the Group's overall risk exposure and compliance management.

GRC reports functionally to the RMSC, with administrative reporting to the GCFO. The dual reporting line ensures independence and objectivity in the discharge of responsibilities.

RISK MANAGEMENT & SUSTAINABILITY COMMITTEE REPORT

THE GROUP SUSTAINABILITY DEPARTMENT

The Group Sustainability Department is primarily responsible for integrating fit-for-purpose sustainability into the Group's businesses. Group Sustainability prioritises employee success, planetary health and profit growth, ensuring today's actions create future value and resilience through our Sustainability Blueprint and Net Zero Roadmap. In addition, Group Sustainability provides critical support to the RMSC and the Board in fulfilling their respective sustainability obligations.

The strategic framework of Group Sustainability is established to provide comprehensive support and leadership across the Group, Division and operating Unit levels. Its primary objective involves delivering services that enhance operational efficiency, foster collaboration and promote overall organisational success and profitability. Key responsibilities include, but are not limited to:

- **Policy Governance**
  Develop, standardise and implement frameworks, policies and guidelines to ensure effective sustainability management.
- **Statutory and Sustainability Compliance and Risk Reporting**
  Identify, assess and evaluate key enterprise sustainability compliance risks, including risk relating to major business proposals.
- **Strategic Advice on Sustainability**
  Establish a strategy and provide support to ensure the Group meets its identified sustainability targets including emissions reductions and net zero commitment.
- **Training and Awareness**
  Facilitate sustainability training and awareness programmes to foster a positive culture throughout Sime while meeting regulatory requirements for Directors.
- **Sustainability Programme Management**
  Apply structured project methodology to drive sustainability initiatives and report across the Group.
- **Monitoring and Reporting**
  Continuously track and report on key sustainability risks and opportunities to meet regulatory requirements and stakeholder requests.
- **Assurance**
  Ensure the accuracy and integrity of sustainability data to meet assurance and regulatory requirements.

Group Sustainability reports to the Group Corporate Services Department (GCSD). GCSD is currently headed by Encik Megat Shahrul Azmir. Encik Megat has over 30 years of expertise in strategy, growth, business turnarounds, development, manufacturing and management consulting. Group Sustainability is currently headed by the Executive Manager for Sustainability, Mr Angus Thompson. Angus holds a Bachelor of Environmental Management (Major Sustainable Development) with 20 years of experience in sustainability management. Additionally, Group Sustainability has a secondary reporting line to the RMSC, enabling it to effectively carry out its duties related to sustainability.

THE GROUP SAFETY DEPARTMENT

The Group Safety department provides Group-wide strategic leadership, governance and assurance for Health, Safety, Security and Environment (HSSE). It sets the Group's HSSE direction and minimum expectations, monitors material HSSE risks and performance, and supports the businesses in strengthening controls to prevent fatalities, serious harm and significant environmental or security events. Group Safety operates across Group, divisional and operating unit levels, providing oversight, challenge, specialist support and assurance while enabling consistent application of the Group's HSSE requirements across diverse businesses and operating environments.

- **Strategy and Governance**
  Set and maintain the Group HSSE Strategy, governance framework, minimum requirements and performance expectations, aligned with the Group's strategy and material risk profile.
- **Risk, Performance and Learning**
  Monitor material HSSE risks, significant events and leading and lagging performance trends, providing insights, escalation and Group-wide learning to support informed decision-making and continuous improvement.
- **Governance and Compliance**
  Provide oversight of HSSE governance, including the Group HSSE Governance Framework and HSSE policies and standards. Provide oversight of compliance with applicable legal, regulatory and licence requirements.
- **Serious Injury and Fatality Prevention**
  Lead the Group's approach to Critical Risk Management, Critical Control Verification and Life Saving Commitments, with priority on preventing fatalities and serious harm.
- **Occupational Health and Environmental Risk**
  Strengthen the management of priority occupational health exposures and operational environmental risks, including oversight of applicable legal, regulatory and licence obligations.
- **Leadership and Capability**
  Strengthen HSSE leadership capability through SELF and Safety Leadership Essentials, with a focus on visible leadership in the field and effective management of risk.
- **Assurance**
  Provide risk-based assurance over conformance with Group HSSE requirements and the effectiveness of critical controls, and monitor significant findings and high-risk corrective actions.
- **Security and Resilience**
  Monitor material security threats and support consistent risk assessment, preparedness and response across the Group.

  Group Safety is headed by Mr Lee Smith, Group Chief Safety Officer. Lee has more than 25 years' experience in senior HSSE leadership across complex, high-risk industries, including mining, transport and explosives manufacturing and operations, with experience across global operations. He leads Sime's Group-wide HSSE strategy and transformation, with a focus on strengthening risk governance and assurance, critical risk management, leadership capability and the prevention of fatalities and serious harm.

KEY ACTIVITIES OF FY2026

Risk Management

Oversaw risk management initiatives, including:

- Assessment of the Group and Divisional risk profiles and compliance attestations, articulated via quarterly Group Risk reports.
- Assessment of regulatory non-compliances using Group-approved materiality matrix. There were no catastrophic non-compliances reported in FY2026.
- Assessment of country risks to enhance risk monitoring across key markets.
- Assessment of project and investment risks pertaining to major business proposals in accordance with the Group's Limits of Authority.
- Implementation of climate change risk assessments to strengthen the identification and management of climate-related risks.
- Implementation of operational risk assessments to deepen risk management at the operational level.

Training and Awareness

Oversaw the implementation of the following training and awareness initiatives:

- Implementation of training and awareness programmes on key risk and compliance topics, including climate change, cyber risk, operational risk assessment, code of business conduct, anti-bribery and anti-corruption, conflict of interest, and sustainability.
- Organisation of Sime's inaugural Integrity Day, featuring an integrity pledge by the GCEO and Senior Management in the presence of the Malaysian Anti-Corruption Commission (MACC).
- Rollout of the "Our ESG Journey" online learning module.
- Development of climate-related financial disclosure education across multiple jurisdictions.
- Introduction of the "SELF" safety cultural programme into the Group's Asian operations, while continuing the rollout throughout Australia and New Zealand.

Policy Governance

Oversaw the following initiatives in policy governance:

- Enhancement of the GPAs to address legislative changes and areas of improvement.
- Publication of the Climate Response Charter, strategy and implementation plans.

Resilience Management

Oversaw the following initiatives in resilience management:

- Implementation of testing and simulation exercises to strengthen the Group's preparedness and resilience during crises and disasters.
- Inception of the Group Directors & Officers Insurance Policy and Group Cyber Enterprise Insurance Policy to ensure adequate protection against potential liabilities.

Compliance Programme

Oversaw the implementation of compliance programmes, including:

- Formulation of Sime's Anti-Corruption Plan.
- Coordination of the implementation of group-wide corruption risk assessment exercises.
- Enhancement of the Gifts, Hospitality and Donations Procedure.
- Enhancement of Sime's Data Privacy Programme in line with the amendments to the Personal Data Protection (Amendment) Act 2024.

RISK MANAGEMENT & SUSTAINABILITY COMMITTEE REPORT

Sustainability Programme Management

Oversaw the following sustainability programme management initiatives:

- Establishment of Communities of Practice across regions with the largest greenhouse gas (GHG) emitters.
- Execution of climate-related disclosures in line with the National Sustainability Reporting Framework (NSRF) and Australian Accounting Standards Board (AASB) Standard 2.
- Introduction of governance guidelines for the Sustainability Blueprint to guide implementation and reporting.
- Launching of the Sustainability Blueprint with 2030 targets across the sustainability pillars of People, Planet and Profit.
- Publication of the Sime 2050 Net Zero Roadmap.

HSSE and Sustainability Compliance and Risk Reporting

Oversaw the following initiatives under statutory safety and sustainability:

- Assessment of significant HSSE incidents, emerging themes and lessons learnt, including actions taken to prevent recurrence.
- Formulation of the Group HSSE Governance Framework (Version 2), with implementation commencing across the Group.
- Development of the Group Critical Risk Management Standard, with divisional rollout commencing and an increased focus on critical control effectiveness.

Monitoring and Reporting

Oversaw the monitoring and reporting of the following:

- Monitoring of sustainability data for the purpose of tracking performance against the Sustainability Blueprint.
- Review of Sime's Materiality Assessment.
- Coordination of climate-related financial disclosures across the Group.
- Operationalisation of the sustainability metrics platform across the Group.
- Monitoring of the Group HSSE performance and material risk trends, including significant events and leading and lagging indicators, with continued focus on preventing fatalities and serious harm.

Assurance

Oversaw the following assurance initiatives:

- Coordination of the Group's risk-based HSSE assurance programme, including significant findings, critical control effectiveness and corrective actions.
- Coordination of internal assurance and disclosure of Sustainability Blueprint metrics and NSRF disclosure requirements by Bursa Malaysia.
- Coordination of assurance and disclosure of AASB-aligned reporting requirements for Industrial Australia and Motors Australia entities.
- Management of regulatory notices and other HSSE compliance matters arising during the year, tracked to resolution.

Security

Oversaw the following security initiatives:

- Monitoring of global security events for applicability and risk to Group operations.
- Monitoring of actions taken on reported security events.

The action plans for the focus areas for FY2026 as disclosed in the Annual Report 2025 were successfully implemented. The initiatives undertaken during FY2026 strengthened the Group's risk management, compliance, safety and sustainability practices. The RMSC's oversight enhanced risk visibility and accountability, improved regulatory readiness, supported climate and sustainability reporting requirements, reinforced organisational resilience and promoted a stronger culture of integrity and responsible business conduct across the Group.

FOCUS ACTION PLANS TO BE UNDERTAKEN IN FY2027

The RMSC will continue to assist the Board in overseeing the implementation of the Group's ERM and Sustainability Framework, including the effective assessment, management, monitoring and reporting of emerging risks, ringfencing businesses against non-compliances or regulatory breaches and enhancing sustainability through education and metrics. The intent is to position governance and sustainability as key enablers for Sime's aggressive growth, constantly providing the right "check and balance" mechanism and to build resilience to address global risk trends and enhance sustainability opportunities. The RMSC's key priorities and initiatives for FY2027 include:

1 Risk Management

Oversee the assessment and advisory initiatives, including:

- Implementation of climate change risk assessments to support climate resilience and risk-informed decision-making.
- Reassessment of the Board risk appetite and tolerance levels to align with the Group's strategic objectives.
- Implementation of operational risk assessments to strengthen risk identification and management at the operational level.
- Implementation of corruption risk assessments and monitoring of action plans for identified risk exposures.

2 Training and Awareness

Oversee the following training and awareness initiatives:

- Implementation of various training and awareness events to inculcate awareness on risk management, code of business conduct, conflict of interest and anti-bribery and anti-corruption and sustainability among employees.
- Continuous rollout of the SELF programme.
- Sustainability resources available across the Group to support meeting Sime's Net Zero Roadmap and Sustainability Blueprint targets.
- Education and awareness of mandatory sustainability reporting requirements aligned to NSRF and AASB.

3 Policy Governance

Oversee the following initiatives in policy governance:

- Enhancement of GPAs to address key control issues and weaknesses.
- Implementation of GHG emission methodology for acquisition, mergers and growth.
- Sustainability governance framework to address sustainability governance risk.

4 Compliance Programme

Oversee compliance programmes, including:

- Execution of anti-bribery and anti-corruption awareness programmes to reinforce a culture of integrity across the Group.
- Enhancement of the whistleblowing system through improved security features and streamlined case management processes.
- Implementation of Conflict of Interest (COI) declarations via Workday to strengthen transparency and governance practices across the Group.
- Enhancement of the Group's data privacy programme to address regulatory requirements and identified control gaps.
- Execution of FY2027 NSRF and AASB compliance requirements.

5 Sustainability Programme Management

Oversee sustainability programmes, including:

- Review of sustainability metric reporting and analytical uplift.
- Review of the sustainability risks and opportunities.
- Group's Net Zero commitment and emission reduction strategy.
- Scope 3 emissions assessment and reporting readiness in line with applicable jurisdictional requirements.
- Reporting and implementation of the 2030 Sustainability Blueprint.
- Enhancement of Sime's Materiality Assessment to Sime determined material sustainability related risks and opportunities.
- Monitoring the implementation of International Sustainability Standards Board (ISSB) aligned reporting across Sime jurisdictions and the enhancements required to meet the standards and regional requirements.

6 HSSE and Sustainability Compliance and Risk Reporting

Oversee the following initiatives under statutory safety and sustainability:

- Continue implementation and conformance of the Group HSSE Governance Framework (Version 2) across the Group.
- Embed the Critical Risk Management Standard and critical control verification across divisions, with focus on the Group's highest-consequence risks.
- Strengthen significant incident reporting, investigation and Group-wide learning, including monitoring actions to prevent recurrence.
- Strengthen management of priority occupational health and operational environmental compliance risks.

7 Monitoring and Reporting

Oversee the monitoring and reporting of the following:

- Data reporting for safety and sustainability matters across all operational areas.
- Inclusion of key acquisition data in monthly reporting in line with integration timeframes.
- HSSE performance and material risk trends, including significant events, critical control effectiveness and leading and lagging indicators, with continued focus on preventing fatalities and serious harm.

8 Assurance

Oversee the following assurance initiatives:

- Maturity of the Group's risk-based HSSE assurance programme, including focused risk and technical assurance and closure of significant findings and high-risk corrective actions.
- Regulatory notices and HSSE compliance matters, tracked to resolution.
- Assurance preparation and readiness for climate-related financial disclosures across Australia (FY27) and Malaysia (FY29).

9 Security

Oversee the following security initiatives:

- Material global security threats and changing country risk, including preparedness and response where relevant to Group operations.

INVESTMENT COMMITTEE REPORT



> This report highlights the key roles that the Investment Committee (IC) plays in helping to shape the strategic direction of Sime, ensuring the organisation remains competitive, whilst navigating changing and complex market dynamics.

Dato' Lee Cheow Hock Lawrence
Chairman of the Investment Committee

COMPOSITION

The IC, established on 23 February 2023, comprises four (4) members, who are exclusively Non-Executive Directors, with a diverse blend of industry experience and professional skills to enable the IC in supporting the Board to provide comprehensive oversight and guidance in steering the Group's strategic direction.

ROLES AND RESPONSIBILITIES

The IC is entrusted by the Board to review and recommend major business proposals including potential investments, divestments, new partnerships, mergers and acquisitions, while ensuring that all proposals are aligned with the Group's strategic objectives. The Committee also monitors the implementation of the Group's strategic blueprints and oversees post-investment monitoring to safeguard performance and enhance value creation.

In carrying out its responsibilities, the Committee ensures that adequate due diligence and assessments are undertaken, and key associated risks are addressed or mitigated prior to decision-making by the Board.

The authority, duties and responsibilities of the IC are set out in its Terms of Reference (TOR) which are available on the Company's website at https://www.sime.com/sustainability/governance/.

MEETINGS AND ATTENDANCE

The IC held six (6) meetings during the financial year under review, with all meetings convened in compliance with the quorum requirements stipulated in its TOR.

Below are details regarding the composition of the IC and the attendance record of its members for the financial year under review:

Members	Membership/Designation	Appointment	Attendance	
			Scheduled Meeting	Unscheduled Meeting
Dato' Lee Cheow Hock Lawrence	Chairman/Non-Independent Non-Executive Director	23 February 2023	5/5	1/1
Dato' Dr. Nirmala Menon	Member/Independent Non-Executive Director	23 February 2023	5/5	1/1
Scott William Cameron	Member/Independent Non-Executive Director	23 February 2023	5/5	0/1
Hanizan Hood	Member/Non-Independent Non-Executive Director	1 July 2025	4/5*	1/1

Note:
** Recused from the IC meeting held during her tenure as Interim Board Chairperson, in accordance with the Board's governance arrangements.*

Agenda items and all supporting papers were circulated to IC members in advance of each meeting to allow sufficient time for review and consideration of the matters to be discussed and deliberated. In addition to formal meeting papers, members were regularly provided with supplementary reading materials, including industry reports, relevant media articles and other pertinent resources, to support informed discussions and highlight key developments affecting Sime's markets and business environment.

KEY ACTIVITIES IN FY2026

The IC continued to play a central role in ensuring disciplined capital allocation, portfolio optimisation and alignment with the Group's strategic priorities. Amid evolving market dynamics in China, the IC focused on strengthening resilience, adapting strategies to intensified competition on supporting growth across adjacencies and new opportunities. During the financial year under review, the IC carried out the following key activities in line with its TOR:

(i) Reviewed and recommended significant investment proposals, strategic projects and capital expenditure initiatives across the Group's businesses;

(ii) Considered the Group's strategic plans, business blueprints and annual budget;

(iii) Oversaw portfolio optimisation initiatives, including strategic reviews, restructuring plans and potential divestments;

(iv) Deliberated on market developments and competitive dynamics, particularly in relation to Motors operations in China and developments across the automotive and industrial sectors;

(v) Monitored growth opportunities, strategic partnerships and business development initiatives; and

(vi) Received updates on return enhancement initiatives, key investments, major operational issues and post-acquisition integration activities.

FOCUS AREAS FOR FY2027

Looking ahead, the IC will continue to focus on enhancing shareholder value through disciplined capital allocation, portfolio optimisation and the execution of the Group's strategic priorities. Against a backdrop of evolving market conditions and increasing competitive pressures, particularly in China, the IC will remain focused on strengthening business resilience, driving operational excellence and pursuing sustainable growth opportunities.

Key focus areas for FY2027 include:

(i) Monitoring the execution of the Group's strategic initiatives and business transformation programmes to deliver targeted financial and operational outcomes;

(ii) Considering business performance optimisation initiatives across the Group and evaluating capital deployment opportunities to enhance returns and long-term value creation;

(iii) Reviewing underperforming businesses and assets to identify appropriate turnaround, restructuring or divestment strategies;

(iv) Assessing strategic investment opportunities that support the Group's growth objectives;

(v) Continuing to address the challenging market dynamics in China by reviewing market developments and recommending for Board's approval, strategies to strengthen the competitiveness and resilience of the Group's businesses;

(vi) Monitoring the progress of digital transformation and technology initiatives to enhance operational efficiency and support future growth; and

(vii) Reviewing key investments, major projects and strategic partnerships to ensure alignment with the Group's long-term strategic objectives.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board is pleased to provide this Statement on Risk Management and Internal Control (Statement) which outlines the nature of risk management and internal controls within Sime for the year under review. Risk management and internal controls are integrated into management processes and embedded in the business activities of the Group.

RESPONSIBILITIES AND ACCOUNTABILITIES

A The Board

The Group is led by the Board. The Board has delegated the governance and risk management responsibilities to Board Committees which ensure independent oversight of internal controls and risk management.

Notwithstanding the delegated responsibilities, the Board takes overall responsibility in the establishment and oversight of the Group's risk management framework and internal controls systems. The Board is cognisant of its role in setting the tone and in nurturing a culture towards managing key risks to achieve the Group's business objectives. The Board also recognises that internal controls systems are designed to manage and minimise rather than eliminate and avoid occurrences of material misstatements or unforeseeable circumstances, fraud or losses.

- **Governance & Audit Committee (GAC)**

  The key responsibility of the GAC is to assist the Board in fulfilling the Board's statutory and fiduciary responsibilities of monitoring the Group's management of financial risk processes, accounting and financial reporting practices.

  The GAC is also tasked to review the processes and quality of the Group's accounting function, financial reporting and the internal controls system. In discharging its duties, the GAC is assisted by the Group Corporate Assurance (GCA) department.

  For further details on the TOR and the activities of the GAC, please refer to pages 122 to 126 of this report.

- **Risk Management & Sustainability Committee (RMSC):**

  The RMSC assists the Board by:

  - Setting and overseeing the implementation of risk management and sustainability frameworks, policies and procedures to identify and manage risks across the Group's business operations;
  - Overseeing the formulation and implementation of policies and programmes to address the Group's key compliance risk areas;
  - Evaluating and advising the Board on significant strategic activities and policies regarding sustainability practices and initiatives; and
  - Overseeing responsibilities in relation to the Group's sustainability strategy and initiatives comprising of people, planet and profit aspect.

The RMSC is also entrusted to set the tone and culture towards effective risk management controls and sustainability strategies within the Group.

In discharging its responsibilities, the RMSC is assisted by the Group Risk & Compliance (GRC) department.

For further details on the activities of the RMSC, please refer to pages 127 to 133 of this report.

B The Management

The Management is accountable to the Board in ensuring the effective implementation of approved frameworks, policies and procedures related to risk management and internal controls. The Management is also responsible for continuously monitoring the residual risks that may impede the Group's goals and objectives.

The Management also provides assurance to the Board that the risk management and internal controls systems are adequate and are operating effectively based on the risk management framework adopted by the Group. The Management's responsibilities include but is not limited to:

- Implementing relevant policies and processes to identify, evaluate, monitor and report risks and internal controls;
- Ensuring appropriate and timely corrective actions are taken to strengthen internal controls and to minimise occurrences of non-compliances;
- Assuring the Board that adequate mitigative actions have been promptly and properly carried out to address any lapses;
- Setting the right example (in words and actions) to encourage and reinforce the importance of ethical business conduct;
- Applying all required rules and regulations; and
- Seeking guidance from the Board on matters concerning risks and internal controls when required.

C Group Corporate Assurance (GCA)

GCA, which is an integral part of the Group's internal controls system, reports directly to the GAC.

GCA's primary role is to provide independent, reasonable and objective assurance in addition to business advisory reviews designed to add value and improve the efficiency of the Group's operations.

To support the Group in achieving its objectives, GCA employs a systematic and disciplined approach to evaluate and recommend improvements to the effectiveness of risk management, internal controls, and governance processes.

GCA employs a risk-based approach to internal auditing, ensuring the annual audit plan focuses on the Group's principal risks and critical areas aligned with its strategic objectives. The plan is developed using input from a variety of sources, including business strategies and objectives, the materiality and criticality of operations, the maturity of internal controls in auditable areas and feedback from stakeholders. The GAC reviews and approves the audit plan.

GCA actively monitors and responds to adverse indicators and key risks. Adjustments are made to the audit coverage as required, including scope extensions and/or undertaking special reviews with amendments to the audit plan. These are reported to the GAC periodically.

GCA's audit practices conform to the International Professional Practices Framework (IPPF) published by the US Institute of Internal Auditors Inc.

For further details on GCA's mandate and activities, please refer to page 126 of this report.

D Group Risk & Compliance (GRC)

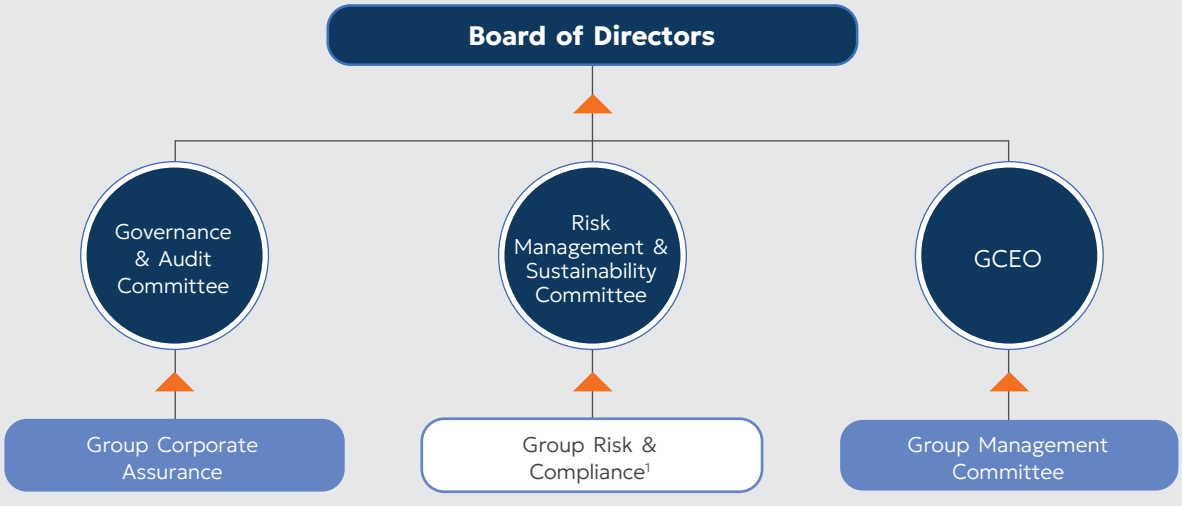
GRC assists the Board, RMSC and GAC in discharging their risk management and compliance responsibilities. GRC is structured to provide adequate support to both GHO and the Divisions with regards to the management of risk and compliance.

GRC's main role is to coordinate compliance and risk management activities such as programmes or activities to identify, mitigate and educate employees about the risk of non-compliances and to provide reasonable assurance that the Group's operations and activities are conducted in line with the key regulatory requirements. This role is executed via oversight, coordination, consultation, validation and monitoring of the Group's state of compliance.

GRC also sets the strategic plan to guide the priorities and direction of the Group's risk management and compliance activities.

For further details on GRC's mandate and activities, please refer to page 126 of this report.

REPORTING STRUCTURE – ASSURANCE, RISK & COMPLIANCE



Note:

[1] *Group Risk & Compliance reports to the GAC on matters related to Sime's Group Policies & Authorities (GPAs), Group Procurement Policies & Authorities (GPPA) and Code of Business Conduct (COBC).*

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

RISK MANAGEMENT AND INTERNAL CONTROLS FRAMEWORK

The Group's ERM Framework is integrated and where appropriate, embedded into the day-to-day business activities and management decision-making.

Designed and adapted as reasonably practicable from the ISO 31000:2018 Risk Management Guidelines, the Framework is aimed at establishing a robust risk management process across the Group and to ensure that all business risks are prudently identified, analysed and effectively managed.

Supporting this broader risk management framework is a system that facilitates internal controls design and operating effectiveness to manage key risks.

Key aspects of the Group's overall risk management and internal controls system are selectively outlined below, where they provide assurance that the Framework is adequate and effective for the purposes of this Statement.

Mandate and Commitment

The Board has approved an ERM Framework which encapsulates the governance arrangements as well as assigns responsibility to relevant levels of management and operations.

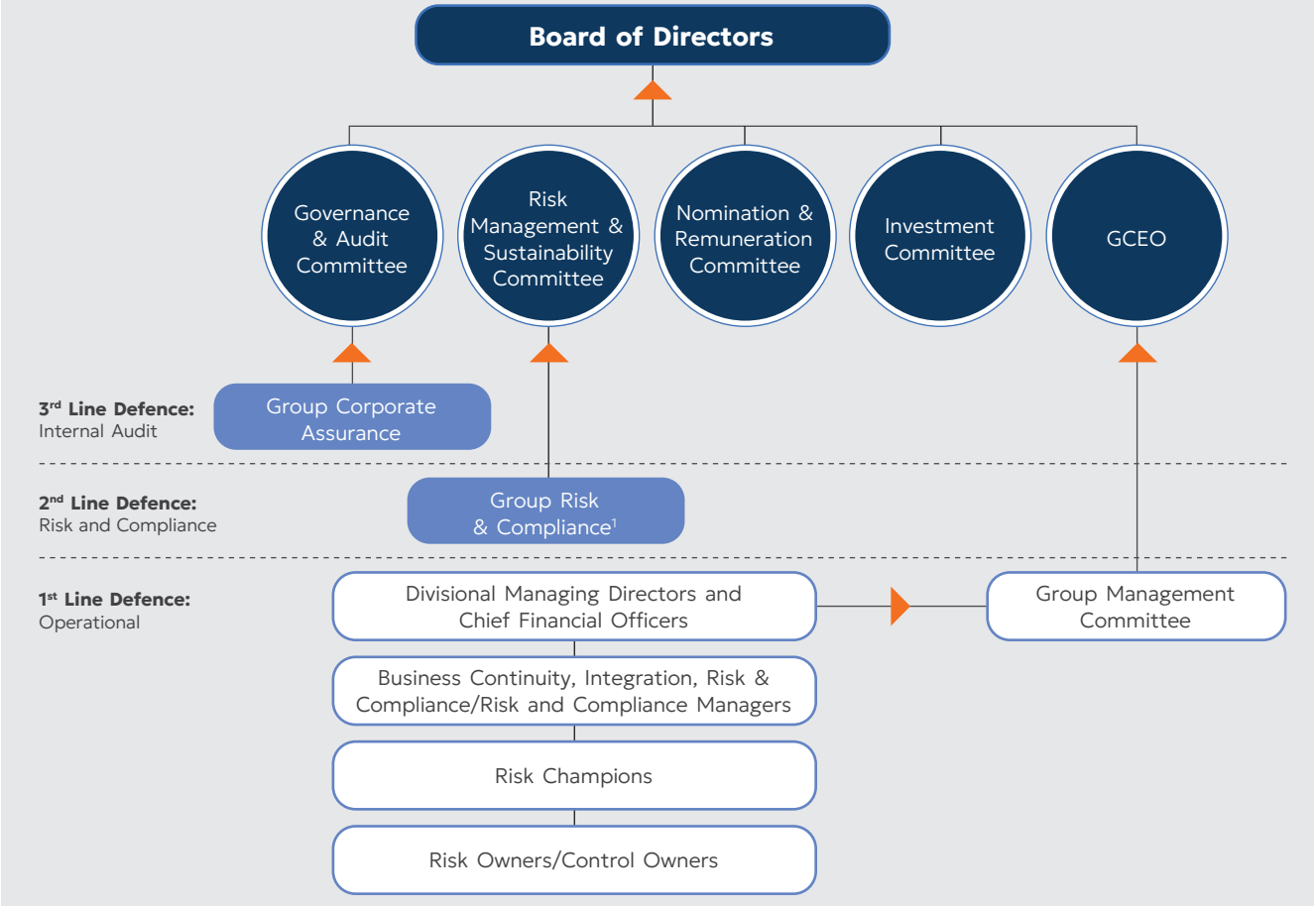
The implementation of the Framework is ultimately the responsibility of the GCEO and members of the Sime Group Management Committee.

Evidence of implementation can be seen in the appropriate risk management practices integrated into the relevant business processes.

These practices which assist in decision-making aimed at achieving the Group's objectives are supplemented by a more formal and explicit risk management process.

The diagram below provides an overview of the governance structure:

OVERVIEW OF THE GROUP'S GOVERNANCE STRUCTURE



Note:

[1] *Group Risk & Compliance reports to the GAC on matters related to Sime's Group Policies & Authorities (GPAs), Group Procurement Policies & Authorities (GPPA) and Code of Business Conduct (COBC).*

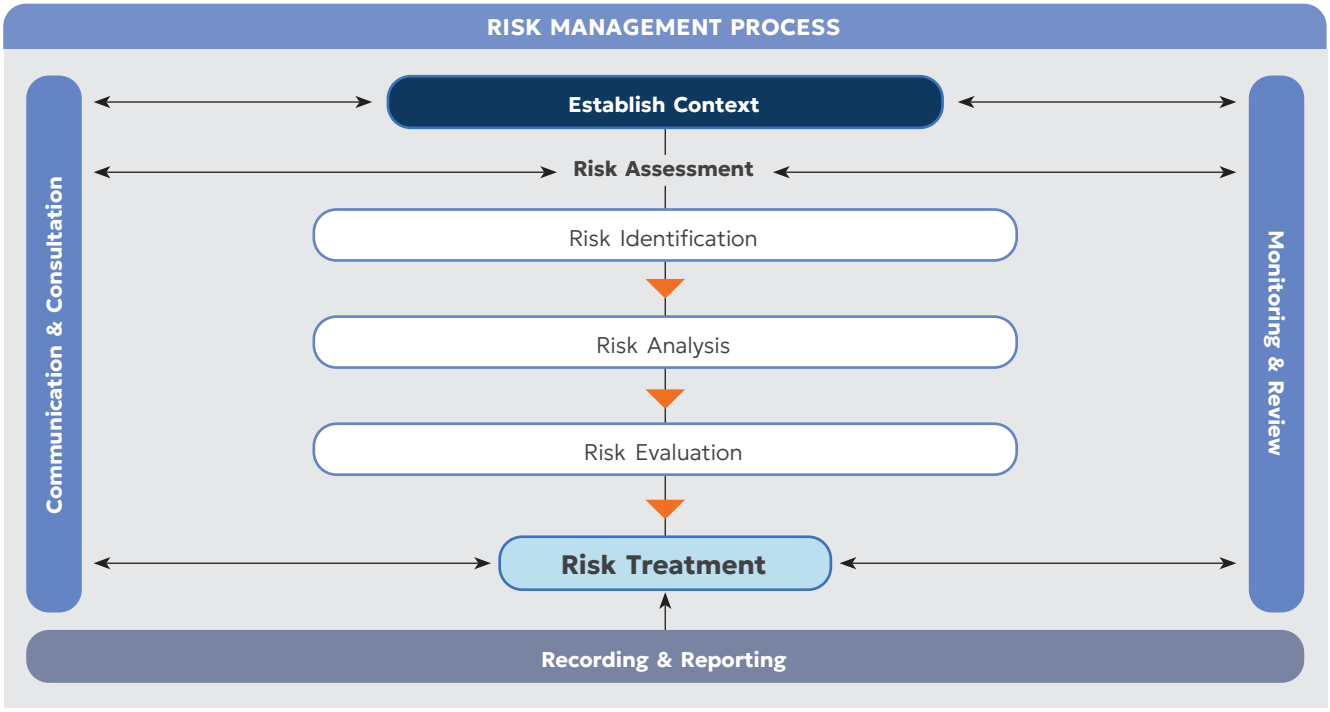
INTEGRATION OF RISK MANAGEMENT AND INTERNAL CONTROLS

The Group's ERM Framework is embedded across the broader management framework wherever feasible, integrating risk assessment into key operational activities and decision-making processes (see table below). Assessments follow a structured process aligned with ISO 31000 and globally recognised risk management practices, ensuring consistency and rigour across the Group.

Risk Assessment Activities

Level/Context	Assessment	Management Involvement	Frequency
Strategic Level	• Board Risk Appetite Statement.	• Setting the Group's risk strategy, appetite, tolerance, limits and thresholds, and reviewing them to ensure alignment with strategic objectives.	Biennially
Enterprise-wide Level	• Quarterly risk profile submission and reporting. • Review adherence to the Board Risk Appetite.	• Reviewing and updating risks to ensure the risk profile remains current, reflecting changes in rating, effectiveness of controls and progress of action plans. • Tracking and monitoring risks against the Risk Appetite Statement.	Quarterly
Operational Level	• Half-yearly risk profile submission and reporting.	• Reviewing and updating risks to ensure the operational risk profile remains current, reflecting changes in rating, effectiveness of controls and progress of action plans.	Bi-annually
Major Proposals/ Investments/ Divestments	• Strategic risk assessment on proposals/ investment/divestment.	• Assessment of key risk exposures and controls to enable informed decisions.	As required

As illustrated, risks are managed across all levels of the Group. Strategic-level reviews, conducted biennially, set the Group's risk appetite and ensure alignment with strategic objectives. Enterprise-wide and operational reviews maintain current risk profiles, monitor controls and track progress of action plans. Targeted assessments of major proposals, investments and tenders support informed decision-making. Collectively, these activities identify new risks, reassess existing ones and guide adjustments to strategy and risk considerations as conditions evolve.

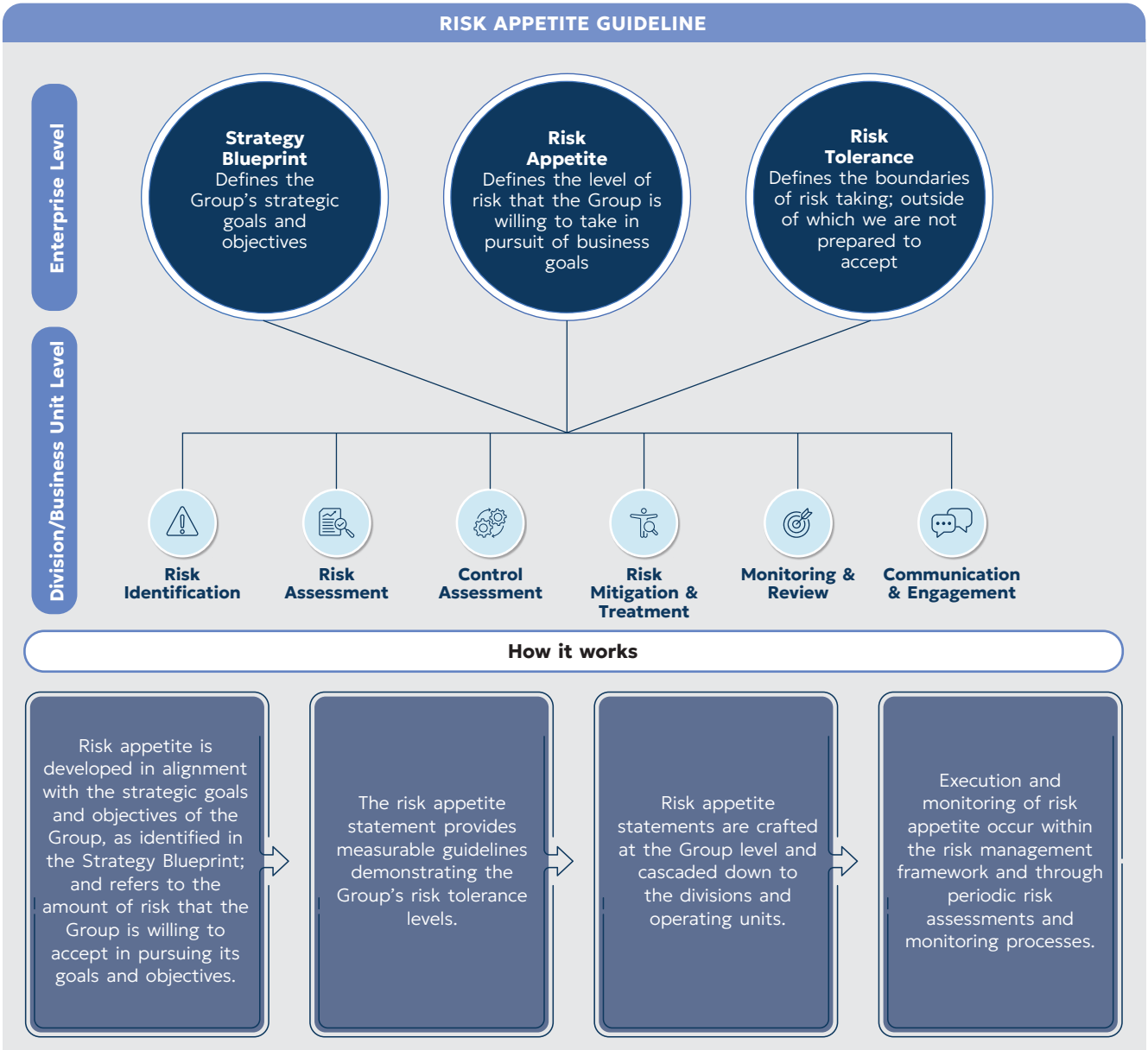


STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

RISK APPETITE

Risk appetite refers to the amount of risk an organisation is prepared to accept in pursuit of its strategic objectives. The Board, via the RMSC, determines the Group's risk appetite and tolerance, and ensures that it is communicated appropriately across the Group. The Group's risk appetite is documented and formalised through a risk appetite statement which articulates the Group's risk strategy. The risk appetite statement was developed by GRC in consultation with the RMSC and the Group Management Committee, approved by the Board and is reviewed biennially to ensure its continued relevance and alignment with the Group's strategic objectives.

GRC has also established a risk appetite guideline on the formulation and implementation of the Group's risk appetite statement. This is shown in the following diagram:



Breaches of risk tolerance limits will be reported to the RMSC to facilitate necessary review of the effectiveness of both internal controls and mitigation actions; or a need to recalibrate the appetite or limits if they no longer reflect the Group's actual risk appetite.

For more details on the Group's risk appetite statement, please refer to the Enterprise Risk Management section on page 38 to 41 of this report.

CONTROL ENVIRONMENT

Group Policies and Authorities (GPAs)

The Board has put in place the GPAs which act as a key pillar of the Group's governance framework. It is a tool the Board uses to formally delegate functions and powers to the Management with specific oversight and supervisory functions. This enables the Board to facilitate a robust yet controlled environment encircling clear lines of responsibilities, accountability and authority limits that are aligned with the Group's business operations. As the GPAs cover a wide range of areas, they also act as an ethical road map for the Group's diverse businesses to navigate the intricacies of global business practices and cultures. The GPAs are reviewed annually whereby any new GPAs and/or enhancement to the current GPAs are approved by the Board prior to implementation. The Divisions develop further delegated authorities, with supporting policies and procedures based on the mandate and guidance provided by the GPAs. The GPAs also embeds Environmental, Social and Governance (ESG) material matters in line with Sime's Sustainability Blueprint.

Code of Business Conduct (COBC)

The Group's core values set out the expected behaviours for Directors and employees of the Group in creating a culture of ethical work environment. These values have been reflected in the Group's Business Principles and the COBC.

A Compliance e-learning and declaration programme is in place to confirm that employees, including Directors via the declaration process, have read and agreed to comply with the provisions of the COBC.

Integrity, Anti-Bribery and Anti-Corruption

The Group has an Anti-Bribery and Anti-Corruption framework which includes Anti-Bribery and Anti- Corruption Policy as well as a Sime Anti-Corruption Plan (SACP) that covers 11 key areas guided by the requirements of the Adequate Procedure T.R.U.S.T Guidelines serving as a defence against corporate liability under Section 17A of the MACC Act.

The Group developed and implemented 'yourTrust' to automate the gifts, hospitality and donations registration process for all employees who give and receive any gifts, hospitality and donations from external parties. This application is made available on mobile and web to provide convenience to employees.

GRC works closely with the Divisional Business Continuity, Integration, Risk & Compliance (BCIRC)/Risk & Compliance (R&C) Managers to support GRC in implementation and monitoring of risk and compliance obligations, as well as to enhance the efficiency and consistency of compliance oversight throughout the Group's operation.

In demonstrating top level commitment, an Anti-Bribery and Anti-Corruption Steering Committee (ABC Steering Committee) was established, chaired by the GCFO with members including the Group Secretary, Group Head – GRC, Group Chief Human Resources Officer and Division Managing Directors. BCIRC and R&C Managers are also invited. ABC Steering Committee meetings have convened to share updates on the progress of continuous efforts for improvement of the Group's SACP.

In FY2022, the Group had engaged with an external consultant to perform validation of the Group's SACP to determine the adequacy of internal controls. The validation focuses on documentation reviews and implementation efforts by the Group. In FY2023, it was independently validated that the Group's SACP is adequate and is of low risk with an adequate anti-bribery and anti-corruption system in place. Following the outcome of the validation exercise, GRC has continued to improve the Group's SACP.

On 2 April 2026, the Group organised Sime Integrity Day 2026 themed *Bridging Trust, Strengthening Culture* to reinforce its commitment to integrity, ethical conduct and anti-corruption. The programme included integrity and anti-corruption awareness sessions conducted by the Malaysian Anti-Corruption Commission (MACC), leadership engagements and Integrity Pledge Declaration, underscoring the Group's commitment to fostering a culture of transparency, accountability and good governance.



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

One of the key areas under the T.R.U.S.T Guideline is on Conflict of Interest (COI). In line with the MMLR of Bursa Malaysia on the COI declaration for Directors and Key Senior Management, the Group has developed COI Guidelines. These Guidelines were also validated by international lawyers to ensure compliance with regulations in countries that the Group has footprints. Alongside these Guidelines, a COI Guidelines execution process was developed to ensure compliance with Bursa's requirements.

For further details on all other SACP activities, please refer to the RMSC Report on pages 127 to 133

Whistleblowing

The Group's Whistleblowing Charter & Framework (WCF) was enhanced to primarily be referenced to ISO 37002 with the objective to improve and promote an effective whistleblowing system. The WCF provides a structured process in managing whistleblowing cases. These enhancements are made to ensure that confidentiality is preserved at all times, protection to the whistleblower is afforded at organisational level and investigations are conducted transparently and impartially without compromising the standards of an effective whistleblowing management system.

A more elaborated set of procedures are specified in the WCF and the policy on whistleblowing as set out in the GPA are available on the Group's internal portal, Sime Hub.

The Group's whistleblowing mechanism and channels are managed by GRC, reporting directly to the Senior Independent Director to provide independence from Management. This is articulated in the WCF (as stated in the GPA), where whistleblowing can be reported either through emails, letters, calls, instant text messages or e-form via the Sime official website.

A summary of all cases including trends and analysis are presented to the Board for notation twice a year.

Group Procurement Policies and Authorities (GPPA)

The GPPA covers all types of purchases (capital expenditure, operating expenditure and trade) across the countries in which the Group operates. The GPPA states the key principles and procedures required in the procurement of goods and services within the Group. These key principles and procedures serve as guidelines in establishing the detailed procurement procedures at all divisions.

Vendor Code of Business Conduct (VCOBC)

Vendors are expected to adhere to standards of behaviour aligned to promote a fair, honest and ethical business environment. The Group's VCOBC provides a guide on these standards of behaviour when dealing with or on behalf of the Group.

Vendor Letter of Declaration (VLOD)

The VLOD was introduced as one of the Group's initiatives to align the Group's expectations with the behaviours of our suppliers and the principles contained in the VCOBC. The VLOD captures vendors' formal affirmation to comply with the principles of the VCOBC, to refrain from involvement with any offence of bribery, corruption or fraud; and to refrain from engaging in bribery, corruption or fraud with the Group.

Regulatory Compliance Monitoring

The Group's state of compliance with key regulatory requirements is continuously monitored to manage potential breaches and to detect incidents which may have a material effect on this Statement.

Enterprise Risk Management Framework

The Group has a formal enterprise risk management framework that has been approved by the RMSC. The framework encompasses supporting policies, standards and guidelines to guide risk assessment, evaluation and monitoring processes. Wherever appropriate, risk management practices are integrated into operating policies, procedures and guidelines.

Business Continuity

The Group has established a formal business continuity management (BCM) framework that describes the business continuity standard and guidelines. The Management is responsible to ensure that the Group is able to respond to and recover from significant unexpected events.

The work on BCM is an ongoing initiative to facilitate the development of robust policy, frameworks and plans to protect the interests of all stakeholders.

Financial Budgets

The Group's divisions prepare budgets on an annual basis. The budgets are reviewed by Management prior to submission to the Board for approval. The Group Management Committee reviews the division's financial performance (actual against budget) and forecasts for the financial year on a regular basis. Additionally, the financial performance of the Group is reported to the Board on a quarterly basis.

COMMUNICATION AND REPORTING

Reporting to Shareholders/Stakeholders

External stakeholder relations and communication are given high priority in view of the types of risks faced by the Group.

As a multinational company headquartered in Malaysia, an effective external communications strategy is essential to protect the Group's reputation.

The Group has established processes and procedures to ensure that quarterly and annual audited financial statements which cover the Group's performance, are submitted to Bursa Securities for release to shareholders and other stakeholders on a timely basis.

All quarterly financial results are reviewed and approved by the Board prior to announcement.

The Group's annual reports which contain the annual audited financial statements, together with the auditors' and Directors' reports are issued to the Group's shareholders within the stipulated time prescribed under the MMLR of Bursa Malaysia.

MATERIAL JOINT VENTURE AND ASSOCIATES

The disclosures in this Statement do not include the risk management and internal controls practices of the Group's material joint ventures and associates. The Group's interests in these entities are safeguarded through the appointment of members of the Group Management Committee to the respective joint venture and associate boards and in certain cases, the Management or operational committees of these entities.

REVIEW OF THE STATEMENT BY THE EXTERNAL AUDITORS

As required by Paragraph 15.23 of the MMLR of Bursa Malaysia, the external auditors have reviewed this Statement on Risk Management and Internal Control. Their limited assurance review was performed in accordance with Audit and Assurance Practice Guide (AAPG) 3 issued by the Malaysian Institute of Accountants. AAPG 3 does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal controls systems of the Group.

CONCLUSION

For the financial year under review and up to the date of approval of this Statement, the Board is satisfied with the adequacy and effectiveness of the Group's system of risk management and internal controls to safeguard shareholders' investments and the Group's assets. The Board has received reasonable assurance from the GCEO and the GCFO that the Group's risk management and internal controls system, in all material aspects, are operating adequately and effectively.

This Statement is prepared in accordance with the Statement on Risk Management and Internal Control – Guidelines for Directors of Listed Companies issued on 9 September 2025, which is in line with the requirements of Paragraph 15.26 (b) of the MMLR of Bursa Malaysia and Principle B of the MCCG 2021 issued by Securities Commission Malaysia.

This Statement is made in accordance with a resolution of the Board dated 25 September 2026.

ADDITIONAL COMPLIANCE INFORMATION

1. UTILISATION OF PROCEEDS FROM CORPORATE PROPOSALS

On 11 December 2023, Sime Darby Enterprise Sdn Bhd (SDESB), a wholly-owned subsidiary of Sime Darby Berhad (Sime or Company), had established an unrated Islamic commercial papers and Islamic medium term notes programme based on the Shariah principle of Murabahah (via Tawarruq arrangement) for the issuance of Sukuk Murabahah of up to RM10.0 billion in nominal value (Sukuk Murabahah Programme) guaranteed by Sime.

On 11 December 2024, Tranches 2, 3 and 4 of the Sukuk Murabahah at a combined issue size of RM1.3 billion in nominal value were issued. On 13 December 2024, Tranche 5 of the Sukuk Murabahah at an issue size of RM200 million in nominal value was issued.

On 10 December 2025, Tranche 2 of the Sukuk Murabahah amounting to RM150 million was redeemed.

Issuance Date	Outstanding Nominal Value as at 30 June 2026 (RM million)	Maturity Date	Proceeds Utilisation
11 December 2024			To refinance the outstanding Sukuk Murabahah which matured on 11 December 2024.
• Tranche 3	350	10 December 2027	
• Tranche 4	800	11 December 2030	
13 December 2024			For Shariah compliant purposes of Sime Group: a) working capital requirements; b) investments/acquisitions; c) capital expenditure; and/or d) any other general corporate purposes.
• Tranche 5	200	11 December 2030	

2. AUDIT AND NON-AUDIT FEES

Total fees paid or payable to external auditors for work performed during the financial year are as follows:

	Group (RM million)	Company (RM million)
Fees for statutory audits		
– PricewaterhouseCoopers PLT and member firms of PricewaterhouseCoopers International Limited	26	1
– Other audit firms	1	–
	27	1
Fees for non-audit services (including assurance related services)		
– PricewaterhouseCoopers PLT and member firms of PricewaterhouseCoopers International Limited	2	–[1]

Note: [1] *less than RM1 million*

3. MATERIAL CONTRACTS INVOLVING INTERESTS OF DIRECTORS AND MAJOR SHAREHOLDERS

There were no material contracts entered into by the Company and/or its subsidiaries involving interests of Directors and major shareholders during the financial year.

4. CONTRACTS RELATING TO LOANS

There were no contracts relating to loans by the Company and/or its subsidiaries involving interests of Directors and major shareholders during the financial year.

5. RECURRENT RELATED PARTY TRANSACTION OF A REVENUE OR TRADING NATURE

At the 19th Annual General Meeting (AGM) held on 13 November 2025, the Company obtained a general mandate from its shareholders for recurrent related party transactions of a revenue or trading nature, to be entered into by the Company and/or its subsidiaries as set out in the Circular to Shareholders dated 15 October 2025 (Mandate). The Mandate is valid until the forthcoming 20th AGM of the Company to be held on 12 November 2026, unless renewed.

Pursuant to Paragraph 10.09(2)(b) and Paragraph 3.1.5 of Practice Note 12 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, details of the recurrent related party transactions of a revenue or trading nature entered into during the financial year ended 30 June 2026 were as follows:

Name of Related Party	Transacting Company in the Group	Relationship	Nature of Transactions	Value of Transactions (RM million)
Toyota Motor Corporation (TMC)	UMW Toyota Motor Sdn Bhd (UMWT)	TMC is a major shareholder of UMWT, holding 39.00% direct equity interest in UMWT and indirect interest in UMWT through Toyota Tsusho Corporation (TTC), (a company which TMC has 21.69% direct equity interest) by virtue of TTC's 10.00% equity interest in UMWT.	• Payment for vehicles, accessories and parts royalty to TMC • Payment of exhaust emission certification fee to TMC • Payment of training, accommodation and transportation costs to TMC • Payment of system maintenance fee to TMC • Purchase of advertising materials from TMC • Sale of vehicles to TMC	133
		Daihatsu Perodua Engine Manufacturing Sdn Bhd (DPEM) is an indirect 51.00% owned subsidiary of TMC, held through Daihatsu Motor Co Ltd, Japan (DMC), a wholly-owned subsidiary of TMC.	• Sale of vehicles parts to DPEM • Purchase of local spare parts from DPEM	4
		DMC is a wholly-owned subsidiary of TMC.	• Payment for spare parts, vehicles and accessories royalty to DMC	59
		TMC is an indirect major shareholder of Perodua Manufacturing Sdn Bhd (PMSB), with an effective interest of 30.71% through DMC. DMC holds 20.00% in Perusahaan Otomobil Kedua Sdn Bhd (Perodua) and 41.00% in Perodua Auto Corporation Sdn Bhd (PCSB), which directly own 49.00% and 51.00% of PMSB respectively.	• Sale of vehicles to PMSB • Purchase of local spare parts from PMSB • Purchase of assembled vehicles from PMSB • Electricity expenses paid to PMSB	535
		TMC is an indirect major shareholder of JTEKT Automotive (Malaysia) Sdn Bhd (JAMSB), holding an effective interest of 20.25% through JTEKT Corporation, Japan (JTEKT Corp), a company in which TMC has 22.50% direct equity interest.	• Sale of vehicles parts to JAMSB • Sale of vehicles to JAMSB • Purchase of local spare parts from JAMSB • Purchase of local parts from JAMSB	70
		Toyota Auto Body (Malaysia) Sdn Bhd (TABM) is an indirect wholly-owned subsidiary of TMC, held through Toyota Auto Body Co Ltd, Japan (TABC), a wholly-owned subsidiary of TMC.	• Sale of vehicle components to TABM • Purchase of local spare parts from TABM	55

ADDITIONAL COMPLIANCE INFORMATION

Name of Related Party	Transacting Company in the Group	Relationship	Nature of Transactions	Value of Transactions (RM million)
		Toyota Capital Malaysia Sdn Bhd (TCAP) is an indirect 70.00% owned subsidiary of TMC, held through Toyota Financial Services Corporation, Japan (TFS), a wholly-owned subsidiary of TMC.	• Sale of vehicles to TCAP • Sale of spare parts to TCAP • Sponsorship received from TCAP	*
		Toyota Motor Asia (Thailand) Co Ltd (TMAT) is a wholly-owned subsidiary of TMC.	• Sale of spare parts to TMAT • Payment of royalty on accessories to TMAT • Payment of technical fees to TMAT • Payment of labour cost sharing to TMAT • Project development cost paid to TMAT • Payment of advertising expenses to TMAT	42
		Toyota Motor Asia (Singapore) Pte Ltd (TMAS) is a wholly-owned subsidiary of TMC.	• Sale of parts and components to TMAS • Sale of accessories parts to TMAS • Payment of warranty claim to TMAS • Payment of system maintenance fee to TMAS • Payment of vehicles software to TMAS • Purchase of completely knocked down (CKD) vehicle components from TMAS • Purchase of vehicle spare parts from TMAS • Purchase of vehicle accessories from TMAS • Purchase of completely built up (CBU) vehicles from TMAS • Payment of training expenses to TMAS • Payment of advertising expenses to TMAS • Payment of haulage cost to TMAS	4,204
		TMC is an indirect major shareholder of Toyota Tsusho (Malaysia) Sdn Bhd (TTM), holding an effective interest of 15.18% through TTC, a company in which TMC has 21.69% direct equity interest.	• Rental income received from TTM • Purchase of local spare parts from TTM • Purchase of accessories from TTM	19
		TMC is an indirect major shareholder of UMW Toyotsu Motors Sdn Bhd (UMW Toyotsu), with an effective interest of 13.94% through TTC. TTC holds a 51.00% direct equity interest and a 13.30% indirect effective interest in UMW Toyotsu, held through TTM.	• Sale of vehicles to UMW Toyotsu • Sale of vehicle parts to UMW Toyotsu • Incentives payment to UMW Toyotsu • IT service income received from UMW Toyotsu • Sale of accessories parts to UMW Toyotsu • Training income received from UMW Toyotsu	469

Name of Related Party	Transacting Company in the Group	Relationship	Nature of Transactions	Value of Transactions (RM million)
		TMC is an indirect major shareholder of Denso (Malaysia) Sdn Bhd (Denso Malaysia), with an effective interest of 21.78% through its shareholdings in Denso Corporation, Japan (DCJ) and TTC.	• Purchase of local spare parts from Denso Malaysia • Purchase of local parts from Denso Malaysia • Sale of vehicles to Denso Malaysia • Purchase of special services tools from Denso Malaysia • Sponsorship received from Denso Malaysia	457
		TMC is an indirect major shareholder of Denso Wiper System (Malaysia) Sdn Bhd (DWSSB), holding an effective interest of 24.16% through DCJ.	• Purchase of local parts from DWSSB	55
		TMC is an indirect major shareholder of JTEKT Malaysia Sdn Bhd (JMSB), holding an effective interest of 20.25% through JTEKT Corp, a company in which TMC has 22.50% direct equity interest.	• Purchase of local spare parts from JMSB	1
		TMC is an indirect major shareholder of Toyofuji Logistics Malaysia Sdn Bhd (TFLM), holding an effective interest of 25.00% through Toyofuji Shipping Co Ltd, a company in which TMC has 50.00% direct equity interest.	• Transportation charges and handling fees expenses charged by TFLM	39
		P.T. Toyota Motor Manufacturing Indonesia (TMMIN) is a 95.00% owned subsidiary of TMC.	• Sale of parts rack to TMMIN	–
		TMC is a major shareholder of Toyota Aisin Philippines, Inc (TAP), holding 34.00% direct equity interest in TAP.	• Sale of parts rack to TAP	*
		Toyota Motor Europe NV/SA (TME) is a wholly-owned subsidiary of TMC.	• Certification fee charges from TME	–
		TMC has 21.69% and 90.5% interest in TTC and Toyota Customising & Development Co., Ltd (TCDC) respectively. TTC and TCDC have 20.00% and 80.00% shareholdings in TCD Asia respectively.	• Sponsorship received from TCD Asia	–
		TMC is an indirect major shareholder of Perusahaan Otomobil Kedua Sdn Bhd (Perodua), holding an effective interest of 20.00% through DMC, a wholly-owned subsidiary of TMC.	• Sale of vehicles to Perodua	*
		TMC is an indirect major shareholder of Toyota CONIQ Pro, Inc (Toyota CONIQ), holding an effective interest of 66.00% through Toyota CONIQ Inc.	• Purchase of advertising materials from Toyota CONIQ	–

ADDITIONAL COMPLIANCE INFORMATION

Name of Related Party	Transacting Company in the Group	Relationship	Nature of Transactions	Value of Transactions (RM million)
TMC	Assembly Services Sdn Bhd (ASSB)	TMC is an indirect major shareholder of ASSB, holding an effective interest of 41.17% through UMWT and TTC, in which TMC has 39.00% and 21.69% direct equity interest respectively.	• Payment of technical support charges to TMC • Purchase of other services (non-technical) from TMC • Purchase of vehicle component parts from TMC	2
		TMC is an indirect major shareholder of TTM, holding an effective interest of 15.18% through TTC, a company in which TMC has 21.69% direct equity interest.	• Purchase of vehicle original equipment (OE), parts, consumables, sample parts, tools, equipment and machinery from TTM • Commissions income received from TTM	33
		TMC is an indirect major shareholder of Denso Malaysia, with an effective interest of 21.78% through its shareholdings in DCJ and TTC. TMC owns 24.16% of DCJ, while DCJ and TTC hold indirect effective interests of 73.00% and 19.09% respectively in Denso Malaysia.	• Purchase of local vehicle parts from Denso Malaysia	172
		DPEM is an indirect 51.00% owned subsidiary of TMC, held through DMC, a direct wholly-owned subsidiary of TMC.	• Purchase of local vehicle parts from DPEM	190
		TMC is an indirect major shareholder of PD Kawamura Kako Manufacturing Sdn Bhd (PD Kawamura), holding an effective interest of 39.00% through DMC, a direct wholly-owned subsidiary of TMC.	• Purchase of local vehicle parts from PD Kawamura	2
		TMC is an indirect major shareholder of Autokeen Sdn Bhd (Autokeen), holding an effective interest of 14.00% through DMC, a direct wholly-owned subsidiary of TMC.	• Purchase of local vehicle parts from Autokeen	4
		TMC is an indirect major shareholder of PMSB, holding an effective interest of 30.71% through DMC. DMC holds 20.00% equity interest in Perodua and 41.00% in PCSB. Perodua and PCSB directly hold 49.00% and 51.00% equity interests respectively in PMSB.	• Purchase of local vehicle parts from PMSB	10
		TMC is an indirect major shareholder of JAMSB, holding an effective interest of 20.25% through JTEKT Corp, a company in which TMC has 22.50% direct equity interest.	• Purchase of local vehicle parts from JAMSB	105

Name of Related Party	Transacting Company in the Group	Relationship	Nature of Transactions	Value of Transactions (RM million)
		TABM is an indirect wholly-owned subsidiary of TMC, held through TABC, a wholly-owned subsidiary of TMC.	• Purchase of panel and parts from TABM • Bumper painting income received from TABM • Rental income received from TABM • Electro-deposition process income received from TABM	324
		TMAT is a wholly-owned subsidiary of TMC.	• Technical support and system implementation charges from TMAT • Purchase of machinery, equipment and parts from TMAT • Purchase of other services (non-technical) from TMAT	5
		TMC is an indirect major shareholder of T&T Venture Sdn Bhd (TTV), holding an effective interest of 41.70% through Trinity Industrial Co Ltd, a company in which TMC has 41.70% direct equity interest.	• Purchase of machineries, equipment and parts from TTV	5
TMC	Automotive Industries Sdn Bhd (AISB)	TMC is an indirect major shareholder of AISB, holding an effective interest of 41.17% through UMWT and TTC, in which TMC has 39.00% and 21.69% direct equity interest respectively. TMC is also an indirect major shareholder of PMSB, holding an effective interest of 30.71% through DMC, a wholly-owned subsidiary of TMC. DMC holds direct equity interest of 20.00% in Perodua and 41.00% in PCSB. Perodua and PCSB hold direct equity interest of 49.00% and 51.00% in PMSB respectively.	• Sale of vehicle OE exhaust system to PMSB	45
		TMC is an indirect major shareholder of Perodua Global Manufacturing Sdn Bhd (PGMSB), with an effective interest of 30.71% through DMC, a wholly-owned subsidiary of TMC. DMC holds direct equity interest of 20.00% in Perodua and 41.00% in PCSB. Perodua and PCSB hold direct equity interest of 49.00% and 51.00% in PGMSB respectively.	• Sale of vehicle OE exhaust system to PGMSB	71

ADDITIONAL COMPLIANCE INFORMATION

Name of Related Party	Transacting Company in the Group	Relationship	Nature of Transactions	Value of Transactions (RM million)
		TMC is an indirect major shareholder of Perodua Engine Manufacturing Sdn Bhd (PEMSB), with an effective interest of 30.71% through DMC, a wholly-owned subsidiary of TMC. DMC holds direct equity interest of 20.00% in Perodua and 41.00% in PCSB. Perodua and PCSB hold direct equity interest of 49.00% and 51.00% in PGMSB respectively.	• Sale of stamping parts and manifold assembly exhaust to PEMSB	79
		TMC is an indirect major shareholder of Perodua Sales Sdn Bhd (PSSB), holding an effective interest of 20.00% through DMC, a direct wholly-owned subsidiary of TMC.	• Sale of vehicle exhaust replacement parts to PSSB	1
		DPEM is an indirect 51.00% owned subsidiary of TMC, held through DMC, a direct wholly-owned subsidiary of TMC.	• Sale of manifold assembly exhaust to DPEM	116
		TABM is an indirect wholly-owned subsidiary of TMC, held through TABC, a wholly-owned subsidiary of TMC.	• Sale of impact beam to TABM	1
		TMC is an indirect major shareholder of TTM, holding an effective interest of 15.18% through TTC, a company in which TMC has 21.69% direct equity interest.	• Purchase of seat frame components, pipe exhaust and sub muffler from TTM	67
TMC	Toyota Boshoku UMW Sdn Bhd (TBU)	TMC is a major shareholder of TBU, with an effective equity interest of 36.20% through its shareholdings in UMWT and Toyota Boshoku Corporation (TBC), which directly hold 65.00% and 35.00% equity interests in TBU respectively. TMC is also an indirect major shareholder of PMSB, holding an effective interest of 30.71% through DMC, a wholly-owned subsidiary of TMC. DMC holds direct equity interest of 20.00% in Perodua and 41.00% in PCSB. Perodua and PCSB hold direct equity interest of 49.00% and 51.00% in PMSB respectively.	• Sale of completed vehicle seats and parts to PMSB • Sale of tooling to PMSB	190
		TMC is an indirect major shareholder of TTM, holding an effective interest of 15.18% through TTC, a company in which TMC has 21.69% direct equity interest.	• Purchase of fabric and CKD seat components from TTM • Sale of headrest and sample part to TTM	232

Name of Related Party	Transacting Company in the Group	Relationship	Nature of Transactions	Value of Transactions (RM million)
		TMC is an indirect major shareholder of Hino Motors Manufacturing (M) Sdn Bhd (Hino Motor Malaysia), holding an effective interest of 40.09% through Hino Motor Ltd, Japan (Hino Motor Japan), a company in which TMC has 50.11% direct equity interest.	• Sale of completed vehicle seats to Hino Motor Malaysia	3
		TMC is an indirect major shareholder of PSSB, holding an effective interest of 20.00% through DMC, a direct wholly-owned subsidiary of TMC.	• Sale of service parts to PSSB	*
		TABM is an indirect wholly-owned subsidiary of TMC, through TABC, a wholly-owned subsidiary of TMC.	• Purchase of seats and door trim parts from TABM	3
		TMC is a major shareholder of TBC, holding 31.00% direct equity interest in TBC.	• Royalty cost charged by TBC • Professional/R&D fees charged by TBC	17
		TMC is an indirect major shareholder of Toyota Boshoku Asia Co Ltd, Thailand (TBAC), holding an effective interest of 31.00% through TBC.	• Professional/R&D fees charged by TBAC	*
TMC	KYB-UMW Malaysia Sdn Bhd (KYBM)	TMC is an indirect major shareholder of KYBM, with an effective interest of 10.55% through UMWT and KYB Corporation, Japan (KYBJ), which directly hold 21.43% and 33.40% equity interest in KYBM respectively. TMC holds a direct equity interest of 6.55% in KYBJ. TMC is also an indirect major shareholder of TTM, holding an effective interest of 15.18% through TTC, a company in which TMC has 21.69% direct equity interest.	• Purchase of raw materials from TTM • Sale of shock absorber to TTM	2
		TMC is a major shareholder of TTC, holding 21.69% equity interest in TTC.	• Purchase of raw materials from TTC • Purchase of tool and jigs from TTC	41
		TMC is an indirect major shareholder of Hino Motor Malaysia, holding an effective interest of 40.09% through Hino Motor Japan, a company in which TMC has 50.11% direct equity interest.	• Sale of shock absorber to Hino Motor Malaysia	*

ADDITIONAL COMPLIANCE INFORMATION

Name of Related Party	Transacting Company in the Group	Relationship	Nature of Transactions	Value of Transactions (RM million)
		TMC is an indirect major shareholder of PMSB, holding an effective interest of 30.71% through DMC, a wholly-owned subsidiary of TMC. DMC holds direct equity interest of 20.00% in Perodua and 41.00% in PCSB. Perodua and PCSB hold direct equity interest of 49.00% and 51.00% in PMSB respectively.	• Sale of shock absorber to PMSB	27
		TMC is an indirect major shareholder of PGMSB, holding an effective interest of 30.71% through DMC, a wholly-owned subsidiary of TMC. DMC holds direct equity interest of 20.00% in Perodua and 41.00% in PCSB. Perodua and PCSB hold direct equity interest of 49.00% and 51.00% in PMSB respectively.	• Sale of shock absorber to PGMSB	40
		TMC is an indirect major shareholder of PSSB, holding an effective interest of 20.00% through DMC, a direct wholly-owned subsidiary of TMC.	• Sale of shock absorber to PSSB • Sale of gear system and steering pump to PSSB	5
		TMC is an indirect major shareholder of Hino Motor Sales (Malaysia) Sdn Bhd (Hino Motor Sales), holding an effective interest of 40.09% through Hino Motor Japan, a company in which TMC has 50.11% direct equity interest.	• Sale of shock absorber to Hino Motor Sales	*
Total				**7,934**
Toyota Tsusho Corporation (TTC)	UMWT	TTC is a major shareholder of UMWT, holding 10.00% equity interest in UMWT. TTC is an indirect major shareholder of Total Logistics Services (M) Sdn Bhd (TLS), holding an effective interest of 16.07% through TTM, a company in which TTC has 70.00% direct equity interest.	• Sale of sub-assembly parts to TLS • Forwarding, terminal and handling costs charges from TLS	655
		TTM is a 70.00% owned subsidiary of TTC.	• Rental income received from TTM • Purchase of local spare parts from TTM • Purchase of accessories from TTM	19

Name of Related Party	Transacting Company in the Group	Relationship	Nature of Transactions	Value of Transactions (RM million)
		UMW Toyotsu is a 51.00% owned subsidiary of TTC.	• Sale of vehicles to UMW Toyotsu • Sale of vehicle parts to UMW Toyotsu • Incentives payment made to UMW Toyotsu • IT services income received from UMW Toyotsu • Sale of accessories parts to UMW Toyotsu • Training income received from UMW Toyotsu	469
		TMC has 21.69% and 90.5% interest in TTC and TCDC respectively. TTC and TCDC have 20.00% and 80.00% shareholdings in TCD Asia respectively.	• Sponsorship received from TCD Asia	–
		TTC is a major shareholder of Toyota Tsusho Systems Singapore Pte Ltd (TTS), holding 46.00% direct equity interest in TTS.	• Payment of IT expenses to TTS	*
		Toyota Tsusho Systems Thailand Co Ltd (TTST) is 82.00% owned subsidiary of TTC.	• Payment of IT expenses to TTST	1
		TAS Corporation (TAS) is a wholly-owned subsidiary of TTC.	• Payment of IT expenses to TAS	*
TTC	ASSB	TTC is an indirect major shareholder of ASSB, holding an effective interest of 10.00% through UMWT. ASSB is a wholly-owned subsidiary of UMWT. TTC is also an indirect major shareholder of TLS, holding an effective interest of 16.07% through TTM, a company in which TTC has 70.00% direct equity interest.	• Sale of component parts to TLS • Purchase of local vehicle parts from TLS • Rental income received from TLS • Payment of logistics, warehousing and parts handling cost to TLS	1,836
		TTM is a 70.00% owned subsidiary of TTC.	• Purchase of vehicle OE parts, consumables, sample parts, tools and equipment from TTM • Commissions income received from TTM	33
		TTC is a major shareholder of Koito Malaysia Sdn Bhd (Koito), holding 10.00% direct equity interest in Koito.	• Purchase of local vehicle parts from Koito	66
TTC	AISB	TTC is an indirect major shareholder of AISB, holding an effective interest of 10.00% through UMWT. AISB is a wholly-owned subsidiary of UMWT.	• Purchase of bellow, cover pipe, glass wool, muffler and stainless steel from TTC	2

ADDITIONAL COMPLIANCE INFORMATION

Name of Related Party	Transacting Company in the Group	Relationship	Nature of Transactions	Value of Transactions (RM million)
		TTC is an indirect major shareholder of TLS, holding an effective interest of 16.07% through TTM, a company in which TTC has 70.00% direct equity interest.	• Payment of custom clearance and parts handling cost to TLS	1
		TTM is a 70.00% owned subsidiary of TTC.	• Purchase of seat frame components, pipe exhaust and sub muffler from TTM	67
Total				**3,149**
KYBJ	KYBM	KYBJ is a major shareholder of KYBM, holding 33.40% direct equity interest in KYBM.	• Technical service fees charged by KYBJ • Royalty cost charged by KYBJ • Sale of component parts to KYBJ • Insurance charges from KYBJ • Management fees charged by KYBJ • Payment of IT charges to KYBJ • Payment of training cost to KYBJ	13
		KYB Motorcycle Suspension Co Ltd (KYB Motorcycle) is a 66.60% owned subsidiary of KYBJ.	• Royalty cost charged by KYB Motorcycle	1
		KYB Motorcycle Suspension India PVT (KYB Motorcycle India) is a 66.60% owned subsidiary of KYBJ.	• Purchase of raw material from KYB Motorcycle India	*
		KYB Americas Corporation (KYB Americas) is a wholly-owned subsidiary of KYBJ.	• Sale of shock absorber to KYB Americas • Sale of component parts to KYB Americas • Purchase of component parts from KYB Americas	33
		KYB Asian Pacific Corporation Ltd (KYB Asian Pacific) is a wholly-owned subsidiary of KYBJ.	• Sale of shock absorber to KYB Asian Pacific • Sale of component parts to KYB Asian Pacific • Purchase of component parts from KYB Asian Pacific • Purchase of strut mount from KYB Asian Pacific	12
		KYB Europe GmbH (KYB Europe) is a wholly-owned subsidiary of KYBJ.	• Sale of shock absorber to KYB Europe	20
		KYB Mexico S.A. De C.V. (KYB Mexico) is a wholly-owned subsidiary of KYBJ.	• Sale of shock absorber to KYB Mexico	9
		KYB Middle East FZE (KYB Middle East) is a wholly-owned subsidiary of KYBJ.	• Sale of shock absorber to KYB Middle East	10
		Comercial De Autopecas KYB (Comercial Autopecas) is a wholly-owned subsidiary of KYBJ.	• Sale of shock absorber to Comercial Autopecas	*
		KYB Manufacturing do Brasil (KYB Brasil) is a wholly-owned subsidiary of KYBJ.	• Sale of component parts to KYB Brasil	*

Name of Related Party	Transacting Company in the Group	Relationship	Nature of Transactions	Value of Transactions (RM million)
		Wuxi KYB Top Absorber Co Ltd (Wuxi KYB) is a wholly-owned subsidiary of KYBJ.	• Sale of shock absorber to Wuxi KYB	1
		KYB Manufacturing Vietnam Co Ltd (KYB Vietnam) is a wholly-owned subsidiary of KYBJ.	• Purchase of raw materials from KYB Vietnam	1
		KYB Manufacturing Taiwan Co Ltd (KYB Taiwan) is a 55.10% owned subsidiary of KYBJ.	• Purchase of component parts from KYB Taiwan • Sale of shock absorber to KYB Taiwan	*
		KYBJ is a major shareholder of PT Kayaba Indonesia (PTKI), holding 30.00% direct equity interest in PTKI.	• Purchase of raw materials from PTKI • Sale of component parts to PTKI • Sale of shock absorbers to PTKI	4
		KYB Thailand Co Ltd (KYB Thailand) is a 67.00% owned subsidiary of KYBJ.	• Purchase of raw materials from KYB Thailand • Sale of piston rod to KYB Thailand	1
		KYBJ is an indirect major shareholder of Siam Chita Co., Ltd (Siam Chita), holding an effective interest of 49.00% through Chita Kogyo Group, a wholly-owned subsidiary of KYBJ.	• Purchase of component parts from Siam Chita	3
Total				**108**
Toyota Industries Corporation (TICO)	UMW Industries (1985) Sdn Bhd (UMWI)	TICO is an indirect major shareholder of UMWI, holding an effective interest of 49.00% through UMW Toyota Material Handling Sdn Bhd (UTMH), a company in which TICO has 49.00% direct equity interest. UMWI is a wholly-owned subsidiary of UTMH.	• Purchase of spare parts from TICO • Purchase of equipment from TICO • Service charges from TICO	150
		Toyota Material Handling Manufacturing Sweden SB (TMHM Sweden) is an indirect wholly-owned subsidiary of TICO.	• Purchase of spare parts from TMHM Sweden • Purchase of equipment from TMHM Sweden	21
		Toyota Material Handling Europe Logistics AB (TMHE Logistics) is an indirect wholly-owned subsidiary of TICO.	• Purchase of spare parts from TMHE Logistics • Purchase of equipment from TMHE Logistics	4
		Toyota Material Handling Manufacturing Italy S.p.A. (TMH Italy) is an indirect wholly-owned subsidiary of TICO.	• Purchase of equipment from TMH Italy	1
		Toyota Material Handling International AB (TMHI) is an indirect wholly-owned subsidiary of TICO.	• Purchase of catalogue, newsletter and training expenses from TMHI • Purchase of equipment from TMHI	1
		Tailift Material Handling Taiwan Co Ltd (Tailift Taiwan) is an indirect 55% owned subsidiary of TICO.	• Purchase of spare parts from Tailift Taiwan	–

ADDITIONAL COMPLIANCE INFORMATION

Name of Related Party	Transacting Company in the Group	Relationship	Nature of Transactions	Value of Transactions (RM million)
		The Raymond Corporation (TRC) is a wholly-owned subsidiary of TICO.	• Purchase of spare parts from TRC • Purchase of equipment from TRC	1
		Toyota Material Handling Shanghai Co Ltd (TMH Shanghai) is a 75.20% owned subsidiary of TICO.	• Purchase of spare parts from TMH Shanghai	–
		Toyota Material Handling (Thailand) Co Ltd (TMH Thailand) is a 60.00% owned subsidiary of TICO.	• Purchase of other items from TMH Thailand	–
TICO	UMW Industrial Equipment (Shanghai) Co Ltd (UIE)	TICO is an indirect major shareholder of UIE, holding an effective interest of 49.00% through UTMH, a company in which TICO has 49.00% direct equity interest. UIE is a wholly-owned subsidiary of UTMH. TMH Shanghai is a 75.20% owned subsidiary of TICO.	• Purchase of parts and equipment from TMH Shanghai • Purchase of equipment from TMH Shanghai • Service income received from TMH Shanghai	21
TICO	UMW Industrial Trading (Shanghai) Co Ltd (UIT)	TICO is an indirect major shareholder of UIT, holding an effective interest of 49.00% through UTMH, a company in which TICO has 49.00% direct equity interest. UIT is a wholly-owned subsidiary of UTMH. TMH Shanghai is a 75.20% owned subsidiary of TICO.	• Purchase of equipment from TMH Shanghai	3
TICO	UMW Equipment Systems (Vietnam) Company Limited (UESV)	TICO is an indirect major shareholder of UESV, holding an effective interest of 49.00% through UTMH, a company in which TICO has 49.00% direct equity interest. UESV is an indirect wholly-owned subsidiary of UTMH.	• Purchase of goods and services from TICO • System usage fees charged by TICO • License fees charged by TICO	53
		TMHM Sweden is an indirect wholly-owned subsidiary of TICO.	• Purchase of goods and services from TMHM Sweden	9
		TMHI is an indirect wholly-owned subsidiary of TICO.	• IT expenses paid to TMHI • Purchase of goods and services from TMHI	*
		TRC is a wholly-owned subsidiary of TICO.	• Purchase of goods and services from TRC	1
		TMHE Logistics is an indirect wholly-owned subsidiary of TICO.	• Purchase of parts from TMHE Logistics	2
TICO	UMW Equipment & Engineering Pte Ltd (UEEPL)	TICO is an indirect major shareholder of UEEPL, holding an effective interest of 49.00% through UTMH, a company in which TICO has 49.00% direct equity interest. UEEPL is a wholly-owned subsidiary of UTMH.	• Purchase of machinery from TICO • Purchase of parts from TICO • License fee and data management cost, part catalogues and operator manual, training and advertising materials charges from TICO	80
		TICO is a major shareholder of Aichi Corporation (Aichi), holding 21.50% direct equity interest in Aichi.	• Purchase of parts from Aichi	*

Name of Related Party	Transacting Company in the Group	Relationship	Nature of Transactions	Value of Transactions (RM million)
		Tailift Taiwan is an indirect 55.00% owned subsidiary of TICO.	• Purchase of parts from Tailift Taiwan	*
		TRC is a wholly-owned subsidiary of TICO.	• Purchase of machinery from TRC • Purchase of parts from TRC	1
		TMH Italy is an indirect wholly-owned subsidiary of TICO.	• Purchase of machinery from TMH Italy	–
		TMHM Sweden is an indirect wholly-owned subsidiary of TICO.	• Purchase of machinery from TMHM Sweden • Purchase of parts from TMHM Sweden • Income on warranty claim from TMHM Sweden	9
		TMHE Logistics is an indirect wholly-owned subsidiary of TICO.	• Purchase of parts from TMHE Logistics • Purchase of machinery from TMHE Logistics • Campaign income received from TMHE Logistics	3
		TMHI is an indirect wholly-owned subsidiary of TICO.	• Purchase of machinery from TMHI • Purchase of parts from TMHI • IT and training expenses paid to TMHI • Commission income received from TMHI	1
Total				**361**
Bermaz Auto Berhad (Bermaz)	Inokom Corporation Sdn Bhd (Inokom)	Bermaz is a major shareholder of Inokom, holding 29.00% direct equity interest in Inokom and an indirect major shareholder of Mazda Malaysia Sdn Bhd (Mazda Malaysia), holding an effective interest of 30.00% through Bermaz Motor Sdn Bhd, a direct wholly-owned subsidiary of Bermaz.	• Rental income from Mazda Malaysia • Contract manufacturing assembly fee from Mazda Malaysia	2 94
		Bermaz Motor Trading Sdn Bhd (Bermaz Motor Trading) is an indirect wholly-owned subsidiary of Bermaz.	• Rental income from Bermaz Motor Trading	2
		Bermaz is a major shareholder of Kia Malaysia Sdn Bhd (Kia Malaysia), holding 33.33% direct equity interest in Kia.	• Contract manufacturing assembly fees from Kia Malaysia • Rental income from Kia Malaysia	18 1
		Dinamikjaya Motors Sdn Bhd (Dinamikjaya Motors) is a 65.00% owned subsidiary of Bermaz.	• Rental income from Dinamikjaya Motors	*
Total				**117**

Note: * *Less than RM0.5 million*

The Company intends to seek shareholders' approval for the renewal of the Mandate for recurrent related party transactions of a revenue or trading nature at its forthcoming 20th AGM. In addition to the renewal of the aforesaid Mandate, the Company will also be seeking a new shareholders' mandate for the Company and/or its subsidiaries to enter into additional recurrent related party transactions with related parties at the forthcoming 20th AGM. The details are set out in the Circular to Shareholders dated 14 October 2026.

DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING

Pursuant to Paragraph 9.25A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, below are the financial data that are relevant for purpose of Shariah screening by the Shariah Advisory Council of the Securities Commission Malaysia. These include financial data on Shariah non-permissible income arising from the Group's business activities and interest-based financial position.

(a) Group Total Income and Total Assets

	2026 RM million	2025 RM million
Total Income (Note 1)		
Revenue	**69,467**	70,235
Other income	**457**	420
Finance income	**95**	107
Share of results of associates	**569**	494
Share of results of joint ventures	**15**	19
Other gains (Note 2)	**471**	1,036
Total	**71,074**	72,311
Total Assets	**45,975**	47,388

Note 1:
Includes discontinued operations

Note 2:
Includes net foreign exchange gain/(loss), net fair value gain/(loss), gain on disposals and net gain on lease modifications/terminations

(b) Business Activities

	Remarks	2026 RM million	2025 RM million
Shariah Non-Compliant Activities			
Conventional banking & finance and related services	Commission	**386**	836
Insurance income	Revenue, claims and commission	**170**	322
Interest income		**86**	96
Share of results of associates		**17**	3
Total		**659**	1,257

(c) Components of Financial Position

(i) Cash Components

	2026 RM million	2025 RM million
Islamic Accounts/Instruments		
Cash at bank and in hand	**90**	41
Deposits with licensed banks/financial institutions	**1,202**	244
Money market instruments	**522**	382
Total	**1,814**	667
Conventional Accounts/Instruments		
Cash at bank (exclude cash in hand)	**798**	1,198
Deposits with licensed banks/financial institutions	**704**	1,556
Total	**1,502**	2,754

(ii) Debt Components

	2026 RM million	2025 RM million
Islamic Financing		
Current		
Sukuk and Islamic term loans	**864**	588
Islamic bank overdrafts	**28**	28
Islamic financing	**299**	108
Non-Current		
Sukuk and Islamic term loans	**1,350**	2,207
Total	**2,541**	2,931
Conventional Borrowings		
Current		
Term loans and other long-term borrowings	**438**	368
Bank overdrafts	**182**	90
Revolving credits, trade facilities and other short-term borrowings	**895**	1,049
Non-Current		
Term loans and other long-term borrowings	**2,329**	2,684
Total	**3,844**	4,191

STATEMENT OF RESPONSIBILITY BY THE BOARD OF DIRECTORS

The Directors are responsible for the preparation, integrity and fair presentation of the annual financial statements of Sime Darby Berhad.

As required by the Companies Act 2016 (Act) and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the financial statements for the financial year ended 30 June 2026, as presented on pages 171 to 289, have been prepared in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Act.

The Directors consider that in the course of the preparation of the financial statements, the Group and the Company have used the appropriate accounting policies which are consistently applied and supported by reasonable and prudent judgements and estimates. The Directors are satisfied that the information contained in the financial statements give a true and fair view of the financial position of the Group and of the Company at the end of the financial year and the financial performance of the Group and the Company for the financial year then ended.

The Directors have responsibility for ensuring that proper accounting records are kept. The accounting records should disclose with reasonable accuracy the financial position of the Group and of the Company so as to enable the Directors to ensure that the financial statements comply with the Act. The Directors have the general responsibility for taking such steps as are reasonably available to them to safeguard the assets of the Group and the Company and to detect and prevent fraud and other irregularities.

This statement is made in accordance with a resolution of the Board of Directors dated 28 September 2026.

BOARD APPROVAL OF FINANCIAL STATEMENTS

The annual financial statements for the financial year ended 30 June 2026 are set out on pages 171 to 289. The preparation thereof was supervised by the Group Chief Financial Officer and approved by the Board of Directors on 28 September 2026.

REPORTS AND FINANCIAL STATEMENTS

30 JUNE 2026

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DIRECTORS' REPORT

The Directors have the pleasure of presenting the Directors' Report ("Report") together with the audited financial statements of the Group and of the Company for the financial year ended 30 June 2026.

PRINCIPAL ACTIVITIES

The Company is principally an investment holding company. There has been no significant change in the principal activity of the Company during the financial year. By way of relief order dated 8 September 2026 granted by the Companies Commission of Malaysia, the principal activities of subsidiaries as required under Section 253(2) of the Malaysian Companies Act 2016 have not been disclosed in this Report.

The principal activities and details of subsidiaries, joint ventures and associates are disclosed in Note 52 to the financial statements and the said information is deemed incorporated herein by such reference and shall form part hereof.

FINANCIAL RESULTS

The results of the Group and of the Company for the financial year ended 30 June 2026 were as follows:

	Group RM million	Company RM million
Profit before interest and tax	3,078	1,082
Finance income	95	3
Finance costs	(504)	(–)[1]
Profit before tax	2,669	1,085
Taxation	(586)	(–)[1]
Profit for the financial year	2,083	1,085
Profit for the financial year attributable to owners of:		
– the Company	1,762	1,085
– non-controlling interests	251	–
– perpetual sukuk	70	–
Profit for the financial year	2,083	1,085

[1] *Less than RM1 million*

DIVIDENDS

Since the end of the previous financial year, the Company had paid the following dividends:

	RM million
a. In respect of the financial year ended 30 June 2025, a second interim dividend of 10.0 sen per share was paid on 30 September 2025; and	682
b. In respect of the financial year ended 30 June 2026, a first interim dividend of 3.0 sen per share was paid on 31 March 2026	204
	886

The Board of Directors had on 27 August 2026 declared a second interim dividend of 11.0 sen per ordinary share amounting to RM750 million in respect of the financial year ended 30 June 2026. The dividend is payable on 30 September 2026 to shareholders whose names appear in the record of depositors as at the close of business on 17 September 2026.

RESERVES AND PROVISIONS

All material transfers to or from reserves and provisions during the financial year are shown in the financial statements.

SHARE CAPITAL AND DEBENTURES

There were no issuance of shares or debentures by the Company during the financial year.

DIRECTORS

The Directors who held office since the end of the previous financial year up to the date of the Report are as follows:

Thayaparan Sangarapillai	
Tan Sri Ahmad Badri Mohd Zahir	
Tan Sri Muhammad Shahrul Ikram Yaakob	
Dato' Lee Cheow Hock Lawrence	
Moy Pui Yee	
Dato' Dr Nirmala Menon	
Scott William Cameron	
Tengku Dato' Sri Azmil Zahruddin Raja Abdul Aziz	
Professor Datuk Ts. Ir. Dr. Siti Hamisah Tapsir	
Dato' Jeffri Salim Davidson	
Hanizan Hood	(Appointed on 1 July 2025)
Dato' Abdul Rahman Ahmad	(Appointed on 7 May 2026)
Dato' Seri Ahmad Johan Mohammad Raslan	(Appointed on 1 July 2026)
Hafiz Imran Ahmad Rashidi	(Appointed on 7 May 2026 as Alternate Director to Hanizan Hood)
Mohamad Idros Mosin	(Resigned on 1 July 2025)
Tan Sri Samsudin Osman	(Resigned on 31 December 2025)
Edree Ahmad	(Resigned as Alternate Director to Mohamad Idros Mosin on 1 July 2025. Appointed as Alternate Director to Hanizan Hood on 1 July 2025 and resigned on 31 December 2025)

LIST OF DIRECTORS OF SUBSIDIARIES

By way of relief order dated 8 September 2026 granted by the Companies Commission of Malaysia, the names of Directors of subsidiaries as required under Section 253(2) of the Malaysian Companies Act 2016 have not been disclosed in this Report. Their names are set out in the respective subsidiaries' Directors' Report or financial statements and the said information is deemed incorporated herein by such reference and shall form part hereof.

DIRECTORS' REMUNERATION

Total Directors' remuneration incurred by the Group and the Company for the financial year ended 30 June 2026 were RM14 million (2025: RM12 million) and RM5 million (2025: RM5 million) respectively. In addition, the estimated monetary value of benefits-in-kind provided to Directors by the Group during the financial year amounted to RM0.07 million (2025: RM0.07 million). Further details are disclosed in Note 8 to the financial statements.

DIRECTORS' REPORT

DIRECTORS' BENEFITS

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, with the object or objects of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than benefits disclosed as Directors' remuneration in Note 8 to the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he or she is a member, or with a company in which he or she has a substantial financial interest except for any benefits which may be deemed to have arisen from the transactions disclosed in Note 8 to the financial statements.

The Directors and officers of the Group and of the Company are covered by Directors and Officers liability insurance for any liability incurred in the discharge of their duties, provided that they have not acted fraudulently or dishonestly or derived any personal profit or advantage. The insurance premium incurred amounted to RM0.7 million, which covers the period from June 2026 to May 2027 (2025: RM0.9 million for the period from March 2025 to May 2026).

DIRECTORS' INTERESTS IN SHARES

According to the Register of Directors' Shareholdings, the interest of Directors in office at the end of the financial year in shares or debentures of the Company were as follows:

	As at 1 July 2025	Disposal	As at 30 June 2026
Dato' Jeffri Salim Davidson	1,415,700	–	1,415,700
Scott William Cameron	28,700	(28,700)	–

Other than as disclosed above, the Directors in office at the end of the financial year did not hold any interest in shares, or debentures of the Company and its related corporations during the financial year.

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

a. Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:

   i. to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts, and satisfied themselves that all known bad debts had been written off and adequate provision had been made for doubtful debts; and

   ii. to ensure that any current assets, which were unlikely to be realised in the ordinary course of business including the values of current assets as shown in the accounting records of the Group and of the Company, had been written down to an amount which the current assets might be expected so to realise.

b. At the date of this Report, the Directors are not aware of any circumstances:

   i. which would render the amount written off for bad debts or the amount of provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or

   ii. which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or

   iii. which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

c. As at the date of this Report:

   i. there are no charges on the assets of the Group and of the Company which have arisen since the end of the financial year which secures the liabilities of any other person; and

   ii. there are no material contingent liabilities in the Group and in the Company which have arisen since the end of the financial year other than as disclosed in the financial statements.

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS (CONTINUED)

d. No contingent or other liability of any company in the Group has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may affect the ability of the Company and its subsidiaries to meet their obligations when they fall due.

e. At the date of this Report, the Directors are not aware of any circumstances not otherwise dealt with in this Report or the financial statements of the Group and of the Company which would render any amount stated in the respective financial statements misleading.

f. In the opinion of the Directors:

   i. the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature other than as disclosed in the financial statements; and

   ii. there has not arisen in the interval between the end of the financial year and the date of this Report any item, transaction or event of a material and unusual nature that is likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this Report is made.

AUDITORS' REMUNERATION

The breakdown of the auditors' remuneration is shown below:

	Group		Company	
	2026 RM million	2025 RM million	**2026 RM million**	2025 RM million
Fees for:				
– statutory audits	**27**	26	**1**	1
– assurance related and non-audit services	**2**	3	**–[1]**	–[1]
	29	29	**1**	1

[1] *Less than RM1 million*

Further details of auditors' remuneration are set out in Note 9 to the financial statements.

AUDITORS

The auditors, PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146), have expressed their willingness to accept re-appointment as auditors.

This Report was approved by the Board of Directors on 28 September 2026.

Signed on behalf of the Board of Directors:





Dato' Abdul Rahman Ahmad
Chairman

Dato' Jeffri Salim Davidson
Executive Director/Group Chief Executive Officer

28 September 2026

STATEMENT BY DIRECTORS

Pursuant to Section 251(2) of The Companies Act 2016

We, Dato' Abdul Rahman Ahmad and Dato' Jeffri Salim Davidson, two of the Directors of Sime Darby Berhad, do hereby state that, in the opinion of the Directors, the financial statements set out on pages 171 to 289 are drawn up, in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia, so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2026 and of the financial performance of the Group and of the Company for the financial year ended on that date.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 28 September 2026.

Dato' Abdul Rahman Ahmad
Chairman

Dato' Jeffri Salim Davidson
Executive Director/Group Chief Executive Officer

STATUTORY DECLARATION

Pursuant to Section 251(1) of The Companies Act 2016

I, Muhammad Noor bin Abd Aziz @ Hashim, the officer primarily responsible for the financial management of Sime Darby Berhad, do solemnly and sincerely declare that the financial statements set out on pages 171 to 289 are, to the best of my knowledge and belief, correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Muhammad Noor bin Abd Aziz @ Hashim
(MIA No. 39410)
Group Chief Financial Officer

Subscribed and solemnly declared by the abovenamed Muhammad Noor bin Abd Aziz @ Hashim, at Petaling Jaya, Selangor, Malaysia on 28 September 2026.

Before me,

PESURUHJAYA SUMPAH
B 520
SHAHRUDIN
BIN ESA
11.2024 - 31.12.2026
MALAYSIA

Shahrudin bin Esa
Commissioner for Oaths (No. B520)
Petaling Jaya
Selangor

INDEPENDENT AUDITORS' REPORT

To the Members of Sime Darby Berhad

(Incorporated in Malaysia)
Registration No. 200601032645 (752404-U)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of Sime Darby Berhad ("the Company") and its subsidiaries ("the Group") give a true and fair view of the financial position of the Group and of the Company as at 30 June 2026, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

What we have audited

We have audited the financial statements of the Group and of the Company, which comprise the statements of financial position as at 30 June 2026 of the Group and of the Company, and statements of profit or loss, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policies, as set out on pages 171 to 289.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the "Auditors' responsibilities for the audit of the financial statements" section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and other ethical responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), as applicable to audits of financial statements of public interest entities and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Our audit approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements of the Group and of the Company. In particular, we considered where the Directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Group and of the Company, the accounting processes and controls, and the industry in which the Group and the Company operate.

INDEPENDENT AUDITORS' REPORT

To the Members of Sime Darby Berhad
(Incorporated in Malaysia)
Registration No. 200601032645 (752404-U)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Recoverability of indefinite useful life intangible assets' carrying amounts As at 30 June 2026, the Group's carrying amount of goodwill and distribution/dealership rights amounted to RM1,226 million and RM1,160 million, respectively. Goodwill and intangible assets with indefinite useful life are subject to annual impairment testing. We focused on the recoverability of the carrying amounts of goodwill and distribution/dealership rights due to significant estimates involved in determining key assumptions used in deriving the recoverable amounts of cash-generating units ("CGUs"), i.e. revenue growth rates, earnings before interest, tax, depreciation and amortisation margin, earnings before interest and tax, terminal growth rates and discount rates as applicable. Refer to Notes 3(g) and 3(l)(i) Material Accounting Policies - Intangible Assets and Impairment - Non-Financial Assets, Note 4(a) Critical Accounting Estimates and Judgement in Applying Accounting Policies - Impairment of Non-Financial Assets and Note 24 Intangible Assets - Group in the notes to the financial statements.	• We assessed the appropriateness of the methodology adopted by management for impairment assessments in accordance with MFRS 136 "Impairment of Assets". • We evaluated the reasonableness of key assumptions used by management in approved cash flow projections by comparing revenue growth rates, earnings before interest, tax, depreciation and amortisation ("EBITDA") margin, earnings before interest and tax ("EBIT") and terminal growth rates to historical results and industry data, where available. • We discussed with management assumptions underlying the cash flow projections. • We assessed the reliability of the approved budgets by comparing the previous years' approved budgets against past trends of actual results. • We involved our valuation expert to assess discount rates used in determining the recoverable amounts of CGUs. • We checked the appropriateness of sensitivity analysis performed by management, including disclosures, on reasonable possible changes in key assumptions and the corresponding effect on the recoverable amounts. • We checked the appropriateness of disclosures in the financial statements. Based on the procedures performed above, we did not identify any material exceptions.

We have determined that there are no key audit matters to report for the Company.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Information other than the financial statements and auditors' report thereon

The Directors of the Company are responsible for the other information. The other information comprises the Statement on Risk Management and Internal Control, Directors' Report, Chairman's Statement, Group Chief Executive Officer's Q&A, Group Chief Financial Officer's Review, Sustainability Statement, Corporate Governance Overview Statement, Nomination and Remuneration Committee Report, Governance and Audit Committee Report, Risk Management and Sustainability Committee Report, Investment Committee Report, Statement of Responsibility by the Board of Directors and other sections of the 2026 Sime Darby Berhad Annual Report, which we obtained prior to the date of this auditors' report, and Top 10 Properties of the Group, which is expected to be made available to us after that date. Other information does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial statements

The Directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

(a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

INDEPENDENT AUDITORS' REPORT

To the Members of Sime Darby Berhad

(Incorporated in Malaysia)
Registration No. 200601032645 (752404-U)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditors' responsibilities for the audit of the financial statements (continued)

(d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

(e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

(f) Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 52 to the financial statements.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

NURUL A'IN BINTI ABDUL LATIF
02910/02/2027 J
Chartered Accountant

Kuala Lumpur
28 September 2026

STATEMENTS OF PROFIT OR LOSS

For the financial year ended 30 June 2026

Amounts in RM million unless otherwise stated

	Note	Group		Company	
		2026	2025	2026	2025
Continuing operations					
Revenue	6	**69,467**	70,061	**1,147**	1,211
Operating expenses	7	**(67,636)**	(68,409)	**(65)**	(65)
Other operating income	10	**457**	419	**–**	–
(Impairment)/Reversal of impairment of financial assets (net)	11	**(25)**	23	**–**	–
Other gains and losses	12	**231**	985	**–**	–
Operating profit		**2,494**	3,079	**1,082**	1,146
Share of results of joint ventures	13	**15**	19	**–**	–
Share of results of associates	14	**569**	494	**–**	–
Profit before interest and tax		**3,078**	3,592	**1,082**	1,146
Finance income	15	**95**	106	**3**	2
Finance costs	16	**(504)**	(647)	**(–)[1]**	(11)
Profit before tax		**2,669**	3,051	**1,085**	1,137
Taxation	17	**(586)**	(663)	**(–)[1]**	(–)[1]
Profit for the financial year from continuing operations		**2,083**	2,388	**1,085**	1,137
Discontinued operations					
Profit for the financial year from discontinued operations	18	**–**	9	**–**	–
Profit for the financial year		**2,083**	2,397	**1,085**	1,137
Profit for the financial year attributable to owners of:					
– the Company					
– from continuing operations		**1,762**	2,054	**1,085**	1,137
– from discontinued operations		**–**	7	**–**	–
		1,762	2,061	**1,085**	1,137
– non-controlling interests					
– from continuing operations		**251**	264	**–**	–
– from discontinued operations		**–**	2	**–**	–
– perpetual sukuk					
– from continuing operations		**70**	70	**–**	–
		2,083	2,397	**1,085**	1,137
		Sen	**Sen**		
Basic and diluted earnings per share attributable to owners of the Company:					
– from continuing operations		**25.9**	30.1		
– from discontinued operations		**–**	0.1		
		25.9	30.2		

[1] *Less than RM1 million.*

The weighted average number of ordinary shares used to calculate the basic earnings per share was 6,816 million (2025: 6,816 million).
The diluted earnings per share of the Group is equal to the basic earnings per share as the Group does not have any material potential dilutive ordinary shares in issue.

The notes on pages 181 to 289 form an integral part of these financial statements.

STATEMENTS OF COMPREHENSIVE INCOME

For the financial year ended 30 June 2026

Amounts in RM million unless otherwise stated

	Note	Group		Company	
		2026	2025	2026	2025
Profit for the financial year		**2,083**	2,397	**1,085**	1,137
Other comprehensive income/(loss):					
Continuing operations					
Items that may be reclassified subsequently to profit or loss					
Currency translation differences		**(270)**	(1,270)	**–**	–
Share of other comprehensive loss of joint ventures and associates		**(6)**	(40)	**–**	–
Net change in fair value of cash flow hedges		**6**	(4)	**–**	–
Taxation		**(2)**	1	**–**	–
		(272)	(1,313)	**–**	–
Reclassified to profit or loss:					
– currency translation differences on repayment of net investments and disposals reclassified to profit or loss		**8**	(3)	**–**	–
Reclassification of changes in fair value of cash flow hedges to profit or loss and inventories		**9**	(14)	**–**	–
Taxation		**(1)**	2	**–**	–
		(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 loss from continuing operations		**(256)**	(1,342)	**–**	–
Other comprehensive loss from discontinued operations	18	**–**	(7)	**–**	–
Total other comprehensive loss	20	**(256)**	(1,349)	**–**	–
Total comprehensive income for the financial year		**1,827**	1,048	**1,085**	1,137
Total comprehensive income/(loss) for the financial year attributable to owners of:					
– the Company					
– from continuing operations		**1,511**	734	**1,085**	1,137
– from discontinued operations		**–**	6	**–**	–
		1,511	740	**1,085**	1,137
– non-controlling interests					
– from continuing operations		**246**	242	**–**	–
– from discontinued operations		**–**	(4)	**–**	–
– perpetual sukuk					
– from continuing operations		**70**	70	**–**	–
Total comprehensive income for the financial year		**1,827**	1,048	**1,085**	1,137

The notes on pages 181 to 289 form an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION

As at 30 June 2026

Amounts in RM million unless otherwise stated

	Note	Group		Company	
		2026	2025	2026	2025
NON-CURRENT ASSETS					
Property, plant and equipment	21	**12,124**	12,021	**–**	–
Right-of-use assets	22	**2,720**	3,041	**–**[1]	1
Investment properties	23	**558**	565	**–**	–
Intangible assets	24	**2,783**	2,966	**–**	–
Subsidiaries	25	**–**	–	**9,625**	9,625
Joint ventures	13	**117**	119	**–**	–
Associates	14	**3,405**	3,187	**–**	–
Financial assets at fair value through profit or loss	27	**64**	68	**–**	–
Deferred tax assets	28	**777**	797	**–**[1]	–[1]
Derivative assets	29	**–**	9	**–**	–
Receivables and other assets	30	**220**	200	**–**	–
		22,768	22,973	**9,625**	9,626
CURRENT ASSETS					
Inventories	31	**11,796**	12,106	**–**	–
Financial assets at fair value through profit or loss	27	**522**	382	**–**	–
Receivables and other assets	30	**6,846**	7,360	**–**[1]	–[1]
Contract assets	32	**284**	232	**–**	–
Amounts due from subsidiaries	26	**–**	–	**904**	716
Prepayments	33	**676**	862	**–**	–[1]
Tax recoverable		**127**	138	**–**	–
Derivative assets	29	**35**	59	**–**	–
Bank balances, deposits and cash	34	**2,794**	3,039	**40**	30
		23,080	24,178	**944**	746
Assets held for sale	35	**127**	237	**–**	–
TOTAL ASSETS		**45,975**	47,388	**10,569**	10,372

[1] *Less than RM1 million.*

STATEMENTS OF FINANCIAL POSITION
As at 30 June 2026

Amounts in RM million unless otherwise stated

	Note	Group		Company	
		2026	2025	2026	2025
EQUITY					
Share capital	36	**9,330**	9,330	**9,330**	9,330
Reserves	37	**(382)**	(136)	**–**	–
Retained profits		**10,881**	10,010	**1,228**	1,029
Attributable to owners of the company		**19,829**	19,204	**10,558**	10,359
Non-controlling interests	38	**2,756**	2,960	**–**	–
Perpetual sukuk	39	**1,181**	1,181	**–**	–
TOTAL EQUITY		**23,766**	23,345	**10,558**	10,359
NON-CURRENT LIABILITIES					
Borrowings	40	**3,679**	4,891	**–**	–
Lease liabilities	41	**1,758**	2,007	**–**[1]	–[1]
Derivative liabilities	29	**2**	–	**–**	–
Payables and other liabilities	42	**81**	77	**6**	8
Contract liabilities	32	**397**	316	**–**	–
Government grants	43	**113**	120	**–**	–
Provisions	44	**287**	267	**–**	–
Deferred tax liabilities	28	**773**	829	**–**	–
		7,090	8,507	**6**	8
CURRENT LIABILITIES					
Borrowings	40	**2,706**	2,231	**–**	–
Lease liabilities	41	**411**	441	**–**[1]	–[1]
Derivative liabilities	29	**54**	47	**–**	–
Payables and other liabilities	42	**9,344**	10,200	**5**	4
Contract liabilities	32	**1,998**	1,961	**–**	–
Amounts due to subsidiaries		**–**	–	**–**	1
Provisions	44	**429**	415	**–**	–
Tax payable		**177**	241	**–**	–[1]
		15,119	15,536	**5**	5
TOTAL LIABILITIES		**22,209**	24,043	**11**	13
TOTAL EQUITY AND LIABILITIES		**45,975**	47,388	**10,569**	10,372

[1] *Less than RM1 million.*

The notes on pages 181 to 289 form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 30 June 2026

Amounts in RM million unless otherwise stated

Group 2026	Note	Share capital	Reserves[1]	Retained profits	Attributable to owners of the Company	Non-controlling interests	Perpetual sukuk	Total equity
At 1 July 2025		**9,330**	**(136)**	**10,010**	**19,204**	**2,960**	**1,181**	**23,345**
Profit for the financial year		**–**	**–**	**1,762**	**1,762**	**251**	**70**	**2,083**
Other comprehensive loss for the financial year	20	**–**	**(251)**	**–**	**(251)**	**(5)**	**–**	**(256)**
Total comprehensive (loss)/ income for the financial year		**–**	**(251)**	**1,762**	**1,511**	**246**	**70**	**1,827**
Transfer between reserves[2]		**–**	**5**	**(5)**	**–**	**–**	**–**	**–**
Disposal of non-wholly owned subsidiaries		**–**	**–**	**–**	**–**	**(13)**	**–**	**(13)**
Transactions with owners:								
– distributions paid to holders of perpetual sukuk		**–**	**–**	**–**	**–**	**–**	**(70)**	**(70)**
– dividends paid by way of cash		**–**	**–**	**(886)**	**(886)**	**(429)**	**–**	**(1,315)**
– dividends payable		**–**	**–**	**–**	**–**	**(8)**	**–**	**(8)**
At 30 June 2026		**9,330**	**(382)**	**10,881**	**19,829**	**2,756**	**1,181**	**23,766**

Group 2025	Note	Share capital	Reserves[1]	Retained profits	Attributable to owners of the Company	Non-controlling interests	Perpetual sukuk	Total equity
At 1 July 2024		9,330	1,156	8,880	19,366	2,811	1,181	23,358
Profit for the financial year		–	–	2,061	2,061	266	70	2,397
Other comprehensive loss for the financial year	20	–	(1,307)	(14)	(1,321)	(28)	–	(1,349)
Total comprehensive (loss)/ income for the financial year		–	(1,307)	2,047	740	238	70	1,048
Transfer between reserves[2]		–	9	(9)	–	–	–	–
Acquisition of non-wholly owned subsidiaries		–	–	–	–	46	–	46
Shares issued by non-wholly owned subsidiaries		–	–	–	–	5	–	5
Disposal of non-wholly owned subsidiaries		–	–	–	–	(96)	–	(96)
Partial disposal of interest in subsidiaries		–	6	46	52	173	–	225
Transactions with owners:								
– distributions paid to holders of perpetual sukuk		–	–	–	–	–	(70)	(70)
– dividends paid by way of cash		–	–	(954)	(954)	(208)	–	(1,162)
– dividends payable		–	–	–	–	(9)	–	(9)
At 30 June 2025		9,330	(136)	10,010	19,204	2,960	1,181	23,345

[1] *An analysis of the movements in each category within reserves is disclosed in Note 37.*
[2] *Mainly reclassification from retained profits to legal reserves to reflect the restricted nature of the reserves at subsidiaries.*

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 30 June 2026

Amounts in RM million unless otherwise stated

Company	Note	Share capital	Retained profits	Total equity attributable to owners of the Company
2026				
At 1 July 2025		**9,330**	**1,029**	**10,359**
Profit for the financial year		**–**	**1,085**	**1,085**
Transaction with owners:				
– dividends paid by way of cash	19	**–**	**(886)**	**(886)**
At 30 June 2026		**9,330**	**1,228**	**10,558**
2025				
At 1 July 2024		9,330	846	10,176
Profit for the financial year		–	1,137	1,137
Transaction with owners:				
– dividends paid by way of cash	19	–	(954)	(954)
At 30 June 2025		9,330	1,029	10,359

The notes on pages 181 to 289 form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

For the financial year ended 30 June 2026

Amounts in RM million unless otherwise stated

	Note	Group		Company	
		2026	2025	2026	2025
Cash flow from operating activities					
Profit for the financial year from continuing operations		**2,083**	2,388	**1,085**	1,137
Adjustments for:					
– dividend income from subsidiaries		**–**	–	**(1,147)**	(1,211)
– dividend income from financial assets		**(120)**	–	**–**	–
– share of results of joint ventures and associates		**(584)**	(513)	**–**	–
– finance income		**(95)**	(106)	**(3)**	(2)
– finance costs		**504**	647	**–**[1]	11
– taxation		**586**	663	**–**[1]	–[1]
– gain on disposal of property, plant and equipment and investment properties (net)		**(418)**	(916)	**–**	–
– gain on disposal of businesses and equity investments (net)		**(31)**	(65)	**–**	–
– impairment losses/(reversal of impairment losses) on receivables (net)		**25**	(23)	**–**	–
– impairment losses on non–financial assets (net)		**219**	28	**–**	–
– depreciation and amortisation		**2,056**	2,126	**–**[1]	–[1]
– inventory write-down and provision		**138**	279	**–**	–
– fair value gain on financial assets at fair value through profit or loss		**(7)**	(4)	**–**	–
– other non–cash items		**(58)**	(47)	**–**	–
		4,298	4,457	**(65)**	(65)
Changes in working capital:					
– inventories		**411**	2,044	**–**	–
– rental assets		**(1,135)**	(1,200)	**–**	–
– receivables and other assets		**14**	(147)	**–**[1]	–[1]
– payables and other liabilities		**88**	461	**2**	–[1]
– amounts due from/to subsidiaries		**–**	–	**58**	61
Cash generated from/(used in) operations		**3,676**	5,615	**(5)**	(4)
Tax paid		**(683)**	(793)	**(–)**[1]	(–)[1]
Tax refunded		**19**	4	**–**	–
Dividends received from:					
– subsidiaries		**–**	–	**597**[2]	511[2]
– joint ventures and associates		**379**	494	**–**	–
– financial assets		**120**	–	**–**	–
Operating cash flow from continuing operations		**3,511**	5,320	**592**	507
Operating cash flow used in discontinued operations		**–**	(21)	**–**	–
Net cash flow from operating activities		**3,511**	5,299	**592**	507

[1] *Less than RM1 million.*
[2] *Excludes dividend of RM550 million (2025: RM700 million) that is deemed received via inter-company balance set-off*

STATEMENTS OF CASH FLOWS
For the financial year ended 30 June 2026

Amounts in RM million unless otherwise stated

	Note	Group		Company	
		2026	2025	2026	2025
Cash flow from investing activities					
Finance income received		**85**	94	**–**[1]	–[1]
Proceeds from sale of:					
– property, plant and equipment		**35**	96	**–**	–
– investment properties[2]		**498**	811	**–**	–
– other non-financial assets		**–**	14	**–**	–
Purchase of:					
– property, plant and equipment	21(d)	**(1,073)**	(1,055)	**–**	–
– other non-financial assets		**(12)**	(39)	**–**	–
Additions to financial assets at fair value through profit or loss		**(1,503)**	(1,113)	**–**	–
(Net cash outflow)/Proceeds from sale of subsidiaries and businesses		**(3)**	239[3]	**–**	–
Proceeds from sale of associates		**–**	10	**–**	–
Proceeds from sale of financial assets at fair value through profit or loss		**1,381**	798	**–**	–
Acquisition of subsidiaries, businesses, joint ventures and associates[4]		**(22)**	(63)	**–**	–
Advances to subsidiaries		**–**	–	**(299)**	(532)
Settlement by subsidiaries		**–**	–	**603**	959
Placement in restricted deposits and deposits with maturity more than 3 months		**(397)**	(51)	**–**	–
Withdrawal of restricted deposits and deposits with maturity more than 3 months		**356**	8	**–**	–
Loan to an associate		**–**	(1)	**–**	–
Capital repayment by a joint venture		**–**	1	**–**	–
Investing cash flow (used in)/from continuing operations		**(655)**	(251)	**304**	427
Investing cash flow from discontinued operations		**–**	30	**–**	–
Net cash flow (used in)/from investing activities		**(655)**	(221)	**304**	427

[1] *Less than RM1 million.*
[2] *Exclude deposits received in previous financial years and amounts withheld for tax.*
[3] *Includes balance consideration received from the disposal of the Weifang port companies.*
[4] *Includes part payment of the consideration payable for past acquisitions.*

Amounts in RM million unless otherwise stated

	Note	Group		Company	
		2026	2025	2026	2025
Cash flow from financing activities					
Proceeds from partial disposal of interest in subsidiaries (net)		**–**	225	**–**	–
Finance costs paid		**(371)**	(521)	**–**	–
Long-term borrowings and Islamic Medium Term Notes raised		**28**	1,525	**–**	–
Long-term borrowings and Islamic Medium Term Notes repaid		**(928)**	(2,879)	**–**	–
Other short-term borrowings raised/(repaid) (net)		**76**	(1,368)	**–**	–
Repayment of lease liabilities		**(608)**	(702)	**–**	–
Proceeds from shares issued to non-controlling interests		**–**	5	**–**	–
Dividends paid to shareholders		**(886)**	(954)	**(886)**	(954)
Dividends paid to non-controlling interests		**(438)**[1]	(231)[1]	**–**	–
Distributions paid to perpetual sukuk holders		**(70)**	(70)	**–**	–
Financing cash flow used in continuing operations		**(3,197)**	(4,970)	**(886)**	(954)
Financing cash flow used in discontinued operations		**–**	–	**–**	–
Net cash flow used in financing activities		**(3,197)**	(4,970)	**(886)**	(954)
Net (decrease)/increase in cash and cash equivalents		**(341)**	108	**10**	(20)
Foreign exchange differences		**(37)**	(65)	**–**	–
Cash and cash equivalents at beginning of the financial year		**2,819**	2,776	**30**	50
Cash and cash equivalents at end of the financial year [note (a)]		**2,441**	2,819	**40**	30

[1] *Includes RM9 million declared in the financial year ended 30 June 2025 (2025: RM23 million declared in the financial year ended 30 June 2024).*

STATEMENTS OF CASH FLOWS
For the financial year ended 30 June 2026

Amounts in RM million unless otherwise stated

		Note	Group		Company	
			2026	2025	2026	2025
a.	Cash and cash equivalents at end of the financial year:					
	Bank balances, deposits and cash	34	**2,794**	3,039	**40**	30
	Bank overdrafts	40	**(210)**	(118)	**–**	–
	Deposits with maturity of more than 3 months		**(50)**	(25)	**–**	–
	Deposits restricted by bank		**(93)**	(77)	**–**	–
			2,441	2,819	**40**	30

b. Reconciliation of liabilities arising from financing activities of the Group

	2026		2025	
	Borrowings	Lease liabilities	Borrowings	Lease liabilities
At 1 July	**7,122**	**2,448**	10,440	2,771
Long-term borrowings and Islamic Medium Term Notes raised	**28**	**–**	1,525	–
Long-term borrowings and Islamic Medium Term Notes repaid	**(928)**	**–**	(2,879)	–
Other short-term borrowings raised/(repaid) (net)	**76**	**–**	(1,368)	–
Repayment of lease liabilities	**–**	**(608)**	–	(702)
Overdrafts repaid disclosed as cash and cash equivalents (net)	**89**	**–**	28	–
(Disposal)/Acquisition of subsidiaries and businesses	**–**	**(1)**	2	15
Addition/modification/termination of leases	**–**	**253**	–	488
Finance costs [Note 16]	**316**	**119**	444	131
Finance costs paid	**(314)**	**–**	(452)	–
Exchange differences	**(4)**	**(42)**	(618)	(255)
At 30 June	**6,385**	**2,169**	7,122	2,448

Breakdown of finance costs paid of continuing operations:

	2026	2025
Borrowings	**314**	452
Payables and others	**57**	69
	371	521

The notes on pages 181 to 289 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2026

Amounts in RM million unless otherwise stated

1 GENERAL INFORMATION

The Company is principally an investment holding company. There has been no significant change in the principal activity of the Company during the financial year.

The Group's subsidiaries, joint ventures and associates are primarily involved in the trading (Industrial, Motors and UMW) and manufacturing/assembly (Motors and UMW) businesses. The principal activities and details of the subsidiaries, joint ventures and associates are disclosed in Note 52.

2 BASIS OF PREPARATION

The financial statements of the Group and of the Company have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

The financial statements have been prepared under the historical cost convention except as disclosed in the Material Accounting Policy Information in Note 3.

The preparation of financial statements in conformity with MFRS, requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. It also requires Directors to exercise their judgement in the process of applying the Group and the Company's accounting policies. Although these estimates and judgements are based on the Directors' best knowledge of current events and actions, actual results may differ. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Group's and to the Company's financial statements are disclosed in Note 4.

During the financial year, the Group and the Company considered the new accounting pronouncements in the preparation of the financial statements.

a. Standards and amendments to published standards that are applicable to the Group and the Company

The Group and the Company have applied the following standards and amendments to published standards for the first time for the financial year beginning 1 July 2025:

- Amendments to MFRS 121 'Lack of Exchangeability'

The adoption of these amendments did not have any material impact in the current period or prior periods and is not likely to materially affect future periods.

b. Standards and amendments to published standards that are applicable to the Group and the Company but not yet effective

Standards and amendments to published standards that are effective for the financial year beginning on or after 1 July 2026, where the Group and Company do not expect material impact to the Group's and Company's financial statements in the year of initial application:

Effective for annual 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'

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 30 June 2026

Amounts in RM million unless otherwise stated

2 BASIS OF PREPARATION (CONTINUED)

During the financial year, the Group and the Company considered the new accounting pronouncements in the preparation of the financial statements. (continued)

b. Standards and amendments to published standards that are applicable to the Group and the Company but not yet effective (continued)

Standards and amendments to published standards that are effective for the financial year beginning on or after 1 July 2027, where the Group and Company are still assessing their impact to the Group's and Company's financial statements in the year of initial application:

Effective for annual 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'
- Amendments to MFRS 128 – 'Amendments to the Fair Value Option for Investments in Associates and Joint Ventures'

The effective date for the following amendment has been deferred to a date to be determined by Malaysian Accounting Standards Board

- 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'.

3 MATERIAL ACCOUNTING POLICIES

Following the Amendments to MFRS 101 "Disclosure of Accounting Policies", only material accounting policy information, where, when considered together with other information included in these financial statements, can reasonably be expected to influence decisions made by users are disclosed under this note. The following material accounting policies have been applied consistently in dealing with items that are considered material in relation to the financial statements, and to all the financial periods presented, unless otherwise stated.

a. Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and all its subsidiaries made up to the end of the financial year and are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

i. Subsidiaries

Subsidiaries are consolidated using the acquisition method except for those subsidiaries acquired under common control. Under the acquisition method, identifiable assets, liabilities and contingent liabilities assumed in a business combination are measured at their fair values at the acquisition date. The excess of the consideration over the Group's share of fair value of the identifiable net assets acquired at the acquisition date is reflected as goodwill. Any gain from bargain purchase is recognised directly in profit or loss.

Non-controlling interests arising from a business combination are measured based on their proportionate share of the fair value of net assets acquired. Equity components that are not entitled to the entity's proportionate share of net assets are measured at their acquisition-date fair values. Transactions with owners of non-controlling interests without a change in control are treated as equity transactions in the statement of changes in equity.

ii. Joint ventures and associates

Investment in joint ventures and associates are accounted using the equity method. Under the equity method, the investment is recorded at cost and thereafter adjusted for post acquisition results and other changes in net assets of the joint venture or associates.

Amounts in RM million unless otherwise stated

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

b. Foreign currencies

i. Presentation and functional currencies

Ringgit Malaysia is the presentation currency of the Group and of the Company. Ringgit Malaysia is also the functional currency of the Company. The functional currency is the currency of the primary economic environment in which the Company operates. The Group's foreign operations have different functional currencies.

ii. Transactions and balances

Foreign currency transactions and monetary items are translated into the functional currency using the exchange rates prevailing at the transaction dates and at the end of the reporting period, respectively. Foreign exchange differences arising therefrom and on settlement are recognised in profit or loss.

Foreign exchange differences arising from the translation of a monetary item designated as a hedge of net investment in a foreign operation are recognised in other comprehensive income in the consolidated financial statements until the net investment is disposed.

iii. Translation of foreign currency financial statements

For consolidation purposes, the foreign operations' results are translated into the Group's presentation currency at average exchange rates for the financial year whilst the assets and liabilities, including goodwill and fair value adjustments arising on consolidation, are translated at exchange rates ruling at the end of the reporting period. The resulting translation differences are recognised in other comprehensive income and accumulated in exchange reserve.

Inter-company loans where settlement is neither planned nor likely to occur in the foreseeable future, are treated as part of the net investment in the subsidiary. Translation differences arising therefrom are recognised in other comprehensive income and reclassified from equity to profit or loss upon repayment or disposal of the relevant entity.

Exchange reserve in respect of a foreign operation is recognised in profit or loss when control, joint control or significant influence over the foreign operation is lost. On partial disposal without losing control, a proportion of the exchange reserve in respect of the subsidiary is re-attributed to the non-controlling interest. The proportionate share of the cumulative translation differences is reclassified to profit or loss in respect of all other partial disposals.

c. Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Freehold land is not depreciated as it has indefinite life. Other property, plant and equipment are depreciated on a straight-line basis to write down the cost of each asset to their residual values over their estimated useful lives.

The principal annual depreciation rates are as follows:

Buildings	2% to 20%
Plant and machinery	4% to 33%
Rental assets	10% to 33%
Vehicles, equipment and fixtures	5% to 50%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, annually.

Included in rental assets of the Group are vehicles and equipment. Rental assets are transferred to inventories at their carrying amounts when they cease to be rented and are held for sale. The cash flows in respect of rental assets are classified as operating activities.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 30 June 2026

Amounts in RM million unless otherwise stated

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

d. Leases

Group as a lessee

Leases are recognised as right-of-use ("ROU") asset and a corresponding lease liability at the date on which the leased asset is available for use by the Group (i.e. the commencement date).

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of properties (land and buildings) for which the Group is a lessee, it has elected the practical expedient provided in MFRS 16 'Leases' not to separate the lease and non-lease components. Both components are accounted for as a single lease component and payments for both components are included in the measurement of lease liability.

In determining the lease term, the Group considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not to be terminated).

i. ROU assets

ROU assets that are not investment properties are stated at cost, less accumulated depreciation and accumulated impairment loss. In addition, the ROU assets are adjusted for certain remeasurements of lease liabilities. ROU assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the ROU asset is depreciated over the underlying asset's useful life.

The principal annual depreciation rates are as follows:

Leasehold land	Up to 99 years
Buildings	4% to 50%
Vehicles, equipment, fixtures and rental assets	4% to 50%

ii. Lease liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at that date. Lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used.

The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

iii. Short-term leases and leases of low value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Group as a lessor

i. Finance leases

When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease.

ii. Operating leases

When assets are leased out under an operating lease, the asset is included in the statement of financial position based on the nature of the asset. Lease income is recognised over the term of the lease on a straight-line basis.

Amounts in RM million unless otherwise stated

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

e. Investment properties

Investment properties are stated at cost less accumulated depreciation and accumulated impairment losses. Freehold land and buildings under construction are not depreciated. Other investment properties are depreciated on a straightline basis to write down the cost of each asset to their residual values over their estimated useful lives.

Right-of-use assets that meet the definition of investment property in accordance with MFRS 140 'Investment Property' are presented in the statement of financial position as investment property. Subsequent measurement of the right-of-use asset is consistent with those investment properties owned by the Group.

The principal annual depreciation rates are as follows:

Leasehold land	over the lease period of up to 62 years
Buildings	2% to 5%, or over the lease term if shorter

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, annually.

f. Investments in subsidiaries

Investments in subsidiaries and contribution to subsidiaries are recorded at cost less accumulated impairment losses, if any, in the Company's financial statements.

Contributions to subsidiaries are amounts which the Company does not expect repayment in the foreseeable future and are considered as part of the Company's investment in the subsidiaries.

g. Intangible assets

i. Goodwill

Goodwill is stated at cost less accumulated impairment losses. Goodwill is allocated to cash-generating units for the purpose of impairment testing. Goodwill on acquisition of joint ventures and associates is included as part of the cost of investments in joint ventures and associates. Such goodwill is tested for impairment as part of the overall net investment in each joint venture and associate.

ii. Distribution and dealership rights

Distribution and dealership rights with no predetermined service period are stated at cost less accumulated impairment losses, if any, and are not amortised.

iii. Other intangible assets

Other intangible assets include computer software, trademarks, customer relationships and development costs. These intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated using the straight-line basis over their estimated useful lives and commences from the date of commercial production of the product to which the development costs relate or when the intangible assets are ready for use.

The principal annual amortisation rates are as follows:

Computer software	10% to 33%
Trademarks	5% to 20%
Customer relationships	5% to 10%
Development costs	over the period of the expected benefit, not exceeding a period of 5 years

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 30 June 2026

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3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

h. Assets held for sale, disposal groups and discontinued operations

Non-current assets or groups of assets are classified as "held for sale" if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Similarly, liabilities directly associated with the disposal groups are also presented separately from other liabilities in the statement of financial position. The individual assets and liabilities of a subsidiary acquired exclusively for resale are not fair valued separately, instead, the net assets as a whole are measured at the lower of carrying amount and fair value less costs to sell with the impairment (if any) netted off against the assets.

Depreciation ceases when an asset is classified as an asset held for sale. Assets held for sale are stated at the lower of carrying amount and fair value less cost to sell.

A discontinued operation is a component of the Group that is classified as a disposal group and represents a separate business or geographical segment, or is a subsidiary acquired exclusively for resale.

i. Inventories

Inventories are stated at the lower of cost and net realisable value. The cost of inventories is determined principally by the following methods:

Equipment and motor vehicles	Specific identification basis
Spare parts and accessories	Weighted average basis

Demonstration vehicles are classified as inventories as they are readily available for sale and are generally sold within a year.

j. Derivatives and hedging activities

Derivatives are measured at fair value. A derivative that is neither designated nor an effective hedging instrument is categorised under fair value through profit or loss and changes in its fair value are recognised in profit or loss. In the case of a derivative that qualifies for cash flow hedge and borrowings that are used as hedge instruments against receivables or net investments, the changes in the derivative's fair value and the exchange differences arising from the translation of the borrowings are recognised in other comprehensive income.

At the inception of the hedge relationship, the Group documents the economic relationship between hedging instruments and hedged items including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The Group documents its risk management objective and strategy for undertaking its hedge transaction.

k. Contract assets and liabilities

Contract asset is the right to consideration for goods or services transferred to the customers. In the case of engineering contracts, contract asset is the excess of cumulative revenue earned over the billings to-date. See Note 3(l)(iii) on impairment of contract assets.

Contract liability is the obligation to transfer goods or services to customers for which the Group has received the consideration or has billed the customer. In the case of engineering contracts, contract liability is the excess of the billings to-date over the cumulative revenue earned. Contract liabilities include downpayments received from customers and other deferred income where the Group has billed or has collected the payment before the goods are delivered or services are provided to the customers.

Amounts in RM million unless otherwise stated

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

I. Impairment

Goodwill and other intangible assets that have an indefinite useful life or are not yet available for use are tested annually for impairment. Other non-financial assets are assessed for indication of impairment. If an indication exists, an impairment test is performed. In the case of financial assets, it is based on expected credit loss.

This exercise is performed annually or whenever events or circumstances occur indicating that impairment may exist.

The recognition and measurement of impairment are as follows:

i. Non-financial assets

An impairment loss is recognised for the amount by which the carrying amount of the non-financial asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in-use.

ii. Subsidiaries, joint ventures and associates

An impairment loss is recognised for the amount by which the carrying amount of the subsidiary, joint venture or associate exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and present value of the estimated future cash flows expected to be derived from the investment, including the proceeds from its disposal.

iii. Impairment of financial assets and contract assets

The Group recognises an allowance for expected credit loss ("ECL") for all debt instruments not held at fair value through profit or loss ("FVTPL").

ECLs are measured based on a general 3-stage approach and a simplified approach.

General 3-stage approach for other receivables and amounts due from subsidiaries, joint ventures and associates

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL).

For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

Simplified approach for trade receivables, contract assets and finance lease receivables

For trade receivables, contract assets and finance lease receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

Significant increase in credit risk

The Group considers the probability of default upon initial recognition of the asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition.

The Group considers a receivable as credit impaired when one or more events that have a detrimental impact on the estimated cash flow have occurred. These instances include adverse changes in the financial capability of the debtor and default or significant delay in payments. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off to profit or loss when there is no reasonable expectation of recovering the contractual cash flows.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 30 June 2026

Amounts in RM million unless otherwise stated

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

l. Impairment (continued)

iii. Impairment of financial assets and contract assets (continued)

Grouping of instruments for ECL measured on collective basis

Collective assessment

To measure ECL, trade receivables and contract assets are grouped into categories. The categories are differentiated by the different business risks and are subject to different credit assessments. Contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group considers the expected loss rates for trade receivables as a reasonable approximation of the loss rates for contract assets with similar risk characteristics.

Individual assessment

Trade receivables, contract assets, other receivables and amounts due from subsidiaries, joint ventures and associates which are in default or credit-impaired are assessed individually.

m. Provisions

Provisions are recognised when the Group has a legal or constructive obligation, where the outflow of resources is probable and can be reliably estimated. Provisions are measured at the present value of the obligation. The increase in the provision due to the passage of time is recognised as finance cost.

n. Government grants

Government grants are recognised at fair value when there is reasonable assurance that the Group will comply with the conditions attached to them and the grants will be received. Grants are carried in the statement of financial position and allocated to profit or loss over the useful lives of the related assets or over the period of the operating expenditure to which the grants are intended to compensate. Grants relating to costs are recognised in profit or loss over the periods to match the related costs for which the grants are intended to compensate.

o. Employee costs

i. Employee benefits

Wages, salaries, paid annual leave and sick leave, bonuses and non-monetary benefits are accrued in the period in which the services are rendered by employees.

ii. Defined contribution pension plans

The Group has various defined contribution pension plans in accordance with local conditions and practices in the countries in which it operates. The Group's contributions to defined contribution pension plans are charged to profit or loss in the financial year in which they relate to. The Group has no legal or constructive obligations to pay further contributions once the contribution has been paid.

p. Revenue recognition

Revenue from contracts with customers is recognised by reference to each distinct performance obligation in the contract with customer. Revenue from contracts with customers is measured at its transaction price, being the amount of consideration which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, net of goods and service tax, returns, rebates and discounts. Transaction price is allocated to each performance obligation on the basis of the relative standalone selling prices of each distinct good or services promised in the contract. Depending on the substance of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time.

Amounts in RM million unless otherwise stated

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

p. Revenue recognition (continued)

The material performance obligations by segment are as follows:

i. Industrial

Industrial segment revenue consists primarily of sale and installation of equipment, sale of parts and provision of after-sales services.

(a) Sale and installation of equipment, parts and provision of after-sales maintenance

Revenue from sale of equipment and after-sales maintenance are recognised respectively in the period in which the customer accepts the delivery of the goods and services rendered.

Contracts that bundle the sale of equipment, after-sales maintenance, provision of parts credit and extended warranty are recognised as distinct performance obligations for revenue recognition purposes. Parts credit represents prepaid amounts for equipment parts which customers will redeem in the future. Credit is given together with the sale of machine based on negotiated terms with the customer. Revenue from parts credit is recognised upon utilisation of credit for parts exchange.

Contracts that bundle the sale and installation of generator sets are recognised as a single performance obligation as the installation includes a significant integration service. Revenue is recognised progressively based on the percentage of completion determined by reference to the completion of the physical proportion of contract work to-date.

There is no significant financing component in the revenue arising from sale and installation of equipment, parts and provision of after-sales maintenance as almost all sales are made on the normal credit terms not exceeding 12 months.

(b) Construction of equipment

Contracts for construction of equipment comprise multiple deliverables which include a significant integration service and are therefore recognised as a single performance obligation. Revenue is recognised progressively based on the percentage of completion determined by reference to the completion of the physical proportion of contract work to-date.

(c) Extended warranty programme

The Group operates an extended warranty programme where customers are given additional 12-month warranty in addition to the standard warranty. Revenue for the extended warranty is recognised in the period in which the warranty services are rendered. No element of financing is deemed present as the sales are made on normal credit terms. Obligations to repair or replace faulty products under standard warranty terms is recognised as a provision.

(d) Sales with a right of return

For certain parts sales, the customer has an option to sell the used products back to the Group within an agreed timeframe after the date of sale. Therefore, a refund liability (with corresponding adjustment to revenue) is recognised using the most likely method for the products expected to be returned.

NOTES TO THE FINANCIAL STATEMENTS
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3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

p. Revenue recognition (continued)

The material performance obligations by segment are as follows: (continued)

ii. Motors

The Group is an authorised distributor of vehicles and parts and also operates a network of dealerships selling vehicles and parts and offering after-sales services. Motors segment revenue consists primarily of sale of vehicles and parts, after-sales services and assembly of vehicles.

(a) Sale of vehicles and parts

Revenue from sale of vehicles and parts is recognised when the Group sells the vehicle and parts to customers and control of the vehicle and parts has transferred, being when the vehicles and parts are delivered to the customer.

The vehicles and parts are often sold with volume based discounts and incentives based on aggregate sales over an agreed period. Accumulated experience is used to estimate and provide for the discounts and incentives, using expected value or most likely methods depending on the type of discounts and incentives. Revenue is recognised to the extent that it is highly probable that a significant reversal will not occur.

Consistent with market practice, the Group collects deposits from customers for the sale of vehicles. A contract liability is recognised for the customer deposits as the Group has an obligation to transfer vehicle to the customer in respect of deposits received. Customer deposits would be recognised as revenue upon sale of the vehicle to the customer.

No element of financing is deemed present as the sales are made with a credit term of 30 to 60 days, which is consistent with market practice. The Group's obligation to provide warranty for the vehicles and parts under the standard warranty terms is recognised as a provision.

(b) After-sales services

The Group provides after-sales services or routine vehicle maintenance services within and/or outside of the warranty period in relation to the vehicle brands that the Group sells. The performance of maintenance services is often accompanied with the sale of parts. Therefore, revenue from sale of parts is reported with the performance of after-sales services. Revenue from after-sales services is recognised over the period of performance of services to customers.

The sale of vehicle to the customer may be bundled together with extended warranties and/or free services. The extended warranty provides assurance to the customer that the vehicle parts comply with agreed-upon specifications beyond the general standard warranty period. The extended warranties and free services are separate performance obligations and the transaction price is allocated to the service obligations based on its relative standalone selling prices. The extended warranties and free services are deferred and recognised over the period covered by the extended warranties and when the free services are performed respectively.

There is no significant financing component in the sale of extended warranties and/or free services as the sales are made on normal credit terms not exceeding 12 months. Where consideration is collected from customers in advance of services being performed, a contract liability is recognised. The contract liability would be recognised as revenue when the related services are rendered.

Amounts in RM million unless otherwise stated

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

p. Revenue recognition (continued)

The material performance obligations by segment are as follows: (continued)

ii. Motors (continued)

(c) Assembly of vehicles

The Group manufactures and assembles light commercial and passenger vehicles, and are contract assemblers of motor vehicles. Revenue arising from the assembly of vehicles is either recognised upon completion of the assembly service or over the period when assembly services are rendered based on the contractual terms with the customers.

(d) Handling and commission income

Revenue arising from rendering services, handling income and commission income is recognised when the relevant services are completed.

iii. UMW

UMW division's revenue consists primarily of sale of vehicles, equipment and parts and provision of after-sales services or related services. The revenue recognition policy for these transactions are as per the revenue recognition of similar transactions under the Industrial and Motors segments as set out in Notes 3(p)(i) and 3(p)(ii).

iv. Other revenue

Revenue from other sources are recognised as follows:

(a) dividend income is recognised when the right to receive payment is established; and

(b) rental income is generally recognised on a straight-line basis over the tenure of the lease.

q. Taxation

Taxation comprises of current and deferred tax.

The current tax charge is based on the expected income tax payable and is measured using applicable tax rates.

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is recognised on temporary differences arising on investments in subsidiaries, joint ventures and associates except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is not recognised on goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

r. Segment reporting

Segment information is presented in a manner that is consistent with the internal reporting provided to management for the allocation of resources and assessment of its performance.

Segment revenue, profit, assets and liabilities are those reported by the segment and also include consolidation adjustments directly attributable to the segment. Inter-segment sales and purchases are generally based on similar terms as those available to external parties.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 30 June 2026

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4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENT IN APPLYING ACCOUNTING POLICIES

The preparation of financial statements in compliance with MFRS requires the use of certain critical accounting estimates that involve complex and subjective judgements and the use of assumptions, some of which may be for matters that are inherently uncertain and susceptible to change. The Directors exercise their judgement in the process of applying the Group's accounting policies. Estimates and assumptions are based on the Directors' best knowledge of current events. Such estimates and judgement could change from period to period and have a material impact on the results, financial position, cash flows and other disclosures. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

a. Impairment of non-financial assets

The Group assesses whether there is any indication that non-financial assets are impaired at the end of each reporting period. Impairment is measured by comparing the carrying amount of an asset with its recoverable amount. The recoverable amount is measured at the higher of the fair value less costs to sell for that asset and its value-in-use. The value-in-use is the net present value of the projected future cash flows derived from that asset discounted at an appropriate discount rate. Projected future cash flows are calculated based on historical sector and industry trends, general market and economic conditions, changes in technology and other available information. Changes to any of these assumptions would affect the amount of impairment. The valuation techniques used for fair value less costs to sell include market approach and income approach. The key assumptions used to determine the recoverable amount of the property, plant and equipment, right-of use assets, investment properties and intangible assets are set out in Note 21, Note 22, Note 23 and Note 24 to the financial statements respectively.

During the financial year, net impairment of non-financial assets totalling RM219 million (2025: RM28 million) in continuing operations were charged as disclosed in Note 12.

b. Taxation

Significant estimation and judgement is involved in determining the Group's provision for income taxes as there are certain transactions and computations for which the final tax determination is uncertain at the reporting date. Details of the tax expense are shown in Note 17. When the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which temporary differences or unutilised tax losses and tax credits can be utilised. This involves judgement regarding future taxable profits of a particular entity in which the deferred tax asset has been recognised.

c. Revenue recognition on maintenance income, extended warranties and parts credit

Revenue from customers include revenue derived from bundled contracts. The Group employs significant judgement in identifying separate performance obligations within these contracts. The Group regards the maintenance income (which is inclusive of free services), extended warranties and parts credit as separate performance obligations as the customers are able to benefit from each of the performance obligations on its own and they are distinct from each other. Revenue is allocated to the service obligations based on its relative stand-alone selling prices upon a sale of equipment or vehicle. These maintenance income and extended warranties are deferred and recognised over the period covered in the contracts or upon rendering of the services. Revenue from parts credit is recognised upon utilisation of credit for exchange of parts. Management estimates the stand-alone selling prices of the maintenance income, extended warranties and parts credit based on observable prices of the type of services likely to be provided and the services rendered in similar circumstances to customers. Where the stand-alone selling price of distinct goods or services is not directly observable, they are estimated based on expected cost-plus margin.

Amounts in RM million unless otherwise stated

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENT IN APPLYING ACCOUNTING POLICIES (CONTINUED)

d. Extension options for leases

In determining the term of a lease, management considers all facts and circumstances that create an economic incentive to exercise an extension option. Extension options are only included in the lease term if the lease is reasonably certain to be extended. Potential future cash outflows have not been included in the lease liability because it is not reasonably certain that the leases will be extended. The assessment is reviewed if a significant event or a significant change in circumstances occur which affects this assessment and that is within the control of the lessee. Details of such extension options are disclosed in Note 41.

e. Provision for warranties for vehicles

The Group recognises provision for liabilities associated with the warranties provided on vehicles. This requires an estimation of the expenditure required to settle the present obligation at the reporting date. In determining the provision, the Group has made assumptions in relation to the expected cost to repair and/or replace the products and the expected timing of those costs.

Provision is recognised on product warranty claims for vehicles where the Group has undertaken to repair or replace items that fail to comply satisfactorily with agreed-upon specifications. The provision is estimated based on expected warranty claims on products sold, based on past experience of the level of repairs and return claims as well as recent trend analysis which are indicative of future claims. The estimation involves assumptions regarding the timing and cost of repairs or replacements, utilising historical claims data and applying a discount rate to present value future warranty obligations. The carrying amount of provision for warranties on vehicles at the end of the reporting period is RM354 million (2025: RM298 million).

5 FINANCIAL RISK AND CAPITAL MANAGEMENT POLICIES

a. Financial Risk Management

The Group's operations expose it to a variety of financial risks, including foreign exchange risk, interest rate risk, credit risk and liquidity and cash flow risk. The Group's overall financial risk management policies seek to manage and minimise the potential adverse effects of these risks on the financial performance of the Group.

The Group's exposure to these financial risks are managed through risk reviews, internal control systems, insurance/takaful programmes and adherence to Group Policies and Authorities which are implemented on a group-wide basis. The Board of Directors regularly reviews these risks and approves the policies covering the management of these risks.

The Group uses derivative financial instruments such as forward foreign exchange contracts and embedded derivatives to hedge the Group's exposure to financial risk.

Whilst all derivatives entered into provide economic hedges to the Group, hedge accounting is not always applied. Where there are open positions, these are managed in accordance with the Group's policies. The notional amounts and fair values of derivative financial instruments as at 30 June are disclosed in Note 29.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 30 June 2026

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5 FINANCIAL RISK AND CAPITAL MANAGEMENT POLICIES (CONTINUED)

a. Financial Risk Management (continued)

i. Foreign exchange risk

The Group's foreign exchange risk refers to adverse exchange rate movements on foreign currency positions originating primarily from financial assets or liabilities denominated in currencies which are not in the functional currency of the respective subsidiaries and from net assets in foreign operations where the functional currencies are not in Ringgit Malaysia.

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to United States Dollar, Chinese Renminbi, European Union Euro and Australian Dollar. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities, and investments in foreign operations.

The Group applies natural hedging, to the extent possible, by matching foreign currency assets or income against foreign currency liabilities or costs. Net foreign currency exposures and forecasted foreign currency cash flows are hedged via forward foreign exchange contracts and embedded derivatives.

Details of the Group's foreign currency exposure and the currency profile of monetary financial assets and financial liabilities are disclosed in Note 49(a).

ii. Interest rate risk

The Group's interest rate risk arises from its borrowings. Changes in market interest rates will be re-priced into the floating rate borrowings. The Group manages its interest rate risk on its long-term borrowings by targeting a mix of fixed and floating rate debt and by using derivatives such as interest rate swaps, if required.

As at 30 June 2026, the Group's percentage of fixed rate borrowings to the total borrowings was 15.1% (2025: 19.5%). The borrowings raised for the acquisitions of UMW Holdings Berhad ("UMW") group, Kuxton Pty Limited and Kagera Pty Limited and its subsidiaries ("collectively referred to as "Cavpower group") and Onsite Rental Group Limited ("Onsite") were on floating rates and remain unhedged based on assessment of prevailing market conditions and cost considerations. The Company shall reassess this position and may consider implementing hedging strategies in the future if market conditions or financial circumstances change. The remaining borrowings are mostly for short-term working capital funding. Details of the percentages of fixed rate borrowings over total borrowings are disclosed in Note 49(b).

iii. Credit risk

Credit risk is the risk of a financial loss to the Group due to counterparties defaulting on their commitments.

Credit risk arises on sales made on credit terms, derivatives with positive fair value, deposits with banks, guarantees and performance guarantees given on behalf of others and risk sharing arrangements.

The Group seeks to control credit risk by dealing with counterparties with appropriate credit histories and deposit with banks and financial institutions with good credit ratings. Credit risk is also managed through credit assessment and approval, credit limit and monitoring procedures. Where appropriate, guarantees or securities are obtained to limit credit risk.

Amounts in RM million unless otherwise stated

5 FINANCIAL RISK AND CAPITAL MANAGEMENT POLICIES (CONTINUED)

a. Financial Risk Management (continued)

iii. Credit risk (continued)

The credit risk concentration profile of the Group's net trade receivables analysed by location where the Group operates and by reportable segment is as follows:

	Industrial	Motors	UMW	Others	Total
2026					
Malaysia	**335**	**687**	**1,211**	**4**	**2,237**
China[1]	**397**	**146**	**22**	**–**	**565**
Other countries in Asia	**120**	**394**	**50**	**1**	**565**
Australasia[2]	**1,247**	**309**	**–**	**–**	**1,556**
	2,099	**1,536**	**1,283**	**5**	**4,923**

	Industrial	Motors	UMW	Others	Total
2025					
Malaysia	253	1,035	1,100	67	2,455
China[1]	271	223	20	–	514
Other countries in Asia	149	221	48	1	419
Australasia[2]	1,488	376	–	–	1,864
	2,161	1,855	1,168	68	5,252

[1] *China consists of Mainland China, Hong Kong, Macau and Taiwan.*
[2] *Australasia consists of Australia, New Caledonia, New Zealand, Papua New Guinea and the Solomon Islands.*

The Group has no significant concentration of credit risk.

A summary of the assumptions underpinning the Group's ECL is as follows:

Trade receivables using the simplified approach

The ECL for trade receivables is generally calculated based on the net flow rate method and is calculated at operating unit level. The factors considered in arriving at the calculation include:

- Appropriately grouping trade receivables if historical (or forecast) credit loss experience shows significantly different loss patterns for different customer segments
- Adjusting historical credit loss experience to incorporate relevant, current and more forward-looking information that is reasonable and supportable, and available without undue cost or effort
- Determining different loss rates for the different past due brackets of trade receivables

In arriving at the net flow rate model, the operating units have used debtors' past due information over a 12-36 month period. No significant changes to estimation techniques or assumptions were made during the reporting period.

NOTES TO THE FINANCIAL STATEMENTS
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5 FINANCIAL RISK AND CAPITAL MANAGEMENT POLICIES (CONTINUED)

a. Financial Risk Management (continued)

iii. Credit risk (continued)

Trade receivables using the simplified approach (continued)

The gross carrying amount of trade receivables also represents the maximum exposure to credit risk on these assets. The expected credit loss rate is the weighted average rate applied for the respective groups of trade receivables. Impairment for specific debtors in default or credit impaired is assessed individually, where applicable.

	30 June 2026			
	Gross trade receivables	Expected credit loss rate (%)	Impairment	Net carrying amount
Industrial Division				
Current	**1,546**	**0.2**	**(4)**	**1,542**
Past due by				
– 1 to 30 days	**298**	**1.0**	**(3)**	**295**
– 31 to 60 days	**110**	**1.8**	**(2)**	**108**
– 61 to 90 days	**59**	**3.7**	**(2)**	**57**
– 91 to 180 days	**76**	**15.4**	**(12)**	**64**
– more than 181 days	**112**	**70.5**	**(79)**	**33**
Individually assessed	**2**	**100.0**	**(2)**	**–**
Total	**2,203**		**(104)**	**2,099**
Motors Division				
Current	**679**	**0.0**	**–**	**679**
Past due by				
– 1 to 30 days	**387**	**2.0**	**(8)**	**379**
– 31 to 60 days	**120**	**1.5**	**(1)**	**119**
– 61 to 90 days	**41**	**4.4**	**(2)**	**39**
– 91 to 180 days	**36**	**5.8**	**(2)**	**34**
– more than 181 days	**303**	**5.5**	**(17)**	**286**
Total	**1,566**		**(30)**	**1,536**
UMW Division				
Current	**1,174**	**0.1**	**(2)**	**1,172**
Past due by				
– 1 to 30 days	**39**	**2.5**	**(1)**	**38**
– 31 to 60 days	**32**	**3.3**	**(1)**	**31**
– 61 to 90 days	**18**	**1.4**	**(–)[1]**	**18**
– 91 to 180 days	**22**	**2.3**	**(1)**	**21**
– more than 181 days	**10**	**70.0**	**(7)**	**3**
Total	**1,295**		**(12)**	**1,283**

[1] *Less than RM1 million.*

Amounts in RM million unless otherwise stated

5 FINANCIAL RISK AND CAPITAL MANAGEMENT POLICIES (CONTINUED)

a. Financial Risk Management (continued)

iii. Credit risk (continued)

Trade receivables using the simplified approach (continued)

	30 June 2025			
	Gross trade receivables	Expected credit loss rate (%)	Impairment	Net carrying amount
Industrial Division				
Current	1,612	0.6	(10)	1,602
Past due by				
– 1 to 30 days	295	1.9	(6)	289
– 31 to 60 days	85	3.2	(3)	82
– 61 to 90 days	90	3.3	(3)	87
– 91 to 180 days	65	11.5	(7)	58
– more than 181 days	113	62.7	(70)	43
Total	2,260		(99)	2,161
Motors Division				
Current	1,140	0.0	–	1,140
Past due by				
– 1 to 30 days	582	2.2	(13)	569
– 31 to 60 days	80	1.0	(–)[1]	80
– 61 to 90 days	21	4.1	(1)	20
– 91 to 180 days	40	2.9	(1)	39
– more than 181 days	13	44.4	(6)	7
Total	1,876		(21)	1,855
UMW Division				
Current	1,088	0.2	(3)	1,085
Past due by				
– 1 to 30 days	50	1.8	(1)	49
– 31 to 60 days	13	3.0	(–)[1]	13
– 61 to 90 days	7	1.4	(–)[1]	7
– 91 to 180 days	5	5.3	(–)[1]	5
– more than 181 days	17	45.8	(8)	9
Total	1,180		(12)	1,168

[1] *Less than RM1 million.*

Net trade receivables of RM5 million (2025: RM68 million) relates to the Others segment and the total impairment for these receivables is RM2 million (2025: RM2 million).

The impairment of finance lease receivables (carrying value of RM176 million (2025: RM194 million)) has been assessed to be immaterial.

The impairment of contract assets (carrying value of RM289 million (2025: RM232 million)) has been assessed to be immaterial.

NOTES TO THE FINANCIAL STATEMENTS
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5 FINANCIAL RISK AND CAPITAL MANAGEMENT POLICIES (CONTINUED)

a. Financial Risk Management (continued)

iii. Credit risk (continued)

The ECL for other receivables and amounts due from subsidiaries, joint ventures and associates is calculated based on the 3-stage approach.

Category	Definition of category	Basis for recognising ECL
Performing	Debtors have a low risk of default and a strong capacity to meet contractual cash flows.	12-month ECL
Underperforming	Debtors for which there is a significant increase in credit risk due to actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations.	Lifetime ECL
Non-performing	There is evidence indicating the asset is credit-impaired.	Lifetime ECL (credit impaired)
Write-off	There is evidence indicating that there is no reasonable expectation of recovery based on unavailability of the debtor's sources of income or assets to generate sufficient future cash flows to repay the amount.	Asset is written off

Based on the above, loss allowance is measured on either 12-month ECL or lifetime ECL, by considering the likelihood that the debtor would not be able to repay during the contractual period, the percentage of contractual cash flows that will not be collected if default happens and the outstanding amount that is exposed to default risk.

The main categories of other receivables of the Group are as follows:

- Rebates from principals – these are amounts receivable based on rates or amounts agreed by the principals. These amounts are mostly categorised as performing as they are assessed to have low credit risk except for certain instances where there are disagreements. The impairment losses as at 30 June 2026 is considered immaterial (2025: less than RM1 million).
- Assembly purchases and expenses recoverable – these are goods purchased or expenses incurred in relation to the assembly business that can be recovered from customers. These amounts are categorised as performing as they are assessed to have low credit risk. The impairment loss is considered immaterial.
- Warranty and parts claims and amount due from principal are transactions involving principals. They are categorised as performing as they are assessed to have low credit risk. The impairment loss is considered immaterial.
- Deposits include utilities and tender deposits as well as deposits with authorities and principals. These amounts are mostly categorised as performing as they are assessed to have low credit risk. The impairment loss is considered immaterial.

Management has assessed and determined that the remaining other receivables were recoverable and adequate loss allowance has been recognised.

The amounts due from joint ventures and associates are largely categorised as performing taking into consideration the credit risks of the joint ventures and associates. The impairment losses as at 30 June 2026 was RM4 million (2025: Nil)

Amounts in RM million unless otherwise stated

5 FINANCIAL RISK AND CAPITAL MANAGEMENT POLICIES (CONTINUED)

a. Financial Risk Management (continued)

iii. Credit risk (continued)

Company

The Company has no significant concentration of credit risk except for advances to or receivables from its subsidiaries where the risk of default has been assessed to be low.

The Company provides unsecured advances to its subsidiary, Sime Darby Holdings Berhad ("SDHB"). The outstanding balance as at 30 June 2026 was RM661 million (2025: RM474 million). No impairment was provided for this balance as SDHB is in a net assets position and can settle the outstanding balance by transferring its cash, recalling loans from related companies or drawing from its banking facilities.

The other amounts due from subsidiaries are primarily dividend receivable of RM242 million (2025: RM242 million). Management is of the view that the impairment loss is considered immaterial based on the financial position and performance of these subsidiaries.

Reconciliation of impairment for trade and other receivables of the Group is as follows:

	2026				
	Trade receivables	**Amount due from associates**	**Rebates from principals**	**Other receivables**	**Total**
As at 1 July 2025	**134**	**–**	**–[1]**	**8**	**142**
Disposal of subsidiaries	**(1)**	**–**	**–**	**–**	**(1)**
Impairment losses	**57**	**4**	**–**	**3**	**64**
Reversal of impairment losses	**(38)**	**–**	**–**	**(1)**	**(39)**
Write-offs	**(4)**	**–**	**(–)[1]**	**(1)**	**(5)**
Exchange differences	**–**	**–**	**–**	**(1)**	**(1)**
At 30 June 2026	**148**	**4**	**–**	**8**	**160**

[1] *Less than RM1 million.*

	2025			
	Trade receivables	**Rebates from principals**	**Other receivables**	**Total**
As at 1 July 2024	171	–[1]	11	182
Impairment losses	44	–	–	44
Reversal of impairment losses	(64)	–	(3)	(67)
Write-offs	(8)	–	–	(8)
Exchange differences	(9)	–	–	(9)
At 30 June 2025	134	–[1]	8	142

[1] *Less than RM1 million.*

Details of the credit risk exposure are disclosed in Note 49(c).

The Group also has a risk sharing arrangement with a third party leasing company which is a member of our principal vendor, in connection with the sale of its equipment. Details of the arrangement are disclosed in Note 50(a). An amount of RM3 million (2025: RM3 million) has been provided for based on a percentage of risk sharing ratio over the total outstanding lease portfolio (see Note 44).

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 30 June 2026

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5 FINANCIAL RISK AND CAPITAL MANAGEMENT POLICIES (CONTINUED)

a. Financial Risk Management (continued)

iv. Liquidity and cash flow risk

Liquidity risk refers to the risk that the Group or the Company will encounter difficulty in meeting their financial obligations when they fall due.

The Group maintains a prudent borrowing policy which is aimed towards maintaining sufficient cash for all cash flow requirements, managing debt and investment portfolio within the relevant time buckets to maturity, obtaining a diverse range of funding sources, and keeping an adequate amount of credit facilities to provide ample liquidity cushion.

As at 30 June 2026, the Group's total cash and cash equivalents was RM2,441 million (2025: RM2,819 million) which includes cash in hand and deposits held at call with banks, net of bank overdrafts, deposits with maturity of more than 3 months and deposits restricted by banks. As at 30 June 2026, the Company had total cash and cash equivalents of RM40 million (2025: RM30 million).

The Group believes that its contractual obligations, including those disclosed in commitments and contingencies in Notes 49(d) and 50 respectively, can be met from existing cash and investments, operating cash flows, credit lines available and other financing that the Group reasonably expects to be able to secure should the need arise.

b. Capital Management

The Group's capital management objectives are to ensure the Group's ability to continue as a going concern and maximise shareholders' value. The Group is committed towards optimising its capital structure and ensuring a competitive cost of capital. Implementation of an optimal capital structure includes balancing between debt and equity by putting in place appropriate dividend and financing policies which influence the level of debt and equity. The appropriate debt level is subject to the composition of the Group's businesses, business cycle and economic conditions.

i. Gearing ratios

The gearing ratios used to assess the appropriateness of the Group's debt level are set out below.

Ratio 1 is calculated as Total Debt divided by Total Equity.

	2026	2025
Borrowings [Note 40]	**6,385**	7,122
Lease liabilities [Note 41]	**2,169**	2,448
Total Debt	**8,554**	9,570
Total Equity	**23,766**	23,345
Total Debt/Equity ratio	**0.36**	0.41

Amounts in RM million unless otherwise stated

5 FINANCIAL RISK AND CAPITAL MANAGEMENT POLICIES (CONTINUED)

b. Capital Management (continued)

i. Gearing ratios (continued)

Ratio 2 is calculated as Total Debt divided by Adjusted earnings before interest, tax, depreciation and amortisation ("EBITDA").

	2026	2025
Total Debt	**8,554**	9,570
Operating profit from continuing operations	**2,494**	3,079
Add: Depreciation and amortisation [Note 7]	**2,056**	2,126
Less: Other gains (net) [Note 12]	**(231)**	(985)
Adjusted EBITDA of continuing operations	**4,319**	4,220
Adjusted EBITDA of discontinued operations	**–**	21
Adjusted EBITDA	**4,319**	4,241
Debt/Adjusted EBITDA ratio	**1.98**	2.26

ii. Externally imposed capital requirements

The Group maintains a debt to equity ratio that complies with the applicable debt covenants as at 30 June 2026 and 30 June 2025.

6 REVENUE

Revenue comprise of the following:

	Group		Company	
	2026	2025	2026	2025
Revenue from contracts with customers	**68,196**	68,674	**–**	–
Revenue from other sources				
– rental income	**1,271**	1,387	**–**	–
– dividend income from subsidiaries	**–**	–	**1,147**	1,211
	69,467	70,061	**1,147**	1,211

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6 REVENUE (CONTINUED)

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

	Industrial	Motors	UMW	Others	Total
2026					
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**	**3,731**	**–**	**18,730**
Manufacturing and engineering	**251**	**–**	**834**	**10**	**1,095**
Commission, handling fees and others	**–**	**613**	**221**	**21**	**855**
	18,099	**34,572**	**15,494**	**31**	**68,196**
Geographical market					
Malaysia	**1,341**	**7,520**	**15,061**	**24**	**23,946**
China[1]	**2,975**	**10,995**	**189**	**1**	**14,160**
Other countries in Asia	**702**	**11,635**	**244**	**6**	**12,587**
Australasia[2]	**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**	**30,784**	**15,428**	**18**	**59,327**
– over time	**5,002**	**3,788**	**66**	**13**	**8,869**
	18,099	**34,572**	**15,494**	**31**	**68,196**

[1] *China consists of Mainland China, Hong Kong, Macau and Taiwan.*
[2] *Australasia consists of Australia, New Caledonia, New Zealand, Papua New Guinea and the Solomon Islands.*

Amounts in RM million unless otherwise stated

6 REVENUE (CONTINUED)

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

	Industrial	Motors	UMW	Others	Total
2025					
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
Geographical market					
Malaysia	1,212	7,406	15,882	51	24,551
China[1]	2,622	12,465	121	–	15,208
Other countries in Asia	883	9,564	227	6	10,680
Australasia[2]	13,490	4,745	–	–	18,235
	18,207	34,180	16,230	57	68,674
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
	18,207	34,180	16,230	57	68,674

[1] *China consists of Mainland China, Hong Kong, Macau and Taiwan.*
[2] *Australasia consists of Australia, New Caledonia, New Zealand, Papua New Guinea and the Solomon Islands.*

Revenue from contracts with customer of the Group includes RM1,860 million (2025: RM2,049 million) that was included in contract liabilities at the beginning of the reporting period.

The Group generates rental revenue mainly from leasing of equipment and motor vehicles. It also receives rental income from the leasing of certain properties. The following table sets out the maturity analysis of lease receipts of the Group that are contracted for as at the reporting date, showing the undiscounted lease payments to be received after the reporting date and includes operating lease income recognised as other operating income (Note 10):

	Group	
	2026	2025
Within 1 year	**742**	734
Between 1-2 years	**292**	289
Between 2-3 years	**158**	155
Between 3-4 years	**97**	68
Between 4-5 years	**46**	41
After 5 years	**42**	51
Total undiscounted lease receipts	**1,377**	1,338

Included in revenue is RM138 million (2025: RM158 million) arising from subleasing of right-of-use assets.

NOTES TO THE FINANCIAL STATEMENTS
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7 OPERATING EXPENSES

	Group		Company	
	2026	**2025**	**2026**	**2025**
Direct costs				
Finished goods, work in progress and other direct overheads	**56,336**	56,558	**–**	–
Inventory write-down and provision [Note 31]	**138**	279	**–**	–
Raw materials and consumables	**2,295**	2,463	**–**	–
Engineering contract costs	**67**	126	**–**	–
	58,836	59,426	**–**	–
Directors and employees costs				
Salaries, fees, allowances, overtime and bonus	**4,259**	4,430	**5**	5
Defined contribution pension plans	**426**	421	**–**	–
Termination benefits	**37**	62	**–**	–
Training, insurance and other benefits	**1,152**	1,165	**–**[1]	–[1]
	5,874	6,078	**5**	5
Depreciation and amortisation				
Amortisation:				
– intangible assets	**113**	120	**–**	–
Depreciation:				
– property, plant and equipment	**1,404**	1,409	**–**	–
– right-of-use assets	**524**	586	**–**[1]	–[1]
– investment properties	**15**	11	**–**	–
	2,056	2,126	**–**[1]	–[1]
Leases				
Short-term leases	**136**	125	**–**[1]	–[1]
Lease of low-value assets	**6**	3	**–**	–
	142	128	**–**[1]	–[1]
General expenses				
Auditors' remuneration [Note 9]	**29**	29	**1**	1
Management fee charged by a subsidiary	**–**	–	**54**	55
Other expenses	**699**	622	**5**	4
	728	651	**60**	60
	67,636	68,409	**65**	65

[1] *Less than RM1 million.*

Amounts in RM million unless otherwise stated

8 DIRECTORS' REMUNERATION

	Group		Company	
	2026	**2025**	**2026**	**2025**
Executive Director				
Emoluments and benefits	**8**	6	**–**	–
Defined contribution pension plans	**1**	1	**–**	–
	9	7	**–**	–
Non-Executive Directors				
Fees and benefits	**5**	5	**5**	5
	14	12	**5**	5

Estimated monetary value of benefits-in-kind of the Executive Director amounted to RM0.04 million (2025: RM0.04 million) for the Group. Estimated monetary value of benefits-in-kind of Non-Executive Directors amounted to RM0.03 million (2025: RM0.03 million).

During the financial year, the Group sold vehicles to Directors and their close family members for RM0.3 million (2025: RM3.2 million) at prices not lower than that offered to employees.

Other than as disclosed above, there were no compensation to Directors for loss of office, no loans, quasi-loans and other dealings in favour of Directors and no material contracts subsisting as at 30 June 2026 or if not then subsisting, entered into since the end of the previous financial year by the Company or its subsidiaries which involved the interests of Directors.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 30 June 2026

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9 AUDITORS' REMUNERATION

	Group		Company	
	2026	2025	2026	2025
Fees for statutory audits				
PricewaterhouseCoopers PLT Malaysia	**6**	6	**1**	1
Member firms of PricewaterhouseCoopers International Limited	**20**	19	**–**	–
Other audit firms	**1**	1	**–**	–
	27	26	**1**	1
Fees for assurance related services				
PricewaterhouseCoopers PLT Malaysia	**–[1]**	–[1]	**–[1]**	–[1]
Member firms of PricewaterhouseCoopers International Limited	**–**	–	**–**	–
	–[1]	–[1]	**–[1]**	–[1]
Fees for non-audit services				
PricewaterhouseCoopers PLT Malaysia	**–[1]**	1	**–[1]**	–
Member firms of PricewaterhouseCoopers International Limited	**2**	2	**–**	–
	2	3	**–[1]**	–
	29	29	**1**	1

[1] *Less than RM1 million.*

Non-audit services provided by the Company's auditors and its member firms comprise tax related services and other advisory services. Non-audit services can be offered by the external auditors if there are efficiency and value added benefits to the Group, without compromising auditor independence.

10 OTHER OPERATING INCOME

	Group	
	2026	2025
Dividend income from financial assets	**120**	–
Hire of plant and machinery	**24**	34
Operating lease income[1]	**76**	46
Government grant income	**16**	24
Sales of scrap	**35**	28
Forfeiture of customer deposits	**14**	17
Insurance claims	**12**	136
Other miscellaneous income	**160**	134
	457	419

[1] *Operating lease income is primarily from the leasing of properties by entities where their principal activity is not property leasing. The maturity analysis for operating lease income is included in Note 6.*

Amounts in RM million unless otherwise stated

11 (IMPAIRMENT)/REVERSAL OF IMPAIRMENT OF FINANCIAL ASSETS (NET)

	Group	
	2026	**2025**
Receivables		
– Impairment of receivables	**(64)**	(44)
– Reversal of impairment of receivables	**39**	67
	(25)	23

12 OTHER GAINS AND LOSSES

	Group	
	2026	**2025**
Net foreign currency exchange (loss)/gain:		
– realised foreign exchange loss arising from repayment of net investments	**(8)**	(1)
– other foreign exchange (loss)/gain	**(23)**	15
Fair value gain/(loss):		
– derivatives	**14**	(9)
– financial assets at FVTPL	**7**	4
Gain on disposal of:		
– property, plant and equipment	**5**	31
– investment properties	**434**	902
– associates	**–**	18
– businesses	**–**	52
– subsidiaries	**31**	–
Loss on disposal of:		
– property, plant and equipment	**(18)**	(17)
– investment properties	**(3)**	–
– joint ventures	**–**	(5)
Impairment of:		
– property, plant and equipment	**(98)**	(31)
– right-of-use assets	**(25)**	(5)
– intangible assets	**(96)**	–
Reversal of impairment		
– property, plant and equipment	**–**	4
– right-of-use assets	**–**	4
Net gain on lease modifications/terminations	**11**	23
	231	985

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13 JOINT VENTURES – GROUP

The Group's interest in joint ventures as at 30 June, their respective principal activities and countries of incorporation are disclosed in Note 52.

The Group's interest in joint ventures are as follows:

	2026	2025
	Total	Total
Share of results	**15**	19
Share of other comprehensive loss	**(2)**	(3)
Fair value (loss)/gain on loan to joint venture [Note a]	**(10)**	4
Currency translation differences on loan to joint venture [Note a]	**–**	(3)
Share of total comprehensive income	**3**	17
Unquoted shares, at costs	**13**	11
Loan to joint venture [Note a]	**1**	17
Share of post-acquisition reserves	**103**	91
	117	119

a. Loan to joint venture

The loan to joint venture bear no interest for 36 months from July 2023 and is subject to market variable interest rates subsequent to that.

b. Material joint venture

In the opinion of the Directors, there are no joint ventures that are material to the Group for the financial year ended 30 June 2026 and 30 June 2025.

c. Commitments and contingent liabilities

There are no commitments or contingent liabilities relating to the Group's interest in the joint ventures.

Amounts in RM million unless otherwise stated

14 ASSOCIATES – GROUP

The Group's interest in the associates as at 30 June, their respective principal activities and countries of incorporation are disclosed in Note 52.

The Group's interest in associates are as follows:

	2026			2025		
	Material associate	**Others**	**Total**	**Material associate**	**Others**	**Total**
Share of results	**496**	**73**	**569**	439	55	494
Share of other comprehensive income/(loss)	**–[1]**	**(4)**	**(4)**	–[1]	(37)	(37)
Share of total comprehensive income	**496**	**69**	**565**	439	18	457
Unquoted shares, at costs	**2,340**	**480**	**2,820**	2,340	455	2,795
Share of post-acquisition reserves	**359**	**229**	**588**	192	203	395
Unrealised profit on transactions with associates	**–**	**(2)**	**(2)**	–	(2)	(2)
Impairment losses	**–**	**(1)**	**(1)**	–	(1)	(1)
	2,699	**706**	**3,405**	2,532	655	3,187

[1] *Less than RM1 million.*

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 30 June 2026

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14 ASSOCIATES – GROUP (CONTINUED)

a. Material associate

In the opinion of the Board of Directors, the associate that is material to the Group is:

Name of associate	Description
Perusahaan Otomobil Kedua Sdn. Bhd. ("Perodua")	Perodua purchases and/or sells automotive related goods and services from/to certain Group companies. The principal activities of Perodua are disclosed in Note 52 to the financial statements.

Summarised financial information

The summarised statement of comprehensive income of the material associate is as follows:

	2026	2025
	Perodua	Perodua
Revenue	**20,235**	19,662
Depreciation and amortisation	**(109)**	(77)
Share of results of associates	**836**	685
Profit before interest and tax	**1,509**	1,292
Interest income	**69**	60
Interest expense	**(6)**	(9)
Profit before tax	**1,572**	1,343
Taxation	**(263)**	(187)
Profit for the financial year	**1,309**	1,156
Non-controlling interests	**(3)**	(1)
Profit attributable to owners of the associate	**1,306**	1,155
Other comprehensive income	**–[1]**	–[1]
Total comprehensive income	**1,306**	1,155
Dividend received	**329**	445[2]

[1] *Less than RM1 million.*
[2] *Includes RM164 million declared in 2024.*

Amounts in RM million unless otherwise stated

14 ASSOCIATES – GROUP (CONTINUED)

a. Material associate (continued)

Summarised financial information (continued)

The summarised statement of financial position of the material associate is as follows:

	2026	2025
	Perodua	Perodua
Non-current assets	**6,292**	5,688
Current assets		
Cash and cash equivalents	**1,668**	2,056
Other current assets	**1,630**	678
	3,298	2,734
Non-current liabilities		
Financial liabilities excluding payables	**(141)**	(104)
Other liabilities	**(15)**	(16)
	(156)	(120)
Current liabilities		
Financial liabilities excluding payables	**(40)**	(33)
Other current liabilities	**(2,248)**	(1,564)
	(2,288)	(1,597)
Net assets	**7,146**	6,705
Less: non-controlling interests	**(44)**	(42)
Net assets attributable to owners of the associate	**7,102**	6,663

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14 ASSOCIATES – GROUP (CONTINUED)

a. Material associate (continued)

Reconciliation

Reconciliation of the summarised financial information presented to the carrying amounts of the Group's interest in the material associate is as follows:

	2026	2025
	Perodua	Perodua
Net assets attributable to owners of the associate		
At 1 July	**6,663**	6,254
Dividend	**(867)**	(746)
Total comprehensive income	**1,306**	1,155
At 30 June	**7,102**	6,663
Group's interest (%)	**38.0**	38.0
Interest in associate representing carrying amount at end of the financial year	**2,699**	2,532

b. Commitments and contingent liabilities

There are no commitments or contingent liabilities relating to the Group's interest in the associates.

15 FINANCE INCOME

	Group	
	2026	2025
Interest income from:		
– banks and other financial institutions	**74**	81
– other interest income	**4**	6
Islamic profit distribution	**9**	7
	87	94
Accretion of discount on receivables	**8**	12
	95	106

The Company's finance income of RM3 million in the financial year was mainly from financial guarantee in respect of the Sukuk Murabahah programme (refer also to Note 40) of a subsidiary. Finance income from banks and other financial institutions amounted to less than RM1 million (2025: finance income from banks and other financial institutions – less than RM1 million).

Amounts in RM million unless otherwise stated

16 FINANCE COSTS

	Group	
	2026	**2025**
Interest expense payable to banks and other financial institutions	**214**	314
Islamic financing distribution payment	**102**	130
Interest on borrowings	**316**	444
Interest expense on leases	**119**	131
Interest on payables and others	**71**	80
Total finance costs	**506**	655
Interest capitalised in property, plant and equipment	**(2)**	(8)
Net finance costs	**504**	647

The Company's finance costs of less than RM1 million in the current financial year relate to leases (2025: RM11 million from the financial guarantee in respect of the Sukuk Murabahah programme of a subsidiary and leases).

17 TAXATION

	Group		Company	
	2026	**2025**	**2026**	**2025**
Income tax:				
In respect of current year				
– Malaysian income tax	**310**	337	**–**[1]	–[1]
– foreign income tax	**324**	338	**–**	–
In respect of prior years				
– Malaysian income tax	**3**	12	**–**[1]	–[1]
– foreign income tax	**(6)**	(4)	**–**	–
Total income tax	**631**	683	**–**[1]	–[1]
Deferred tax:				
– origination and reversal of temporary differences	**(103)**	(96)	**–**[1]	–[1]
– deferred tax on unremitted earnings	**(4)**	(10)	**–**	–
– effects of recognition of previously unrecognised temporary differences and temporary differences not recognised	**62**	86	**–**	–
Total deferred tax	**(45)**	(20)	**–**[1]	–[1]
Total tax expense	**586**	663	**–**[1]	–[1]

[1] *Less than RM1 million.*

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17 TAXATION (CONTINUED)

Tax reconciliation

Reconciliation from tax at applicable tax rate to tax expense is as follows:

	Group		Company	
	2026	**2025**	**2026**	**2025**
Profit before tax	**2,669**	3,051	**1,085**	1,137
Less: Share of results of joint ventures	**(15)**	(19)	**–**	–
Share of results of associates	**(569)**	(494)	**–**	–
	2,085	2,538	**1,085**	1,137
Applicable tax	**498**	616	**260**	273
Withholding tax on foreign income and other additional income taxes	**30**	20	**–**	–
Effects of tax incentives and non-taxable income:				
– non-taxable dividends	**(29)**	–	**(275)**	(291)
– tax incentives and other income	**(19)**	(43)	**–**	–
Effects of non-deductible expenses	**120**	110	**15**	18
Effects of real property gains tax and capital gains tax	**(69)**	(124)	**–**	–
Effects of deferred tax on unremitted earnings	**(4)**	(10)	**–**	–
Effects of deferred tax assets not recognised and previously unrecognised deferred taxes	**62**	86	**–**	–
(Over)/Under provision in prior years	**(3)**	8	**–[1]**	–
Tax expense for the financial year	**586**	663	**–[1]**	–[1]
Applicable tax rate (%)	**23.9**	24.3	**24.0**	24.0
Effective tax rate (%)	**28.1**	26.1	**–[2]**	–[2]

[1] *Less than RM1 million.*
[2] *Less than 0.1%.*

The Group's effective tax rate of 28.1% for the financial year ended 30 June 2026 was higher than the applicable tax rate of 23.9%, mainly due to the impact of non-deductible expenses and adjustments to deferred tax, partly offset by the impact of non-taxable dividends and the lower Real Property Gains Tax rate applicable on the gain on disposal of land in Malaysia.

The Group's effective tax rate of 26.1% for the financial year ended 30 June 2025 was higher than the applicable tax rate of 24.3%, mainly due to the impact of non-deductible expenses and deferred tax not recognised for certain tax losses, partly offset by the impact of the lower Real Property Gains Tax rate applicable on the gain on disposal of land in Malaysia.

Amounts in RM million unless otherwise stated

17 TAXATION (CONTINUED)

Pillar Two model rules

The Group and the Company are within the scope of the Organisation for Economic Co-operation and Development ("OECD") Pillar Two model rules whereby top-up tax on profits is required in any jurisdiction in which it operates, calculated at the jurisdictional level, when the effective tax rate is lower than the minimum effective tax rate of 15%.

The Pillar Two rules would be applicable to all jurisdictions of the Group's constituent entities from the financial year ended 30 June 2026 following the adoption of the Pillar Two model rules in Malaysia. (2025: Pillar Two rules applicable to the Group's constituent entities in Australia, Vietnam, South Korea and Japan). The Group had undertaken an assessment of the tax implications from the adoption of the Pillar Two model rules. From the assessment, the Group concluded that no provision for additional top-up tax was required for the financial year ended 30 June 2026 (2025: No top-up tax provided). This is subject to the final Pillar Two filings that are due in December 2027 (2025: due in December 2026).

The Group and the Company have applied the exception to recognising and disclosing information about deferred tax related to Pillar Two income taxes as permitted by MFRS 112.

Uncertainty over income tax treatments

Kumpulan Sime Darby Berhad ("KSDB"), a wholly-owned subsidiary of the Company, had been issued Notice of Additional Assessments of RM56 million by the Inland Revenue Board of Malaysia ("IRBM") relating to the gains on disposal of land in FY2024 and FY2025, where IRBM asserts that the gains should be subject to Income Tax instead of Real Property Gains Tax ("RPGT"). As at 30 June 2026, the Company had not made any provision for the additional tax assessments of RM36 million (net of RPGT paid) as the Company is of the view that the disposal gains should be taxed under RPGT. The solicitors for KSDB are of the view that there is a high probability that the gains arising from the disposal would, in law, be regarded as having been received on capital account and be chargeable to real property gains tax under the RPGT Act, and that KSDB has a good arguable case of succeeding before the Malaysian courts.

SDHB, a wholly-owned subsidiary of the Company, is under a tax audit review by the IRBM. On 23 September 2026, IRBM had issued a final audit findings letter on their disagreement of interest income earned from related companies being included as a business income source instead of passive source income. SDHB disagrees with this finding and is of the view that the interest income should be treated as a business source income. In the event an assessment is issued by IRBM, SDHB intends to challenge the assessment in the Malaysian courts. The solicitors of SDHB are of the view that there is a high probability that the interest income would be regarded as income from a business source based on the facts of the case and a High Court decision.

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18 DISCONTINUED OPERATIONS

For the financial year ended 30 June 2025, the discontinued operations of the Group relates to UMW Komatsu Heavy Equipment Sdn Bhd group ("UKHE").

a. UKHE – subsidiary acquired exclusively for resale

On 13 December 2023, the Group completed the acquisition of an approximately 61.2% equity interest in UMW. As the Group deemed that the UKHE group's business involving the importation and distribution of heavy equipment under the Komatsu brand ("Komatsu Business") as a business which directly competes with the Group's Caterpillar brand of products, the Group had planned to divest the UKHE group within 12 months from the completion of the UMW acquisition.

The Group had entered into a sale and purchase agreement with Komatsu Ltd to divest the Group's entire equity interest in the UKHE group. As the UKHE group is deemed to be a group of subsidiaries acquired exclusively for resale, its results and cashflows had been presented as discontinued operations in the financial statements of the Group. The disposal completed on 16 October 2024

The prior year results of the UKHE group were summarised as below:

	2025
Statement of Profit or Loss and Comprehensive Income	
Profit for the financial year	9
Other comprehensive loss for the financial year	(7)
Total comprehensive income for the financial year	2

Further analysis on the results and cash flow information of the UKHE group is not required in accordance with MFRS 5.

19 DIVIDENDS

	Group/Company	
	2026	2025
Second interim dividend of 10.0 sen per share for the financial year ended 30 June 2025, paid on 30 September 2025 (2025: 10.0 sen per share, paid on 30 September 2024)	**682**	682
First interim dividend of 3.0 sen per share for the financial year ended 30 June 2026, paid on 31 March 2026 (2025: 3.0 sen per share, paid on 27 March 2025)	**204**	204
Special interim dividend of 1.0 sen per share for the financial year ended 30 June 2025, paid on 27 March 2025	**–**	68
	886	954

The Board of Directors had on 27 August 2026 declared a second interim dividend of 11.0 sen per ordinary share amounting to RM750 million in respect of the financial year ended 30 June 2026. The dividend is payable on 30 September 2026.

Amounts in RM million unless otherwise stated

20 OTHER COMPREHENSIVE INCOME/(LOSS) – GROUP

Other comprehensive income/(loss) and the tax effects are analysed as follows:

2026	Attributable to owners of the Company				Non-controlling interests	Total	Tax effects	Net of tax
	Hedging reserve	Exchange reserve	Retained profits	Total				
Currency translation differences	–	(265)	–	(265)	(5)	(270)	–	(270)
Net change in fair value of cash flow hedges	6	–	–	6	–	6	(2)	4
Share of other comprehensive loss of joint ventures and associates	(3)	(3)	–	(6)	–	(6)	–	(6)
Reclassified to profit or loss:								
– currency translation differences on repayment of net investments and disposals reclassified to profit or loss	–	8	–	8	–	8	–	8
Reclassification of changes in fair value of cash flow hedges to profit or loss and inventories	9	–	–	9	–	9	(1)	8
Other comprehensive income/(loss) before tax	12	(260)	–	(248)	(5)	(253)	(3)	(256)
Taxation	(3)	–	–	(3)	–	(3)		
Total other comprehensive income/(loss) after tax	9	(260)	–	(251)	(5)	(256)		

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20 OTHER COMPREHENSIVE INCOME/(LOSS) – GROUP (CONTINUED)

Other comprehensive income/(loss) and the tax effects are analysed as follows: (continued)

2025	Attributable to owners of the Company				Non-controlling interests	Total	Tax effects	Net of tax
	Hedging reserve	Exchange reserve	Retained profits	Total				
Currency translation differences	–	(1,248)	–	(1,248)	(22)	(1,270)	–	(1,270)
Net change in fair value of cash flow hedges	(4)	–	–	(4)	–	(4)	1	(3)
Share of other comprehensive income/(loss) of joint ventures and associates	2	(42)	–	(40)	–	(40)	–	(40)
Reclassified to profit or loss:								
– currency translation differences on repayment of net investments and disposals reclassified to profit or loss	–	(3)	–	(3)	–	(3)	–	(3)
Reclassification of changes in fair value of cash flow hedges to profit or loss and inventories	(14)	–	–	(14)	–	(14)	2	(12)
Actuarial loss on defined benefit pension plans	–	–	(14)	(14)	–	(14)	–	(14)
Other comprehensive (loss)/ income before tax	(16)	(1,293)	(14)	(1,323)	(22)	(1,345)	3	(1,342)
Taxation	3	–	–	3	–	3		
Other comprehensive loss from continuing operations	(13)	(1,293)	(14)	(1,320)	(22)	(1,342)		
Other comprehensive loss from discontinued operations	–	(1)	–	(1)	(6)	(7)		
Total other comprehensive loss after tax	(13)	(1,294)	(14)	(1,321)	(28)	(1,349)		

Amounts in RM million unless otherwise stated

21 PROPERTY, PLANT AND EQUIPMENT – GROUP

	Freehold land	Buildings	Plant and machinery	Rental assets	Vehicles, equipment and fixtures	Capital work in progress	Total
2026							
At 1 July 2025	**1,354**	**3,432**	**1,090**	**4,087**	**1,240**	**818**	**12,021**
Additions	**–**	**30**	**165**	**1,135**	**177**	**690**	**2,197**
Disposals	**–**	**(3)**	**(21)**	**–**	**(21)**	**(3)**	**(48)**
Disposal of subsidiaries	**–**	**–**	**–**	**–**	**(1)**	**–**	**(1)**
Reclassification	**–**	**194**	**467**	**–**	**76**	**(737)**	**–**
Depreciation	**–**	**(133)**	**(244)**	**(761)**	**(266)**	**–**	**(1,404)**
Impairment losses	**–**	**–**	**(7)**	**(29)**	**(62)**	**–**	**(98)**
Exchange differences	**(10)**	**(24)**	**(3)**	**(32)**	**(16)**	**(19)**	**(104)**
Transfer (to)/from:							
– investment properties	**–**	**(7)**	**–**	**–**	**–**	**–**	**(7)**
– inventories	**–**	**–**	**–**	**(432)**	**2**	**–**	**(430)**
– finance lease receivables	**–**	**–**	**(2)**	**–**	**–**	**–**	**(2)**
At 30 June 2026	**1,344**	**3,489**	**1,445**	**3,968**	**1,129**	**749**	**12,124**
Cost	**1,344**	**5,208**	**2,636**	**5,876**	**2,974**	**749**	**18,787**
Accumulated depreciation	**–**	**(1,669)**	**(1,172)**	**(1,876)**	**(1,741)**	**–**	**(6,458)**
Accumulated impairment losses	**–**	**(50)**	**(19)**	**(32)**	**(104)**	**–**	**(205)**
Carrying amount at end of the financial year	**1,344**	**3,489**	**1,445**	**3,968**	**1,129**	**749**	**12,124**
2025							
At 1 July 2024	1,431	3,679	1,166	4,472	1,241	553	12,542
Acquisition of subsidiaries and businesses	–	14	17	50	2	–	83
Additions	–	21	115	1,200	270	655	2,261
Disposals	(24)	(8)	(18)	–	(32)	–	(82)
Reclassification	19	97	97	(9)	109	(313)	–
Depreciation	–	(135)	(221)	(786)	(267)	–	(1,409)
Reversal of impairment losses/ (Impairment losses)	–	4	(21)	(1)	(8)	(1)	(27)
Exchange differences	(50)	(217)	(35)	(415)	(75)	(36)	(828)
Transfer to:							
– investment properties	(8)	(23)	–	–	–	–	(31)
– inventories	–	–	–	(424)	–	–	(424)
– finance lease receivables	–	–	(10)	–	–	(40)	(50)
– assets held for sale	(14)	–	–	–	–	–	(14)
At 30 June 2025	1,354	3,432	1,090	4,087	1,240	818	12,021
Cost	1,354	5,058	2,106	5,766	2,913	818	18,015
Accumulated depreciation	–	(1,573)	(996)	(1,676)	(1,620)	–	(5,865)
Accumulated impairment losses	–	(53)	(20)	(3)	(53)	–	(129)
Carrying amount at end of the financial year	1,354	3,432	1,090	4,087	1,240	818	12,021

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21 PROPERTY, PLANT AND EQUIPMENT – GROUP (CONTINUED)

At 1 July 2024	Freehold land	Buildings	Plant and machinery	Rental assets	Vehicles, equipment and fixtures	Capital work in progress	Total
Cost	1,431	4,941	2,055	5,556	2,750	553	17,286
Accumulated depreciation	–	(1,204)	(873)	(1,082)	(1,441)	–	(4,600)
Accumulated impairment losses	–	(58)	(16)	(2)	(68)	–	(144)
Carrying amount	1,431	3,679	1,166	4,472	1,241	553	12,542

a. Capital work in progress

RM2 million of interest expense was capitalised during the financial year ended 30 June 2026 (2025: RM8 million).

b. Assets pledged as security

Property, plant and equipment with a total carrying amount of RM51 million (2025: RM56 million) were pledged as security for borrowings (see Note 40).

c. Impairment losses

During the financial year, certain subsidiaries carried out a review of the recoverable amount of its property, plant and equipment. The review led to the recognition of an impairment of RM98 million (2025: impairment of RM31 million and reversal of impairment of RM4 million) as disclosed under other gains and losses.

Impairment losses of Motors segment's Mainland China operations

As a result of the deterioration in the financial performance of the operations mainly due to the decreased sales volume and a significant reduction in commissions caused by policy changes, certain subsidiaries in Mainland China carried out impairment assessments of their cash-generating units ("CGUs"). This resulted in impairment losses recognised for property, plant and equipment and right-of-use assets of RM32 million and RM6 million respectively (2025: RM3 million and RM1 million respectively). The recoverable amounts of the CGUs were determined based on the value-in-use ("VIU") model based on five year budget projections. The key assumptions used by management in the VIU calculations are summarised below:

(i) The forecasted revenue is estimated based on expected future sales volume multiplied by the expected selling price. Management considered the manufacturer's and the Group's sales targets when forecasting the expected future sales volume. The estimated selling price is forecasted based on the combination of new models to be launched in the future and the Consumer Price Index.

(ii) The discount rate used was 11.5% (2025: 11.0%)

The associated property, plant and equipment and right-of-use assets of the CGU have been fully impaired. In the prior year, based on sensitivity analysis performed and assuming all else remained constant, an increase in the discount rate by 1% would result in additional impairment losses for property, plant and equipment and right-of-use assets of less than RM1 million and RM1 million respectively.

Impairment losses of Motors segment's Malaysia operations

As a result of the deterioration in the financial performance of the operations mainly due to the intense competition and unfavourable changes in market conditions, certain subsidiaries in Malaysia carried out impairment assessments of their CGUs. This resulted in impairment losses recognised for property, plant and equipment of RM31 million (2025: Nil).

Amounts in RM million unless otherwise stated

21 PROPERTY, PLANT AND EQUIPMENT – GROUP (CONTINUED)

c. Impairment losses (continued)

Impairment losses of Motors segment's Malaysia operations (continued)

During the financial year, the Group recognised impairment losses of RM19 million for two CGUs. The recoverable amounts of the CGUs were determined based on the VIU model based on five year budget projections. The key assumptions used by management in the VIU calculations are summarised as below:

(i) The forecasted revenue is estimated based on expected future sales volume multiplied by the expected selling price. The estimated selling price is forecasted based on the combination of new models to be launched in the future and the Consumer Price Index.

(ii) The discount rate used was 8.5%

For one of the CGUs, the property, plant and equipment have been fully impaired. For the other CGU, based on sensitivity analysis performed and assuming all else remained constant, an increase in the discount rate by 1% would result in additional impairment losses for property, plant and equipment of RM2 million.

In addition, the property of another CGU recorded an impairment loss of RM12 million. The fair value of the property was arrived after taking into consideration valuation performed by an external valuer. The valuation was performed using comparable properties based on current prices in an active market.

Impairment losses of Industrial segment's Australia operations

Arising from the impairment assessment on intangible assets with indefinite useful life of certain CGUs, management has recognised impairment losses of RM25 million, RM13 million and RM14 million for property, plant and equipment, right-of-use assets and intangible assets respectively for one of the CGUs. The recoverable amount of the CGU was determined based on the VIU model based on five year budget projections. The key assumptions used by management in the VIU calculation are summarised as below:

(i) The sales growth rate, margins and capital expenditure are forecasted based on past performance and management's expectation of market development.

(ii) A discount rate of 10.75% (2025: 10.5%)

d. Reconciliation to the statements of cash flows

Reconciliation to the cash flow for purchase of property, plant and equipment is as follows:

	2026	2025
Additions for the financial year	**2,197**	2,261
Add/(Less):		
Net changes in payables for purchase of property, plant and equipment	**7**	6
Net changes in prepayments for purchase of property, plant and equipment	**6**	(4)
Additions to rental assets, included as changes in working capital in the statements of cash flows	**(1,135)**	(1,200)
Interest expense capitalised in capital work in progress	**(2)**	(8)
Total cash payments during the financial year	**1,073**	1,055

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22 RIGHT-OF-USE ASSETS – GROUP

	Leasehold land	Buildings	Vehicles, equipment and fixtures	Rental assets	Total
2026					
At 1 July 2025	**1,105**	**1,604**	**153**	**179**	**3,041**
Additions	**129**	**24**	**73**	**55**	**281**
Disposal of subsidiaries	**–**	**(1)**	**–**	**–**	**(1)**
Terminations/modifications	**42**	**(57)**	**5**	**(2)**	**(12)**
Impairment losses	**–**	**(25)**	**–**	**–**	**(25)**
Depreciation	**(65)**	**(277)**	**(78)**	**(104)**	**(524)**
Transfer to investment properties	**(1)**	**–**	**–**	**–**	**(1)**
Sublease arrangement	**–**	**(3)**	**–**	**–**	**(3)**
Exchange differences	**(20)**	**(17)**	**1**	**–**	**(36)**
At 30 June 2026	**1,190**	**1,248**	**154**	**128**	**2,720**
Cost	**1,781**	**2,255**	**384**	**312**	**4,732**
Accumulated depreciation	**(485)**	**(985)**	**(230)**	**(184)**	**(1,884)**
Accumulated impairment losses	**(106)**	**(22)**	**–**	**–**	**(128)**
Carrying amount at end of the financial year	**1,190**	**1,248**	**154**	**128**	**2,720**
2025					
At 1 July 2024	1,198	1,802	164	208	3,372
Acquisition of subsidiaries and businesses	–	15	–	–	15
Additions	76	231	84	120	511
Terminations/modifications	12	(19)	(3)	–	(10)
Reversal of impairment losses/(Impairment losses)	4	(5)	–	–	(1)
Depreciation	(65)	(323)	(74)	(124)	(586)
Transfer to investment properties	(8)	–	–	–	(8)
Exchange differences	(112)	(97)	(18)	(25)	(252)
At 30 June 2025	1,105	1,604	153	179	3,041
Cost	1,613	2,678	354	338	4,983
Accumulated depreciation	(397)	(1,060)	(201)	(159)	(1,817)
Accumulated impairment losses	(111)	(14)	–	–	(125)
Carrying amount at end of the financial year	1,105	1,604	153	179	3,041
At 1 July 2024					
Cost	1,700	2,768	348	360	5,176
Accumulated depreciation	(372)	(946)	(184)	(152)	(1,654)
Accumulated impairment losses	(130)	(20)	–	–	(150)
Carrying amount	1,198	1,802	164	208	3,372

The Company's ROU assets during the financial year ended 30 June 2026 comprise of vehicles leased from a subsidiary with carrying amount of less than RM1 million (2025: RM1 million).

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22 RIGHT-OF-USE ASSETS – GROUP (CONTINUED)

a. Impairment losses

During the financial year, certain subsidiaries carried out reviews of the recoverable amounts of their right-of-use assets. The review led to the recognition of an impairment of RM25 million (2025: impairment of RM5 million and reversal of impairment of RM4 million) as disclosed under other gains and losses. The impairments mainly relate to the impairment losses of Motors segment's Mainland China operations and Industrial segment's Australia operations as explained in Note 21(c).

23 INVESTMENT PROPERTIES – GROUP

	Freehold land	Leasehold land	Buildings	Total
2026				
At 1 July 2025	**168**	**96**	**301**	**565**
Depreciation	**–**	**(3)**	**(12)**	**(15)**
Transfer from property, plant and equipment	**–**	**–**	**7**	**7**
Transfer from right-of-use assets	**–**	**1**	**–**	**1**
At 30 June 2026	**168**	**94**	**296**	**558**
Cost	**168**	**116**	**402**	**686**
Accumulated depreciation	**–**	**(22)**	**(106)**	**(128)**
Accumulated impairment losses	**–**	**–**	**(–)[1]**	**(–)[1]**
Carrying amount at end of the financial year	**168**	**94**	**296**	**558**

[1] *Less than RM1 million.*

2025				
At 1 July 2024	252	79	307	638
Additions	2	17	4	23
Depreciation	–	(3)	(8)	(11)
Transfer from property, plant and equipment	8	–	23	31
Transfer from right-of-use assets	–	8	–	8
Transfer from inventories	–	27	3	30
Transfer to assets held for sale	(94)	(32)	(28)	(154)
At 30 June 2025	168	96	301	565
Cost	168	115	395	678
Accumulated depreciation	–	(19)	(94)	(113)
Accumulated impairment losses	–	–	(–)[1]	(–)[1]
Carrying amount at end of the financial year	168	96	301	565

[1] *Less than RM1 million.*

At 1 July 2024				
Cost	252	95	393	740
Accumulated depreciation	–	(16)	(86)	(102)
Accumulated impairment losses	–	–	(–)[1]	(–)[1]
Carrying amount	252	79	307	638

[1] *Less than RM1 million.*

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23 INVESTMENT PROPERTIES – GROUP (CONTINUED)

The fair value of investment properties as at 30 June 2026 was RM2,367 million (2025: RM2,358 million). The fair value was arrived at after taking into consideration the valuation performed by external professional firms. The fair value is categorised as Level 3 in the fair value hierarchy. The most significant input in the approach adopted by the valuer is price per square foot.

An investment property with impairment indicators is sensitive to changes in the key assumption. A decrease of approximately 10.2% in the price per square foot will result in the fair value of the property being equal to its carrying amount.

Rental income generated from and direct operating expenses incurred on income generating investment properties are as follows:

	2026	2025
Rental income	**33**	35
Direct operating expenses	**(6)**	(5)

24 INTANGIBLE ASSETS – GROUP

	Acquired						
2026	Goodwill	Distribution/ dealership rights	Computer software	Customer relationships, trademarks and others	Total	Internally generated assets[1]	Total intangible assets
At 1 July 2025	**1,258**	**1,209**	**71**	**340**	**2,878**	**88**	**2,966**
Additions	**–**	**–**	**11**	**–**	**11**	**–**	**11**
Impairment losses	**(42)**	**(53)**	**(1)**	**–**	**(96)**	**–**	**(96)**
Amortisation	**–**	**–**	**(20)**	**(43)**	**(63)**	**(50)**	**(113)**
Exchange differences	**10**	**4**	**(1)**	**2**	**15**	**–**	**15**
At 30 June 2026	**1,226**	**1,160**	**60**	**299**	**2,745**	**38**	**2,783**
Cost	**1,462**	**1,212**	**178**	**451**	**3,303**	**529**	**3,832**
Accumulated amortisation	**–**	**–**	**(117)**	**(151)**	**(268)**	**(491)**	**(759)**
Accumulated impairment losses	**(236)**	**(52)**	**(1)**	**(1)**	**(290)**	**–**	**(290)**
Carrying amount at end of the financial year	**1,226**	**1,160**	**60**	**299**	**2,745**	**38**	**2,783**

[1] *Internally generated assets consist of computer software and development costs.*

Amounts in RM million unless otherwise stated

24 INTANGIBLE ASSETS – GROUP (CONTINUED)

2025	Acquired						
	Goodwill	Distribution/ dealership rights	Computer software	Customer relationships, trademarks and others	Total	Internally generated assets[1]	Total intangible assets
At 1 July 2024	1,417	1,299	80	433	3,229	158	3,387
Acquisition of subsidiaries and businesses	–	17	–	–	17	–	17
Additions	–	–	14	–	14	1	15
Amortisation	–	–	(21)	(45)	(66)	(54)	(120)
Exchange differences	(159)	(107)	(2)	(48)	(316)	(17)	(333)
At 30 June 2025	1,258	1,209	71	340	2,878	88	2,966
Cost	1,474	1,211	187	447	3,319	526	3,845
Accumulated amortisation	–	–	(116)	(106)	(222)	(438)	(660)
Accumulated impairment losses	(216)	(2)	–	(1)	(219)	–	(219)
Carrying amount at end of the financial year	1,258	1,209	71	340	2,878	88	2,966

[1] *Internally generated assets consist of computer software and development costs.*

At 1 July 2024	Acquired						
	Goodwill	Distribution/ dealership rights	Computer software	Customer relationships, trademarks and others	Total	Internally generated assets[1]	Total intangible assets
Cost	1,648	1,301	177	506	3,632	596	4,228
Accumulated amortisation	–	–	(97)	(72)	(169)	(438)	(607)
Accumulated impairment losses	(231)	(2)	–	(1)	(234)	–	(234)
Carrying amount	1,417	1,299	80	433	3,229	158	3,387

[1] *Internally generated assets consist of computer software and development costs.*

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24 INTANGIBLE ASSETS – GROUP (CONTINUED)

a. Material intangible assets

In the opinion of the Board of Directors, intangible assets and their carrying amounts which are material to the Group are as follows:

Segment	Investment	Intangible asset	Carrying amount 2026	Carrying amount 2025
Industrial	Heavy equipment business	Goodwill	**38**	38
		Distribution rights	**663**	660
	Chroming business	Goodwill	**96**	95
	Onsite Rental	Goodwill	**483**	479
		Customer relationships	**115**	131
	Cavpower	Goodwill	**539**	534
		Customer relationships	**159**	180
	New enterprise resource planning system	Computer software	**38**	90
Motors	Australia	Goodwill	**–**	6
		Dealership rights	**89**	140
UMW	UMW	Goodwill	**19**	19
		Distribution rights	**371**	371

Goodwill, distribution rights, dealership rights and customer relationships

The intangible assets included in the Industrial Segment are as follows:

- Goodwill and distribution rights for the heavy equipment business arose from the acquisition of the Bucyrus distribution business;
- Chroming business goodwill arose from the acquisition of the Heavy Maintenance group;
- Onsite Rental goodwill and customer relationships arose from the acquisition of the Onsite Rental Group Limited; and
- Cavpower goodwill and customer relationships arose from the acquisition of the Cavpower group.

The goodwill and dealership rights for the Motors segment are in respect of the dealership rights in Brisbane and Sydney, Australia.

The goodwill and distribution rights for the UMW segment are in respect of the automotive distribution rights in Malaysia.

Computer software

The internally generated computer software is in relation to the enterprise resource planning system which was developed for the Industrial Segment and has been rolled out to all its dealerships in the different regions.

b. Intangible assets with indefinite useful lives

Goodwill and distribution/dealership rights are intangible assets with indefinite useful lives. These assets are not amortised as they are not confined to a predetermined service period and they are expected to contribute to net cash inflows indefinitely, and are tested for impairment annually, either individually or at the cash-generating unit ("CGU") level.

Amounts in RM million unless otherwise stated

24 INTANGIBLE ASSETS – GROUP (CONTINUED)

b. Intangible assets with indefinite useful lives (continued)

Heavy equipment goodwill and distribution rights

The recoverable amounts of the CGUs were determined based on the CGUs' VIU model, determined using the discounted cash flow projections based on five year budget projections for the heavy equipment business of the Industrial operations in Australasia (defined in Note 6) included in the Group Budget approved by the Board of Directors ("Board"). Most of the distribution rights and goodwill have been allocated to Australia. During the financial year, one of the key assumptions used was changed from EBITDA growth rates to EBITDA margin. The key assumptions used in the impairment assessments for Australia are as follows:

2026	
Discount rates (%) per annum	**8.9**
EBITDA margin (%)	**8 – 9**
Range of forecast growth rates (%):	
– revenue	**(7) – 11**
– terminal	**2.5**

2025	
Discount rates (%) per annum	9.3
Range of forecast growth rates (%):	
– revenue	1 – 2
– EBITDA	(3) – 11
– terminal	2.5

Based on management's assessment, no impairment charge is required on the carrying value of goodwill and distribution rights for the heavy equipment business of the Industrial operations in Australasia. Management believes that there is no reasonable possible change in any key assumptions that would cause the carrying amounts of the CGUs to exceed the recoverable amounts.

Chroming business goodwill

The recoverable amount of the CGU was determined based on the CGU's VIU model, determined using the discounted cash flow projections based on five year budget projections for the chroming business of the Industrial operations in Australia that were included in the Group Budget approved by the Board. During the financial year, one of the key assumptions used was changed from EBITDA growth rates to EBITDA margin. The key assumptions used in the impairment assessment are as follows:

2026	
Discount rates (%) per annum	**11.0**
EBITDA margin (%)	**11 – 19**
Range of forecast growth rates (%):	
– revenue	**5 – 15**
– terminal	**2.5**

2025	
Discount rates (%) per annum	11.0
Range of forecast growth rates (%):	
– revenue	5
– EBITDA	8 – 12
– terminal	2.5

Based on management's assessment, no impairment charge is required on the carrying value of goodwill of the chroming business of the Industrial operations in Australia. Management believes that there is no reasonable possible change in any key assumptions that would cause the carrying amount of the CGU to exceed the recoverable amount.

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24 INTANGIBLE ASSETS – GROUP (CONTINUED)

b. Intangible assets with indefinite useful lives (continued)

Onsite Rental goodwill

The recoverable amount of the CGU was determined based on the CGU's VIU model, determined using the discounted cash flow projections based on five year budget projections (2025: over a period of ten years developed based on five year budget projections) that were included in the Group Budget approved by the Board. The key assumptions used in the impairment assessment are as follows:

2026	
Discount rates (%) per annum	**11.0**
EBITDA margin (%)	**37 – 40**
Forecast growth rates (%):	
– revenue	**4 – 6**
– terminal	**2.0**

2025	
Discount rates (%) per annum	11.0
Forecast growth rates (%):	
– revenue	4
– terminal	2.0

Based on management's assessment, no impairment charge is required on the carrying value of the goodwill of Onsite Rental. Management believes that there is no reasonable possible change in any key assumptions that would cause the carrying amount of the CGU to exceed the recoverable amount.

Cavpower goodwill

The recoverable amount of the CGU was determined based on the CGU's VIU model, determined using the discounted cash flow projections based on five year budget projections that were included in the Group Budget approved by the Board. The key assumptions used in the impairment assessment are as follows:

2026	
Discount rates (%) per annum	**9.1**
EBITDA margin (%)	**13 – 15**
Forecast growth rates (%):	
– revenue (average growth rate)	**3 – 9**
– terminal	**2.5**

2025	
Discount rates (%) per annum	9.3
Forecast growth rates (%):	
– revenue (average growth rate)	2 – 11
– terminal	2.5

Based on management's assessment, no impairment charge is required on the carrying value of the goodwill of Cavpower. Based on sensitivity analysis performed and assuming all else remained constant, a 2 percentage point reduction in revenue growth rates for Years 2, 3 and 4 would reduce the headroom to nil.

Amounts in RM million unless otherwise stated

24 INTANGIBLE ASSETS – GROUP (CONTINUED)

b. Intangible assets with indefinite useful lives (continued)

Australia Motors goodwill and dealership rights – Brisbane operations

The recoverable amount of the CGU was determined based on the VIU model, using five year budget projections that were included in the Group Budget approved by the Board. The key assumptions used for the impairment assessment are as follows:

2026	
Discount rates (%) per annum	**13.7**
Earnings before interest and tax (RM million)	**10 – 24**
Range of forecast growth rates (%):	
– revenue	**0 - 24**
– terminal	**2.5**

2025	
Discount rates (%) per annum	9.3
Range of forecast growth rates (%):	
– revenue	7 – 20
– terminal	2.5

Arising from the assessment, an impairment loss of RM16 million (FY2025: Nil) was recognised under other gains and losses mainly due to deterioration in margins from increasing competition. The Group had performed sensitivity analysis based on the following key assumptions and the impact to the VIU is as follows:

Key assumption	Sensitivity	VIU is lower by
Discount rate	Higher by 1.4%	11
Terminal growth rate	Lower by 1.0%	8

Australia Motors goodwill and dealership rights – Sydney operations

The recoverable amount of the CGU was determined based on the VIU model, using five year budget projections that were included in the Group Budget approved by the Board. The key assumptions used for the impairment assessment are as follows:

2026	
Discount rates (%) per annum	**13.7**
Earnings before interest and tax (RM million)	**15 – 30**
Range of forecast growth rates (%):	
– revenue	**4 - 17**
– terminal	**2.5**

2025	
Discount rates (%) per annum	9.3
Range of forecast growth rates (%):	
– revenue	5 – 10
– terminal	2.5

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24 INTANGIBLE ASSETS – GROUP (CONTINUED)

b. Intangible assets with indefinite useful lives (continued)

Australia Motors goodwill and dealership rights – Sydney operations (continued)

Arising from the assessment, an impairment loss of RM43 million (FY2025: Nil) was recognised under other gains and losses mainly due to deterioration in margins from increasing competition. The Group had performed sensitivity analysis based on the following key assumptions and the impact to the VIU is as follows:

Key assumption	Sensitivity	VIU is lower by
Discount rates	Higher by 1.4%	3
Terminal growth rate	Lower by 1.0%	1

UMW goodwill and distribution rights

The recoverable amount of the CGU was determined based on the fair value less cost to sell model, using five year budget projections. The key assumptions adjusted with market assumptions used for the impairment assessment are as follows:

	2026	2025
Discount rates (%) per annum	**9.6**	10.0
Compounded average revenue forecast growth rates (%)	**0.6**	2.6
Terminal growth rate	**1.9**	1.8

Based on management's assessment, no impairment charge is required on the carrying value of the goodwill and distribution rights of UMW. Management believes that there is no reasonable possible change in any key assumptions that would cause the carrying amount of the CGU to exceed the recoverable amount.

Remaining goodwill and distribution/dealership rights

The remaining goodwill and distribution/dealership rights allocated to other CGUs amounted to RM51 million (2025: RM87 million) and RM37 million (2025: RM38 million) respectively. Based on impairment assessments performed by management, an impairment of RM22 million was recognised for an Indonesia CGU in the Motors segment during the year (2025: Nil) while RM14 million impairment was recognised (2025: Nil) for the Industrial Australia CGU as disclosed in Note 21(c). The impairments are recognised under other gains and losses.

c. Intangible assets with finite useful lives

Intangible assets with finite useful lives are amortised over their useful lives. The amortisation charge of continuing operations for the financial year of RM113 million (2025: RM120 million) was recorded in profit or loss.

25 SUBSIDIARIES – COMPANY

The Company's equity interest in subsidiaries, their respective principal activities and countries of incorporation are disclosed in Note 52.

	2026	2025
Unquoted shares at cost	**8,738**	8,738
Contribution to a subsidiary	**887**	887
	9,625	9,625

Contribution to a subsidiary refers to amounts for which the Company does not expect repayment in the foreseeable future and is considered as part of the Company's investment in the subsidiary.

Amounts in RM million unless otherwise stated

26 AMOUNTS DUE FROM SUBSIDIARIES – COMPANY

	2026	2025
Current	**904**	716

The amounts due from subsidiaries are unsecured, non-interest bearing and mainly consist of advances to SDHB and dividend receivable of RM242 million (2025: RM242 million). The advances to SDHB of RM661 million (2025: RM474 million) are classified as current as these amounts are short-term advances which are expected to be settled in the next financial year.

27 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

2026	Unquoted shares	Investment in money market funds	Others	Total
At 1 July 2025	**57**	**382**	**11**	**450**
Additions	**–**	**1,502**	**1**	**1,503**
Redemptions	**–**	**(1,381)**	**–**	**(1,381)**
Changes in fair value	**–**	**19**	**(2)**	**17**
Exchange differences	**(2)**	**–**	**(1)**	**(3)**
At 30 June 2026	**55**	**522**	**9**	**586**

2025	Unquoted shares	Investment in money market funds	Others	Total
At 1 July 2024	59	65	14	138
Additions	–	1,111	2	1,113
Redemptions	–	(798)	–	(798)
Changes in fair value	(1)	4	(3)	–
Exchange differences	(1)	–	(2)	(3)
At 30 June 2025	57	382	11	450

The financial assets at fair value through profit or loss are categorised as follows:

	Group	
	2026	2025
Non-current	**64**	68
Current	**522**	382
	586	450

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28 DEFERRED TAX

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority. The following amounts, determined after appropriate offsetting, are shown in the statements of financial position:

	Group	
	2026	**2025**
Deferred tax assets	**777**	797
Deferred tax liabilities	**(773)**	(829)
	4	(32)
Tax losses for which the tax effects have not been recognised in the financial statements		
– Expiring within 10 years	**2,370**	2,202
– With no expiry period	**545**	587
	2,915	2,789

Under the Malaysia Finance Act 2021 which was gazetted on 31 December 2021, the time limit to carry forward unutilised tax losses in Malaysia is 10 consecutive years. Any accumulated tax losses from year of assessment 2018 onwards can be carried forward for up to 10 consecutive years of assessment.

Unabsorbed capital allowances for which the tax effects have not been recognised in the financial statements amounted to RM287 million (2025: RM209 million).

Unutilised investment tax allowances for which the tax effects have not been recognised in the financial statements amounted to RM268 million (2025: RM294 million).

Deferred tax is not recognised on the unremitted earnings of foreign subsidiaries where the Group is able to control the timing of the remittance and it is probable that there will be no remittance in the foreseeable future. If these earnings were remitted, tax of RM135 million (2025: RM140 million) would be payable.

Amounts in RM million unless otherwise stated

28 DEFERRED TAX (CONTINUED)

The components and movements of the Group's net deferred taxes are as follows:

2026	Property, plant and equipment and investment properties	Intangible assets	Receivable impairments and provisions	Unabsorbed tax losses, capital allowances and investment tax allowances	Right-of-use assets and lease liabilities	Fair value uplift of inventories	Others	Total
At 1 July 2025	(309)	(467)	572	273	(63)	(53)	15	(32)
(Charged)/Credited to profit or loss	(47)	45	59	(24)	(9)	31	(10)	45
Charged to other comprehensive income	–	–	–	–	–	–	(3)	(3)
Disposal of subsidiaries	–	–	(1)	–	–	–	–	(1)
Exchange differences	(15)	(6)	6	10	8	–	(8)	(5)
At 30 June 2026	(371)	(428)	636	259	(64)	(22)	(6)	4
Deferred tax assets (before offsetting)	146	–	636	259	86	–	79	1,206
Deferred tax liabilities (before offsetting)	(517)	(428)	–	–	(150)	(22)	(85)	(1,202)
Net deferred tax (liabilities)/assets	(371)	(428)	636	259	(64)	(22)	(6)	4

	Deferred tax before offsetting	Offsetting	Deferred tax after offsetting
Deferred tax assets	1,206	(429)	777
Deferred tax liabilities	(1,202)	429	(773)
Net deferred tax assets	4	–	4

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28 DEFERRED TAX (CONTINUED)

The components and movements of the Group's net deferred taxes are as follows: (continued)

2025	Property, plant and equipment and investment properties	Intangible assets	Receivable impairments and provisions	Unabsorbed tax losses, capital allowances and investment tax allowances	Right-of-use assets and lease liabilities	Fair value uplift of inventories	Others	Total
At 1 July 2024	(244)	(550)	565	297	(91)	(71)	9	(85)
(Charged)/Credited to profit or loss	(89)	28	44	(14)	35	18	(1)	21
Credited to other comprehensive income	–	–	–	–	–	–	3	3
Acquisition of subsidiaries	–	4	–	1	–	–	–	5
Exchange differences	24	51	(37)	(11)	(7)	–	4	24
At 30 June 2025	(309)	(467)	572	273	(63)	(53)	15	(32)
Deferred tax assets (before offsetting)	173	–	572	273	89	–	103	1,210
Deferred tax liabilities (before offsetting)	(482)	(467)	–	–	(152)	(53)	(88)	(1,242)
Net deferred tax (liabilities)/assets	(309)	(467)	572	273	(63)	(53)	15	(32)

	Deferred tax before offsetting	Offsetting	Deferred tax after offsetting
Deferred tax assets	1,210	(413)	797
Deferred tax liabilities	(1,242)	413	(829)
Net deferred tax liabilities	(32)	–	(32)

A subsidiary of the Group was awarded investment tax allowances on 100% of qualifying capital expenditures for carrying out activities in relation to the assembly of Energy Efficient Vehicles.

The deferred tax asset has been recognised in respect of this item to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised in the foreseeable future.

In determining the extent of the deferred tax asset to be recognised, the Group has applied the following judgements in estimating the likely timing and level of taxable profits available against utilisation of the investment tax allowances:

(i) future outlook on the volumes to be assembled
(ii) product lifecycle of existing and approved future models

Based on management's assessment, deferred tax asset of RM131 million (2025: RM140 million) has been recognised as at 30 June 2026 in respect of the unutilised investment tax allowance.

Amounts in RM million unless otherwise stated

29 DERIVATIVE ASSETS/LIABILITIES – GROUP

The Group's derivative assets and liabilities are as follows:

	2026		2025	
	Derivative assets	**Derivative liabilities**	**Derivative assets**	**Derivative liabilities**
Non-current				
Derivatives not designated as hedges:				
– forward foreign exchange contracts [note (a)]	**–**	**(2)**	9	–
	–	**(2)**	9	–
Current				
Derivatives not designated as hedges:				
– forward foreign exchange contracts [note (a)]	**24**	**(19)**	39	(29)
– embedded derivatives [note (b)]	**–**	**(12)**	15	–
Cash flow hedges:				
– forward foreign exchange contracts [note (a)]	**11**	**(23)**	5	(18)
	35	**(54)**	59	(47)
Total	**35**	**(56)**	68	(47)

Derivatives are entered into to hedge foreign currency as described in Note 5(a)(i) and Note 5(a)(ii). Whilst all derivatives entered provide economic hedges to the Group, derivatives not designated as hedges are instruments that either do not qualify for the application of hedge accounting or where certain subsidiaries have chosen not to apply hedge accounting.

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29 DERIVATIVE ASSETS/LIABILITIES – GROUP (CONTINUED)

a. Forward foreign exchange contracts

Forward foreign exchange contracts have been entered into with the following notional amounts and maturities:

	2026 Maturities			2025 Maturities		
	Less than 1 year	1 year to less than 3 years	Total	Less than 1 year	1 year to less than 3 years	Total
Forward contracts used to hedge anticipated sales denominated in:						
– United States Dollar	**284**	**–**	**284**	1,747	–	1,747
– Other currencies	**15**	**–**	**15**	35	–	35
	299	**–**	**299**	1,782	–	1,782
Forward contracts used to hedge receivables in:						
– United States Dollar	**146**	**–**	**146**	137	–	137
– Other currencies	**44**	**–**	**44**	10	–	10
	190	**–**	**190**	147	–	147
Forward contracts used to hedge inter-company balances denominated in:						
– Singapore Dollar	**284**	**–**	**284**	371	–	371
– European Union Euro	**140**	**–**	**140**	87	–	87
– Chinese Renminbi	**93**	**–**	**93**	1	–	1
	517	**–**	**517**	459	–	459
Forward contracts used to hedge anticipated purchases denominated in:						
– United States Dollar	**451**	**12**	**463**	452	6	458
– European Union Euro	**564**	**160**	**724**	752	320	1,072
– Australian Dollar	**184**	**1**	**185**	146	–	146
– Chinese Renminbi	**295**	**–**	**295**	338	–	338
– Japanese Yen	**62**	**–**	**62**	–	–	–
– Other currencies	**8**	**–**	**8**	38	–	38
	1,564	**173**	**1,737**	1,726	326	2,052

Amounts in RM million unless otherwise stated

29 DERIVATIVE ASSETS/LIABILITIES – GROUP (CONTINUED)

a. Forward foreign exchange contracts (continued)

Forward foreign exchange contracts have been entered into with the following notional amounts and maturities: (continued)

	2026 Maturities			2025 Maturities		
	Less than 1 year	1 year to less than 3 years	Total	Less than 1 year	1 year to less than 3 years	Total
Forward contracts used to hedge payables and commitments denominated in:						
– United States Dollar	**885**	**–**	**885**	474	–	474
– European Union Euro	**4**	**–**	**4**	24	–	24
– Australian Dollar	**64**	**–**	**64**	45	–	45
– Chinese Renminbi	**66**	**–**	**66**	105	–	105
– Japanese Yen	**36**	**–**	**36**	96	–	96
– Other currencies	**5**	**–**	**5**	55	–	55
	1,060	**–**	**1,060**	799	–	799
Forward contracts used to hedge inventories where the payment is denominated in:						
– United States Dollar	**274**	**–**	**274**	167	–	167
	274	**–**	**274**	167	–	167
Forward contracts used to hedge borrowings denominated in:						
– European Union Euro	**37**	**–**	**37**	17	–	17
	37	**–**	**37**	17	–	17
Total notional amount	**3,941**	**173**	**4,114**	5,097	326	5,423
Net fair value (liabilities)/ assets	**(7)**	**(2)**	**(9)**	(3)	9	6

b. 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. The notional amount, fair value and maturity periods of the embedded derivatives are as follows:

	Notional amount 2026	Fair value liabilities 2026	Notional amount 2025	Fair value assets 2025
Maturity periods:				
– less than 1 year	**661**	**(12)**	785	15

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30 RECEIVABLES AND OTHER ASSETS

	Group		Company	
	2026	**2025**	**2026**	**2025**
Non-current				
Trade receivables[1]	**2**	2	**–**	–
Finance lease receivables [note (a)]	**133**	131	**–**	–
Other receivables	**28**	27	**–**	–
Total receivables	**163**	160	**–**	–
Contract assets	**5**	–	**–**	–
Prepayments	**52**	40	**–**	–
Total receivables and other assets	**220**	200	**–**	–
Current				
Trade receivables[1]	**5,069**	5,384	**–**	–
Amounts due from joint ventures	**7**	6	**–**	–
Amounts due from associates	**94**	67	**–**	–
Finance lease receivables [note (a)]	**43**	63	**–**	–
Other receivables:				
– rebates from principals	**507**	611	**–**	–
– assembly purchases and expenses recoverable	**533**	539	**–**	–
– warranty and parts claims	**169**	144	**–**	–
– others[2]	**221**	289	**–**[3]	–[3]
Deposits	**127**	137	**–**	–
	6,770	7,240	**–**[3]	–[3]
Accumulated impairment losses:				
– trade receivables	**(148)**	(134)	**–**	–
– amounts due from associates	**(4)**	–		
– rebates from principals	**–**	(–)[3]	**–**	–
– other receivables	**(8)**	(8)	**–**	–
Total receivables	**6,610**	7,098	**–**[3]	–[3]
Indirect taxes recoverable	**121**	120	**–**	–
Right to return assets	**115**	142	**–**	–
Total receivables and other assets	**6,846**	7,360	**–**[3]	–[3]
Total non-current and current receivables (financial assets)	**6,773**	7,258	**–**[3]	–[3]

[1] *Mainly relates to revenue from contracts with customers.*
[2] *Includes amount due from principal and insurance claim receivables (2025: insurance claim receivables)*
[3] *Less than RM1 million.*

The Group's credit risk management objectives and policies are described in Note 5(a)(iii).

a. Finance lease receivables

Finance lease receivables consist mainly of specific assets acquired for contract assembly projects and rental equipment lease receivables. The finance lease receivables are discounted at the effective discount rates ranging from 4.5% to 13.0% (2025: 4.0% to 13.2%).

Amounts in RM million unless otherwise stated

30 RECEIVABLES AND OTHER ASSETS (CONTINUED)

a. Finance lease receivables (continued)

Movements in finance lease receivables are as follows:

	Group	
	2026	2025
At 1 July	**194**	177
Additions	**16**	16
Lease payments received during the financial year	**(43)**	(56)
Finance income	**8**	8
Transfer from property, plant and equipment	**2**	50
Exchange differences	**(1)**	(1)
At 30 June	**176**	194

The following table sets out a maturity analysis of lease receivables, showing the undiscounted lease payments to be received after the reporting date:

	Group	
	2026	2025
Within 1 year	**50**	55
Between 1-2 years	**41**	47
Between 2-3 years	**33**	36
Between 3-4 years	**26**	30
Between 4-5 years	**21**	43
After 5 years	**33**	12
Total undiscounted lease payments	**204**	223
Unearned finance income	**(28)**	(29)
Net investment in finance lease receivables	**176**	194

31 INVENTORIES – GROUP

	2026	2025
Raw material and consumables	**401**	548
Work in progress	**560**	608
Trading inventories		
– equipment	**2,384**	2,582
– motor vehicles	**5,512**	5,072
– parts, accessories and others	**2,787**	2,969
Development properties	**152**	327
	11,796	12,106

Inventories are written down where the net realisable value is expected to be below the carrying amount. During the financial year, the Group wrote down and provided an amount of RM138 million (2025: RM279 million). The carrying amount of inventories stated at net realisable value was RM2,907 million (2025: RM2,223 million).

Inventories with a total carrying amount of RM10 million (2025: RM15 million) were pledged as security for borrowings (see Note 40).

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32 CONTRACT ASSETS AND LIABILITIES – GROUP

	2026	2025
Contract assets		
Current		
Engineering contracts [note (a)]	**284**	232
Contract liabilities		
Non-current		
Deferred income:		
– maintenance income and extended warranties [note (b)]	**397**	316
Current		
Engineering contracts [note (a) and (b)]	**20**	50
Deferred income:		
– maintenance income and extended warranties [note (b)]	**669**	603
– others	**3**	2
Customer deposits [note (c)]	**1,259**	1,255
Others	**47**	51
	1,998	1,961
	2,395	2,277

a. Engineering contracts

The engineering contracts represent timing differences between revenue recognition and the milestone billings. Milestone billings are structured and/or negotiated with customers to reflect physical completion of the contracts.

b. Contract value yet to be recognised as revenue

Revenue expected to be recognised in the future relating to performance obligations that are unsatisfied (or partially unsatisfied) at the reporting date, are as follows:

	2027	2028	After 2028	Total
Deferred income	672	201	196	1,069
Engineering contracts	53	37	251	341
	725	238	447	1,410

c. Customer deposits

Customer deposits relate to deposits made by customers for the purchase of equipment and vehicles which were partially delivered or have yet to be delivered by the Group at the reporting date. The Group applies the practical expedient in MFRS 15 "Revenue from Contracts with Customers" on not disclosing the aggregate amount of the revenue expected to be recognised in the future as the performance obligation is part of a contract that has an original expected duration of less than one year.

Amounts in RM million unless otherwise stated

33 PREPAYMENTS – GROUP

	2026	2025
Prepaid inventories	**380**	598
Other prepayments	**296**	264
	676	862

34 BANK BALANCES, DEPOSITS AND CASH

	Group		Company	
	2026	2025	2026	2025
Deposits				
– Islamic	**1,202**	244	**40**	30
– conventional	**704**	1,556	**–**	–
	1,906	1,800	**40**	30
Cash at bank and in hand	**888**	1,239	**–**[1]	–[1]
Total bank balances, deposits and cash	**2,794**	3,039	**40**	30
Effective profit/interest rates per annum on deposits with licensed banks/financial institutions	**%**	%	**%**	%
– Islamic	**3.11**	3.44	**3.05**	3.20
– conventional	**3.12**	3.56	**–**	–

[1] *Less than RM1 million.*

35 ASSETS HELD FOR SALE

The assets held for sale of RM127 million (2025: RM237 million) relate to the expected sale of several properties (previously classified as property, plant and equipment, investment properties or consolidated via acquisition of UMW). These assets mainly relate to the automotive business in the UMW segment.

36 SHARE CAPITAL

	Group/Company			
	Number of shares (million)		Share capital	
	2026	2025	2026	2025
Issued and fully paid up:				
Ordinary shares with no par value				
At 1 July/At 30 June	**6,816**	6,816	**9,330**	9,330

The holders of ordinary shares are entitled to receive dividends as declared from time to time, to one vote for each share at meetings of the Company and to an equal share in any distribution of the surplus assets of the Company. All ordinary shares rank equally amongst themselves.

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37 RESERVES

The Group's reserves comprise:

Nature	Description
Capital reserve	Arising from non-distributable reserves
Legal reserve	Arising from statutory requirements of countries where the Group operates. Subsidiaries established in China are required to maintain certain statutory reserves by transferring from their profit after taxation in accordance with the relevant laws and regulations and, if applicable, the articles of association of subsidiaries in China, before any dividend is declared and paid
Hedging reserve	Arising from changes in fair value of hedge instruments under cash flow hedges
Exchange reserve	Arising from exchange differences on translation of the net investments in foreign operations

Group	Capital reserve	Legal reserve	Hedging reserve	Exchange reserve	Total
2026					
At 1 July 2025	**223**	**155**	**(2)**	**(512)**	**(136)**
Other comprehensive income/(loss) [Note 20]	**–**	**–**	**9**	**(260)**	**(251)**
Transfer from retained profits	**–**	**5**	**–**	**–**	**5**
At 30 June 2026	**223**	**160**	**7**	**(772)**	**(382)**
2025					
At 1 July 2024	223	146	11	776	1,156
Other comprehensive loss [Note 20]	–	–	(13)	(1,294)	(1,307)
Partial disposal of interest in subsidiaries	–	–	–	6	6
Transfer from retained profits	–	9	–	–	9
At 30 June 2025	223	155	(2)	(512)	(136)

Amounts in RM million unless otherwise stated

38 NON-CONTROLLING INTERESTS – GROUP

The profit, comprehensive income and net assets attributable to owners of non-controlling interests ("NCI") are as follows:

	2026			2025		
	Material non-controlling interests	**Others**	**Total**	**Material non-controlling interests**	**Others**	**Total**
Profit for the financial year	**187**	**64**	**251**	218	48	266
Other comprehensive (loss)/income	**–**	**(5)**	**(5)**	–[1]	(28)	(28)
Total comprehensive income	**187**	**59**	**246**	218	20	238
Net assets	**1,887**	**869**	**2,756**	2,085	875	2,960

[1] *Less than RM1 million.*

In the opinion of the Directors, the NCI that is material to the Group is the NCI of UMW Toyota Motor Sdn Bhd ("UMWT") group. UMWT is a subsidiary under the UMW segment.

Summarised financial information

The summarised statement of comprehensive income and dividends paid by UMWT group are as follows:

	2026	**2025**
Revenue	**13,233**	14,069
Profit attributable to shareholders of UMWT	**366**	446
Other comprehensive income	**–**	–[1]
Total comprehensive income	**366**	446
Attributable to owners of non-controlling interests:		
– Profit for the financial year	**187**	218
– Other comprehensive income	**–**	–[1]
– Total comprehensive income	**187**	218
Dividends paid to non-controlling interests	**385**	180

[1] *Less than RM1 million.*

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38 NON-CONTROLLING INTERESTS – GROUP (CONTINUED)

Summarised financial information (continued)

The summarised statement of financial position of UMWT group and reconciliation to the carrying value of the NCI are as follows:

	2026	2025
Non-current assets	**3,306**	3,343
Current assets	**3,277**	3,272
Non-current liabilities	**(439)**	(510)
Current liabilities	**(2,334)**	(1,883)
Net assets	**3,810**	4,222
UMWT NCI	**(39)**	(33)
Net assets attributable to shareholders of UMWT	**3,771**	4,189
Proportion of equity held by NCI (%)	**49.0**	49.0
Non-controlling interests (inclusive of NCI at UMWT)	**1,887**	2,085

The summarised statement of comprehensive income and statement of financial position reflect the amounts presented in the financial statements of the subsidiary adjusted for fair value adjustments. The amounts presented are before inter-company eliminations.

The summarised statement of cash flows of UMWT group are as follows:

	2026	2025
Cash flows from operating activities	**316**	729
Cash flows used in investing activities	**(76)**	(148)
Cash flows used in financing activities	**(788)**	(370)
Net (decrease)/increase in cash and cash equivalents	**(548)**	211

39 PERPETUAL SUKUK – GROUP

The perpetual sukuk relates to UMW's perpetual sukuk programme of up to RM2,000,000,000 in nominal value, which was approved on 22 March 2018.

UMW had on 20 April 2018 issued RM1,100,000,000 nominal value of perpetual sukuk musharakah. The perpetual sukuk musharakah is recognised as equity. The carrying value is based on the fair value of the perpetual sukuk as at acquisition date of UMW and subsequently adjusted for the share of profit attributable to perpetual holders and payments relating to this share of profit.

UMW, the issuer shall pay the expected periodic distribution amount on a semi-annual basis from their issue date at the rate of 6.35% per annum, and may at its sole discretion, opt to defer the payment of expected periodic distribution. Whilst any distributions are unpaid or deferred, UMW will not declare, pay dividends or make similar periodic payments in respect of, or repurchase, redeem or otherwise acquire any securities of lower or equal rank.

The perpetual sukuk has no fixed redemption date but the issuer has the option to redeem them at the end of the tenth year from the date of issue and on each subsequent semi-annual periodic distribution date. If the perpetual sukuk is not redeemed at the tenth year, the periodic distribution rate will be reset to the then prevailing 10-year Malaysian Government Securities benchmark rate plus initial spread of 2.362% and step-up margin of 1.00%.

Amounts in RM million unless otherwise stated

40 BORROWINGS

Group	2026			2025		
	Secured	Unsecured	Total	Secured	Unsecured	Total
Non-current						
Term loans and other long-term borrowings	**–**	**2,329**	**2,329**	2	2,682	2,684
Sukuk and Islamic term loans [Note (a)]	**–**	**1,350**	**1,350**	7	2,200	2,207
	–	**3,679**	**3,679**	9	4,882	4,891
Current						
Term loans and other long-term borrowings	**2**	**436**	**438**	10	358	368
Sukuk and Islamic term loans [Note (a)]	**7**	**857**	**864**	29	559	588
Bank overdrafts	**–**	**182**	**182**	–	90	90
Islamic bank overdrafts	**–**	**28**	**28**	–	28	28
Islamic financing	**–**	**299**	**299**	–	108	108
Revolving credits, trade facilities and other short-term borrowings	**1**	**894**	**895**	–	1,049	1,049
	10	**2,696**	**2,706**	39	2,192	2,231
Total borrowings	**10**	**6,375**	**6,385**	48	7,074	7,122

a. Sukuk and Islamic term loans

i In the financial year ended 30 June 2024, the Group had established an unrated Islamic commercial papers and Islamic medium term notes ("IMTN") programme based on the Shariah principle of Murabahah (via Tawarruq arrangement) for the issuance of Sukuk Murabahah of up to RM10.0 billion in nominal value ("Sukuk Murabahah Programme"), irrevocably and unconditionally guaranteed by Sime Darby Berhad.

On 11 December 2024, Tranches 2, 3 and 4 of the Sukuk Murabahah at a combined issue size of RM1,300 million in nominal value were issued to refinance the outstanding Sukuk Murabahah which matured on 11 December 2024. On 13 December 2024, Tranche 5 of the Sukuk Murabahah at an issue size of RM200 million in nominal value was issued. The proceeds were used for working capital, investments/acquisitions, capital expenditure and/or other general corporate purposes.

On 10 December 2025, Tranche 2 of the Sukuk Murabahah amounting to RM150 million was redeemed. The outstanding Sukuk Murabahah will mature in the financial years ending 30 June 2028 and 30 June 2031.

The outstanding balance as at 30 June 2026 was RM1,350 million.

ii. Included in the sukuk and Islamic term loans are outstanding amounts from UMW's sukuk programme. On 5 November 2025, RM400 million of the sukuk was redeemed. The outstanding sukuk under this programme of RM850 million will mature in the financial year ending 30 June 2027.

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40 BORROWINGS (CONTINUED)

b. Other information on borrowings

i. Effective interest rates

The average effective interest rates of borrowings per annum are as follows:

	Group	
	2026 %	**2025 %**
Term loans	**6.48**	5.70
Sukuk and Islamic term loans	**3.86**	3.85
Other borrowings	**4.02**	3.75

The Group's floating rate term loans that are subject to contractual interest rates repricing within 1 year amounted to RM3,990 million (2025: RM4,462 million).

ii. Secured financing

As at 30 June 2026, borrowings amounting to RM10 million (2025: RM48 million) are secured by property, plant and equipment with a carrying value of RM51 million (2025: RM56 million), inventories with a carrying value of RM10 million (2025: RM15 million) and deposits restricted by bank of RM67 million (2025: RM64 million).

c. Financial covenants

External borrowings of an Australian subsidiary with a carrying value of RM2.3 billion (2025: RM2.6 billion) are subject to financial covenants, including maintaining a certain level of shareholders' funds in the Australian subsidiary and maintaining a certain ratio for total borrowings to shareholders' funds of the Australian subsidiary at all times. The Australian subsidiary had complied with the financial covenants of its borrowing facilities at all times during FY2026 (2025: complied).

41 LEASE LIABILITIES

	Group	
	2026	**2025**
Non-current	**1,758**	2,007
Current	**411**	441
	2,169	2,448

Amounts in RM million unless otherwise stated

41 LEASE LIABILITIES (CONTINUED)

a. Undiscounted contractual cash flows

	Group	
	2026	**2025**
Future minimum lease payments:		
– within 1 year	**473**	569
– between 1 to 2 years	**428**	475
– between 2 to 5 years	**793**	896
– above 5 years	**992**	1,123
	2,686	3,063
Less: unexpired finance charges	**(517)**	(615)
	2,169	2,448

b. Currency profile

All lease liabilities are denominated in the functional currency of the respective subsidiaries.

c. Lease commitments

As at 30 June 2026, commitments for short-term leases and low value leases amounted to RM4 million (2025: RM2 million) and RM12 million (2025: RM13 million) respectively.

d. Other information on lease liabilities

The lease terms range from 2 to 51 years (2025: 2 to 51 years).

The average effective interest rates of lease liabilities range from 1.4% to 10.3% (2025: 1.4% to 10.0%) per annum.

e. Extension options

The Group did not include potential lease payments from extension options that it is not reasonably certain to exercise. Most of these leases involve land and/or building leases. The undiscounted potential future lease payments not recognised as lease liabilities as at 30 June 2026 was RM1,205 million (2025: RM1,200 million) and range between 1 to 20 years (2025: 1 to 20 years).

f. Cash outflows during the financial year

The total cash outflows for leases that were disclosed in the statements of cash flows comprise of:

- repayment of lease liabilities as disclosed in the reconciliation of liabilities arising from financing activities
- payments for short-term leases and low-value leases, which approximate the amount expensed to the statement of profit or loss as disclosed in Note 7.

The Company has lease liabilities of less than RM1 million as at the end of the financial year (2025: RM1 million).

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42 PAYABLES AND OTHER LIABILITIES

	Group		Company	
	2026	**2025**	**2026**	**2025**
Non-current				
Employee benefits [note (d)]	**50**	49	**–**	–
Refund liabilities	**2**	1	**–**	–
Financial guarantees [note (c)]	**–**	–	**6**	8
Other payables	**29**	27	**–**	–
Payables and other liabilities	**81**	77	**6**	8
Current				
Trade payables	**4,541**	5,286	**–**	–
Vehicle financing [note (a)]	**739**	776	**–**	–
Accruals and other payables [note (b)]	**2,520**	2,394	**3**	2
Amounts due to joint ventures	**1**	2	**–**	–
Amounts due to associates	**62**	54	**–**	–
Financial guarantees [note (c)]	**–**	–	**2**	2
Payables	**7,863**	8,512	**5**	4
Employee benefits [note (d)]	**984**	1,148	**–**	–
Indirect taxes payable	**272**	267	**–**	–
Government grants [Note 43]	**8**	9	**–**	–
Refund liabilities	**217**	264	**–**	–
Payables and other liabilities	**9,344**	10,200	**5**	4
Non-current and current payables (financial liabilities)	**7,892**	8,539	**11**	12

a. Vehicle financing

In certain markets, the Group finances the purchase of vehicles using vehicle financing arrangements and have maturities up to 365 days. The Group is normally required to repay the outstanding amounts on the earlier of the sale of the associated vehicle inventories or the agreed repayment date. These arrangements carry interest rates ranging from 2.1% to 11.0% (2025: 3.3% to 7.2%) per annum.

b. Accruals and other payables

Included in accruals and other payables are amounts payable to external parties for importation of vehicles which were in transit as at the end of the financial year of RM519 million (2025: RM539 million).

c. Financial guarantees

The financial guarantee of the Company represents the fair value of the obligations in relation to the guarantee of the Sukuk Murabahah programme of a subsidiary.

d. Employee benefits

Includes defined benefit obligations of RM33 million (2025: RM30 million). Of this amount, RM28 million (2025: RM26 million) is classified as current and RM5 million (2025: RM4 million) as non-current. The defined benefit obligations are determined based on actuarial valuation by external consultants where the amount of the benefits that eligible employees have earned in return for their services in the current and prior financial years are estimated. The defined benefit obligations presented are net of pension assets of RM12 million (2025: RM9 million).

Amounts in RM million unless otherwise stated

43 GOVERNMENT GRANTS – GROUP

Government grants mainly relate to the purchase of property, plant and equipment in respect of certain manufacturing and engineering operations of the UMW segment.

44 PROVISIONS – GROUP

	Warranties (note (a))	Risk Sharing (note (b))	Disputes	Others	Total
2026					
At 1 July 2025	**451**	**3**	**201**	**27**	**682**
Additions	**208**	**–**	**–**	**22**	**230**
Reversals	**(25)**	**–**	**–**	**(17)**	**(42)**
Translation differences	**–**	**–**	**(8)**	**–**	**(8)**
Charged to profit or loss	**183**	**–**	**(8)**	**5**	**180**
Utilised	**(135)**	**–**	**–**	**(2)**	**(137)**
Exchange differences	**(5)**	**–**	**–**	**(4)**	**(9)**
At 30 June 2026	**494**	**3**	**193**	**26**	**716**
2025					
At 1 July 2024	504	6	224	24	758
Additions	236	–	–	22	258
Reversals	(105)	–	–	(12)	(117)
Translation differences	–	–	(23)	–	(23)
Charged to profit or loss	131	–	(23)	10	118
Utilised	(163)	(2)	–	(4)	(169)
Exchange differences	(21)	(1)	–	(3)	(25)
At 30 June 2025	451	3	201	27	682

The provisions are subject to the following maturity periods:

	2026	2025
Non-current		
Due later than one year	**287**	267
Current		
Due no later than one year	**429**	415
	716	682

a. Warranties

Provision is recognised on warranties provided for the sale of machinery, vehicles and other products that are not covered by manufacturers' warranties. The provision is estimated based on historical claims experience, as well as recent trends which are indicative of future claims.

b. Risk sharing

Provision is recognised for possible future losses arising from customer defaults pursuant to the risk sharing arrangements entered into by the Group with Caterpillar (China) Financial Leasing Co., Ltd.

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45 SIGNIFICANT CHANGES IN THE COMPOSITION OF THE GROUP

Disposal of subsidiaries

In September 2025, the Group completed the disposal of 30% equity interest in Lockton Sime Insurance Brokers Sdn Bhd (formerly known as 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 outflow arising from the disposal are as follows:

Cash and cash equivalents	29
Receivables and other assets	63
Payables and other liabilities	(60)
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)

46 SEGMENT INFORMATION – GROUP

The Group's main segments comprise of Industrial, Motors and UMW. The Industrial, Motors and UMW Divisions offer different products and services, and are each headed by a Divisional Managing Director.

The Group Chief Executive Officer reviews the internal management reports on a monthly basis and conducts performance dialogues with the business units on a regular basis.

Segments comprise:

Continuing operations	
Industrial	Sale, rental and servicing of equipment and engineering services
Motors	Assembly, sale and rental of vehicles and the provision of after-sales services
UMW	Import, assembly and marketing of vehicles, trading and leasing of equipment, and manufacturing, assembly and trading of automotive parts
Others	Other businesses
Discontinued operations	
UKHE (subsidiaries acquired exclusively for resale)	Importation and distribution of heavy equipment under the Komatsu brand

Transactions between segments are carried out on agreed terms between both parties. The effects of such inter-segment transactions are eliminated on consolidation. The measurement basis and classification are consistent with those adopted in the previous financial year.

Amounts in RM million unless otherwise stated

46 SEGMENT INFORMATION – GROUP (CONTINUED)

a. Segment results

2026	Continuing operations					
	Industrial	Motors	UMW	Others	Corporate and intra-group adjustments	Total
Segment revenue:						
External	18,787	34,859	15,775	46	–	69,467
Inter-segment	9	14	17	10	(50)	–
	18,796	34,873	15,792	56	(50)	69,467
Segment results:						
Operating profit/(loss)	1,142	514	425	504	(91)	2,494
Share of results of joint ventures and associates	44	19	520	1	–	584
Profit/(Loss) before interest and tax	1,186	533	945	505	(91)	3,078
Included in operating profit/(loss)						
Depreciation and amortisation	(985)	(660)	(394)	(3)	(14)	(2,056)
(Impairment losses)/Reversal of impairment losses (net):						
– non-current assets	(54)	(158)	(1)	(6)	–	(219)
– receivables	(14)	(12)	–	1	–	(25)
Fair value gain/(loss) on financial assets at FVTPL	(10)	–	18	–	(1)	7
(Loss)/Gain on disposals (net)	–	(5)	(8)	462	–	449
Inventory write-down and provision	(62)	(67)	(9)	–	–	(138)
Direct costs excluding inventory write-down and provision	(13,405)	(31,301)	(13,963)	(6)	(23)	(58,698)
Directors and employee costs	(2,806)	(2,092)	(880)	(18)	(78)	(5,874)

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46 SEGMENT INFORMATION – GROUP (CONTINUED)

a. Segment results (continued)

2025	Continuing operations						Discontinued operations	
	Industrial	Motors	UMW	Others	Corporate and intra-group adjustments	Total	UKHE	Total
Segment revenue:								
External	19,003	34,480	16,502	76	–	70,061	174	70,235
Inter-segment	9	17	27	21	(74)	–	–	–
	19,012	34,497	16,529	97	(74)	70,061	174	70,235
Segment results:								
Operating profit/(loss)	1,273	419	511	954	(78)	3,079	17	3,096
Share of results of joint ventures and associates	53	12	448	–[1]	–	513	–	513
Profit/(Loss) before interest and tax	1,326	431	959	954	(78)	3,592	17	3,609
Included in operating profit/(loss)								
Depreciation and amortisation	(1,027)	(696)	(391)	(2)	(10)	(2,126)	–	(2,126)
(Impairment losses)/Reversal of impairment losses (net)								
– non-current assets	(2)	(6)	(20)	–	–	(28)	–	(28)
– receivables	22	1	1	(1)	–	23	–	23
Fair value gain/(loss) on financial assets at FVTPL	4	(3)	4	–	(1)	4	–	4
Gain/(Loss) on disposals (net)	17	68	(5)	901	–	981	1	982
Inventory write-down and provision	(54)	(228)	3	–	–	(279)	–	(279)
Direct costs excluding inventory write-down and provision	(13,372)	(30,999)	(14,746)	(10)	(20)	(59,147)	(132)	(59,279)
Directors and employee costs	(2,997)	(2,191)	(791)	(29)	(70)	(6,078)	(14)	(6,092)

[1] *Less than RM1 million.*

Amounts in RM million unless otherwise stated

46 SEGMENT INFORMATION – GROUP (CONTINUED)

b. Segment assets and liabilities and additions to non-current assets

2026	Continuing operations					
	Industrial	Motors	UMW	Others	Corporate and intra-group adjustments	Total
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**
Joint ventures and associates included in segment assets	**449**	**114**	**2,933**	**26**	**–**	**3,522**
Additions to non-current assets are as follows:						
– capital expenditure	**1,353**	**657**	**474**	**1**	**4**	**2,489**
Additions to financial assets at FVTPL	**–**	**–**	**1,502**	**–**	**1**	**1,503**
Additions to interest in joint ventures and associates	**3**	**–**	**–**	**–**	**–**	**3**
	1,356	**657**	**1,976**	**1**	**5**	**3,995**

2025	Continuing operations					
	Industrial	Motors	UMW	Others	Corporate and intra-group adjustments	Total
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
Joint ventures and associates included in segment assets	431	106	2,752	–[1]	17	3,306
Additions to non-current assets are as follows:						
– capital expenditure	1,393	953	445	7	12	2,810
Additions to financial assets at FVTPL	–	–	1,015	2	–	1,017
	1,393	953	1,460	9	12	3,827

[1] *Less than RM1 million.*

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46 SEGMENT INFORMATION – GROUP (CONTINUED)

b. Segment assets and liabilities and additions to non-current assets (continued)

Capital expenditure consists of the following:

	Continuing operations	Discontinued operations	Total
2026			
Property, plant and equipment	**2,197**	**–**	**2,197**
Right-of-use assets	**281**	**–**	**281**
Intangible assets other than goodwill	**11**	**–**	**11**
	2,489	**–**	**2,489**
2025			
Property, plant and equipment	2,261	2	2,263
Right-of-use assets	511	–	511
Investment properties	23	–	23
Intangible assets other than goodwill	15	–	15
	2,810	2	2,812

Reconciliation of segment assets and liabilities to total assets and total liabilities are as follows:

	Assets		Liabilities	
	2026	2025	2026	2025
Segment total	**45,071**	46,453	**12,705**	13,403
Tax assets/liabilities	**904**	935	**950**	1,070
Borrowings	**–**	–	**6,385**	7,122
Lease liabilities	**–**	–	**2,169**	2,448
	45,975	47,388	**22,209**	24,043

c. Segment by geography

Revenue, profit before interest and tax ("PBIT") and non-current assets, other than financial instruments and tax assets, by location of the Group's operations are analysed as follows:

	Revenue		PBIT		Non-current assets	
	2026	2025	2026	2025	2026	2025
Malaysia	**24,241**	24,863	**1,824**	2,206	**9,639**	9,485
China[1]	**14,249**	15,322	**34**	(99)	**1,939**	2,226
Other countries in Asia	**12,772**	10,868	**324**	305	**999**	1,073
Australasia[2]	**18,205**	19,008	**896**	1,180	**9,187**	9,155
	69,467	70,061	**3,078**	3,592	**21,764**	21,939

[1] *China consists of Mainland China, Hong Kong, Macau and Taiwan.*
[2] *Australasia consists of Australia, New Caledonia, New Zealand, Papua New Guinea and the Solomon Islands.*

Revenue by location of customers is not materially different from that of revenue by location of operations.

Amounts in RM million unless otherwise stated

46 SEGMENT INFORMATION – GROUP (CONTINUED)

c. Segment by geography (continued)

Reconciliation of non-current assets, other than financial assets and tax assets to the total non-current assets are as follows:

	2026	2025
Non-current assets other than financial instruments and tax assets	**21,764**	21,939
Financial assets at FVTPL	**64**	68
Deferred tax assets	**777**	797
Derivative assets	**–**	9
Receivables	**163**	160
	22,768	22,973

The Group's operations are diverse in terms of the range of products and services it offers and the geographical coverage. There was no single customer that contributed 10% or more to the Group's revenue.

47 SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES

Significant related party transactions and balances other than as disclosed elsewhere in the financial statements are as follows:

Group	2026	2025
a. Transactions with joint ventures and associates		
Continuing operations		
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 Perodua and its subsidiaries and associates	**658**	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	**42**	18
Purchase of goods from Sime Kansai Paints Sdn Bhd	**26**	4
b. Transactions between subsidiaries and non-controlling interests or their affiliated companies		
Continuing operations		
Contract assembly service provided by Inokom Corporation Sdn Bhd ("ICSB") to Mazda Malaysia Sdn Bhd ("Mazda Malaysia")[1]	**94**	84
Contract assembly service provided by ICSB to Kia Malaysia Sdn Bhd ("Kia Malaysia")[1]	**18**	18
Rental income received by ICSB from Bermaz Auto Berhad group and its affiliates[1]	**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

[1] *Bermaz Auto Berhad is a major shareholder of ICSB and Kia Malaysia and also an indirect major shareholder of Mazda Malaysia.*

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47 SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

Significant related party transactions and balances other than as disclosed elsewhere in the financial statements are as follows: (continued)

Group	2026	2025
b. Transactions between subsidiaries and non-controlling interests or their affiliated companies (continued)		
Continuing operations		
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 KYB Corporation Japan ("KYBJ") and its affiliates	**24**	24
Sale of goods and services to KYBJ and its affiliates	**88**	95
Discontinued operations		
Purchase of goods and services from Komatsu Ltd, Japan and its affiliates	**–**	122
c. Transactions with Directors and key management personnel and their close family members		
Continuing operations		
Sale of motor vehicles by the Group	**–[1]**	3

[1] *Less than RM1 million.*

	Group		Company	
	2026	2025	2026	2025
d. Remuneration of Directors and key management personnel				
Salaries, other emoluments and benefits	**54**	41	**5**	5
Defined contribution pension plans	**4**	3	**–**	–
Estimated monetary value of benefits-in-kind	**–[1]**	–[1]	**–[1]**	–[1]

[1] *Less than RM1 million.*

Key management personnel are employees who have authority and responsibility over key activities of the Group and are direct reports of the Group Chief Executive Officer.

e. Transactions with major shareholders and the Government

As at 30 June 2026, Permodalan Nasional Berhad ("PNB") owned approximately 4.2% (2025: 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 during the financial year 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.

Amounts in RM million unless otherwise stated

47 SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

Significant related party transactions and balances other than as disclosed elsewhere in the financial statements are as follows: (continued)

f. Outstanding balances with related parties

The significant outstanding balances between the Group and related parties are as follows:

	2026	2025
i. Amounts due from/(to) non-controlling interests and their affiliated companies		
Continuing operations		
KYBJ and its affiliates	**26**	24
KYBJ and its affiliates	**(9)**	(4)
Dividend payable to Kayaba Industry Co Ltd	**(6)**	(5)
Toyota Industries Corporation, Japan and its affiliates	**(45)**	(85)
Toyota Motor Corporation, Japan and its affiliates and Toyota Tsusho Corporation, Japan and its affiliates	**208**	177
Toyota Motor Corporation, Japan and its affiliates and Toyota Tsusho Corporation, Japan and its affiliates	**(541)**	(451)
ii. Amounts due from/(to) joint ventures and associates		
Perodua and its subsidiaries and associates	**84**	57
Perodua and its subsidiaries and associates	**(58)**	(54)

All outstanding balances are unsecured and repayable in accordance with agreed terms.

There were no material contracts subsisting as at 30 June 2026 or if not then subsisting, entered into since the end of the financial year by the Company or its subsidiaries which involved the interests of substantial shareholders.

48 FINANCIAL INSTRUMENTS

a. Financial instruments measured at fair value

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

Financial assets at FVTPL

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 are based on valuation techniques with significant unobservable inputs (Level 3).

Loan to joint venture

The fair value of the loan to joint venture is based on valuation techniques with significant unobservable inputs (Level 3).

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For the financial year ended 30 June 2026

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48 FINANCIAL INSTRUMENTS (CONTINUED)

a. Financial instruments measured at fair value (continued)

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.

The following table presents the Group's financial assets and liabilities that are measured at fair value as at 30 June into three different levels as defined above:

Group	Level 1	Level 2	Level 3	Total
2026				
Financial assets				
Financial assets at FVTPL	**1**	**522**	**63**	**586**
Loan to joint venture [Note 13]	**–**	**–**	**1**	**1**
Derivative assets				
– forward foreign exchange contracts	**–**	**35**	**–**	**35**
	1	**557**	**64**	**622**
Financial liabilities				
Derivative liabilities				
– forward foreign exchange contracts	**–**	**44**	**–**	**44**
– embedded derivatives	**–**	**12**	**–**	**12**
	–	**56**	**–**	**56**
2025				
Financial assets				
Financial assets at FVTPL	1	382	67	450
Loan to joint venture [Note 13]	–	–	17	17
Derivative assets				
– forward foreign exchange contracts	–	53	–	53
– embedded derivatives	–	15	–	15
	1	450	84	535
Financial liabilities				
Derivative liabilities				
– forward foreign exchange contracts	–	47	–	47

The Company did not have any financial assets and liabilities measured at fair value as at 30 June 2026 (2025: Nil).

Amounts in RM million unless otherwise stated

48 FINANCIAL INSTRUMENTS (CONTINUED)

b. Financial instruments measured at amortised cost

Financial assets measured at amortised cost include trade and other receivables, amounts due from subsidiaries, bank balances, deposits and cash while financial liabilities at amortised cost include payables, amounts due to subsidiaries and borrowings.

The carrying amounts and fair values of long-term financial assets and liabilities measured at amortised cost as at 30 June 2026 and 30 June 2025 approximated their fair values.

49 FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks, including foreign exchange risk, interest rate risk, credit risk, liquidity risk and cash flow risk. The policies on financial risk management is described in Note 5.

Details of each financial risk are as follows:

a. Foreign exchange risk

The currency profile of monetary financial assets and financial liabilities are as follows:

	Denominated in currencies other than functional currencies						
Group	United States Dollar	Chinese Renminbi	European Union Euro	Australian Dollar	Others	Denominated in functional currencies	Total
2026							
Financial assets at FVTPL	**7**	**–**	**–**	**–**	**1**	**578**	**586**
Receivables (net)	**452**	**–**	**13**	**–**	**10**	**6,298**	**6,773**
Bank balances, deposits and cash	**83**	**34**	**8**	**6**	**57**	**2,606**	**2,794**
Borrowings	**(9)**	**–**	**(36)**	**–**	**–**	**(6,340)**	**(6,385)**
Payables	**(625)**	**(69)**	**(20)**	**(52)**	**(96)**	**(7,030)**	**(7,892)**
	(92)	**(35)**	**(35)**	**(46)**	**(28)**	**(3,888)**	**(4,124)**
2025							
Financial assets at FVTPL	8	–	–	–	1	441	450
Receivables (net)	403	2	10	10	43	6,790	7,258
Bank balances, deposits and cash	82	37	6	16	34	2,864	3,039
Borrowings	(15)	–	(19)	–	–	(7,088)	(7,122)
Payables	(344)	(52)	(24)	(58)	(142)	(7,919)	(8,539)
	134	(13)	(27)	(32)	(64)	(4,912)	(4,914)

The Company did not have any significant financial assets or liabilities denominated in foreign currency as at 30 June 2026 and 30 June 2025.

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49 FINANCIAL RISK MANAGEMENT (CONTINUED)

Details of each financial risk are as follows: (continued)

a. Foreign exchange risk (continued)

Foreign exchange risk which impacts the statement of profit or loss arises where monetary assets/liabilities that are not denominated in the functional currency of the respective subsidiaries are not hedged.

i. Borrowings

The RM9 million borrowings in USD is hedged by USD receivables and anticipated sales in USD (2025: hedged by USD receivables and anticipated sales in USD) while the RM36 million borrowings in EUR was largely hedged using derivatives.

ii. Bank balances

Bank balances denominated in non-functional currencies are not hedged. However, they are generally held for a short period and would either be converted to the functional currency or used to hedge or settle payables in the same currency. As such, foreign exchange risk for unhedged bank balances is generally limited.

iii. Receivables and payables

Receivables and payables in non-functional currencies are generally hedged using derivatives or exposed for a short period (pending settlement or hedging), with limited foreign exchange risk. The US Dollar payables have largely been hedged with derivatives. However, certain balances in non-functional currencies have not been hedged due to the uncertainty in the timing of the receipt/settlement or where the foreign exchange risk has been covered by the distributor.

The Group is also exposed to currency translation risk arising from inter-company balances within the Group that are not considered net investments and are not denominated in the functional currency of at least one of the counterparties of approximately RM679 million (2025: RM341 million). The inter-company balances hedged are disclosed in Note 29.

There are no material unhedged financial assets or liabilities as at 30 June 2026 other than as disclosed above.

b. Interest rate risk

The percentages of fixed rate borrowings held by the Group, to the total borrowings are as follows:

	Group	
	2026	**2025**
Total borrowings [Note 40]	**6,385**	7,122
Fixed rate borrowings	**961**	1,389
Percentage of fixed rate borrowings over total borrowings	**15.1**	19.5

The borrowings on floating rates consist mainly of long-term borrowings raised for the UMW, Onsite and Cavpower acquisitions and short-term borrowings used for working capital purposes in the Industrial and Motors Divisions. The floating rate borrowings raised for acquisitions remain unhedged based on assessment of prevailing market conditions and cost considerations.

Amounts in RM million unless otherwise stated

49 FINANCIAL RISK MANAGEMENT (CONTINUED)

Details of each financial risk are as follows: (continued)

b. Interest rate risk (continued)

As at 30 June 2026, the Group's floating rate borrowings not swapped to fixed stood at RM5,424 million (2025: RM5,733 million). The following table demonstrates the effect of changes in interest rates of floating rate borrowings. If the interest rate for all borrowings increased by 1 percentage point, the Group's continuing operations' profit after tax will be lower by:

	Impact
2026	
Profit after tax	
– Continuing operations	**(45)**
2025	
Profit after tax	
– Continuing operations	(47)

A 1% decrease in interest rates would have an equal but opposite effect.

The impact on Group's equity is similar to the impact on the Group's profit after tax.

c. Credit risk

The maximum exposure and collateral and credit enhancements are as follows:

	Group		Company	
	2026	**2025**	**2026**	**2025**
Maximum exposure				
Amounts due from subsidiaries	**–**	–	**904**	716
Receivables	**6,773**	7,258	**–**[1]	–[1]
Derivative assets	**35**	68	**–**	–
Bank balances, deposits and cash	**2,794**	3,039	**40**	30
Guarantees in respect of the Sukuk Murabahah programme of a subsidiary	**–**	–	**1,537**	1,738
	9,602	10,365	**2,481**	2,484
Collateral and credit enhancement				
Receivables	**1,997**	2,359	**–**	–

[1] *Less than RM1 million.*

The collateral are mainly in the form of end-financing arrangements, letter of credits, guarantees from reputable banks and deposits of cash from customers, some of which are taken into consideration in assessing the expected credit loss.

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49 FINANCIAL RISK MANAGEMENT (CONTINUED)

Details of each financial risk are as follows: (continued)

d. Liquidity and cash flow risk

The undiscounted contractual cash flows of the financial liabilities are as follows:

Group	Within 1 year	Between 1 and 2 years	Between 2 and 5 years	Above 5 years	Total contractual cash flows	Total carrying amount
2026						
Borrowings						
– principal	**2,701**	**1,866**	**1,807**	**11**	**6,385**	**6,376**
– interest	**260**	**172**	**110**	**5**	**547**	**9**
Derivative liabilities	**54**	**2**	**–**	**–**	**56**	**56**
Payables	**7,863**	**12**	**6**	**11**	**7,892**	**7,892**
	10,878	**2,052**	**1,923**	**27**	**14,880**	**14,333**
2025						
Borrowings						
– principal	2,225	1,263	2,624	1,012	7,124	7,110
– interest	281	213	236	17	747	12
Derivative liabilities	47	–	–	–	47	47
Payables	8,512	11	5	11	8,539	8,539
	11,065	1,487	2,865	1,040	16,457	15,708

Company	Within 1 year	Between 1 and 2 years	Between 2 and 5 years	Above 5 years	Total contractual cash flows	Total carrying amount
2026						
Payables (excluding financial guarantee)	**3**	**–**	**–**	**–**	**3**	**3**
Financial guarantee	**–**	**–**	**–**	**–**	**–**	**8**
– principal	**–**	**350**	**1,000**	**–**	**1,350**	**–**
– interest	**52**	**43**	**91**	**–**	**187**	**–**
	55	**393**	**1,091**	**–**	**1,540**	**11**
2025						
Payables (excluding financial guarantee)	2	–	–	–	2	2
Financial guarantee	–	–	–	–	–	10
– principal	150	–	350	1,000	1,500	–
– interest	55	49	117	17	238	–
Amounts due to subsidiaries	1	–	–	–	1	1
	208	49	467	1,017	1,741	13

The contractual cash flows for the financial guarantee disclosed above is based on the contractual cash flows of the outstanding Sukuk Murabahah of the subsidiary.

Amounts in RM million unless otherwise stated

50 GUARANTEES AND COMMITMENTS

Guarantees and commitments are as follows:

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 Company has also provided a performance guarantee to a customer of a subsidiary to secure performance under contracts or in lieu of retention withheld on contracts.

The outstanding guarantees as at 30 June are as follows:

	Group		Company	
	2026	2025	2026	2025
Continuing operations				
Performance and advance payment guarantees to customers of:				
– subsidiaries	**–**	–	**1,582**	1,582
– the Group	**2,551**	2,474	**–**	–

In addition, the Group guarantees the payment by 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 (2025: RM76 million).

b. Capital commitments

Contracted capital expenditure not provided for in the financial statements:

Group	2026	2025
– Property, plant and equipment	**445**	530
– Other capital expenditure	**15**	30
	460	560

51 MATERIAL LITIGATION

The material litigations outstanding 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"). On 7 September 2026, the Senior Assistant Registrar directed the JDs to furnish their respective financial and property-related documents by 9 October 2026. The next case management is scheduled for 14 October 2026.

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51 MATERIAL LITIGATION (CONTINUED)

The material litigations outstanding are as follows: (continued)

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 Board will deliberate on whether to proceed with assessment of damages after reviewing the outcome of the Judgment Debtors Summons proceedings in Oil & Gas Suit.

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.

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.

Parties are still waiting for the Court to fix a date for the hearing of ONGC's application to set aside the arbitration award as the hearing previously fixed for 4 September 2026 was postponed.

Amounts in RM million unless otherwise stated

52 LIST OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

Subsidiaries, joint ventures and associates which are active as at 30 June 2026 are as follows:

Name of company	Country/ territory of business/ incorporation	Group's effective interest (%)		Auditors	Principal activities
		2026	2025		
Industrial – Subsidiaries					
Chubb Malaysia Sendirian Berhad	Malaysia	**100.0**	100.0	1	Marketing, installation, rental and servicing of security products
Sime Darby Electropack Sdn Bhd	Malaysia	**100.0**	100.0	1	Manufacturing and general assembly of agricultural and industrial machinery
Sime Darby Energy Solutions Sdn Bhd	Malaysia	**100.0**	100.0	1	Presales, sales, installation, commissioning and post-sales support of engineering and technology solutions for oil and gas, co-generation and renewable energy industries
Sime Darby Industrial Academy Sdn Bhd	Malaysia	**100.0**	100.0	1	Conducting vocational training programmes and activities
Sime Darby Industrial Holdings Sdn Bhd	Malaysia	**100.0**	100.0	1	Investment holding
Sime Darby Industrial Power Sdn Bhd	Malaysia	**91.2**	91.2	1	Trading of heavy machinery and spare parts and provision of after-sales services
Sime Darby Industrial Sdn Bhd	Malaysia	**100.0**	100.0	1	Sale of equipment and spare parts and service support for Caterpillar business, other material handling equipment and industrial cleaners, and supply and installation of co-generation systems
Sime Darby Joy Industries Sdn Bhd	Malaysia	**100.0**	100.0	1	Designing and manufacturing of heat exchangers, radiators, process equipment modules, filters and separators for general as well as oil and gas industries
Sime Darby Material Handling Sdn Bhd	Malaysia	**100.0**	100.0	1	Sale and distribution of lift trucks and spare parts, and the rental and servicing of other material handling equipment
Sime Surveillance Sdn Bhd	Malaysia	**100.0**	100.0	1	Provision of security services
Site Technology Asia Pacific Sdn Bhd	Malaysia	**100.0**	100.0	1	Sales and services support of technology hardware and software for digital connected work site for heavy and highway construction applications

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52 LIST OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTINUED)

Subsidiaries, joint ventures and associates which are active as at 30 June 2026 are as follows: (continued)

Name of company	Country/ territory of business/ incorporation	Group's effective interest (%)		Auditors	Principal activities
		2026	2025		
Industrial – Subsidiaries (continued)					
Tractors Petroleum Services Sdn Bhd	Malaysia	**100.0**	100.0	1	Supply, rental, repair and maintenance of Caterpillar engines and other equipment for the oil and gas industry
Sime Darby Industrial (B) Sdn Bhd	Brunei	**70.0**	70.0	3	Sale of equipment, parts and service support for the Caterpillar business, assembly and marketing of agricultural and industrial equipment and implementation and distribution of quarrying and road construction equipment
Mecomb Singapore Limited	Singapore	**100.0**	100.0	2	Manufacture, installation, import and sale of industrial equipment and components
Sime Darby Eastern Investments Private Limited	Singapore	**100.0**	100.0	2	Investment holding
Sime Darby Eastern Limited	Singapore	**100.0**	100.0	2	
Sime Darby Energy Pte Ltd	Singapore	**100.0**	100.0	2	
Sime Darby Industrial Singapore Pte Ltd	Singapore	**100.0**	100.0	2	
Tractors Machinery International Pte Ltd	Singapore	**100.0**	100.0	2	Sale, installation and service of marine and other equipment and parts
Tractors Singapore Limited	Singapore	**100.0**	100.0	2	Sale, rental, service and assembly of heavy equipment and spare parts
Foshan Sime Darby Elco Power Equipment Limited	China	**100.0**	100.0	2	Distribution of Perkins engine products, spare parts and provision of after-sales services
Guangzhou Sime Darby Sitech Energy Company Limited	China	**100.0**	100.0	3	Sale, hire and servicing survey equipment and sale of equipment and spare parts and service support for Perkins and FGW business

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52 LIST OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTINUED)

Subsidiaries, joint ventures and associates which are active as at 30 June 2026 are as follows: (continued)

Name of company	Country/ territory of business/ incorporation	Group's effective interest (%)		Auditors	Principal activities
		2026	2025		
Industrial – Subsidiaries (continued)					
Sime Darby CEL Machinery (Guangdong) Company Limited	China	**100.0**	100.0	2	Sale of equipment and spare parts and service support for the Caterpillar business
Sime Darby CEL Machinery (Guangxi) Company Limited	China	**100.0**	100.0	2	
Sime Darby CEL Machinery (Hunan) Company Limited	China	**100.0**	100.0	2	
Sime Darby CEL Machinery (Jiangxi) Company Limited	China	**100.0**	100.0	2	
Sime Darby CEL Machinery (Xinjiang) Company Limited	China	**100.0**	100.0	2	
Heng Chang Machinery Engineering (Fujian) Co Ltd. (formerly known as Sime Darby SEM Dealer (Fujian) Limited)	China	**100.0**	100.0	2	Sale, leasing, servicing, repair and maintenance of construction, industrial and agricultural machinery and equipment, generators and related spare parts, provision of technical support services, import and export trading activities, as well as sale of lubricants, petroleum products, automotive parts, office supplies and other general merchandise
Xiamen Sime Darby CEL Machinery Co Ltd	China	**100.0**	100.0	2	Sale of equipment and spare parts and service support for the Caterpillar business
Sime Darby CEL (South China) Limited	Hong Kong	**100.0**	100.0	2	Investment holding
Sime Darby Elco Power Systems Limited	Hong Kong	**100.0**	100.0	2	Distribution of Perkins engine products and spare parts and provision of after-sales services
The China Engineers Limited	Hong Kong	**100.0**	100.0	2	Sale of equipment and spare parts and service support for the Caterpillar business

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52 LIST OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTINUED)

Subsidiaries, joint ventures and associates which are active as at 30 June 2026 are as follows: (continued)

Name of company	Country/ territory of business/ incorporation	Group's effective interest (%)		Auditors	Principal activities
		2026	2025		
Industrial – Subsidiaries (continued)					
Sime Darby Elco Power Japan Limited	Japan	**100.0**	100.0	4	Distribution of Perkins engine products, spare parts and provision of after-sales services
Sime Darby Elco Power Korea Limited	South Korea	**100.0**	100.0	4	
Austchrome Pty Ltd	Australia	**100.0**	100.0	2	Chroming and hydraulic repairs
Decoda Digital Services Pty Ltd	Australia	**100.0**	100.0	2	Supply of productivity improvement services to the mining industry
Hastings Deering (Australia) Limited	Australia	**100.0**	100.0	2	Sale, rental and servicing for Caterpillar products
Hastings Deering Property Services Pty Ltd	Australia	**100.0**	100.0	4	Leasing entity and effective lessee for Hastings Deering (Australia) Limited's core industrial property assets
Haynes Mechanical Pty Ltd	Australia	**100.0**	100.0	2	Labour hire and recruitment services
Heavy Maintenance Group Pty Ltd	Australia	**100.0**	100.0	2	Investment holding
HMG Hardchrome Pty Ltd	Australia	**100.0**	100.0	2	Manufacture, refurbishment and surface finishing of equipment used in the heavy industrial sector
Onsite Rental Group Limited	Australia	**100.0**	100.0	2	Investment holding
Onsite Rental Group Operations Pty Ltd	Australia	**100.0**	100.0	2	Construction and mining equipment rental business
Salmon Earthmoving Holdings Pty Ltd	Australia	**100.0**	100.0	2	Rental and servicing of heavy earthmoving equipment
Sime Darby Allied Operations Pty Ltd	Australia	**100.0**	100.0	4	Investment holding
Sime Darby Industrial Australia Pty Ltd	Australia	**100.0**	100.0	2	
TFP Engineering Pty Ltd	Australia	**100.0**	100.0	2	Engineering services and hire of "Pakka Jacks" for slew bearing change outs
Cavill Power Systems Pty Ltd	Australia	**100.0**	100.0	2	Investment holding
Cavpower Pty Ltd	Australia	**100.0**	100.0	2	Sale, rental and servicing for Caterpillar products

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52 LIST OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTINUED)

Subsidiaries, joint ventures and associates which are active as at 30 June 2026 are as follows: (continued)

Name of company	Country/ territory of business/ incorporation	Group's effective interest (%)		Auditors	Principal activities
		2026	2025		
Industrial – Subsidiaries (continued)					
Cavrent Pty Ltd	Australia	**100.0**	100.0	2	Caterpillar rental operations business
Cobar Mining Services Pty Ltd	Australia	**100.0**	100.0	2	Property holding
Kagera Pty Ltd	Australia	**100.0**	100.0	2	Investment holding
Kuxton Pty Ltd	Australia	**100.0**	100.0	2	
Power Systems Holdings Pty Ltd	Australia	**100.0**	100.0	2	
R Cavill Holdings Pty Ltd	Australia	**100.0**	100.0	2	Property holding
Rawnsley Pty Ltd	Australia	**100.0**	100.0	2	
Sime Darby Industrial Machinery Australasia Pty Ltd	Australia	**100.0**	100.0	2	Investment holding
Caltrac SAS	New Caledonia	**100.0**	100.0	3	Sale of equipment and spare parts and service support for the Caterpillar business
SCI Sime Darby Invest NC	New Caledonia	**100.0**	100.0	4	Property investment
Sime Darby (NZ) Holdings Limited	New Zealand	**100.0**	100.0	2	Investment holding
Gough Group Limited	New Zealand	**100.0**	100.0	2	
Sime Darby Industrial (NZ) Holdings Limited	New Zealand	**100.0**	100.0	2	
Sitech Construction NZ Limited	New Zealand	**67.7**	67.7	2	Sale and servicing of Trimble Technology technical construction products
Terra Industrial Finance Limited	New Zealand	**100.0**	100.0	2	Whitelabel financing for the Caterpillar dealership business
Terra Industrial New Zealand Limited	New Zealand	**100.0**	100.0	2	Sale of equipment and spare parts and service support for the Caterpillar business
Hastings Deering (PNG) Limited	Papua New Guinea	**100.0**	100.0	2	
Hastings Deering (Solomon Islands) Limited	Solomon Islands	**100.0**	100.0	3	

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52 LIST OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTINUED)

Subsidiaries, joint ventures and associates which are active as at 30 June 2026 are as follows: (continued)

Name of company	Country/ territory of business/ incorporation	Group's effective interest (%)		Auditors	Principal activities
		2026	2025		
Industrial – Joint ventures					
Terberg Tractors Malaysia Sdn Bhd group	Malaysia	**50.0**	50.0	1	Marketing, distributing and servicing of Terberg terminal tractors and investment holding
Mine Energy Holdings Pty Ltd group	Australia	**50.0**	50.0	2	Service provider for end-to-end energy solution to the mobile mining industry
ESDH Technology Pty Ltd	Australia	**33.3**	–	3	Distribution of Teledyne products, comprising advanced technologies for scanning, mapping, surveying, geospatial analysis, and air and soil monitoring across the marine, mining, utilities and forestry sectors
Industrial – Associates					
Kubota Malaysia Sdn Bhd	Malaysia	**40.0**	40.0	1	Distribution, rental and provision of support services of a wide range of light equipment and related spares for use in the agricultural, construction and industrial sectors
Gas Malaysia Synergy Drive Sdn Bhd	Malaysia	**30.0**	30.0	1	Sale and supply of electricity, steam, chilled water, hot water, hot air and/ or other utilities to customers
FG Wilson Asia Pte Ltd	Singapore	**50.0**	50.0	2	Sale, servicing and/or assembly of industrial machinery and equipment
Energy Power Systems Australia Pty Ltd	Australia	**40.0**	40.0	2	Distribution and rental of Caterpillar engine and associated products
Sitech Construction Systems Pty Ltd	Australia	**34.0**	34.0	3	Sale and servicing of Trimble Technology construction products
Ultimate Positioning Group Pty Ltd	Australia	**32.7**	32.7	3	Sale, hire and servicing of Trimble surveying equipment
Buildingpoint New Zealand Limited	New Zealand	**49.0**	49.0	2	Distribution of Trimble hardware and software for the building and construction industry
Geosystems New Zealand Limited	New Zealand	**65.7**[+]	65.7[+]	2	Sale, hire and servicing of Trimble surveying equipment
Motors – Subsidiaries					
Auto Bavaria Sdn Bhd	Malaysia	**100.0**	100.0	1	Investment holding
Hyundai-Sime Darby Motors Sdn Bhd	Malaysia	**100.0**	100.0	1	Sale and distribution of passenger and light commercial vehicles and spare parts and renting of properties

Amounts in RM million unless otherwise stated

52 LIST OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTINUED)

Subsidiaries, joint ventures and associates which are active as at 30 June 2026 are as follows: (continued)

Name of company	Country/ territory of business/ incorporation	Group's effective interest (%)		Auditors	Principal activities
		2026	2025		
Motors – Subsidiaries (continued)					
Inokom Corporation Sdn Bhd	Malaysia	**53.8**	53.8	1	Manufacture and assembly of light commercial and passenger vehicles, and contract assembly of motor vehicles
Jaguar Land Rover (Malaysia) Sdn Bhd	Malaysia	**60.0**	60.0	1	Importation, distribution and retail of motor vehicles and spare parts and provision of after-sales services
Lead Engineering Sdn Bhd	Malaysia	**100.0**	100.0	1	Manufacturing and assembly of modulars for motor vehicles
Sime Darby Auto Assembly Sdn Bhd	Malaysia	**100.0**	100.0	1	Manufacturing and assembly of auto components for motor vehicles
Sime Darby Auto Bavaria Sdn Bhd	Malaysia	**100.0**	100.0	1	Provision of management services to related companies, retail of motor vehicles and spare parts, provision of after-sales services and importer of completely knocked down packs
Sime Darby Auto ConneXion Sdn Bhd	Malaysia	**100.0**	100.0	1	Distribution and retail of Ford motor vehicles, spare parts and accessories and provision of after-sales services
Sime Darby Auto Engineering Sdn Bhd	Malaysia	**100.0**	100.0	1	Assembly of internal combustion engine and other modular assembly for motor vehicles; engine testing and audit
Sime Darby Auto Hyundai Sdn Bhd	Malaysia	**56.0**	56.0	1	Retail of motor vehicles, spare parts and accessories, and provision of after-sales services
Sime Darby Auto Imports Sdn Bhd	Malaysia	**100.0**	100.0	1	Importation of BMW, MINI, Ford, Porsche, BYD, Denza, and any other motor vehicles and spare parts; trading of completely knocked down motor vehicles; provision of warehousing, logistics, and other related supply chain services; and provision of management services to related companies
Sime Darby Auto Interior Sdn Bhd	Malaysia	**100.0**	100.0	1	Manufacturing and assembly of modulars for motor vehicles
Sime Darby Auto Module Sdn Bhd	Malaysia	**100.0**	100.0	1	Manufacturing and assembly of modulars for motors vehicles

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52 LIST OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTINUED)

Subsidiaries, joint ventures and associates which are active as at 30 June 2026 are as follows: (continued)

Name of company	Country/ territory of business/ incorporation	Group's effective interest (%)		Auditors	Principal activities
		2026	2025		
Motors – Subsidiaries (continued)					
Sime Darby Auto Performance Sdn Bhd	Malaysia	**70.0**	70.0	1	Distribution and retail of Porsche motor vehicles, spare parts and accessories and provision of after-sales services
Sime Darby Auto Selection Sdn Bhd	Malaysia	**100.0**	100.0	1	Retail of used motor vehicles, spare parts and accessories and provision of after-sales services
Sime Darby Auto Stuttgart Sdn Bhd	Malaysia	**100.0**	100.0	1	Manufacturing and assembly of auto components for motor vehicles
Sime Darby Beyond Auto Sdn Bhd	Malaysia	**100.0**	100.0	1	Sale and distribution of motor vehicles and provision of after-sales services
Sime Darby EV Auto Sdn Bhd	Malaysia	**100.0**	100.0	1	Manufacturing and assembly of modulars for motor vehicles
Sime Darby Hyundai Integrated Sdn Bhd	Malaysia	**56.0**	56.0	1	Distribution of motor vehicles
Sime Darby Hyundai Sdn Bhd	Malaysia	**56.0**	56.0	1	Importation of vehicles and investment holding
Sime Darby Auto Sino Sdn Bhd (formerly known as Sime Darby Motors Manufacturing Sdn Bhd)	Malaysia	**100.0**	100.0	1	Manufacture of parts and accessories for motor vehicles
Sime Darby Motors Overseas Holdings Sdn Bhd	Malaysia	**100.0**	100.0	1	Investment holding
Sime Darby Motors Sdn Bhd	Malaysia	**100.0**	100.0	1	
Sime Darby Rent-A-Car Sdn Bhd	Malaysia	**100.0**	100.0	1	Hiring of vehicles to the general public and sourcing, purchasing and supplying of vehicles and transportation; and provision of fleet management services
Sime Darby Swedish Auto Sdn Bhd	Malaysia	**100.0**	100.0	1	Retail of motor vehicles, spare parts and accessories, and provision of after-sales services
Sime Performance Motors Sdn Bhd	Malaysia	**80.0**	80.0	1	

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52 LIST OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTINUED)

Subsidiaries, joint ventures and associates which are active as at 30 June 2026 are as follows: (continued)

Name of company	Country/ territory of business/ incorporation	Group's effective interest (%)		Auditors	Principal activities
		2026	2025		
Motors – Subsidiaries (continued)					
Europe Automobiles Corporation Holdings Pte Ltd	Singapore	**100.0**	100.0	2	Investment holding
Performance Motors Indonesia Pte Ltd	Singapore	**60.0**	60.0	2	
Performance Motors Limited	Singapore	**100.0**	100.0	2	Motor vehicles dealership
Performance Munich Autos Pte Ltd	Singapore	**60.0**	60.0	2	
Sime Darby Auto Selection Limited	Singapore	**100.0**	100.0	2	Used cars retailer, wholesaler and exporter
Sime Darby Motor Holdings Limited	Singapore	**100.0**	100.0	2	Investment holding and provision of corporate services to group entities
Sime Darby Services Private Limited	Singapore	**100.0**	100.0	2	Rental of motor vehicles
Sime Darby Singapore Limited	Singapore	**100.0**	100.0	2	General insurance agency business
Sime Singapore Limited	Singapore	**100.0**	100.0	2	Investment holding
Vantage Automotive Limited	Singapore	**100.0**	100.0	2	Motor vehicles dealership
PT Performance Motors Indonesia	Indonesia	**60.0**	60.0	2	Operates BMW and MINI dealership businesses
PT Performance Auto Selection	Indonesia	**60.0**	60.0	2	Retail of used cars, parts and accessories
Performance Motors (Thailand) Limited	Thailand	**100.0**	100.0	2	Retail of motor vehicles and spare parts and provision of after-sales services
Performance Motors Don Mueang (Thailand) Limited	Thailand	**100.0**	100.0	2	Retail of used motor vehicles
Sime Darby (Thailand) Limited	Thailand	**100.0**	100.0	2	Investment holding and provision of management services
Sime Darby Auto Sports Co. Limited	Thailand	**100.0**	100.0	2	Retail of motor vehicles and spare parts and provision of after-sales services
Beijing Sime Darby Chuang Jie Motors Sales and Services Company Limited	China	**100.0**	100.0	2	Retail agent of motor vehicles and retail of spare parts and provision of after-sales services

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52 LIST OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTINUED)

Subsidiaries, joint ventures and associates which are active as at 30 June 2026 are as follows: (continued)

Name of company	Country/ territory of business/ incorporation	Group's effective interest (%)		Auditors	Principal activities
		2026	2025		
Motors – Subsidiaries (continued)					
Beijing Sime Darby Qi Yue Motor Sales and Services Company Limited	China	**100.0**	100.0	2	Retail of motor vehicles and spare parts and provision of after-sales services
Changsha Bow Chuang Motors Sales and Services Company Limited	China	**100.0**	100.0	2	
Changsha Bow Yue Vehicle Services Co Ltd	China	**100.0**	100.0	2	
Changsha Sime Darby Motor Sales and Services Company Limited	China	**100.0**	100.0	2	
Changsha Yue Zhi Bow Motor Sales and Services Co. Ltd.	China	**100.0**	100.0	2	
Chengdu Bow Chuang Vehicle Sales & Service Company Limited	China	**100.0**	100.0	2	
Chengdu Bow Yue Used Cars Centre Co Ltd	China	**100.0**	100.0	2	Retail of used cars and provision of related services
Chengdu Bow Yue Vehicle Company Ltd	China	**100.0**	100.0	2	Investment holding, retail of motor vehicles and spare parts and provision of after-sales services
Chongqing Bow Chuang Motor Sales & Services Co Ltd	China	**100.0**	100.0	2	Retail of motor vehicles and spare parts and provision of after-sales services
Chongqing Sime Darby Motor Sales and Services Company Limited	China	**100.0**	100.0	2	
Chongqing Yue Zhi Bow Motors Sales and Services Company Limited	China	**100.0**	100.0	2	
Dali Bow Yue Motors Sales and Services Company Limited	China	**65.0**	65.0	2	
Foshan Bow Chuang Motors Sales and Services Company Limited	China	**100.0**	100.0	2	

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52 LIST OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTINUED)

Subsidiaries, joint ventures and associates which are active as at 30 June 2026 are as follows: (continued)

Name of company	Country/ territory of business/ incorporation	Group's effective interest (%)		Auditors	Principal activities
		2026	2025		
Motors – Subsidiaries (continued)					
Foshan Sime Darby Used Cars Sales Company Limited	China	**100.0**	100.0	2	Retail of used cars and provision of related services
Guangdong Bow Yue Motors Sales and Services Company Limited	China	**100.0**	100.0	2	Retail of motor vehicles and spare parts and provision of after-sales services
Guangzhou Bow Yue Vehicle Trading Co Ltd	China	**100.0**	100.0	2	Retail of motor vehicles
Guangzhou Sime Darby Fu Yue Motors Sales and Services Company Limited	China	**100.0**	100.0	2	Retail of motor vehicles and spare parts and provision of after-sales services
Guangzhou Xiang Yue Motors Sales and Services Company Limited	China	**100.0**	100.0	2	Retail of spare parts and provision of after-sales services
Hainan Bow Yue Vehicles Trading and Services Ltd	China	**100.0**	100.0	2	Retail of motor vehicles and spare parts and provision of after-sales services
Hangzhou Sime Darby Trading Co Ltd	China	**60.0**	60.0	2	
Honghe Bow Yue Motors Sales and Services Company Limited	China	**65.0**	–	2	
Huizhou Sime Darby Zhi Yue Mtrs Sales and Services Company Limited	China	**100.0**	100.0	2	Retail agent of motor vehicles and retail of spare parts and provision of after-sales services

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52 LIST OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTINUED)

Subsidiaries, joint ventures and associates which are active as at 30 June 2026 are as follows: (continued)

Name of company	Country/ territory of business/ incorporation	Group's effective interest (%)		Auditors	Principal activities
		2026	2025		
Motors – Subsidiaries (continued)					
Jiangmen Yue Zhi Bow Motors Sales and Services Company Limited	China	**100.0**	100.0	2	Retail of motor vehicles and spare parts and provision of after-sales services
Kunming Bow Chuang Motor Sales and Services Co Ltd	China	**65.0**	65.0	2	
Kunming Sime Darby Fu Yue Motors Sales and Services Company Limited	China	**100.0**	100.0	2	
Nanjing Sime Darby Motors Sales & Services Co Ltd	China	**60.0**	60.0	2	
Qujing Bow Kai Motors Sales & Services Co Limited	China	**65.0**	65.0	2	
Shanghai Qi Zhi Yue Motors Sales and Services Company Limited	China	**100.0**	100.0	2	
Shanghai Sime Darby Motor Commerce Co Ltd	China	**60.0**	60.0	2	Investment holding and retail of motor vehicles

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52 LIST OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTINUED)

Subsidiaries, joint ventures and associates which are active as at 30 June 2026 are as follows: (continued)

Name of company	Country/ territory of business/ incorporation	Group's effective interest (%)		Auditors	Principal activities
		2026	2025		
Motors – Subsidiaries (continued)					
Shanghai Sime Darby Motor Sales and Services Co Ltd	China	**60.0**	60.0	2	Retail of motor vehicles and spare parts and provision of after-sales services
Shanghai Sime Darby Motor Trading Co., Ltd	China	**60.0**	60.0	2	
Shanghai Sime Darby Motor Enterprises Co., Ltd	China	**60.0**	60.0	2	
Shanghai Yue Zhi Bow Motors Sales and Services Company Limited	China	**100.0**	100.0	2	
Shantou Bow Yue Dehong Motors Services Co Ltd	China	**100.0**	100.0	2	Retail of spare parts and provision of after-sales services for motor vehicles
Shantou Bow Yue Vehicle Trading Co Ltd	China	**100.0**	100.0	2	Retail of motor vehicles and spare parts
Shenzhen Bow Chuang Vehicle Trading Co Ltd China	China	**100.0**	100.0	2	
Shenzhen Bow Chuang Sime Darby Motors Sales and Services Company Limited	China	**100.0**	100.0	2	Retail of motor vehicles and spare parts and provision of after-sales services
Shenzhen Bow Yue Motors Sales & Services Company Limited	China	**100.0**	100.0	2	
Shenzhen Sime Darby Chen Yue Motors Sales and Services Company Limited	China	**100.0**	100.0	2	Retail agent of motor vehicles and retail of spare parts and provision of after-sales services

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52 LIST OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTINUED)

Subsidiaries, joint ventures and associates which are active as at 30 June 2026 are as follows: (continued)

Name of company	Country/ territory of business/ incorporation	Group's effective interest (%)		Auditors	Principal activities
		2026	2025		
Motors – Subsidiaries (continued)					
Shenzhen Sime Darby Fu Yue Motors Sales and Services Company Limited	China	**100.0**	100.0	2	Retail of motor vehicles and spare parts and provision of after-sales services
Shenzhen Sime Darby New Energy Vehicles Sales and Services Company Limited	China	**100.0**	100.0	2	
Shenzhen Sime Darby Qi Chuang Motors Sales and Services Company Limited	China	**100.0**	100.0	2	
Shenzhen Sime Darby Qi Yue Motors Sales and Services Company Limited	China	**100.0**	100.0	2	
Shenzhen Sime Darby Used Cars Centre Company Limited	China	**100.0**	100.0	2	Retail of used cars and provision of related services
Shenzhen Sime Darby Yue Zhi Bow Motors Sales & Services Co., Ltd (formerly known as Shenzhen Sime Darby Zhi Yue Motors Sales and Services Company Limited)	China	**100.0**	100.0	2	Retail agent of motor vehicles and retail of spare parts and provision of after-sales services
Sime Darby Greater China Enterprise Management (Shenzhen) Company Limited	China	**100.0**	100.0	2	Provision of consultation services to Sime Darby Motors China group of companies
Tianjin Sime Darby Chuang Jie Motors Sales and Services Company Limited	China	**100.0**	100.0	2	Retail agent of motor vehicles and retail of spare parts and provision of after-sales services
Yunnan Bow Yue Vehicle Trading Co Ltd	China	**65.0**	65.0	2	Investment holding, retail of motor vehicles and spare parts and provision of after-sales services

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52 LIST OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTINUED)

Subsidiaries, joint ventures and associates which are active as at 30 June 2026 are as follows: (continued)

Name of company	Country/ territory of business/ incorporation	Group's effective interest (%)		Auditors	Principal activities
		2026	2025		
Motors – Subsidiaries (continued)					
Yunnan Dekai Bow Ma Motors Technology & Service Co Ltd	China	**65.0**	65.0	2	Retail of motor vehicles and spare parts and provision of after-sales services
Zhongshan Sime Darby Qi Yue Motor Sales and Services Company Limited	China	**100.0**	100.0	2	
BMW Concessionaires (HK) Limited	Hong Kong	**100.0**	100.0	2	Investment holding, distribution and retail of motor vehicles, provision of after-sales services and leasing motor vehicles
Bow Ma Motors (South China) Limited	Hong Kong	**100.0**	100.0	2	Investment holding, leasing of motor vehicles and provision of electric vehicle charging service
Goodwood Motors Limited	Hong Kong	**100.0**	100.0	2	Distribution and retail of motor vehicles and spare parts and provision of after-sales services
Island Motors Limited	Hong Kong	**100.0**	100.0	2	
Marksworth Limited	Hong Kong	**100.0**	100.0	2	Investment holding
Sime Darby Chuang Jie Motors (Hong Kong) Limited	Hong Kong	**100.0**	100.0	2	
Sime Darby Hoi Shing Motors (Hong Kong) Limited	Hong Kong	**65.0**	65.0	2	
Sime Darby Hongkong Finance Limited	Hong Kong	**100.0**	100.0	2	Provision of intra-group financial services
Sime Darby Insurance Brokers (Hong Kong) Limited	Hong Kong	**100.0**	100.0	2	Insurance brokers
Sime Darby Kai Yuet Motors (Hong Kong) Limited	Hong Kong	**100.0**	100.0	2	Investment holding
Sime Darby Managing Agency (Hong Kong) Limited	Hong Kong	**100.0**	100.0	2	Insurance agency

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52 LIST OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTINUED)

Subsidiaries, joint ventures and associates which are active as at 30 June 2026 are as follows: (continued)

Name of company	Country/ territory of business/ incorporation	Group's effective interest (%)		Auditors	Principal activities
		2026	2025		
Motors – Subsidiaries (continued)					
Sime Darby Motor Group (HK) Limited	Hong Kong	**100.0**	100.0	2	Investment holding
Sime Darby Motor Group (PRC) Limited	Hong Kong	**100.0**	100.0	2	
Sime Darby Motor Services Limited	Hong Kong	**100.0**	100.0	2	Investment holding, distribution and retail of spare parts, after-sales services, management services and property investment
Sime Darby Peng Yue Motors (Hong Kong) Limited	Hong Kong	**100.0**	100.0	2	Distribution and retail of motor vehicles and spare parts and provision of after-sales services
Sime Novasky Motors (Hong Kong) Limited	Hong Kong	**100.0**	–	2	Importation and distribution of NIO vehicles in HK and the provision of related after-sales services
Universal Automobile Company Limited	Hong Kong	**100.0**	100.0	2	Distribution and retail of motor vehicles and spare parts and provision of after-sales services and leasing of motor vehicles
Universal Cars (Importers) Limited	Hong Kong	**100.0**	100.0	2	Investment holding
Universal Cars Limited	Hong Kong	**100.0**	100.0	2	Distribution and retail of motor vehicles and spare parts and provision of after-sales services
Wallace Harper & Company Limited	Hong Kong	**100.0**	100.0	2	Holder of car testing licence
Wallace Harper Motors Company Limited	Hong Kong	**100.0**	100.0	2	Distribution, retail of motor vehicles and spare parts and provision of after-sales services
Warwick Motors Limited	Hong Kong	**100.0**	100.0	2	Investment holding
BMW Concessionaires (Macau) Limited	Macau	**100.0**	100.0	2	Retail of motor vehicles and spare parts, provision of after-sales services and investment holding
Harper Engineering (Macau) Limited	Macau	**100.0**	100.0	2	Retail of motor vehicles and spare parts and provision of after-sales services
Sime Darby Auto Kia Co Ltd	Taiwan	**100.0**	100.0	2	Wholesale and retail of vehicles, parts and accessories and repairs and maintenance of vehicles

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52 LIST OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTINUED)

Subsidiaries, joint ventures and associates which are active as at 30 June 2026 are as follows: (continued)

Name of company	Country/ territory of business/ incorporation	Group's effective interest (%)		Auditors	Principal activities
		2026	2025		
Motors – Subsidiaries (continued)					
Sime Darby Kia Taiwan Co Ltd	Taiwan	**100.0**	100.0	2	Importation and wholesale of vehicles, parts and accessories, repairs and maintenance of vehicles and other automotive services
Brisbane BMW Bodyshop Pty Ltd	Australia	**100.0**	100.0	2	Operates the business of BMW parts, panels and vehicle accident repair
Brisbane BMW Unit Trust	Australia	**100.0**	100.0	2	Owns BMW, MINI, Volvo, Geely, Polestar and Rolls-Royce motor dealerships
LMM Holdings Pty Ltd	Australia	**100.0**	100.0	2	Trustee for the Brisbane BMW Unit Trust's BMW, MINI, Volvo, Geely, Polestar and Rolls-Royce motor dealerships
Sime Darby Automobiles Pty Ltd	Australia	**100.0**	100.0	2	Investment holding in retail dealership property
Sime Darby Fleet Services Pty Ltd	Australia	**100.0**	100.0	2	Vehicle rental and related mechanical services
Sime Darby Motors Group (Australia) Pty Limited	Australia	**100.0**	100.0	2	Investment holding and provision of management services
Sime Darby Motors Retail Australia Pty Limited	Australia	**100.0**	100.0	2	Owns the BMW, MINI, JLR, Porsche, Geely and VW motor dealerships
Sime Darby Motors Wholesale Australia Pty Limited	Australia	**100.0**	100.0	2	Investment holding in retail dealership property and vehicle rental services
Sime Darby Transport Holdings Australia Pty Ltd	Australia	**100.0**	100.0	2	Investment holding
Transport Engineering Solutions Pty Limited	Australia	**100.0**	100.0	2	Design, supply and installation of transportation and related equipment
Continental Car Services Limited	New Zealand	**100.0**	100.0	2	Retail of new and used passenger cars, motorcycles and light commercial vehicles, spare parts and accessories and provision of after-sales services
Hino Distributors (NZ) Limited	New Zealand	**100.0**	100.0	2	Distribution and retail of trucks

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52 LIST OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTINUED)

Subsidiaries, joint ventures and associates which are active as at 30 June 2026 are as follows: (continued)

Name of company	Country/ territory of business/ incorporation	Group's effective interest (%)		Auditors	Principal activities
		2026	2025		
Motors – Subsidiaries (continued)					
Motor Truck Distributors (NZ) Limited	New Zealand	**100.0**	100.0	2	Distribution and retail of trucks and buses
North Shore Motor Holdings Limited	New Zealand	**100.0**	100.0	2	Retail of new and used passenger cars, spare parts and accessories and provision of related services
SD Distributors (NZ) Limited	New Zealand	**100.0**	100.0	2	Import and distribution business
Sime Darby Property (NZ) Limited	New Zealand	**100.0**	100.0	2	Management of property leases for the Sime Darby Motors NZ Group
Sime Darby Commercial (NZ) Limited	New Zealand	**100.0**	100.0	2	Investment holding
Sime Darby Fleet Services (NZ) Limited	New Zealand	**100.0**	100.0	2	Vehicle rental and related mechanical services
Sime Darby Motor Group (NZ) Limited	New Zealand	**100.0**	100.0	2	Investment holding
Sime Darby Transport Limited	New Zealand	**100.0**	100.0	2	
Sime Darby Transport (NZ) Limited	New Zealand	**100.0**	100.0	2	Design, supply and installation of transportation and related equipment
Truck Stops (NZ) Limited	New Zealand	**100.0**	100.0	2	Provision of spare parts and services for trucks
UD Truck Distributors (NZ) Limited	New Zealand	**100.0**	100.0	2	Distribution and retail of trucks, spare parts and accessories and provision of after-sales services
Motors – Associates					
Autotek Sdn Bhd	Malaysia	**20.0**	20.0	3	Provision of automotive software as a service and software services
BMW Malaysia Sdn Bhd	Malaysia	**49.0***	49.0*	1	Sale and distribution of motor vehicles and motorcycles
Sime Kansai Paints Sdn Bhd	Malaysia	**40.0**	40.0	3	Manufacturing, selling and marketing of automotive and industrial paints
BMW Financial Services Hong Kong Limited	Hong Kong	**49.0**	49.0	2	Provision of instalment finance and hire purchase facilities

Amounts in RM million unless otherwise stated

52 LIST OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTINUED)

Subsidiaries, joint ventures and associates which are active as at 30 June 2026 are as follows: (continued)

Name of company	Country/ territory of business/ incorporation	Group's effective interest (%)		Auditors	Principal activities
		2026	2025		
UMW – Subsidiaries					
Assembly Services Sdn. Bhd.	Malaysia	**51.0**	51.0	1	Assembly of passenger and commercial vehicles
Automotive Industries Sendirian Berhad	Malaysia	**51.0**	51.0	1	Manufacturing and selling of vehicle exhaust systems and other automotive components
KYB-UMW Malaysia Sdn. Bhd.	Malaysia	**52.1**	52.1	1	Manufacture and assembly of vehicle shock absorbers
Otomobil Sejahtera Sdn. Bhd.	Malaysia	**100.0**	100.0	1	Importing, retailing and servicing of passenger and commercial vehicles and engaged in the operation of vehicle workshop services
Sime Darby Enterprise Sdn Bhd	Malaysia	**100.0**	100.0	1	Investment holding
Toyota Boshoku UMW Sdn. Bhd.	Malaysia	**33.2**	33.2	1	Manufacturing of seats and other automotive components
UMW Aero Assets Sdn. Bhd.	Malaysia	**100.0**	100.0	1	Ownership and leasing of equipment and tools
UMW Aerospace Sdn. Bhd.	Malaysia	**100.0**	100.0	1	Manufacturing of aerospace engine component products
UMW Automotive Sdn. Bhd.	Malaysia	**100.0**	100.0	1	Investment holding
UMW Corporation Sdn. Bhd.	Malaysia	**100.0**	100.0	1	Provision of corporate, administrative, professional, security services and financial support to its subsidiaries and associated companies. In addition, the company also trades in a range of light and heavy equipment
UMW Development Sdn. Bhd.	Malaysia	**100.0**	100.0	1	Engaged in the businesses of property investment and development, project management consultancy services and facilities management services
UMW Equipment Division Sdn. Bhd.	Malaysia	**100.0**	100.0	1	Provision of management support to the companies in equipment division

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 30 June 2026

Amounts in RM million unless otherwise stated

52 LIST OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTINUED)

Subsidiaries, joint ventures and associates which are active as at 30 June 2026 are as follows: (continued)

Name of company	Country/ territory of business/ incorporation	Group's effective interest (%)		Auditors	Principal activities
		2026	2025		
UMW – Subsidiaries (continued)					
UMW Holdings Berhad	Malaysia	**100.0**	100.0	1	Investment holding
UMW India Ventures (L) Ltd.	Malaysia	**75.0**	75.0	1	
UMW Industrial Power Services Sdn Bhd	Malaysia	**100.0**	100.0	1	Total power solution provider
UMW Industries (1985) Sdn. Bhd.	Malaysia	**51.0**	51.0	1	Trading and hiring of industrial and material handling equipment and related spares
UMW Services Sdn. Bhd.	Malaysia	**100.0**	100.0	1	Provision of consultancy services, shared business services and support, support services and any other types of services in any field including but not limited in relation to finance, information technology, human resources, procurement and administration
UMW Land Sdn Bhd	Malaysia	**100.0**	100.0	1	Provision of facility management services, project management and consultancy services
UMW Lubetech Sdn. Bhd.	Malaysia	**100.0**	100.0	1	Blending and packaging of lubricants, retail of auto components and other manufacturing
UMW M&E Sdn. Bhd.	Malaysia	**100.0**	100.0	1	Manufacturing and trading of filtration products and auto components
UMW Pennzoil Distributors Sdn. Bhd.	Malaysia	**100.0**	100.0	1	Marketing, selling and distribution of "Pennzoil" branded lubricants
UMW Petropipe (L) Ltd.	Malaysia	**100.0**	100.0	1	Investment holding
UMW Sher (L) Ltd.	Malaysia	**50.8**	50.8	1	Provide contract drilling and engineering services for the oil and gas industry and leasing of drilling rigs and vessels
UMW Toyota Material Handling Sdn. Bhd.	Malaysia	**51.0**	51.0	1	Investment holding and the provision of management support for material handling business and consultancy services to its subsidiaries

Amounts in RM million unless otherwise stated

52 LIST OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTINUED)

Subsidiaries, joint ventures and associates which are active as at 30 June 2026 are as follows: (continued)

Name of company	Country/ territory of business/ incorporation	Group's effective interest (%)		Auditors	Principal activities
		2026	2025		
UMW – Subsidiaries (continued)					
UMW Toyota Motor Sdn. Bhd.	Malaysia	**51.0**	51.0	1	Importation, distribution and retailing of motor vehicles, distribution and sale of spare parts, servicing of vehicles, export of vehicle and vehicle components, manufacturer and assembly of motor vehicles and other related activities and renting and leasing of motor vehicles. In addition, UMWT provides administrative, professional and financial services support to the subsidiaries within the UMWT group.
UMW Industrial Equipment (Shanghai) Co. Ltd.	China	**51.0**	51.0	3	Marketing of industrial equipment and provision of after-sales and repair services for equipment rental and industrial equipment
UMW Industrial Trading (Shanghai) Co. Ltd.	China	**51.0**	51.0	3	Marketing of Toyota industrial equipment, Aerex and other airport ground support equipment and environmental products
Vision Fleet Equipment Leasing (Zhejiang) Co. Ltd.	China	**51.0**	51.0	3	Rental and fleet management services mainly for products distributed by the UMW group in China
Lubritech Limited	China	**60.0**	60.0	3	Produce and distribute lubricants, import, export and wholesale of lubricants and grease as well as warehousing and provision of logistic services
Lubritech International Holdings Limited	Hong Kong	**60.0**	60.0	3	Investment holding
Jaybee Drilling Private Limited	India	**45.0**	45.0	3	Onshore drilling activities in India
UMW Equipment & Engineering Pte Ltd	Singapore	**51.0**	51.0	2	Import, distribute, rent and service all types of industrial equipment and related parts
UMW Equipment Systems Pte Ltd	Singapore	**51.0**	51.0	2	Investment holding
UMW Equipment Systems (Vietnam) Company Limited	Vietnam	**51.0**	51.0	2	Provides spare parts and equipment, repair and maintenance service, and lease out equipment such as forklifts and material handling, industrial and heavy equipment

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 30 June 2026

Amounts in RM million unless otherwise stated

52 LIST OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTINUED)

Subsidiaries, joint ventures and associates which are active as at 30 June 2026 are as follows: (continued)

Name of company	Country/ territory of business/ incorporation	Group's effective interest (%)		Auditors	Principal activities
		2026	2025		
UMW – Associates					
E-Lock Corporation Sdn Bhd	Malaysia	**20.1**	20.1	3	Investment holding and research, development and distribution of computer software, solutions and services
Perusahaan Otomobil Kedua Sdn Bhd group and its associates	Malaysia	**38.0**	38.0	3	Manufacturing, assembly and distribution of motor vehicles, spare parts and other related activities
Toyota Capital Malaysia Sdn Bhd group	Malaysia	**30.0**	30.0	3	Provision of lease and hire purchase financing (conventional and Islamic)
UMW Toyotsu Motors Sdn Bhd	Malaysia	**30.0**	30.0	3	An authorised dealer of UMWT, wholesale and retail of new and used motor vehicles and maintenance and repair of motor vehicles
Others – Subsidiaries					
KINETA Sdn Bhd	Malaysia	**100.0**	100.0	1	Systems integration, marketing, installer and operator of comprehensive range of advanced electronic and electric vehicle supply equipment, and provider of e-mobility solutions
Kumpulan Sime Darby Berhad	Malaysia	**100.0**	100.0	1	Property investment
Sime Darby Allied Products Berhad	Malaysia	**100.0**	100.0	1	Investment holding
Sime Darby Energy Sdn Bhd	Malaysia	**100.0**	100.0	1	Investment holding
Sime Darby Engineering Sdn Bhd	Malaysia	**100.0**	100.0	1	Engineering, procurement, construction, installation, hook-up and commissioning services relating to the oil and gas industry
Sime Darby Holdings Berhad	Malaysia	**100.0**	100.0	1	Investment holding, property investment and provision of management services to Group companies
Sime Darby Holiday Homes Sdn Bhd	Malaysia	**100.0**	100.0	1	Property management services and childcare services for employees
Sime Darby Insurance Pte Ltd	Malaysia	**100.0**	100.0	1	Underwriting of onshore and offshore captive insurance business

Amounts in RM million unless otherwise stated

52 LIST OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTINUED)

Subsidiaries, joint ventures and associates which are active as at 30 June 2026 are as follows: (continued)

Name of company	Country/ territory of business/ incorporation	Group's effective interest (%)		Auditors	Principal activities
		2026	2025		
Others – Subsidiaries (continued)					
Lockton Sime Insurance Brokers Sdn Bhd (formerly known as Sime Darby Lockton Insurance Brokers Sdn Bhd)	Malaysia	**–**	60.0	1	Insurance and reinsurance broking, insurance advisory and consultancy services
Sime Darby Logistics Sdn Bhd	Malaysia	**100.0**	100.0	1	Investment holding
Sime Darby Malaysia Berhad	Malaysia	**100.0**	100.0	1	Holding of trademarks
Sime Darby Ventures Sdn Bhd	Malaysia	**100.0**	100.0	1	Investment holding
Shenzhen KINETA Energy Mobility Co Limited	China	**100.0**	–	4	Distribution and installation of residential and public electric vehicle charging solutions
KINETA Hong Kong Limited	Hong Kong	**100.0**	–	2	Charge Point Operator and investment holding
Sime Darby Far East (1991) Limited	Hong Kong	**100.0**	100.0	2	Investment holding
Sime Darby Hong Kong Limited	Hong Kong	**100.0**	100.0	2	
Sime Darby Eastern International Limited	Singapore	**100.0**	100.0	2	
Sime Darby Insurance Brokers (Singapore) Pte Ltd	Singapore	**100.0**	100.0	3	Insurance brokers and consultants
Others – Joint ventures					
Malaysia-China Hydro Joint Venture	Malaysia	**48.9**	48.9	1	Engineering, procurement and construction work
Others – Associates					
Lockton Sime Insurance Brokers Sdn Bhd (formerly known as Sime Darby Lockton Insurance Brokers Sdn Bhd)	Malaysia	**30.0**	–	1	Insurance and reinsurance broking, insurance advisory and consultancy services
Yayasan Sime Darby	Malaysia	@	@	1	Administration of scholarship awards and educational loans and undertake sports, environmental conservation and sustainability projects

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 30 June 2026

Amounts in RM million unless otherwise stated

52 LIST OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTINUED)

Subsidiaries, joint ventures and associates which are dormant/inactive as at 30 June 2026 are as follows:

Name of company	Country/territory of business/incorporation	Group's effective interest (%)		Auditors
		2026	2025	
Industrial – Subsidiaries				
Associated Tractors Sendirian Berhad	Malaysia	**100.0**	100.0	1
Shandong Equipment Malaysia Sdn Bhd	Malaysia	**100.0**	100.0	1
Sime Darby TMR Sdn Bhd	Malaysia	**100.0**	100.0	1
Mecomb (Thailand) Limited	Thailand	**100.0**	100.0	2
Haynes Group (USA) Holdings Inc.	United States of America	**100.0**	100.0	4
Haynes Group (USA) LLC	United States of America	**100.0**	100.0	4
Motors – Subsidiaries				
Sime Darby Mazda (Thailand) Limited	Thailand	**100.0**	100.0	2
Sime Darby Vantage (Thailand) Limited	Thailand	**100.0**	100.0	2
Tianjin Sime Winner Motors Trading Co., Ltd	China	**60.0**	60.0	2
AutoFrance China Limited	Hong Kong	**100.0**	100.0	2
Sime Darby Management Services Limited	Hong Kong	**100.0**	100.0	2
Sime Winner Holdings Limited	Hong Kong	**60.0**	60.0	2
SimeWinner Nissan Autocrafts Limited	Hong Kong	**60.0**	60.0	2
Palfinger Australia Pty Limited	Australia	**100.0**	100.0	2
Continental Cars Limited	New Zealand	**100.0**	100.0	2
Others – Subsidiaries				
Golden Hope Plantations Berhad	Malaysia	**–**	100.0	1
Kumpulan Guthrie Berhad	Malaysia	**–**	100.0	1
Sime Darby Marine Sdn Bhd	Malaysia	**100.0**	100.0	1
Sime Darby Nominees Sendirian Berhad	Malaysia	**100.0**	100.0	1
Sime Darby Water Resources Sdn Bhd	Malaysia	**100.0**	100.0	1
Sime Darby Water Resources (Perak) Sdn Bhd	Malaysia	**75.0**	75.0	1
Sime Engineering Sdn Bhd	Malaysia	**100.0**	100.0	1
Sime Darby (China) Enterprise Management Co Ltd	China	**100.0**	100.0	2
Sime Darby Marine (Hong Kong) Private Limited	Hong Kong	**100.0**	100.0	2
Sime Darby Overseas (HK) Limited	Hong Kong	**100.0**	100.0	2
Sime Darby Investment (BVI) Limited	British Virgin Islands	**100.0**	100.0	4
Others – Associate				
Sime Darby Almana WLL	Qatar	**49.0**	49.0	4

Amounts in RM million unless otherwise stated

52 LIST OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTINUED)

Subsidiaries, joint ventures and associates placed under members' voluntary liquidation/deregistered are as follows:

Name of company	Country/territory of business/incorporation	Group's effective interest (%)		Auditors
		2026	2025	
Industrial – Subsidiaries				
Tractors Singapore (Maldives) Private Limited	Maldives	**100.0**	100.0	3
Industrial – Associates				
APac Energy Rental Pte Ltd	Singapore	**30.0**	30.0	3
IR4 Pty Ltd	Australia	**46.7**	30.4	4
Motors – Subsidiaries				
Dongguan Chuang Yi Motor Sales and Services Company Limited	China	**–**	100.0	2
Europe Automobiles Company Limited	Vietnam	**100.0**	100.0	4
Performance Motors Vietnam Company Limited	Vietnam	**100.0**	100.0	4
UMW – Subsidiaries				
U-TravelWide Sdn Bhd	Malaysia	**–**	100.0	4
UMW Grantt International Sdn. Bhd.	Malaysia	**100.0**	100.0	1
UMW Lubricant International Sdn. Bhd.	Malaysia	**100.0**	100.0	1
UMW M&E Limited	Malaysia	**–**	100.0	4
UMW Oilfield International (L) Ltd	Malaysia	**–**	100.0	4
UHE Properties Sdn Bhd	Malaysia	**–**	100.0	4
UMW Innovation and R&D Centre Sdn. Bhd.	Malaysia	**100.0**	100.0	1
UMW Ace (BVI) Ltd.	British Virgin Islands	**–**	70.0	4
UMW Machinery Limited	Myanmar	**–**	100.0	4
PT UMW International	Indonesia	**100.0**	100.0	3
UMW – Joint ventures				
PT Pusaka Bersatu	Indonesia	**49.0**	49.0	3

Notes:

[1] – *audited by PricewaterhouseCoopers PLT Malaysia*

[2] – *audited by member firms of PricewaterhouseCoopers International Limited, which are separate and independent legal entities from PricewaterhouseCoopers PLT Malaysia*

[3] – *audited by firms other than member firms of PricewaterhouseCoopers International Limited*

[4] – *no legal requirement to appoint auditors or auditors yet to be appointed*

[+] – *notwithstanding the Group holds more than 50% equity interest in this company, the investment is classified as a joint venture (and not a subsidiary) as significant decisions require unanimous consent from all its shareholders*

[*] – *notwithstanding the Group holds more than 20% equity interest in these companies, the investment is classified as a financial asset at fair value through profit or loss (and not associate or joint venture) due to the Group's restricted influence pursuant to their shareholder agreements*

[@] – *Yayasan Sime Darby is a company without share capital, limited by guarantee*

53 APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 28 September 2026.

ANALYSIS OF SHAREHOLDINGS

As at 8 September 2026

Number of Issued Shares : 6,815,597,577 ordinary shares
Voting Right : One vote per ordinary share in the case of a poll and one vote per person on a show of hands

Size of Shareholdings	No. of Shareholders	%	No. of Shares Held	%
Less than 100	4,063	10.12	89,722	0.00[1]
100 to 1,000	12,986	32.34	6,549,092	0.10
1,001 to 10,000	17,425	43.40	65,271,781	0.96
10,001 to 100,000	4,499	11.20	127,116,279	1.86
100,001 to less than 5% of issued shares	1,175	2.93	3,347,342,964	49.11
5% and above of issued shares	3	0.01	3,269,227,739	47.97
Total	**40,151**	**100.00**	**6,815,597,577**	**100.00**

Note:
[1] *less than 0.01%*

Category of Holders	No. of Shareholders	%	No. of Shares Held	%
Individual	25,651	63.89	199,832,282	2.93
Banks/Finance Companies	41	0.10	3,274,968,737	48.05
Investment Trusts/Foundation/Charities	18	0.05	859,389	0.01
Industrial and Commercial Companies	568	1.41	103,894,525	1.52
Government Agencies/Institutions	4	0.01	2,084,852	0.03
Nominees	13,867	34.54	3,233,852,517	47.46
Others	2	0.00[1]	105,275	0.00[1]
Trustee	0	0.00	0	0.00
Total	**40,151**	**100.00**	**6,815,597,577**	**100.00**

Note:
[1] *less than 0.01%*

DIRECTORS' DIRECT AND INDIRECT INTERESTS IN THE COMPANY AND ITS RELATED CORPORATIONS

Save as disclosed in the Directors' Report of the Financial Statements as set out on page 164, none of the Directors of the Company has any interest, direct or indirect, in the Company and its related corporations.

TOP 30 LARGEST SHAREHOLDERS AS PER THE RECORD OF DEPOSITORS

No.	Name of Shareholder	No. of Shares Held	%
1.	AmanahRaya Trustees Berhad Amanah Saham Bumiputera	2,123,719,300	31.16
2.	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board	689,764,728	10.12
3.	Kumpulan Wang Persaraan (Diperbadankan)	455,743,711	6.69
4.	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (Islamic)	309,120,513	4.54
5.	Permodalan Nasional Berhad	287,582,311	4.22
6.	AmanahRaya Trustees Berhad Amanah Saham Malaysia	100,000,000	1.47
7.	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (AHAM AM)	95,572,000	1.40
8.	AmanahRaya Trustees Berhad Amanah Saham Malaysia 3	82,596,000	1.21
9.	Lembaga Tabung Haji	70,725,100	1.04
10.	HSBC Nominees (Asing) Sdn Bhd JPMCB NA for Vanguard Total International Stock Index Fund	60,204,474	0.88
11.	HSBC Nominees (Asing) Sdn Bhd JPMCB NA for Vanguard Emerging Markets Stock Index Fund	57,429,836	0.84
12.	AmanahRaya Trustees Berhad Amanah Saham Bumiputera 2	55,389,800	0.81
13.	HSBC Nominees (Asing) Sdn Bhd HSBC BK PLC for Kuwait Investment Office (KIO)	48,462,200	0.71
14.	AmanahRaya Trustees Berhad Amanah Saham Malaysia 2 – Wawasan	45,000,000	0.66
15.	Citigroup Nominees (Tempatan) Sdn Bhd Great Eastern Life Assurance (Malaysia) Berhad (PAR 1)	37,816,649	0.56
16.	Cartaban Nominees (Asing) Sdn Bhd Exempt AN for Barclays Capital Securities Ltd (SBL/PB)	33,991,985	0.50
17.	AmanahRaya Trustees Berhad Amanah Saham Bumiputera 3 - Didik	33,500,000	0.49
18.	HSBC Nominees (Asing) Sdn Bhd JPMSE LUX for Robeco Capital Growth Funds	32,870,700	0.48
19.	Citigroup Nominees (Asing) Sdn Bhd CBNY for IShares Core MSCI Emerging Markets ETF	30,710,800	0.45
20.	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (BNP NAJMAH EQ)	30,693,300	0.45

ANALYSIS OF SHAREHOLDINGS

As at 8 September 2026

TOP 30 LARGEST SHAREHOLDERS AS PER THE RECORD OF DEPOSITORS (CONTINUED)

No.	Name of Shareholder	No. of Shares Held	%
21.	HSBC Nominees (Asing) Sdn Bhd JPMCB NA for Vanguard Fiduciary Trust Company Institutional Total International Stock Market Index Trust II	30,681,500	0.45
22.	Citigroup Nominees (Asing) Sdn Bhd Exempt AN for Citibank New York (Norges Bank 19)	30,551,298	0.45
23.	HSBC Nominees (Asing) Sdn Bhd JPMCB NA for Blackrock Institutional Trust Company, N.A. Investment Funds for Employee Benefit Trusts	25,884,400	0.38
24.	Citigroup Nominees (Asing) Sdn Bhd Exempt AN for Citibank New York (Norges Bank 14)	23,149,800	0.34
25.	Citigroup Nominees (Asing) Sdn Bhd UBS AG	22,504,805	0.33
26.	Citigroup Nominees (Tempatan) Sdn Bhd Exempt AN for AIA Bhd.	21,955,947	0.32
27.	HSBC Nominees (Asing) Sdn Bhd Morgan Stanley & Co. International PLC (Firm A/C)	20,157,502	0.30
28.	HSBC Nominees (Asing) Sdn Bhd J.P. Morgan Securities PLC	19,817,219	0.29
29.	Citigroup Nominees (Asing) Sdn Bhd Citigroup Global Markets Limited	19,420,781	0.28
30.	Maybank Nominees (Asing) Sdn Bhd Nomura Singapore Limited for NTS-Asia Property Holdings Limited (419909)	19,059,600	0.28
	Total	**4,914,076,259**	**72.10**

SUBSTANTIAL SHAREHOLDERS AS PER THE REGISTER OF SUBSTANTIAL SHAREHOLDERS

No.	Name of Substantial Shareholder	No. of Shares Held (Direct Interest)	%	No. of Shares Held (Indirect/Deemed Interest)	%
1.	AmanahRaya Trustees Berhad – Amanah Saham Bumiputera	2,123,719,300	31.16	–	–
2.	Employees Provident Fund Board	998,885,241	14.66	206,222,019	3.03
3.	Kumpulan Wang Persaraan (Diperbadankan)	445,082,349	6.53	41,071,800	0.60

TOP 10 PROPERTIES OF THE GROUP*

No.	Location	Tenure	Land area (Hectares)	Year of acquisition	Age of building (Years)	Description	Net book value (RM million)
1.	No 1, Jalan Keluli 2/KU 2, Kawasan Perindustrian Bukit Raja, Klang, Selangor, Malaysia	Freehold	67	2023	9-15	Plant, office and factory buildings	1,275
2.	Sime Darby Motors City, Ara Damansara, Selangor, Malaysia	Freehold	14	2014-2018	7-9	Office buildings, showrooms and workshops	591
3.	Lot 68, Broadsound Road, Hastings Park, Paget, Mackay, Queensland, Australia	Freehold	5	2013	–	Land with building under construction	321
4.	Persiaran Selangor, Shah Alam, Selangor, Malaysia	Leasehold expiring 2070	13	2023	56-59	Office and factory buildings	229
5.	Lot 38, Mukim Padang Meha, Padang Serai Kulim, Kedah, Malaysia	Freehold	78	2004	27	Assembly plant	178
6.	800 Ann Street, Fortitude Valley, Brisbane, Queensland, Australia	Freehold	1	2014	20	Offices, showrooms and workshops	171
7.	Lot 29138, Mukim Serendah, Hulu Selangor, Selangor Malaysia	Leasehold expiring 2067, 2094	52	2023	10	Land, office, training facilities and workshop	159
8.	589 Grand Junction Road, Gepps Cross, South Australia, Australia	Freehold	6	2023	14	Office, warehouse, service centre and land	132
9.	Rockhampton Facility, 150 Port Curtis Road, Rockhampton Queensland, Australia	Freehold	35	1992	10-51	Commercial office, workshop and warehouse	108
10.	40-42 Caterpillar Drive, Paget, Mackay, Queensland, Australia	Freehold	8	2007-2008	17	Commercial office, training facilities, workshop and warehouse	105

Notes:

** Based on the net book value of the property.*

The list excludes capitalised lease payments and properties under inventories or assets held for sale.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twentieth Annual General Meeting (20th AGM) of Sime Darby Berhad (Sime or Company) will be held at the Kuala Lumpur Convention Centre, Ballroom 1, Level 3, East Wing, Jalan Pinang, Kuala Lumpur City Centre, 50088 Kuala Lumpur, Malaysia (Main Venue) and broadcast live from the Main Venue on Thursday, 12 November 2026 at 10:00 a.m. and at any adjournment thereof, for the following businesses:

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 30 June 2026 together with the Reports of the Directors and the Auditors thereon.

   Refer to Explanatory Note 1

2. To approve the payment of fees to the Non-Executive Directors up to an amount of RM5,000,000 from the 20th AGM until the next AGM of the Company. **(Resolution 1)**

   Refer to Explanatory Note 2

3. To approve the payment of benefits to the Non-Executive Directors up to an amount of RM1,500,000 from the 20th AGM until the next AGM of the Company. **(Resolution 2)**

   Refer to Explanatory Note 2

4. To re-elect Dato' Abdul Rahman Ahmad, who retires pursuant to Rule 82.2 of the Constitution of the Company and being eligible, has offered himself for re-election. **(Resolution 3)**

   Refer to Explanatory Note 3

5. To re-elect Dato' Seri Ahmad Johan Mohammad Raslan, who retires pursuant to Rule 82.2 of the Constitution of the Company and being eligible, has offered himself for re-election. **(Resolution 4)**

   Refer to Explanatory Note 3

6. To re-elect the following Directors who retire pursuant to Rule 103 of the Constitution of the Company and being eligible, have offered themselves for re-election:

   (i) Tan Sri Ahmad Badri Mohd Zahir **(Resolution 5)**
   (ii) Scott William Cameron **(Resolution 6)**
   (iii) Tengku Dato' Sri Azmil Zahruddin Raja Abdul Aziz **(Resolution 7)**
   (iv) Dato' Lee Cheow Hock Lawrence **(Resolution 8)**

   Refer to Explanatory Note 3

7. To re-appoint Messrs PricewaterhouseCoopers PLT as Auditors of the Company for the financial year ending 30 June 2027 and to authorise the Directors to fix their remuneration. **(Resolution 9)**

   Refer to Explanatory Note 4

AS SPECIAL BUSINESS

8. To consider and, if thought fit, pass the following ordinary resolution:

Proposed Renewal of Authority for the Company to Purchase its Own Shares of up to Ten Percent (10%) of the Total Number of Issued Shares (Proposed Share Buy-Back Authority)

"THAT subject to the Companies Act 2016 (Act), rules, regulations and orders made pursuant to the Act, the provisions of the Company's Constitution, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and any other relevant authorities, the Directors of the Company be and are hereby authorised to purchase such number of ordinary shares of the Company as may be determined by the Directors through Bursa Securities at any time, upon such terms and conditions as the Directors shall in their absolute discretion deem fit and expedient in the best interest of the Company provided that:

(a) the aggregate number of ordinary shares which may be purchased and/or held by the Company does not exceed ten percent (10%) of the total number of issued shares of the Company at any point of time; and

(b) the maximum amount of funds to be allocated by the Company for the purchase of its own ordinary shares shall not exceed the Company's retained profits at the time of such purchase.

THAT the Directors be and are hereby further authorised to deal with the ordinary shares so purchased in their absolute discretion (which may be distributed as dividends, resold, transferred, cancelled and/or otherwise dealt with in any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act, the provisions of the Company's Constitution, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and any other relevant authorities for the time being in force);

THAT such authority conferred by this resolution will commence immediately upon the passing of this resolution and shall continue to be in force until:

(a) the conclusion of the next Annual General Meeting (AGM) of the Company, at which time the authority will lapse unless by ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions; or

(b) the expiration of the period within which the next AGM is required by law to be held; or

(c) revoked or varied by an ordinary resolution passed by the shareholders of the Company in a general meeting,

whichever is the earlier;

AND THAT the Directors of the Company be and are hereby authorised to take all such steps as are necessary or expedient to implement, finalise and give full effect to the purchase of the ordinary shares of the Company pursuant to the Proposed Share Buy-Back Authority with full powers to assent to any conditions, modification, variations and/or amendments as may be required or imposed by the relevant authorities and with full power to do all such acts and things (including executing all such documents as may be required) as the Directors may deem fit and expedient in the best interest of the Company." **(Resolution 10)**

Refer to Explanatory Note 5

NOTICE OF ANNUAL GENERAL MEETING

9. To consider and, if thought fit, pass the following ordinary resolutions:

Proposed Renewal of Existing Shareholders' Mandate and Proposed New Shareholders' Mandate for the Company and/or its Subsidiaries to enter into the Recurrent Related Party Transactions of a Revenue or Trading Nature with Related Parties Involving the Interest of the following parties:

(i) Toyota Motor Corporation	**(Resolution 11)**
(ii) Toyota Tsusho Corporation	**(Resolution 12)**
(iii) KYB Corporation, Japan	**(Resolution 13)**
(iv) Toyota Industries Corporation	**(Resolution 14)**

"THAT in accordance with Paragraph 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given for the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature with related parties involving the interest of the abovementioned parties pursuant to Resolutions 11 to 14, as set out in Sections 2.3(i)(a) to (i)(d) and 2.3(ii)(a) to (ii)(d) of Part B of the Statement/Circular dated 14 October 2026, which are necessary for the day-to-day operations in the ordinary course of business of the Company and/or its subsidiaries on normal commercial terms and are not detrimental to the minority shareholders of the Company (Mandate);

THAT the Mandate shall continue to be in force until:

(a) the conclusion of the next Annual General Meeting (AGM) of the Company following this AGM at which such Mandate is passed, at which time it will lapse, unless by an ordinary resolution passed at that meeting whereby the Mandate is renewed; or

(b) the expiration of the period within which the next AGM is required to be held pursuant to Section 340(2) of the Companies Act 2016 (Act), (but shall not extend to such extensions as may be allowed pursuant to Section 340(4) of the Act); or

(c) the Mandate is revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting,

whichever is the earlier;

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Directors may deem fit and expedient or necessary to give effect to the Mandate."

Refer to Explanatory Note 6

10. To consider and, if thought fit, pass the following ordinary resolution:

Proposed Renewal of Existing Shareholders' Mandate for the Company and/or its Subsidiaries to enter into the Recurrent Related Party Transactions of a Revenue or Trading Nature with Related Parties Involving the Interest of Bermaz Auto Berhad (Bermaz)

"THAT in accordance with Paragraph 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given for the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature with related parties involving the interest of Bermaz pursuant to Resolution 15, as set out in Section 2.3(i)(e) of Part B of the Statement/Circular dated 14 October 2026, which are necessary for the day-to-day operations in the ordinary course of business of the Company and/or its subsidiaries on normal commercial terms which are not more favourable to the related parties than those generally available to the public, and are not detrimental to the minority shareholders of the Company (Mandate);

THAT the Mandate shall continue to be in force until:

(a) the conclusion of the next Annual General Meeting (AGM) of the Company following this AGM at which such Mandate is passed, at which time it will lapse, unless by an ordinary resolution passed at that meeting whereby the Mandate is renewed; or

(b) the expiration of the period within which the next AGM is required to be held pursuant to Section 340(2) of the Companies Act 2016 (the Act), (but shall not extend to such extensions as may be allowed pursuant to Section 340(4) of the Act); or

(c) the Mandate is revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting,

whichever is the earlier;

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Directors may deem fit and expedient or necessary to give effect to the Mandate." **(Resolution 15)**

Refer to Explanatory Note 6

11. To transact any other business for which due notice shall have been given in accordance with the Companies Act 2016 and the Constitution of the Company.

By Order of the Board

Junaidah Abdul Rahim
Group Secretary
(MACS 01995)
(SSM PC No. 202508000046)

Selangor Darul Ehsan, Malaysia
14 October 2026

NOTICE OF ANNUAL GENERAL MEETING

NOTES:

1. The 20th AGM of the Company will be held in a hybrid mode and Member(s), proxy/proxies, corporate representative(s) or attorney(s) are given options, either:

   (i) to attend physically at the Main Venue (**Physical Attendance**); or

   (ii) to attend virtually using the Remote Participation and Voting (RPV) facilities provided by the Company's Share Registrar, Vistra Investor & Issuing House Services Sdn Bhd (formerly known as Tricor Investor & Issuing House Services Sdn Bhd) (Vistra), via the Vistra Share Registry and IPO (MY) portal (VISTRA SRMY Portal) at https://srmy.vistra.com (**Virtual Attendance**).

   Physical Attendance

   Member(s), proxy/proxies, corporate representative(s) or attorney(s) who wish to attend and participate at the 20th AGM physically are required to register for the meeting at the Main Venue.

   Virtual Attendance

   For Member(s), proxy/proxies, corporate representative(s) or attorney(s) who wish to attend and participate at the 20th AGM remotely, the virtual meeting will be conducted through live streaming using the RPV facilities at https://srmy.vistra.com.

   Please refer to the Administrative Guide for detailed instructions on both Physical Attendance and Virtual Attendance.

2. For the purpose of determining a member who shall be entitled to attend, speak and vote at this 20th AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Rule 64 of the Constitution of the Company and Section 34(1) of the Securities Industry (Central Depositories) Act 1991 (SICDA), to issue a General Meeting Record of Depositors as at 4 November 2026. Only a member whose name appears on the Record of Depositors as at 4 November 2026 shall be entitled to attend the said meeting or appoint proxies to attend, speak and vote on his/her behalf.

3. A Member entitled to attend and vote at the 20th AGM is entitled to appoint not more than two (2) proxies to exercise all or any of his/her rights to attend, participate, speak and vote at the 20th AGM on his/her behalf. Where a Member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the percentage of his/her shareholdings to be represented by each proxy. A proxy may, but need not, be a Member of the Company. A Member may appoint any person to be his/her proxy without any restriction as to the qualification of such person.

4. Where a Member of the Company is an Authorised Nominee as defined under SICDA, he/she may appoint not more than two (2) proxies in respect of each Securities Account he/she holds with ordinary shares of the Company standing to the credit of the said Securities Account to attend and vote at a meeting of the Company instead of him/her.

5. Where a Member of the Company is an Exempt Authorised Nominee as defined under SICDA which holds ordinary shares in the Company for multiple beneficial owners in one (1) Securities Account (Omnibus Account), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds PROVIDED THAT each beneficial owner of ordinary shares, or where the ordinary shares are held on behalf of joint beneficial owners, such joint beneficial owners, shall only be entitled to instruct the Exempt Authorised Nominee to appoint not more than two (2) proxies to attend and vote at a general meeting of the Company instead of the beneficial owner or joint beneficial owners.

6. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of the 20th AGM of the Company shall be put to vote by way of a poll.

7. The instrument appointing a proxy shall be in writing signed by the appointor or his/her attorney duly authorised in writing or, if the appointor is a corporation, either under its common seal or signed by an officer or attorney so authorised. Any alteration to the instrument appointing a proxy must be initialled by the appointor or his/her attorney duly authorised.

8. The Form of Proxy and power of attorney or other authority, if any, under which it is signed or notarially certified copy of that power or authority, must be deposited with Vistra not less than 24 hours before the time appointed for the taking of the poll or no later than Wednesday, 11 November 2026 at 10:00 a.m. The Form of Proxy can be submitted through either one of the following avenues:

(i)	Lodgement of Form of Proxy in hard copy:	To be deposited at Vistra's office at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, to be deposited in the Drop-in Box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.
(ii)	Electronic lodgement of Form of Proxy:	To be submitted electronically via VISTRA SRMY Portal at https://srmy.vistra.com. Please follow the procedures in the Administrative Guide for the 20th AGM if members wish to submit the Form of Proxy electronically.

9. The Administrative Guide on the conduct of a hybrid AGM of the Company is available at the Company's website at https://www.sime.com/investor-relations/shareholder-and-dividend-info/general-meeting/agm-2026/.

EXPLANATORY NOTES

1. Audited Financial Statements for the financial year ended 30 June 2026

The Audited Financial Statements are laid in accordance with Section 340(1)(a) of the Companies Act 2016 (Act), and do not require shareholders' approval. Hence, this agenda item is meant for discussion only and will not be put forward for voting.

2. Resolutions 1 and 2 – Non-Executive Directors' (NEDs) Fees and Benefits

Section 230(1) of the Act requires the fees and benefits payable to the directors of a listed company and its subsidiaries to be approved at a general meeting.

At the 19th AGM, shareholders approved the aggregate Non-Executive Directors' fees and benefits of up to RM4,600,000 and RM1,500,000, respectively. At this 20th AGM, the Company is seeking shareholders' approval for the aggregate fees of up to RM5,000,000 and benefits of up to RM1,500,000 for the period from the 20th AGM until the next AGM of the Company.

The proposed increase in the aggregate fee ceiling is intended to provide sufficient headroom for anticipated changes in Board and Board Committee composition and succession during the approval period. It does not involve any change to the existing fee rates, which remain as set out below:

Board/Board Committees	NED Fees (RM/Year)	
	Chairman	Member
Board	560,000	240,000[1] 380,000[2]
• Governance & Audit Committee • Risk Management & Sustainability Committee	80,000	50,000
• Nomination & Remuneration Committee • Investment Committee	70,000	40,000
Board of Subsidiaries	150,000	100,000

Notes:
[1] *Fee for Resident Director*
[2] *Fee for Non-Resident Director*

NOTICE OF ANNUAL GENERAL MEETING

The aggregate amount of benefits payable to the NEDs also remains unchanged at RM1,500,000, being the amount previously approved by shareholders at the 19th AGM.

The benefits payable for the NEDs comprise the following:

(a) Company car, petrol and driver for the Non-Executive Chairman
(b) Telecommunication devices/facilities with line and data package
(c) Club membership subscription
(d) Medical and insurance coverage
(e) Discount on purchases of Group/Company products on terms not more favourable than those given to the public/ employees
(f) Other claimable benefits including reimbursable expenses incurred in the course of carrying out their duties as Directors

If passed, the proposed Resolutions 1 and 2 will authorise the payment of the approved fees and benefits to NEDs on a monthly basis and/or as and when incurred during the approval period. The Board is of the view that payments to the NEDs are just and equitable particularly after the Directors have discharged their responsibilities and rendered their services to the Company and its subsidiaries.

The remuneration of each Director for the financial year ended 30 June 2026 is set out on page 119 of this Annual Report 2026.

3. Resolutions 3 to 8 – Re-election of Directors

(i) Rule 82.2 of the Constitution of the Company states that a Director appointed by the Board shall hold office until the conclusion of the next AGM of the Company and shall be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at that meeting.

Dato' Abdul Rahman Ahmad and Dato' Seri Ahmad Johan Mohammad Raslan, who were appointed to the Board on 7 May 2026 and 1 July 2026, respectively, retire under Rule 82.2 and, being eligible, offer themselves for re-election at the 20th AGM of the Company. As both Directors had served on the Board for only a limited period, they were not included in the Board Effectiveness Assessment 2026 (BEA 2026), which assesses the Board's performance and effectiveness over the preceding financial year. Their suitability for re-election was instead considered by the Nomination & Remuneration Committee (NRC) and the Board based on the assessments undertaken in connection with their respective appointments and their contributions since joining the Board. The NRC and the Board were satisfied that both Directors continued to demonstrate the requisite character, integrity, competence, experience, commitment and ability to discharge their responsibilities effectively.

(ii) Rule 103 of the Constitution of the Company states that at every AGM, at least one-third (1/3) of the Directors for the time being shall retire from office at each annual general meeting. A Director retiring at a general meeting shall retain office until the conclusion of the meeting. In addition, Rule 104 of the Constitution of the Company states that all Directors shall retire from office at least once every three (3) years. A retiring Director shall be eligible for re-election.

Accordingly, the following Directors retire by rotation and, being eligible, offer themselves for re-election at the 20th AGM of the Company:

- Tan Sri Ahmad Badri Mohd Zahir;
- Scott William Cameron;
- Tengku Dato' Sri Azmil Zahruddin Raja Abdul Aziz; and
- Dato' Lee Cheow Hock Lawrence.

Dato' Lee Cheow Hock Lawrence, a nominee Director of Permodalan Nasional Berhad, will complete his nine years of service on 28 February 2027. Accordingly, his proposed re-election at the 20th AGM is intended to support continuity during the intervening period, pending the completion of his tenure.

In assessing the Directors standing for re-election at the 20th AGM, the NRC and the Board considered, where applicable:

(a) their performance and contribution, including the results of the BEA 2026;
(b) the level and quality of their contribution to the Board and Board Committee deliberations;
(c) their character, integrity, experience, competence, and overall fitness and propriety;
(d) their continued independence;
(e) their time commitment and capacity to discharge their responsibilities effectively;
(f) compliance with the applicable limit on directorships in listed issuers; and
(g) any actual, potential or perceived conflicts of interest arising from external appointments.

(iii) Based on these assessments, the NRC and the Board are satisfied that the Directors standing for re-election meet the applicable performance, competency, independence, commitment and fitness and propriety criteria, and are able to continue contributing effectively to the Board. Accordingly, the Board recommends that shareholders vote in favour of Resolutions 3 to 8.

(iv) Each Director standing for re-election has abstained from Board deliberation and decision concerning his own re-election.

4. Resolution 9 – Re-appointment of Auditors

The Governance & Audit Committee (GAC) assessed the suitability, performance, competency, resources and independence of Messrs PricewaterhouseCoopers PLT (PwC), the Company's external auditors, as well as the effectiveness of the external audit process, and was satisfied with the outcome of its assessment. The GAC considered the following factors in the assessment:

(i) Dissemination of information about policies and processes for maintaining independence, objectivity and the monitoring of PwC's compliance with professional ethical standards;
(ii) Communication of audit plan and approach and current developments in relation to accounting and auditing standards relevant to the Company's consolidated financial statements and the potential impact on the audit;
(iii) Timeliness and quality of communications with regard to significant audit, accounting, related risks and control weaknesses and recommendations as well as effective use of private sessions with the GAC in the absence of Management, except for the Group Secretary;
(iv) Competency in the coordination of resources and technical knowledge and expertise; and
(v) Reasonableness of the audit fees charged.

The Board, having considered the GAC's recommendation, recommends that shareholders vote in favour of the re-appointment of PwC as the Company's external auditors for the financial year ending 30 June 2027 and authorise the Directors to determine its remuneration, under Resolution 9. PwC has indicated its willingness to continue in office.

EXPLANATORY NOTES ON SPECIAL BUSINESS

5. Resolution 10 – Proposed Share Buy-Back Authority

The proposed Resolution 10, if passed, will renew the authority for the Company to purchase its own shares through Bursa Malaysia Securities Berhad up to ten percent (10%) of its total number of issued shares. Please refer to Part A of the Statement/Circular dated 14 October 2026 in relation to the Proposed Share Buy-Back Authority for further information.

6. Resolutions 11 to 15 – Proposed Shareholders' Mandate

The proposed Resolutions 11 to 15, if passed, will renew the existing shareholders' mandate and where applicable, grant a new mandate for the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature which are necessary for the Group's day-to-day operations, with related parties.

Detailed information on the Proposed Shareholders' Mandate is set out in Section 2.3 of Part B of the Statement/Circular dated 14 October 2026.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

The profile of the Directors who are standing for re-election (as per Resolutions 3 to 8 as stated above) at the 20th AGM of the Company and their conflict of interest disclosures, if any, are set out in the "Board of Directors" section this Annual Report 2026 on pages 90 to 97.

The details of the Directors' interest in the securities of the Company are stated in the "Directors' Report" section in this Annual Report 2026 on pages 162 to 165.

FORM OF PROXY

SIME DARBY BERHAD
(Registration No. 200601032645 (752404-U))
(Incorporated in Malaysia)

Number of ordinary shares held	CDS Account No.

I/We _____
(FULL NAME OF SHAREHOLDER AS PER NRIC/PASSPORT/CERTIFICATE OF INCORPORATION IN CAPITAL LETTERS)

(NRIC/Passport/Company No. _____) of _____
(ADDRESS)

_____
(ADDRESS)

Email Address _____

Tel. No. _____ being a member/members of SIME DARBY BERHAD hereby appoint

_____ (NRIC/Passport No. _____)
(FULL NAME OF PROXY AS PER NRIC/PASSPORT IN CAPITAL LETTERS)

of _____
(ADDRESS)

*and/or _____ (NRIC/Passport No. _____)
(FULL NAME OF PROXY AS PER NRIC/PASSPORT IN CAPITAL LETTERS)

of _____
(ADDRESS)

**or failing him/her, the Chairman of the Meeting, as my/our proxy/proxies to participate and vote for me/us and on my/our behalf at the Twentieth Annual General Meeting (20th AGM) of Sime Darby Berhad (the Company) to be held at the Kuala Lumpur Convention Centre, Ballroom 1, Level 3, East Wing, Jalan Pinang, Kuala Lumpur City Centre, 50088 Kuala Lumpur, Malaysia (Main Venue) and broadcasted live from the Main Venue on Thursday, 12 November 2026 at 10:00 a.m. and at any adjournment thereof, for the following resolutions as set out in the Notice of 20th AGM:

No.	Particulars			
Ordinary Business		**Resolution**	**For**	**Against**
1.	Payment of fees to the Non-Executive Directors up to an amount of RM5,000,000 from the 20th AGM until the next AGM of the Company	1		
2.	Payment of benefits to the Non-Executive Directors up to an amount of RM1,500,000 from the 20th AGM until the next AGM of the Company	2		
3(i).	Re-election of Dato' Abdul Rahman Ahmad pursuant to Rule 82.2 of the Constitution of the Company	3		
3(ii).	Re-election of Dato' Seri Ahmad Johan Mohammad Raslan pursuant to Rule 82.2 of the Constitution of the Company	4		
4(i).	Re-election of Tan Sri Ahmad Badri Mohd Zahir pursuant to Rule 103 of the Constitution of the Company	5		
4(ii).	Re-election of Scott William Cameron pursuant to Rule 103 of the Constitution of the Company	6		
4(iii).	Re-election of Tengku Dato' Sri Azmil Zahruddin Raja Abdul Aziz pursuant to Rule 103 of the Constitution of the Company	7		
4(iv).	Re-election of Dato' Lee Cheow Hock Lawrence pursuant to Rule 103 of the Constitution of the Company	8		
5.	Re-appointment of PricewaterhouseCoopers PLT as Auditors of the Company for the financial year ending 30 June 2027 and to authorise the Directors to determine their remuneration	9		

No.	Particulars			
Special Business		**Resolution**	**For**	**Against**
6.	Proposed Renewal of Authority for the Company to Purchase its Own Shares of up to Ten Percent (10%) of the Total Number of Issued Shares	10		
7(i).	Proposed Renewal of Existing Shareholders' Mandate and Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature with related parties involving the interest of Toyota Motor Corporation	11		
7(ii).	Proposed Renewal of Existing Shareholders' Mandate and Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature with related parties involving the interest of Toyota Tsusho Corporation	12		
7(iii).	Proposed Renewal of Existing Shareholders' Mandate and Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature with related parties involving the interest of KYB Corporation, Japan	13		
7(iv).	Proposed Renewal of Existing Shareholders' Mandate and Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature with related parties involving the interest of Toyota Industries Corporation	14		
7(v).	Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature with related parties involving the interest of Bermaz Auto Berhad	15		

My/Our proxy/proxies is/are to vote on the resolutions as indicated by an "X" in the appropriate space above. If no indication is given, my/our proxy/proxies shall vote or abstain from voting as he/she/they think(s) fit.

For appointment of two (2) proxies, percentage of shareholdings to be represented by each proxy must be indicated below:			
	Percentage (%)	**Email Address**	**Telephone No.**
First proxy			
Second proxy			
Total	100%		

IMPORTANT: Disclosure of Shareholder's and Proxy's Personal Data

Please refer to the Company's Data Privacy Notice to Shareholders published in the Company's corporate website on the Company's collection of your personal data for the purpose of the Company's general meeting(s).

You hereby declare that you have read, understood and accepted the statements and terms contained in the Company's Data Privacy Notice.

In disclosing the proxy's personal data, you as a shareholder, warrant that the proxy/proxies has/have given his/her/their explicit consent for his/her/their personal data being disclosed and processed in accordance with the Company's Data Privacy Notice to Proxies.

Dated this _____ day of _____ 2026

Signature/Common Seal of Member(s)

* *Please delete as applicable.*
** *If you do not wish to appoint the Chairman of the Meeting as your proxy/one of your proxies, please strike out the words "or failing him/her, the Chairman of the Meeting" and insert the name(s) of the proxy/proxies you wish to appoint in the blank space(s) provided.*

Notes:

1. *The 20th AGM of the Company will be held in a hybrid mode and Member(s), proxy/proxies, corporate representative(s) or attorney(s) are given an option, either:*

   *(i) to attend physically at the Main Venue (**Physical Attendance**); or*

   *(ii) to attend virtually using the Remote Participation and Voting (RPV) facilities provided by the Company's Share Registrar, Vistra Investor & Issuing House Services Sdn Bhd (formerly known as Tricor Investor & Issuing House Services Sdn Bhd) (**Vistra**), via the Vistra Share Registry and IPO (MY) portal (VISTRA SRMY Portal) at https://srmy.vistra.com (**Virtual Attendance**).*

   Physical Attendance

   Member(s), proxy/proxies, corporate representative(s) or attorney(s) who wish to attend and participate at the 20th AGM physically are required to register for the meeting at the Main Venue.

   Virtual Attendance

   For Member(s), proxy/proxies, corporate representative(s) or attorney(s) who wish to attend and participate at the 20th AGM remotely, the virtual meeting will be conducted through live streaming using the RPV facilities at https://srmy.vistra.com.

   Please refer to the Administrative Guide for detailed instructions on both Physical Attendance and Virtual Attendance.

2. *For the purpose of determining a member who shall be entitled to attend, speak and vote at this 20th AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Rule 64 of the Constitution of the Company and Section 34(1) of the Securities Industry (Central Depositories) Act 1991 (SICDA), to issue a General Meeting Record of Depositors as at 4 November 2026. Only a member whose name appears on the Record of Depositors as at 4 November 2026 shall be entitled to attend the said meeting or appoint proxies to attend, speak and vote on his/her behalf.*

3. *A Member entitled to attend and vote at the 20th AGM is entitled to appoint not more than two (2) proxies to exercise all or any of his/her rights to attend, participate, speak and vote at the 20th AGM on his/her behalf. Where a Member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the percentage of his/her shareholdings to be represented by each proxy. A proxy may, but need not, be a Member of the Company. A Member may appoint any person to be his/her proxy without any restriction as to the qualification of such person.*

4. *Where a Member of the Company is an Authorised Nominee as defined under SICDA, he/she may appoint not more than two (2) proxies in respect of each Securities Account he/she holds with ordinary shares of the Company standing to the credit of the said Securities Account to attend and vote at a meeting of the Company instead of him/her.*

5. *Where a Member of the Company is an Exempt Authorised Nominee as defined under SICDA which holds ordinary shares in the Company for multiple beneficial owners in one (1) Securities Account (Omnibus Account), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds PROVIDED THAT each beneficial owner of ordinary shares, or where the ordinary shares are held on behalf of joint beneficial owners, such joint beneficial owners, shall only be entitled to instruct the Exempt Authorised Nominee to appoint not more than two (2) proxies to attend and vote at a general meeting of the Company instead of the beneficial owner or joint beneficial owners.*

6. *Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of the 20th AGM of the Company shall be put to vote by way of a poll.*

7. *The instrument appointing a proxy shall be in writing signed by the appointor or his/her attorney duly authorised in writing or, if the appointor is a corporation, either under its common seal or signed by an officer or attorney so authorised. Any alteration to the instrument appointing a proxy must be initialled by the appointor or his/her attorney duly authorised.*

8. *The Form of Proxy and power of attorney or other authority, if any, under which it is signed or notarially certified copy of that power or authority, must be deposited with Vistra not less than 24 hours before the time appointed for the taking of the poll or no later than Wednesday, 11 November 2026 at 10:00 a.m. The Form of Proxy can be submitted through either one of the following avenues:*

   (i) Lodgement of Form of Proxy in hard copy:

   To be deposited at Vistra's office at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, to be deposited in the Drop-in Box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.

   (ii) Electronic lodgement of Form of Proxy:

   To be submitted electronically via VISTRA SRMY Portal at https://srmy.vistra.com. Please follow the procedures in the Administrative Guide for the 20th AGM if members wish to submit the Form of Proxy electronically.

9. *The Administrative Guide on the conduct of a hybrid AGM of the Company is available at the Company's website at https://www.sime.com/investor-relations/shareholder-and-dividend-info/general-meeting/agm-2026/.*

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AFFIX POSTAGE STAMP

THE SHARE REGISTRAR

SIME DARBY BERHAD (200601032645 (752404-U))

c/o Vistra Investor & Issuing House Services Sdn Bhd
(formerly known as Tricor Investor & Issuing House Services Sdn Bhd)
(197101000970(11324-H))
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