

ANNUAL
REPORT
2024



Delivering
Sustainable Futures



ACCELERATING FORWARD
DRIVEN BY
GROWTH

ABOUT OUR REPORT



Welcome to Sime Darby Berhad’s Annual Report (SDAR) FY2024. It provides an overview of both the financial and non-financial performance of Sime Darby Berhad (Sime Darby) and serves as a means to communicate our key development highlights, challenges faced, strategies formulated and solutions implemented during this financial year to our stakeholders.

▶ **Annual Report 2024**

REPORTING PHILOSOPHY AND PRINCIPLES

This report provides a detailed account of the Group’s performance, initiatives and outcomes. It outlines our advancements towards achieving our objectives and shares insights into our strategies, operations and sustainable practices. Furthermore, it also serves as the primary communication tool to ensure our stakeholders are equipped with the necessary information for an informed evaluation of our performance.

SCOPE OF REPORTING AND BOUNDARIES

This SDAR covers the performance of Sime Darby’s value-creating activities during the period from 1 July 2023 to 30 June 2024 and for material events up to 26 September 2024. The financial and non-financial data from our subsidiaries are fully consolidated, unless specified otherwise. Our reporting boundaries include the following considerations:

Internal impact: Impact from all operations and entities managed by Sime Darby.

External impact: Impact in situations where we do not own the assets or directly engage or employ workers or where we operate the assets under a contractual obligation.

Our materiality assessment provides information on the range of development, impact and data that holds high influence over our business operations. In the context of this report, the term “net profit” refers to “net profit attributable to owners of the Company”.

We encourage the SDAR to be read with the information available on our website <https://www.simedarby.com> for a comprehensive overview of the Group.

NAVIGATION ICONS

United Nations Sustainable Development Goals (UN SDGs) adopted



- ▶ **Our Capitals**
- Financial
 - Manufactured
 - Intellectual
 - Human
 - Social & Relationship
 - Natural

- ▶ **Stakeholders**
- Employees
 - Customers
 - Media
 - Suppliers
 - Investors/Shareholders
 - Government and Regulators
 - Community

- ▶ **Key Risks**
- 1 Market Dynamics
 - 2 Business Partners
 - 3 Disruption
 - 4 Mergers and Acquisitions
 - 5 Product and Service Delivery
 - 6 Health, Safety and Environment (HSE)
 - 7 Cybersecurity
 - 8 ESG - Climate Change
 - 9 People and Culture
 - 10 Regulatory Compliance

- ▶ **Strategy Pillars**
- Operational Excellence
 - Growing the Core
 - Future Ready

REPORTING FRAMEWORKS AND GUIDELINES

We continuously adhere to and comply with various international frameworks and guidelines to guide us during our reporting progress.

- Integrated Reporting Framework (<IR>)
- Malaysian Code on Corporate Governance 2021 (MCCG 2021)
- Main Market Listing Requirements (MMLR) of Bursa Malaysia Securities Berhad
- Malaysian Financial Reporting Standards (MFRS)
- International Financial Reporting Standards (IFRS)

Throughout this report, we are guided by the Global Reporting Initiative (GRI) Standards and United Nations Sustainable Development Goals (UN SDGs).

Following the recent developments in global disclosures and the disbandment of the Task Force for Climate-Related Financial Disclosures (TCFD), we plan to adopt the International Financial Reporting Standards (IFRS) S1 and S2 which fully incorporate the recommendations of TCFD.

INDEPENDENT AUDIT

Our financial statements are independently audited and prepared in compliance with the Malaysian Financial Reporting Standards (MFRS).

FORWARD-LOOKING STATEMENT

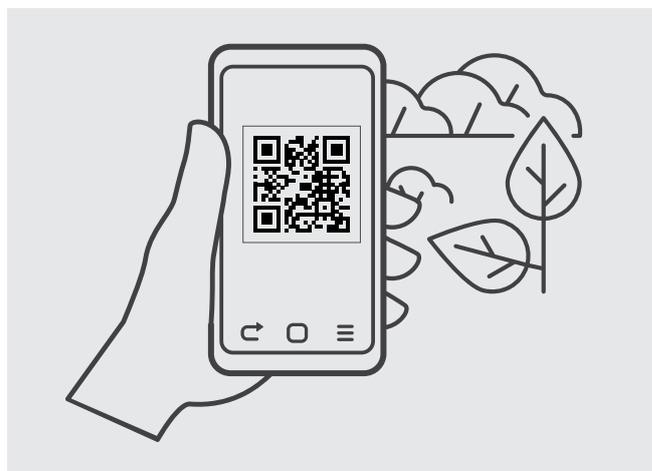
The SDAR contains certain forward-looking statements about the Group’s plans, objectives, goals, strategies, future operations and organisational performance. These projections, based on current assumptions, involve inherent uncertainties and should not be viewed as guarantees of future results. Actual outcomes or developments may differ materially from those expressed. As such, updating these forward-looking statements or the historical data presented in the SDAR is not required.

HOW WE CAN FURTHER IMPROVE

We strive to maintain fair and transparent engagement with all our stakeholders, as their values and feedback can significantly enhance Sime Darby’s reporting method and content. Please contact our Investor Relations team if you have any comments and feedback.

- ☎ (603) 7623 2000
- ✉ investor.relations@simedarby.com

CROSS REFERENCES



Additional information about Sime Darby on our corporate website is accessible via the above QR Code.

► Material Matters

Theme 1: Optimising Our Environmental and Social Footprint

- | | |
|---|----------------------------|
| 1 Climate Change (Including Financial Risk & Opportunities) | 5 Labour Practices |
| 2 Energy and Emissions Management (Including Renewable Energy) | 6 Health and Safety |
| 3 Water Management | 7 Diversity |
| 4 Waste and Effluent Management | |

Theme 2: Inspiring Our Employees to Deliver Meaningful Change

- | | |
|---|--|
| 1 ESG Oversight, Measurement and Reporting | 3 Community Contributions and Development |
| 2 Employee Training and Development | |

Theme 3: Engaging in Sustainable Partnerships

- | |
|---|
| 1 Customer Satisfaction |
| 2 Business Continuity |
| 3 Business Ethics and Compliance (Including Anti-Bribery/Corruption) |
| 4 Responsible Supply Chain |

Theme 4: Driving Sustainable Innovation and Technology

- | | |
|---------------------------------------|------------------------------------|
| 1 Sustainable Product Offering | 3 Data Privacy and Security |
| 2 Technology and Innovation | |

What's Inside This Report



Scan this QR code for a direct link to
our Annual Report online
www.simedarby.com

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CHAIRMAN'S STATEMENT

Tan Sri Samsudin Osman
Chairman

Dear Valued Shareholders,

I am pleased to present the Sime Darby Berhad Annual Report for FY2024. At the start of the year, we embarked on a new 5-Year Strategy Master Plan which anchors on reinforcing our core businesses in Motors and Industrial.

It has been a busy year of transformation for us as we press on with the execution of our strategy. We successfully divested our healthcare business, Ramsay Sime Darby Health Care (RSDH), which we had identified to be non-core. This has allowed us to direct our resources towards our core businesses, which included during the year, our acquisition of UMW Holdings Berhad (UMW) and Cavpower Pty Ltd.

We are excited about our future together with our new partners and we warmly welcome new colleagues to the Group.

FY2024 IN REVIEW

FY2024 was a challenging year, in some markets more than others. Despite many obstacles, I saw how my colleagues in Sime Darby remained resilient and committed to delivering value to our stakeholders, which I believe has helped us deliver a strong set of results in FY2024.

Additionally, the diversity of our geographical spread allowed us to rely more on the performing markets. This year in China, overcapacity in the automotive market led to industry-wide aggressive discounting which impacted our margins. On the other hand, our Industrial business in Australia and our Motors operations in Malaysia and Singapore, as well as our new acquisitions Onsite and UMW have all delivered solid results.



The acquisition of UMW adds Toyota and Perodua to our portfolio, complementing our existing partnerships with BMW, Porsche, Caterpillar (CAT) and many others, providing a more balanced revenue distribution across our key markets, Malaysia, Australia and China.



Net Profit

RM3.3 billion



Dividend Payout

RM886 million



Dividend

13 sen
Per Share

The acquisition of UMW adds Toyota and Perodua to our portfolio, complementing our existing partnerships with BMW, Porsche, Caterpillar (CAT) and many others, providing a balanced profit distribution across our key markets, Malaysia, Australia and China.



UMW Aerospace Sdn Bhd made its mark in the aviation industry when it became Malaysia's first homegrown Tier-1 aero-engine component supplier to Rolls-Royce in the Asia Pacific region.

Our strong relationships with our original equipment manufacturers (OEMs) have also enabled us to grow our business in FY2024 with greenfield BMW dealerships established in China and the expansion of Porsche's facility at Inokom. Similarly, our long-standing partnership with CAT was key in the expansion of our heavy equipment operations into South Australia through the acquisition of Cavpower.

UPHOLDING THE BOARD'S ROLE WITH EFFECTIVE GOVERNANCE

Sime Darby's strong leadership has been key in navigating this period of change and remains critical to our future success. Supported by a solid governance framework, the collective effort of the Board and Management has ensured clarity in roles and responsibilities across the organisation.

In FY2024, we developed a new Conflict of Interest (COI) Guidelines for Directors and key senior leaders, aligning with Bursa Malaysia's recent amendments to the Main Market Listing Requirements. These guidelines were also validated by international legal advisors for compliance in our overseas markets.

CHAIRMAN'S STATEMENT



In FY2024, the Industrial Division achieved another year of positive financial results, with revenue and profit before interest and tax (PBIT) surpassing the results in FY2023.

The Board has been instrumental in driving sustainability, fostering a culture of accountability and continuous improvement through the Risk Management & Sustainability Committee (RMSC). In addition to driving sustainability, the Board's deliberations in FY2024 included strategic decisions such as the acquisition of UMW and Cavpower, as well as the divestment of RSDH. During the year, we prioritised data privacy and security, working to implement stronger data governance frameworks in line with global regulations.

In recognition of the importance of diverse expertise in leadership, we welcomed Professor Datuk Ts. Ir. Dr. Siti Hamisah Tapsir as an Independent Non-Executive Director to our Board. With Professor Datuk Dr. Siti Hamisah's storied career as an educator and the Secretary General of Ministry of Science, Technology and Innovation (MOSTI), her expertise is a valuable addition to our Board.

PRIORITISING OUR STAKEHOLDERS AND CREATING VALUE

Delivering value to our stakeholders is central to our success. Regular engagements with key stakeholders allow us to understand their needs and incorporate their perspectives in our decision-making.

We remain committed to delivering robust returns for our shareholders and investors. For FY2024, we declared a dividend payout of 13 sen per share, amounting to RM886 million. We have maintained the same dividend quantum as FY2023 at 13 sen per share as proceeds from the disposals of RSDH and Malaysia Vision Valley land had been largely used to partly finance the UMW acquisition. Nevertheless, our Total Shareholder Return (TSR) for the year was 35%, outperforming the Kuala Lumpur Composite Index (KLCI)'s TSR of 21%. Our share price increased from RM2.05 per share at the start of the financial year to RM2.62 per share on 28 June 2024.

“ Through Yayasan Sime Darby, our philanthropic arm, we contributed RM30 million in FY2024 to support scholarships and grants for education, sports, culture and the environment. ”



Our vision lies in delivering sustainable value to all stakeholders. We are constantly monitoring developments in the market and evaluating strategic opportunities that could potentially enhance shareholder value.

Communities form the broader context within which we operate and we remain dedicated to empowering members of our local communities. Through Yayasan Sime Darby, our philanthropic arm, we contributed RM30 million in FY2024 to support scholarships and grants for education, sports, culture and the environment. Outside of Malaysia, our businesses are actively engaged in corporate social responsibility (CSR) projects, supporting local communities in their respective areas of operations. These initiatives encompass a broad spectrum, including education, health, sports and community welfare, demonstrating our commitment to fostering sustainable development and positive social impact where we operate.

For more details on our community efforts, please refer to the Creating Sustainable Value section on page 83 of this report.

INTEGRATING SUSTAINABILITY IN EVERYTHING WE DO

Our sustainability journey is a constant work in progress as we embed sustainable practices across our businesses. The Group's Sustainability Blueprint, now in its fourth year, has driven tangible progress across our operations.

We have strengthened our governance framework, incorporated recommendations from the Task Force on Climate-Related Financial Disclosures (TCFD) and established local ESG Councils which comprises senior executives tasked to integrate ESG principles into their respective business units and align their operations with our Flagship Initiatives* to deliver results.

In line with Malaysian Accounting Standards Board's (MASB) adoption of the International Sustainability Standards Board (ISSB)'s requirements and Malaysia's National Energy Transition Roadmap, the Board has endorsed Sime Darby Berhad's Net Zero commitment with a target to achieve net zero emissions across our portfolio by 2050.

Our commitment reinforces the importance of climate change and the push for Malaysia to become a net zero greenhouse gas (GHG) emissions nation by 2050. It aims to accelerate the progress that has been accomplished through our Sustainability Blueprint thus far. Using guidelines set by Bursa Malaysia, we will align our roadmap to net zero with rigorous international standards.

As we move forward, our goal remains to lead by example, continuously adapting and enhancing our sustainability efforts to create long-term value for our stakeholders.

“ The Board has endorsed Sime Darby Berhad's Net Zero commitment with a target to achieve net zero emissions across our portfolio by 2050. ”

THE YEAR AHEAD

Looking ahead to FY2025, our outlook remains cautiously optimistic. While we anticipate economic fluctuations in some of our markets, we are confident that our strategic vision, resilient infrastructure and dedication to excellence will sustain our momentum. Our focus will be on enhancing the Group's Return on Equity (ROE), reducing debt, prioritising integration for our new acquisitions and strengthening our partnership with Toyota and Daihatsu Japan.

On behalf of the Board, I extend my profound appreciation to all our stakeholders for their support of Sime Darby. We are grateful to our shareholders for your steadfast commitment, our principals for their confidence, our customers for their trust and our employees for their dedication and hard work. As we continue to serve you, we remain devoted to fulfilling our vision of becoming the leading Motors and Industrial player in the Asia Pacific region.

Tan Sri Samsudin Osman
Chairman

* Our Flagship Initiatives outline the efforts we put in to achieve the goals set in our Sustainability Blueprint.



Dato' Jeffri Salim Davidson
Group Chief Executive Officer

FROM THE DESK OF THE GROUP CHIEF EXECUTIVE OFFICER



Net profits of
**RM3.3
billion**



Core net profit increased
by 14% to

**RM1.3
billion**



Revenue rose by 39% to

**RM67.1
billion**

“ We successfully concluded the acquisition and privatisation of UMW Holdings. This was a strategic move to further scale up and strengthen our presence in the Malaysian automotive sector, adding two absolutely iconic brands into our Malaysian portfolio – Toyota and Perodua.

”

Q

How would you describe the business landscape for Sime Darby Berhad in FY2024? And what is the outlook for FY2025?

A

FY2024 was an interesting year in the sense that some parts of our operations performed very strongly whilst others, especially in China, struggled with profitability.

Industrial Australia performed well on the back of robust commodity prices and the resultant increase in mining activity. In Malaysia, the Group benefitted from record automotive industry sales volume, especially with our increased market presence following the acquisition of UMW. Our Motors China operations however, were severely affected by the extremely competitive market conditions.

On a more macro level, global economic growth forecasts have been revised upwards, driven by moderating inflation, easing monetary policies and a rebound in global trade. On the other hand, there remains concerns around geopolitics and trade tension which continue to create uncertainty for the growth prospects of global and regional economies.

FY2025 is expected to see a similar trend. Mining activity in Australia should remain relatively robust, but trading conditions in China will likely remain tough. Although demand for motor vehicles should remain relatively resilient, the heavy discounting will only ease once the supply situation is normalised. And with the trade barriers being erected against Chinese OEMs in US and Europe, Chinese automakers will focus on other markets, including the Asia Pacific region.

Q

Although Sime Darby Berhad had a tough year, you still managed to deliver record numbers. How did you do it?

A

We reported net profits of RM3.3 billion. What is encouraging is that core net profit increased by 14% to RM1.3 billion despite the very challenging situation in China. Revenue rose by 39% to RM67.1 billion.

So, what were the major factors that drove these good results?

Firstly, of course, we did have a one-off gain of RM2 billion from the RSDH sale.

Secondly, our Industrial Australia operations performed very strongly. Mining activity has remained robust. New order deliveries to our mining customers for mine expansion and re-fleets, and more importantly, demand for our repair and maintenance service have contributed to these strong results. We have also benefitted from a full year of profits from our newly acquired rental services, Onsite, which has performed above expectations.

Thirdly, our Motors operations in our Southeast Asia markets, especially Malaysia, performed well on the back of strong demand. Malaysia's Total Industry Volume, or TIV, was close to 800,000 units in 2023. This momentum has continued into the first half of 2024. This has contributed to the strong performance across our Motors operations in Malaysia including the newly acquired marques, Toyota and Perodua.

Our main challenge was in China, where market conditions have been very challenging.

Q

The Group is clearly struggling with profitability in China. What is happening there?

A

Yes, Sime Darby has significant presence both in automotive and Caterpillar dealerships in China. The Group has been immensely successful and has enjoyed substantial growth and profitability over the many years.

However, the past two years have been difficult. Although, the economic situation in China remains challenging, market demand for cars has actually been surprisingly resilient. The problem in the automotive industry in China is supply. In simple terms, both Chinese and global OEMs are producing too many cars and this has led to brutal discounting driving car prices and margin downwards.

The industrial equipment industry is slightly different. The economic situation and the property overhang have resulted in much less infrastructure development and construction projects and a consequent reduction in the heavy equipment market size.

However, China remains the world's largest consumer market. We remain long-term bullish on its growth prospects, though we expect conditions to remain difficult in the next year.

FROM THE DESK OF THE GROUP CHIEF EXECUTIVE OFFICER

Q

On the flip side, Sime Darby's Industrial Australia business has been the Group's strongest performer in FY2024. Can shareholders expect this trend to continue?

A

We have two significant operations in Australia. We have the Caterpillar dealerships in Queensland, Northern Territory and South Australia, which largely supplies equipment and provides after-sales support to the mining industry. In addition, our newly acquired subsidiary Onsite, which is the second largest B2B rental service company in Australia, supplies various equipment into the mining, energy and infrastructure development markets throughout Australia.

We are long-term positive on the mining industry in Australia. Australia is blessed with high quality iron ore, copper and both metallurgical and thermal coal deposits, which are very much sought after, especially for the steel and energy industries. Additionally, as the world transitions towards renewable energy, we will see growing demand for copper and "new" minerals such as lithium, nickel and cobalt.

We therefore believe that, whilst there may be some "ups and downs" in some years, the long-term outlook for our Industrial Australia businesses is extremely positive.

Q

Sime Darby has had a very busy year with a number of acquisitions and divestments. Can you share the strategy behind these moves?

A

We were very busy on the M&A front this year, successfully completing three major projects.

Firstly, we successfully divested our hospitals in December 2023. The rationale for the sale of our hospitals is very simple. Following the demerger in 2017, we had made the conscious decision for Sime Darby to focus on our core businesses of industrial equipment and automotive trading. Our hospitals are not core. Over the past five years, there has been a planned programme of divestment of our non-core operations like our ports in Shandong and our investments in Tesco and E&O.

Secondly, we acquired Cavpower, which is the Caterpillar dealership in South Australia. We were particularly pleased with the acquisition as Cavpower allows the Group to tap into the future opportunities in South Australia which has around 70% of Australia's copper deposits. It was also pleasing in the sense that Caterpillar considers Sime Darby a "top tier" dealer and thus allowing us the opportunity to further expand its dealership network.

Last but not least, we successfully concluded the acquisition and privatisation of UMW Holdings. This was a strategic move to further scale up and strengthen our presence in the Malaysian automotive sector, adding two absolutely iconic brands into our Malaysian portfolio – Toyota and Perodua.





Q

Malaysia was the largest contributor to Motors Division’s profits this financial year. UMW’s results has helped with this. Do you think Malaysia’s TIV will continue to remain robust?

A

Our Motors Malaysia operations performed exceptionally well in FY2024 with significant contributions particularly from BMW, Ford, Porsche and our assembly operations. We also benefitted from the profits generated from the Toyota and Perodua businesses.

With a resilient domestic economy and a relatively stable political environment, the country’s TIV grew to almost 800,000 units in 2023. The Malaysian Automotive Association’s (MAA) TIV forecast for 2024 is 765,000 units, a little lower than last year, but nevertheless still strong. The MAA expects that the mass market segment will be dominated by the national brands, which is expected to account for approximately 62% of total passenger vehicle market share. This bodes very well for Perodua.

Q

You explained Sime Darby’s Sustainability Blueprint in last year’s Annual Report and steps taken by Sime Darby to reduce CO₂ emissions. Are there any updates?

A

Sime Darby has committed to achieve net zero carbon emissions by 2050. As a leading player in the industrial and automotive sectors in the Asia Pacific region, our commitment reinforces the importance of climate change and the push for Malaysia to become a net zero greenhouse gas emissions nation by 2050.

The Group’s more immediate goal is to achieve a 30% reduction in CO₂ emissions by 2030 – from a 2020 base. There has been a tremendous amount of management focus to ensure we meet these targets. These efforts are overseen by the Board and the Risk Management & Sustainability Committee.

The first step, completed a few years ago, was to develop a robust tracking mechanism to ensure that accurate data is collected from our many locations. We then developed a comprehensive CO₂ reduction plan and identified opportunities for reduction around our operations. These have largely centred around solar projects in Australia, China and Malaysia but have also included the successful introduction of re-fleeting of company vehicles in New Zealand to electric vehicles. Other initiatives include the purchase of “green energy”, more localised efforts of upgrading and enhancing asset efficiency and the introduction of awareness programmes through the establishment of dedicated programme management ESG function at each operation.

With the growth that we have experienced over the past few years, including recent acquisitions, we have had to re-set our CO₂ emissions baseline from 96,000 tonnes to 160,000 tonnes, and revised our 2030 target to 112,000 tonnes.

So, there has been a tremendous amount of effort and investment in this area to ensure that Sime Darby meets its commitments.

“ Sime Darby is committed to achieving net zero carbon emissions by 2050, with a 30% reduction target by 2030. ”

Q

There was an incident at one of Sime Darby’s operations during the year resulting in fatalities. What measures are Sime Darby putting in place to prevent a recurrence?

A

We are deeply saddened by the loss of two lives in an incident at our Inokom plant. Two long serving and experienced employees succumbed to their injuries following the event. This is a tragic event that weighs heavily on us.

Sime Darby conducted a thorough internal investigation and worked closely with the authorities to determine the cause. We have proactively commenced a review on the conditions that may have contributed to this event across all Sime Darby operations to further strengthen our processes and procedures to manage the hazards and risks in our workplace.

Our highest priority is the safety of our people, and we are committed to enhancing our safety culture and practices to ensure our people return home safely each day.

GROUP CHIEF FINANCIAL OFFICER'S REVIEW



Muhammad Noor Abd Aziz @ Hashim
Group Chief Financial Officer

Dear Stakeholders,

The Group reported another post-demerger record net profit in FY2024, registering RM3,306 million, 127% higher than the RM1,458 million recorded in FY2023. This was mainly due to the RM2.0 billion gain on disposal of Ramsay Sime Darby Health Care (RSDH). The Group also recorded its highest core net profit post demerger in FY2024 at RM1,316 million, 14% higher than the RM1,154 million recorded in FY2023. This was mainly due to profit contribution from the newly acquired UMW Division and higher profit from Industrial Australasia (partly from the Onsite and Cavpower acquisitions) as well as Motors Malaysia.

In terms of returns, the Group's return on average shareholders' equity (ROE), calculated using quarterly average shareholders' equity, increased from 9.1% in FY2023 to 18.1% in FY2024, largely due to the gain on disposal of RSDH as mentioned above. Core ROE however, was flat at 7.2% due to the higher average shareholders' equity in FY2024 despite the higher core net profit.

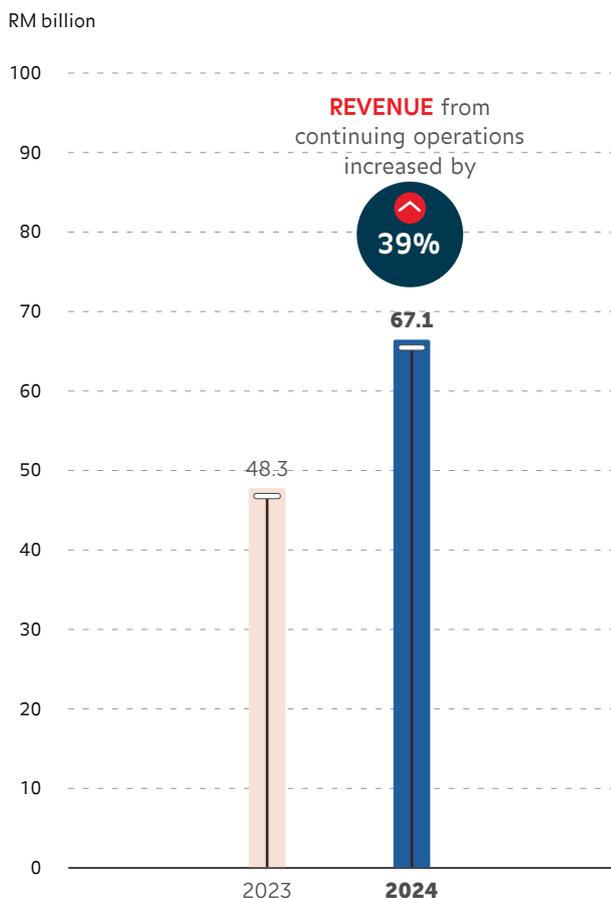
The Group's overall strong results in FY2024 underscore our resilience in the face of challenging business conditions.

STATEMENT OF PROFIT OR LOSS

Revenue

Revenue from continuing operations increased by 39% from RM48.3 billion in FY2023 to RM67.1 billion in FY2024.

The Industrial Division recorded a 23% growth in revenue for FY2024, reaching RM20.5 billion compared to RM16.7 billion in FY2023. This growth was mainly driven by our Australasian operations, which registered increased equipment and parts revenues. Acquisitions also contributed significantly, with the full year revenue contribution from Onsite at RM1.1 billion (FY2023 – RM0.3 billion) as well as revenue contribution from Cavpower at RM0.7 billion.



Motors Division also recorded higher revenue, with an 18% increase to RM37.2 billion from RM31.6 billion in FY2023. Revenue increase was registered across most major markets, especially in Malaysia and Singapore.

UMW Division contributed revenue from continuing operations of RM9.4 billion, mainly from the automotive business.

In terms of geographical segments, approximately 71% of the Group’s revenue is from overseas operations, mainly from China (26%) and Australasia (33%). This has reduced from over 80% recorded since the demerger with the UMW acquisition significantly increasing percentage of revenue from Malaysia (from 16% in FY2023 to 29% in FY2024).

Profit Before Interest and Tax (PBIT)

Group profit before interest and tax (PBIT) from continuing operations increased by 32% from RM2,084 million in FY2023 to RM2,758 million in FY2024.

The Industrial Division’s PBIT grew by 40% to RM1,467 million from RM1,051 million in FY2023, on the back of the division’s strong performance in Australasia and contribution from recently acquired Onsite and Cavpower. PBIT from Australasia increased 40% from RM910 million in FY2023 to RM1,275 million in FY2024. Profit contribution from Onsite (acquired in April 2023) was RM189 million, while Cavpower (acquired in November 2023) contributed RM53 million (excluding associates and acquisition costs), both after acquisition accounting related adjustments.

PBIT for the Motors Division declined from RM1,052 million in FY2023 to RM584 million in FY2024. The FY2024 results include provisions and impairments of RM229 million while the FY2023 results include a RM179 million gain from the disposal of properties in Hong Kong. The impairments and provisions in FY2024 include those for closure of operations and impairment of goodwill. Excluding these items, PBIT declined by 7%. This decline was primarily due to challenging market conditions in China, which recorded a LBIT (excluding impairments and provisions) of RM123 million compared to PBIT of RM124 million in FY2023. However, this decline was partially offset by strong performances in Malaysia and Singapore. PBIT (excluding impairments and provisions) from the Malaysia operation increased from RM455 million in FY2023 to RM613 million in FY2024 while PBIT (excluding impairments and provisions) for Southeast Asia excluding Malaysia increased from RM74 million to RM140 million.

UMW contributed PBIT from continuing operations of RM480 million for the slightly over six months post-acquisition period. This was primarily contributed by its automotive segment and is after adjustments for acquisition accounting related adjustments.

REVENUE CONTRIBUTION BY DIVISION

Industrial Division

RM20.5 billion
FY2023: RM16.7 billion

Motors Division

RM37.2 billion
FY2023: RM31.6 billion

UMW Division

RM9.4 billion

GROUP CHIEF FINANCIAL OFFICER'S REVIEW

The LBIT recorded by the China operations and PBIT following the acquisition of UMW (where the profit is largely contributed by Malaysian operations) have significantly changed the geographical breakdown of the Group's PBIT by region. In FY2024, about 55% of the PBIT from continuing operations is from overseas operations and 45% from Malaysia, compared to 82% and 18% respectively in FY2023.

Finance Income and Costs

Finance income from continuing operations increased from RM70 million to RM142 million, mainly due to consolidation of the interest income of UMW, higher average cash balances and higher average interest rates. Cash balances were high during the first half of FY2024 mainly due to proceeds from disposal of RSDH and Malaysia Vision Valley (MVV) land but it has reduced by 30 June 2024 after utilisation to partly fund the UMW acquisition and repayment of borrowings.

Finance costs also increased from RM333 million to RM719 million in FY2024 mainly due to higher average debt (borrowings and leases). The Group's borrowings increased significantly due to the borrowings raised for the UMW, Cavpower and Onsite acquisitions and consolidation of UMW's debt. Weighted average cost of borrowings was slightly lower at 5.0% as at 30 June 2024 against 5.1% as at 30 June 2023, mainly due to the higher proportion of lower interest rate borrowings in Malaysia as at 30 June 2024. The borrowings raised for the major acquisitions remain on floating rates based on the assessment of prevailing market conditions and cost considerations. This position would be reassessed periodically.

Taxation

The Group recorded a higher tax expense from continuing operations of RM698 million in FY2024 compared to RM484 million in FY2023 mainly due to higher profit before tax from continuing operations and higher effective tax rate. The effective tax rate for FY2024 (excluding share of results of associates and joint ventures) was 36.3% compared to the applicable tax rate of 25.7%. This variance was mainly due to the impact of provision for deferred tax liability on unremitted earnings and change in tax legislation in New Zealand (collectively RM102 million) and higher non-deductible expenses (e.g. interest cost on borrowings raised for the UMW acquisition and acquisition expenses). These effects were partly offset by non-taxable dividend income and lower tax on the gain on disposal of MVV land.

STATEMENT OF FINANCIAL POSITION

The Group's total assets increased from RM37.0 billion as at 30 June 2023 to RM51.8 billion as at 30 June 2024 mainly due to consolidation of assets from the UMW and Cavpower acquisitions, capital expenditure by operating units (including rental fleet additions) and higher working capital during the financial year.

Total debt increased from RM8.5 billion as at 30 June 2023 to RM13.2 billion as at 30 June 2024, mainly due to borrowings raised for the UMW and Cavpower acquisitions of approximately RM4.5 billion and consolidation of debt of UMW (RM1.6 billion as at acquisition date).



Group profit before interest and tax (PBIT) from continuing operations increased by

32%

from RM2,084 million in FY2023 to RM2,758 million in FY2024.



The Industrial Division's PBIT grew by 40% to

RM1,467 million from

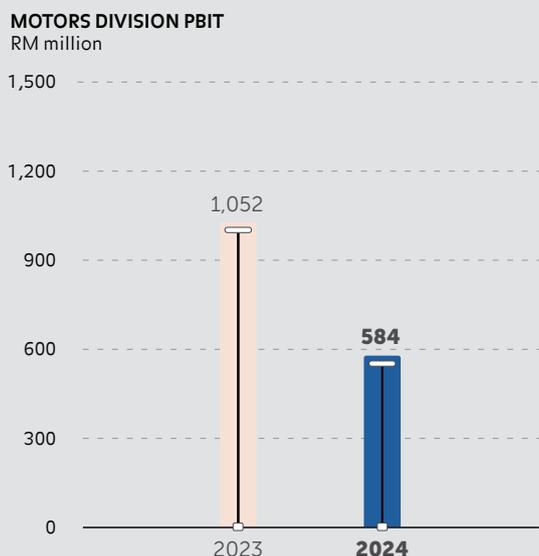
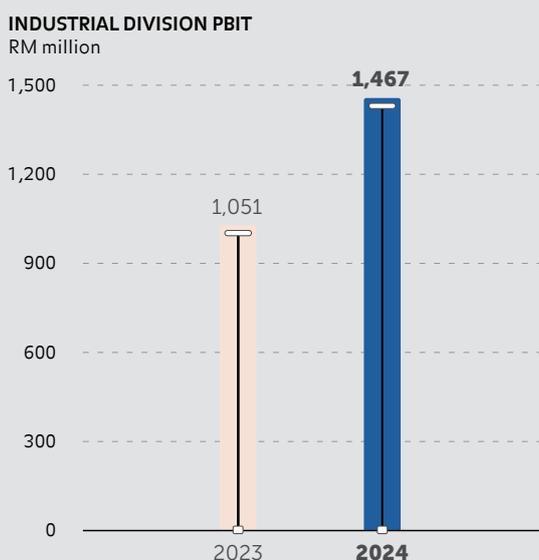
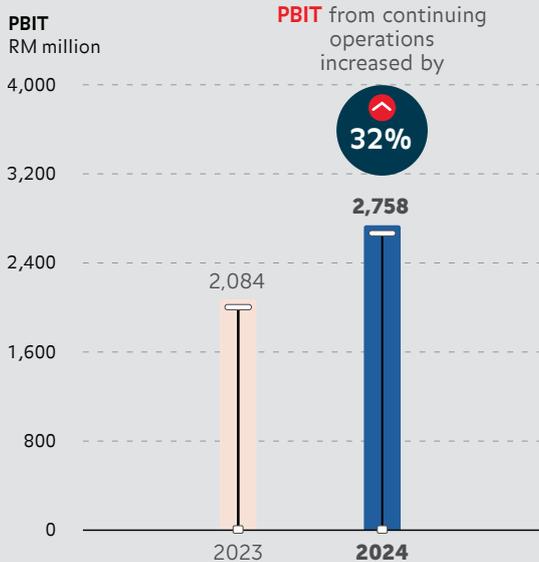
RM1,051 million in FY2023, on the back of the division's strong performance in Australasia and contribution from Onsite and Cavpower.



PBIT for the Motors Division declined from RM1,052 million in FY2023 to

RM584 million

in FY2024.



Debt/equity ratio increased from 48.9% as at 30 June 2023 to 56.6% as at 30 June 2024, while the debt-adjusted EBITDA ratio also increased from 2.47 times as at 30 June 2023 to 2.67 times as at 30 June 2024, primarily due to the higher debt as explained above.

STATEMENT OF CASH FLOWS

Operating cash flow from continuing operations decreased from RM1.0 billion in FY2023 to RM0.5 billion in FY2024, mainly due to the increase in working capital and expenditure for rental assets.

Capital expenditure (excluding rental assets) for FY2024 was higher, mainly due to higher spend for Motors Division's expansion in Malaysia and Chinese Mainland, as well as the upgrading of facilities in Industrial Australia and the consolidation of UMW's capital expenditure.

There is a significant increase in spend for acquisitions due to the purchase of UMW and Cavpower.

DIVIDEND

The Group declared a total dividend of 13 sen per share amounting to RM886 million for FY2024 and equivalent to approximately 27% of FY2024's net profit of RM3.3 billion. The relatively low dividend payout ratio was mainly because the proceeds from disposals of RSDH and MVV land were largely set aside to partly finance the acquisition of UMW. Excluding the gain on disposals of RSDH and MVV land, the dividend payout ratio would have been at about 85%, much higher than the minimum 50% dividend payout policy of the Group.

FY2025 FOCUS

The Group's gearing, measured using the Debt/Equity ratio, increased significantly to over 60% after the UMW and Cavpower acquisitions. However, this was reduced to about 57% as at 30 June 2024, mainly through higher utilisation of cash balances to repay borrowings. Gearing is anticipated to reduce further in FY2025 with the expected proceeds from disposals of MVV land and UMW Komatsu Heavy Equipment Sdn Bhd (UKHE). Working capital and operational expenditure improvement would continue to remain in focus, together with the ongoing integration of the operations of the acquired companies.

Muhammad Noor Abd Aziz @ Hashim
Group Chief Financial Officer

OVERVIEW OF SIME DARBY BERHAD

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.

ACT WITH INTEGRITY

Defines how we build trust



CORE VALUES

Defines how we create belonging

CARE FOR ALL

Defines how we succeed

WIN TOGETHER

WHO WE ARE: BRIEF PROFILE OF SIME DARBY

Sime Darby Berhad (Sime Darby) is one of Malaysia's largest multinationals listed on the Bursa Malaysia stock exchange. Sime Darby is a preferred partner for some of the world's most respected brands in the industrial and automotive sectors. With operations spanning 18 countries and territories across Asia Pacific, we remain committed to growth, delivering sustainable value to our stakeholders through operational excellence, high performance and strong corporate governance.

OUR PRESENCE

Legend: ■ Industrial ■ Motors ■ UMW



1 Chinese Mainland	■ ■ ■	4 Macau SAR	■ ■
2 Hong Kong SAR	■ ■	5 South Korea	■
3 Japan	■	6 Taiwan Region	■



7 Maldives	■
------------	---------------------------------------



8 Malaysia	■ ■ ■	13 Singapore	■ ■ ■
9 Brunei	■ ■	14 Solomon Islands	■
10 Indonesia	■	15 Thailand	■
11 New Caledonia	■	16 Vietnam	■
12 Papua New Guinea	■		



17 Australia	■ ■
18 New Zealand	■ ■

Note:
Excluding discontinuing operations



Total Employees
31,448

Malaysia:	13,165
Chinese Mainland:	6,478
Australia:	5,859
New Zealand:	1,798
Hong Kong SAR:	1,104
Singapore:	1,171
Thailand:	575
Others:	1,298



Industrial Division
9,999
Staff Strength



Motors Division
15,257
Staff Strength



UMW Division
5,844
Staff Strength



Group Head Office
169
Staff Strength



Other Businesses
179
Staff Strength



Countries & Territories
18

WHAT WE DO: CORE BUSINESS SEGMENTS



INDUSTRIAL DIVISION

Sime Darby Industrial is a leading industrial company across the Asia Pacific region, providing customers with equipment sales and rentals, product support and innovative industrial solutions.

Brands we represent

AUSTRALIA

Hastings Deering



Cavpower



SALMON
EARTHMOVING

Onsite
Rental Group



AUSTCHROME



HAYNES

PAKKA JACKS

M.E.S

CHINA

信昌 China Engineers



信昌 Sime Darby



Perkins



Trimble

MALAYSIA

Tractors Malaysia



Perkins



NEW HOLLAND
AGRICULTURE

TERBERG
TRACTORS MALAYSIA
Manufacturer of special vehicles

Kubota

Kawasaki
Powering your potential

Rockwell Automation

Allen-Bradley
By ROCKWELL AUTOMATION

WOODWARD



Trimble

MECOMB

Chubb

SINGAPORE

Tractors Singapore



SULLAIR
Always air. Always there.

SUNWARD

NEW HOLLAND
AGRICULTURE

COX

NEW ZEALAND

TERRA



PAPUA NEW GUINEA

Hastings Deering



SOLOMON ISLANDS

Hastings Deering



NEW CALEDONIA

Caltrac



MALDIVES

Tractors Singapore



BRUNEI

Tractors Malaysia



JAPAN

Perkins

SOUTH KOREA

Perkins

*Note:
Brands listed are not exhaustive*



MOTORS DIVISION

Sime Darby Motors is dedicated to providing exceptional service across the automotive value chain, backed by over 50 years of experience in vehicle sales, servicing, distribution, assembly and rental.

Our Business

PASSENGER VEHICLES



ASSEMBLY OF VEHICLES AND MODULES



COMMERCIAL VEHICLES AND EQUIPMENT



RENTAL SERVICE



AFTER-SALES SERVICE



MOTORCYCLES



UMW DIVISION

UMW Holdings Berhad is Malaysia's largest automotive player with over 50% market share, leading the automotive, equipment, manufacturing, engineering and aerospace industries.

Our Business

AUTOMOTIVE



EQUIPMENT

Industrial Equipment



Marine & Power Equipment



MANUFACTURING & ENGINEERING



AEROSPACE



OUR INVESTMENT CASE

OUR COMPETITIVE ADVANTAGE

We are committed to making a positive impact on our stakeholders through our purpose of bringing the best products and services to move and develop Asia Pacific. Our decisions prioritise not only financial success but also social and environmental responsibilities. By prioritising stakeholder impact, we aim to be a business that contributes to society and become a responsible organisation for the benefit of all.

Geographical diversification

Our robust network of businesses across sectors and geographies allows investors to tap into Asia Pacific's growth story

Strong partnerships with premium brands

Our decades-long relationships with some of the world's leading brands provide our customers with access to world-class products and services

Significant growth potential

Our potential to grow in our key markets through strategic expansion and by leveraging on key megatrends (growing middle income and development of infrastructure) is significant

A strong financial profile

Our strong financial profile allows us to enhance shareholder value and provide financial stability

Empowered and engaged people

Our business is propelled by a diverse and skilled workforce



SUSTAINABILITY HIGHLIGHTS



OPTIMISING OUR ENVIRONMENTAL AND SOCIAL FOOTPRINT

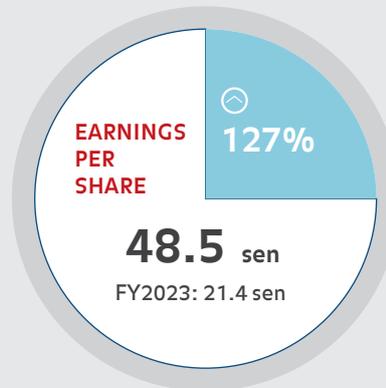
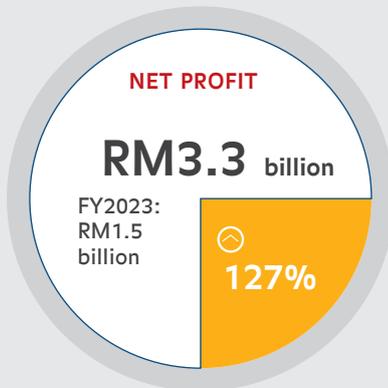
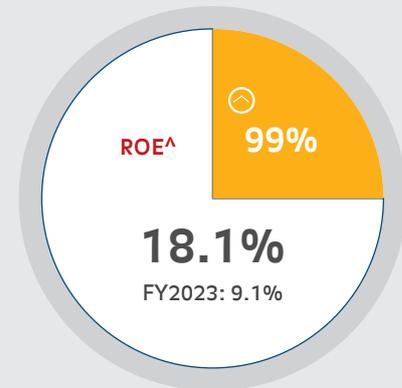
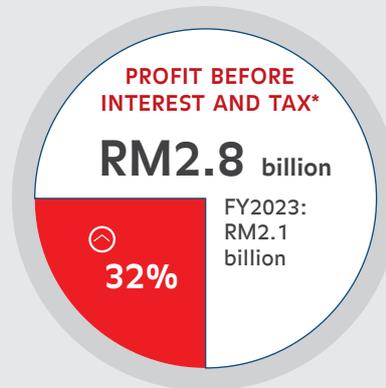
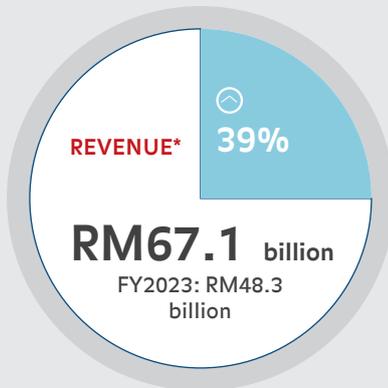
- Ⓢ Initiated a climate scenario analysis, following the **Task Force for Climate-Related Financial Disclosures (TCFD)** and **International Financial Reporting Standards (IFRS) S2** standards to model risks and opportunities
- Ⓢ Implemented the **Driving Our Achievement (DA) Performance Management Framework** to cultivate a high-performance culture
- Ⓢ Increased our solar capacity, producing **7.1 GWh of renewable energy** and avoiding approximately **3,900 tCO₂-e emissions**
- Ⓢ Procured green energy in **China, Malaysia, Singapore and New Zealand**



INSPIRING OUR EMPLOYEES TO DELIVER MEANINGFUL CHANGE

- Ⓢ Strengthened our talent pipeline with Apprenticeship/Management Trainee and Technical and Vocational Education and Training (TVET) programmes
- Ⓢ Tractors Singapore Limited awarded bursaries worth **SG\$10,000** to two underprivileged students

FINANCIAL HIGHLIGHTS



* Excludes discontinuing/discontinued operations
^ Based on average shareholders' equity (quarterly average)



DRIVING SUSTAINABLE INNOVATION AND TECHNOLOGY

- ⓧ Motors Australia raised **AU\$62,000** for the Sydney Children's Hospital Foundation at the Gold Dinner Fundraising Gala
- ⓧ Motors New Zealand raised **NZ\$46,000** for the Mental Health Foundation NZ which funded **190,297 mental health resources** for local communities
- ⓧ Sime Darby committed to environmental stewardship by investing **RM20,000** to develop the WildRoots docuseries

- ⓧ Sime Darby Motors Malaysia partnered with Gentari to establish **115 electric vehicle (EV)** charging stations (and related EV infrastructure) across Malaysian showrooms
- ⓧ UMW established **High Value Manufacturing (HVM) Park** as the first GreenRE-certified industrial park in Selangor
- ⓧ Sime Darby Industrial introduced more than **100 Caterpillar** products with energy-efficient improvements across the industrial network since 2020



ENGAGING IN SUSTAINABLE PARTNERSHIPS

- ⓧ UMW collaborated with Bursa Malaysia to develop the **Centralised Sustainability Intelligence (CSI) Platform**
- ⓧ Launched Sime Darby Motors **OneGo** mobile app, creating a seamless online-to-offline experience for customers
- ⓧ **2,764 participants** received Gifts, Hospitality and Donations (GHD) training across our operations in China

OUR INVESTMENT CASE

OUR ACHIEVEMENTS

7 AUGUST 2023

Sime Darby Berhad completed the disposal of freehold land in Malaysia Vision Valley measuring 760.12 acres to Sime Darby Property Berhad.

1 NOVEMBER 2023

Sime Darby Berhad acquired Cavpower Group, the Caterpillar dealer for South Australia.



29 NOVEMBER 2023

KINETA signed an exclusive distributorship agreement with Shanghai Zhida Technology Development Co. Ltd. for the distribution of EV chargers.

13 DECEMBER 2023

Sime Darby Berhad completed the acquisition of approximately 61% equity interest in UMW, resulting in UMW becoming a subsidiary of the Group.

28 DECEMBER 2023

Sime Darby Berhad exited the healthcare business with the completion of the sale of Ramsay Sime Darby Health Care.

20 FEBRUARY 2024

Sime Darby's subsidiary Terberg Tractors Malaysia launched a new Asia Pacific headquarters, marking market expansion and growth.

7 MARCH 2024

Sime Darby Motors launched a new BMW and MINI 4S Centre in Balakong, the largest of its kind in Malaysia, featuring a 240,057 sq. ft. facility with a lush façade and cutting-edge digital sales tools.

21 MARCH 2024

Sime Darby Berhad completed the acquisition of the remaining shares in UMW, resulting in UMW becoming a wholly-owned subsidiary.



9 APRIL 2024

Sime Darby Motors partnered with XPENG Motors to expand its footprint into Hong Kong.



13 MAY 2024

China Engineers Limited sealed a deal for the delivery of 35 units of mining equipment to Heyuan, Guangdong, marking a milestone in iron ore mining equipment delivery.

20 MAY 2024

Tractors Machinery International clinched the Cox Marine diesel outboard distributorship for China.

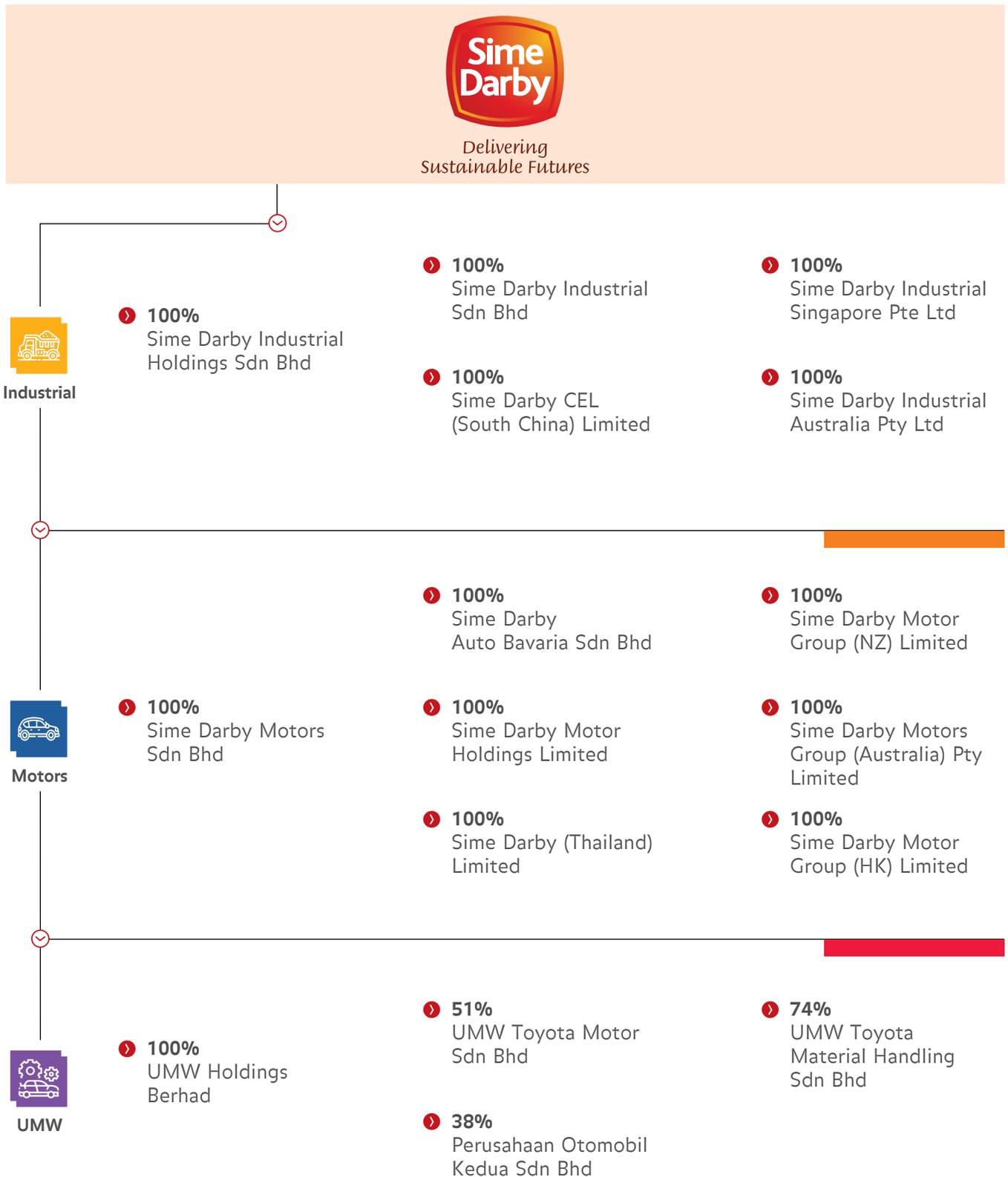
6 JUNE 2024

Chery Malaysia celebrated its 10,000th unit roll-out and a new production line at Sime Darby Motors' assembly operations, Inokom.

26 JUNE 2024

Sime Darby Motors launched Drivecare, a one-stop service centre catering to all vehicle makes and models.

HOW WE ARE STRUCTURED



📄 For the list of companies in Sime Darby Berhad, please refer to our List of Subsidiaries, Joint Ventures and Associates on pages 261 to 286 of this report.

OUR VALUE CREATION BUSINESS MODEL

OUR CAPITAL

FINANCIAL

Our financial capital refers to the funds used to operate and grow our business and is sourced from loans, investments, grants and profits. It helps us invest, explore new opportunities, expand into new markets and maintain day-to-day operations.

- Total Equity: RM23.4 billion
- Total Debt: RM13.2 billion
- Debt/Equity (%): 57%

MANUFACTURED

Our manufactured capital consists of the physical assets needed to produce goods and services in our automotive and heavy equipment sectors, including facilities, equipment, processes, assembly lines and production sites which are key to our operational capacity.

- Operations in 18 countries and territories
- More than 200 automotive dealerships across 10 markets
- 9 operational plants for the Motors and UMW division

INTELLECTUAL

Our intellectual capital refers to our intangible assets such as patents, trademarks, copyrights, software and licences. Additionally, management expertise, employee knowledge and well-established systems and procedures ensure smooth operations.

- Hastings Deering deployed autonomous mining solutions at the Pembroke Resources Olive Downs Complex
- Developed new 5-year strategy masterplan for the Group
- 21 digital applications developed across Motors Division

HUMAN

Our human capital includes skilled professionals, technicians, managers and specialists. Their collaboration drives innovation, operational excellence and customer satisfaction. This expertise keeps us competitive in the rapidly changing automotive and industrial sectors.

- Total Employees: 31,448
- RM59.6 million invested in training and development
- Implementation of Diversity, Equality and Inclusivity (DEI) policies

SOCIAL & RELATIONSHIP

Our social and relationship capital consists of the networks we have with our communities and stakeholders. It involves shared values, trust and the willingness to work together. Furthermore, it reflects our positive workplace culture, which contributes to the well-being of the communities we serve.

- Partnerships with more than 60 brands in the automotive, heavy equipment and industrial sectors across the Asia Pacific region
- Continuous investments into local vendors

NATURAL

Natural capital includes all the renewable and non-renewable resources essential for the delivery of our services to customers. Our aim is to generate sustainable growth in balance with our natural environment.

- Total volume of water used: 1,367 megalitres
- Increased our solar capacity, producing 7.1 GWh of renewable energy and avoiding approximately 3,900 tCO₂-e emissions

OUR KEY DIFFERENTIATORS

STRATEGY PILLARS

- Operational Excellence
- Growing the Core
- Future Ready

Note:

The Group has developed a new 5-year Strategy Masterplan for FY2024 to FY2028.

MATERIAL MATTERS

- Climate Change (Including Financial Risk & Opportunities)
- Energy and Emissions Management (Including Renewable Energy)
- Water Management
- Waste and Effluent Management
- Labour Practices
- Health and Safety
- Diversity

- ESG Oversight, Measurement and Reporting
- Employee Training and Development
- Community Contributions and Development

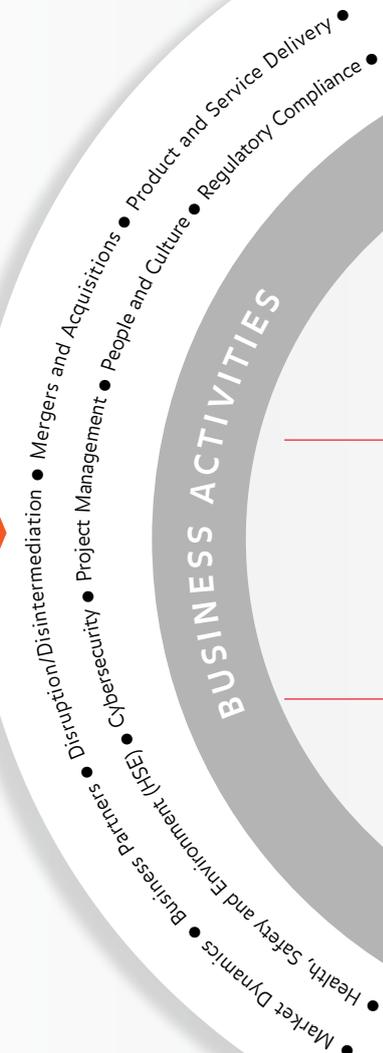
- Customer Satisfaction
- Business Continuity
- Business Ethics and Compliance (Including Anti-Bribery/Corruption)
- Responsible Supply Chain

- Sustainable Product Offering
- Technology and Innovation
- Data Privacy and Security

SUSTAINABILITY THEMES

- Optimising Our Environmental and Social Footprint
- Inspiring our Employees to Deliver Meaningful Change
- Engaging in Sustainable Partnerships
- Driving Sustainable Innovation and Technology

KEY RISKS



PURPOSE

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

OUR BUSINESS ACTIVITIES GENERATE OUTPUTS

MARKET TRENDS
High Total Industry Volume (TIV) for Malaysia
Shifting Consumer Behaviour in the Automotive Sector
Growing Middle Income and Consumer Class
Robust Commodity Prices and the Energy Transition



KEY ENABLERS
Strategic Partnerships with World Class Brands
Robust Value Creation Plan and Capital Allocation Framework
Deep Focus on Governance
Capable Leadership and Management

VISION

To be the leading Motors and Industrial player in Asia Pacific

CREATE VALUE-ADDED OUTCOMES FOR OUR STAKEHOLDERS

OUTCOMES

FINANCIAL

- Net profit: RM3.3 billion
- Total dividend payout: RM886 million (FY2023: RM886 million)
- Share price up by 28%

MANUFACTURED

- RM4.36 billion in Industrial order book (FY2023: RM4.59 billion)
- Opened nine greenfield showrooms in China with two more in the pipeline
- Expanding assembly of Chery vehicles to more than 15,000 units a year

INTELLECTUAL

- Employee skills developed and retained

HUMAN

- Deployed the Driving Our Achievement (DA) Performance Management Framework, focusing on development through regular coaching, prioritising people, ensuring simplicity and embedding feedback into daily work, to enable high performance that drives our growth and achievements

SOCIAL & RELATIONSHIP

- RM30 million contribution to YSD for philanthropic activities
- Developed strong relationships with our stakeholders
- Motors New Zealand raised NZ\$46,000 for the Mental Health Foundation NZ which funded 190,267 mental health resources for local communities
- Awarded bursaries valued at SG\$10,000 each to two underprivileged students through Tractors Singapore

NATURAL

- In FY2024, we have achieved an annual reduction of approximately 23,000 tonnes carbon dioxide equivalent

ACTIONS TO ENHANCE OUTCOMES

- Rigorous investment analysis to ensure high-quality projects.
- Fortify our balance sheet.
- Boost our efforts to digitalise and modernise our technologies by allocating designated resources.
- Strengthen relationships with principals and customers.
- Allocate more resources to R&D for innovative products and processes.
- Strengthen the management and protection of patents, trademarks and copyrights.
- Encourage collaboration and knowledge transfer across functions.
- Provide ongoing training programmes to upskill employees and foster leadership development.
- Boost female representation in Industrial, Motors and UMW divisions.
- Improve transparency and regular communication with stakeholders to build trust and long-term partnerships.
- Increase involvement in community development projects and social initiatives to build stronger local relationships.
- Implement the Responsible Sourcing Policy to uphold ethical and environmental standards throughout our supply chains.
- Expand green energy adoption through our organisation.

CORE VALUES



STRATEGIC TRADE-OFFS FOR SUSTAINABLE LONG-TERM GROWTH

Investing in innovative and sustainable projects may utilise immediate cash flow, impacting dividends and potentially slowing other investments. However, it ensures long-term growth and sustainability of returns for shareholders.

Upgrading and modernising our facilities requires high upfront costs, potentially slowing expansion or diverting funds from other operations. However, it provides a platform for long-term, improved efficiency and ability to capitalise on new opportunities.

Allocating more to R&D limits immediate operational and marketing investments. While this may delay short-term gains, it fosters innovation and long-term competitiveness, ensuring future growth through continuous product and process development.

Investing in market-based skills and preparing our workforce for the future is essential to attract and retain top talent amid global competition. These trade-offs may increase overheads cost in the short-term but will strengthen workforce productivity and increase our profits in the long-term.

Strengthening community engagement and ethical supply chains may potentially increase the Group's overall operational costs. While this could impact short-term profits, it builds trust, enhances the company's reputation, provides the Group the license to operate and supports long-term sustainability and stakeholder relationships.

Prioritising environmental stewardship, compliance with regulations and long-term sustainability benefits the company, our people and the surrounding ecosystems. Intelligent and conscientious use of our natural resources requires us to challenge our traditional ways of thinking, while the outcome contributes positively to our profitability through lower operating costs.

IMPACTED STAKEHOLDERS AND RELATED UN SDGs

Stakeholders:

SDGs:

Stakeholders:

SDGs:

Stakeholders:

SDGs:

Stakeholders:

SDGs:

Stakeholders:

SDGs:

Stakeholders:

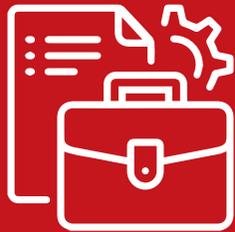
SDGs:

SDGs:

● Value creation ● Value preservation ● Value erosion

STAKEHOLDER ENGAGEMENT AND VALUE CREATION

Managing stakeholder expectations is crucial for value creation, especially in a dynamic business environment. Engaging with stakeholders through various channels is essential to gather feedback and insights for strategic improvement and planning.



“

In an evolving business landscape marked by ever-shifting stakeholder expectations, **we ensure active interactions with our stakeholders.** These interactions are thoughtfully conducted through various channels, enabling us to gather feedback and insights that shape our course of action.

”

	Why we engage	How we engage	Key concerns raised	Our response
EMPLOYEES	We promote a culture of excellence and accountability, as well as educating and providing fulfilling career opportunities and livelihoods. To execute our strategy and achieve our business goals, we must attract, retain and develop top talents and build a highly engaged and future-ready workforce.	<ul style="list-style-type: none"> Townhalls Q H Employee focus groups R Leaders coffee chats H Performance & development (check-in) conversations Q Training programmes M Q A Recognition programmes H A Cross market forums Q Employee engagement events R 	<ul style="list-style-type: none"> Creating an open, fair and inclusive workplace culture Attracting and retaining skilled key talent Building a resilient and future-ready workforce Ensuring employees are aware of the relevance of product and service offerings due to rapid digitalisation and technology advancements 	<ul style="list-style-type: none"> Cultivate development conversations between employees and managers Identify key talent for accelerated career development and succession planning Deploy and reinforce our new leadership and performance management framework Invest in the performance and development of our people through our driving our achievements programme, Mentoring programme and graduate development programme Launch leadership development pathways, such as aspiring leaders, people leaders and strategic leaders programmes, to equip leaders with essential skills and knowledge Host continuous learning events such as leaders coffee chats, HR roadshows and lunch and learn events, fostering an inclusive workforce and developing top talent Organise employee events like staff appreciation day, International Women’s Day and festive celebrations such as the Lunar New Year and Hari Raya to celebrate diversity and promote inclusion
CUSTOMERS	We highly value our customers’ feedback as their insights provide us with guidance on delivering optimal services and solutions that will enrich customer experience. This generates long-term value through favourable customer reviews, referrals and repeat purchases.	<ul style="list-style-type: none"> Face-to-face meetings with business managers D W R Business-to-business (B2B) communication D W R Digital customer platforms and social media D W R Retail branch visits and after-sales centres D W R Customer relationship programmes A R Customer training A R 	<ul style="list-style-type: none"> Security of supply chain Performance and reliability of machine and equipment Retail and after-sales service and support Products and solutions for decarbonisation Ease of doing business Emphasis on health, safety and environment (HSE) 	<ul style="list-style-type: none"> Ensure labour and parts availability for prompt and high-quality after-sales support Offer decarbonised solutions such as battery-electric offerings, emission compliant engines, transitional and alternative fuels powered engines Enhance customer experience with B2B and B2C digital solutions to streamline processes, including omnichannel solutions and providing multiple touchpoints Invest in the expansion and opening of facilities to improve components availability and reduce turnaround time Engage independent third parties to carry out customer interviews to gather feedback on customer experience to obtain net loyalty score Implement product trials/demo and feasibility studies with customers Expand product offerings in line with customer demand and market conditions

Frequency of Engagement:

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

How we measure value	Value created for stakeholders	Value created for Sime Darby	Risks	Opportunities	Link to:
<ul style="list-style-type: none"> Employee engagement score Learning programme effectiveness Retention/attrition rate of key and emerging talent 	<ul style="list-style-type: none"> Increased sense of belonging and community Upskilled workforce through capabilities-building programmes Improved workplace culture and support for the wellbeing of employees Increased access to resources, tooling and equipment 	<ul style="list-style-type: none"> Increased productivity and quality of services Increased quality and diversity of talent pipeline Strong leadership to steer the organisation towards achieving its goals 	<ul style="list-style-type: none"> Lower morale High turnover rates, especially at mid-level Increased hiring and training cost 	<ul style="list-style-type: none"> Retain highly skilled talents Holistic and transparent performance feedback Timely and quality decision-making embedded into workplace culture Build a positive and inclusive workplace culture Drive organisational performance through high-performing engaged employees 	<p>Capitals:</p> <p>Material Matters:</p> <p>SDGs:</p>
<ul style="list-style-type: none"> Market share Revenue per customer Customer retention or repeat orders Customer loyalty and satisfaction scores Value of order book Number of referrals from existing customers 	<ul style="list-style-type: none"> Assured availability and reliability of equipment and parts for customers' projects Faster response times for business enquiries and after-sales support Supported customer's emission reduction efforts using decarbonisation solutions and equipment Stayed up to date with changing customer requirements with a wide range of products, including digital solutions to enhance customer experience 	<ul style="list-style-type: none"> Strengthened position as an end-to-end solutions provider, meeting evolving customer needs Increased brand reputation and positive testimonials from customers Ensured a growing portfolio of digital and decarbonisation solutions 	<ul style="list-style-type: none"> Loss of customer loyalty and trust Market share leakage to competitors Lack of confidence in products 	<ul style="list-style-type: none"> Expand product portfolio in response to customer needs Improvement in quality of offerings and after-sales support Increase market share through key industry and sector growth Identify sales opportunities from gaps in current products line-up 	<p>Capitals:</p> <p>Material Matters:</p> <p>SDGs:</p>

STAKEHOLDER ENGAGEMENT AND VALUE CREATION

	Why we engage	How we engage	Key concerns raised	Our response
GOVERNMENT & REGULATORS	<p>We strive to foster a culture of transparency and trust in all the respective markets where we conduct business. Thus, we collaborate with regulatory authorities to ensure that we operate within the legal framework, supporting our business sustainable growth.</p>	<ul style="list-style-type: none"> Media releases R Reports and briefs M Q A Membership to industry bodies A Board and working group roles A Participation in industry forums and events R Communication via e-mails, phone-ins, physical meetings and virtual meetings M T Q A R Seminars and conventions M T Q A R 	<ul style="list-style-type: none"> Governance and regulatory compliance (safety, employment, tax, etc) Workforce trade qualifications Climate change impact 	<ul style="list-style-type: none"> Collaborate with government and regulatory bodies to ensure maximised transparency on employment practices and initiatives Include diversity and inclusion factors across our operations aligned with all necessary regulations Engage with regulators on the impact of e-invoicing in Malaysia Work closely with government bodies on rolling out relevant legislative changes and requirements Participate and contribute to government-related discussions on relevant industry developments Conduct graduate, scholar, trainee and apprenticeship programmes, promoting ongoing skills development
MEDIA	<p>The media serves as a valuable channel for communicating with multiple stakeholders. Our media partners help share the latest and accurate information with the public, investors and regulators. This prevents misinformation and ensures timely and accurate dissemination of information to our stakeholders, leading to a positive brand perception.</p>	<ul style="list-style-type: none"> Media releases Q R Media interviews M Media briefing sessions Q R Media engagement events H Website/web-based platforms R Social media R 	<ul style="list-style-type: none"> Operational and financial performance Strategy to address emerging trends Economic and industry perspective 	<ul style="list-style-type: none"> Respond swiftly to media queries on business developments Train various operating units (OUs) in crisis communication and media engagement Organise rapport-building events and engagement sessions Communicate promptly and accurately on business developments Hold media briefings and media interviews with official news outlets and publications Disseminate media releases to announce various initiatives and corporate exercises

How we measure value	Value created for stakeholders	Value created for Sime Darby	Risks	Opportunities	Link to:
<ul style="list-style-type: none"> Ease of doing business in operating regions Representation in industry bodies Compliance with regulatory requirements, such as supply chain and logistics regulations and including audits and workplace safety Regulatory approvals for expansion of business activities, including mergers and acquisitions Number of major disputes with regulators or fines 	<ul style="list-style-type: none"> Contributed to local economies and jurisdictions in the markets where we operate via taxes, royalties, community grants, etc Ensured compliance with laws and regulations in every market Employment of a large and diversified workforce in all the markets where we operate Provision of training and upskilling through accredited training organisations and development programmes 	<ul style="list-style-type: none"> Maintained a licence/agreement to operate, allowing ongoing representation of our brands Reduced risk of legal action and regulatory penalties Maintained reputation as a good corporate citizen 	<ul style="list-style-type: none"> Potential fines for non-compliance Operational delays and disruptions due to suspension of licence, stop-work order and confiscation of assets 	<ul style="list-style-type: none"> Advocate for the interests of the business to governments, leading to access to a future pipeline of work Continued support from the government such as through grants and licences 	<p>Capitals:</p> <p>Material Matters:</p> <p>SDGs:</p>
<ul style="list-style-type: none"> Quality and amount of media coverage Media sentiment score 	<ul style="list-style-type: none"> Served as a vital communication link between our businesses and stakeholders Played a key role in disseminating crucial information about the Group's businesses, brand and reputation Shared accurate information on our performance, growth agenda, sustainability initiatives and matters of public interest Increased media visibility and impact as a trusted source of information and news 	<ul style="list-style-type: none"> Maintained good rapport with the media and leveraging on the media as an effective platform for our brand reputation Engaged media stakeholders to ensure up-to-date and accurate information Built trust and credibility with customers, investors, potential employees and other key stakeholders 	<ul style="list-style-type: none"> Negative impact towards reputation and brand Inaccurate media reporting or lack of context causing a lack of confidence among investors or scepticism among stakeholders generally Discrepancies reported by the media can sway investor sentiment and affect our reputation 	<ul style="list-style-type: none"> Improve the reputation of the Group Increase transparency and trust in the Group's operations 	<p>Capitals:</p> <p>Material Matters:</p> <p>SDGs:</p>

STAKEHOLDER ENGAGEMENT AND VALUE CREATION

	Why we engage	How we engage	Key concerns raised	Our response
SUPPLIERS/PARTNERS	Our network of suppliers expands with our operational growth. The quality of products and services impact our manufactured capital, creating mutual benefits and fostering growth through collaborative partnerships.	<ul style="list-style-type: none"> Caterpillar dealer/original equipment manufacturers (OEM) advisory boards and leadership councils M Q A Market and country level meetings M Q A Ad-hoc interactions R OEM conferences and events R Physical and virtual supplier briefings M Q R Vendor audits M Q R 	<ul style="list-style-type: none"> Brand protection and market growth Utilisation of digital platforms Emphasis on health and safety Evolving customer demands driven by emissions reduction goals Supply of inventories 	<ul style="list-style-type: none"> Achieve OEM performance targets and adhere to OEM best practices and guidelines Leverage best-in-class digital platforms to engage with customers and suppliers Uphold ongoing initiatives to reinforce health and safety measures Engage in regular dialogues with OEMs and continuous discussion on business development opportunities with local industries through the vendor development programme (VDP) Build long-term trust and loyalty with the VDP Invest in technology and systems to deliver operational efficiencies Expand product offerings in line with customer demand and market conditions Practise supply chain sustainability to increase industry collective capability and promote local suppliers
INVESTORS	Our investors provide access to capital and with our track record built on trust, it enables us to deliver optimal returns.	<ul style="list-style-type: none"> Analyst briefings Q Roadshows Q Investor conferences Q Investor meetings R 	<ul style="list-style-type: none"> Rapidly evolving automotive trends with growing uncertainty surrounding internal combustion engine (ICE) models, hybrid vehicles, electric vehicles (EVs) and hydrogen fuel cells pose a risk to our investments Impact of business arising from China's economic and geopolitical landscape Impact of ESG factors within the industrial mining operations 	<ul style="list-style-type: none"> Adapt to consumer preferences Diversify into new brand portfolio covering EVs, ICE vehicles and hybrids Continue to monitor the market and manage overheads Reduce our environmental footprint through innovation and digitalisation
COMMUNITY	Building stronger connections within our communities is our priority. We nurture community wellbeing by organising impactful projects, strengthening community connections and empowering sustainable development.	<ul style="list-style-type: none"> Technical and vocational training D W R Community development programmes D M Q A Donation drives Q A 	<ul style="list-style-type: none"> Impact of operations on community and environment Support for development of local communities Employment/job creation 	<ul style="list-style-type: none"> Assist our communities through training and financial support Offer disaster relief support both locally and globally Increase environmental conservation efforts Introduce fundraising activities Provide basic needs/infrastructure, as well as humanitarian aid (caused by poverty/natural disasters) Run health and safety awareness campaigns Collaborate on community partnerships in support of Diversity, Equity & Inclusion (DEI) Provide programmes such as scholarships and bursaries, Learning Aid Assistance, skills training and other awareness programmes Prioritise environmental preservation and conservation initiatives, such as reduce, reuse and recycle

How we measure value	Value created for stakeholders	Value created for Sime Darby	Risks	Opportunities	Link to:
<ul style="list-style-type: none"> Representation on OEM's dealer advisory boards, councils and committees Uninterrupted supply chain and high-quality assurance Quick response rate of after-sales service and backend support OEM dealer rankings Performance in OEM dealer excellence programmes Performance across customer satisfaction, market share and operational efficiency Recognition or awards received from OEMs Number of discounts and rebates from suppliers 	<ul style="list-style-type: none"> Established robust brand presence in regions of operation Communicated the Group's value proposition through brand and product engagement Promotion of energy-efficient and advanced technology offerings Enhanced brand reputation and customer satisfaction levels Committed to drive operational excellence initiatives across all our dealerships Continued growth of our businesses and increased market share 	<ul style="list-style-type: none"> Maintained a portfolio of world-leading brands Achieved market share growth, profitable operations, dealership expansion and expanded product offerings Sustained brand relevance and customer loyalty through growing sophistication of product and service offerings Grew our geographical footprint through new and existing partnerships 	<ul style="list-style-type: none"> Failure to effectively communicate our value proposition through brand and product engagement Risk of safety incidents, legal liabilities and reputational damage Disruption in the supply chain Changing consumer behaviour and competitive market conditions 	<ul style="list-style-type: none"> Ability to represent a broader range of offerings in response to customer demand and complex operating environment Positioning our business as a leader in sustainable product offerings Growth in key industries and sectors leading to expansion and increased market share 	<p>Capitals:</p> <p>Material Matters:</p> <p>SDGs:</p>
<ul style="list-style-type: none"> Total shareholders return (TSR) Return on equity (ROE) Percentage of foreign shareholders invested in Sime Darby 	<ul style="list-style-type: none"> Achieved a higher stock price, enabling enhanced returns to retail and institutional investors Good dividend yield 	<ul style="list-style-type: none"> Maintained a prominent position in the Malaysian business community, consistently ranking within the top 30 of the Kuala Lumpur Composite Index (KLCI) Access to the capital markets 	<ul style="list-style-type: none"> Failure to communicate our plans will result in weak share price performance, resulting in higher cost of capital 	<ul style="list-style-type: none"> Broadening our investor base to foreign shareholders (Australian, Japanese etc.) 	<p>Capitals:</p> <p>Material Matters:</p> <p>SDGs:</p>
<ul style="list-style-type: none"> Total investments made and the number of beneficiaries impacted Financial resources allocated and the tangible benefits realised by the community Community participation and positive response to community programmes 	<ul style="list-style-type: none"> Enhanced quality of life. Relief and support during disasters or crisis Provided avenues for academic and professional growth Created opportunities to participate in meaningful environmental and social causes 	<ul style="list-style-type: none"> Developed stronger relationships with the community Improved our public visibility, reputation and brand image as a socially responsible organisation Increased talent attraction and retention Ensured long-term sustainability for the Group that empowers sustainable community development 	<ul style="list-style-type: none"> Reputational damage if community expectations are not met or delivered Resistance from local communities and partners if inadequate engagement with stakeholders 	<ul style="list-style-type: none"> Address community concerns Build a positive brand image 	<p>Capitals:</p> <p>Material Matters:</p> <p>SDGs:</p>

MATERIAL MATTERS

Material matters cover the Economic, Environmental and Social (EES) factors that impact our ability to create long-term value for our stakeholders. By understanding the needs, preferences and concerns of our stakeholders, we can focus on the issues that are most important to both our stakeholders and our business. These material matters directly shape our strategies and informed key decisions, ensuring we remain aligned with stakeholder expectations and market realities.

MATERIALITY PROCESS

Our materiality process is anchored by a comprehensive materiality assessment conducted every two years, with periodic reviews in between to ensure relevance. Last year, we undertook a periodic review to update the list, scope and definitions of our material matters. We will be conducting another materiality assessment in FY2025 to ensure our material matters stay aligned with our operations, stakeholder views and market changes.

To identify our material matters, we focused on EES factors most relevant to our business, prioritising them through stakeholder engagement and internal surveys. We then plotted the materiality matters on a materiality matrix to visualise the prioritisation. This approach supports our understanding of the interdependencies that exist among EES factors.

MATERIALITY MATRIX

Our Materiality Matrix, as developed in FY2023 and reviewed in FY2024, maps out 17 material matters that have guided our sustainability direction for the past year and will continue to be our guide for the year ahead. They are categorised according to Sime Darby's four Sustainability Themes, reflecting our strategic focus on EES.

Mapping Our Material Matters

1 Review of Market

We assessed 392 material matters published by our original equipment manufacturers (OEMs), competitors, customers, investors and Bursa Malaysia.

2 Analysis of Themes

We reviewed our previous material matters, Bursa Malaysia's common sustainability matters and market considerations during categorisation. This resulted in the identification of 17 material matters relevant to the Group.

3 Revision of Matters

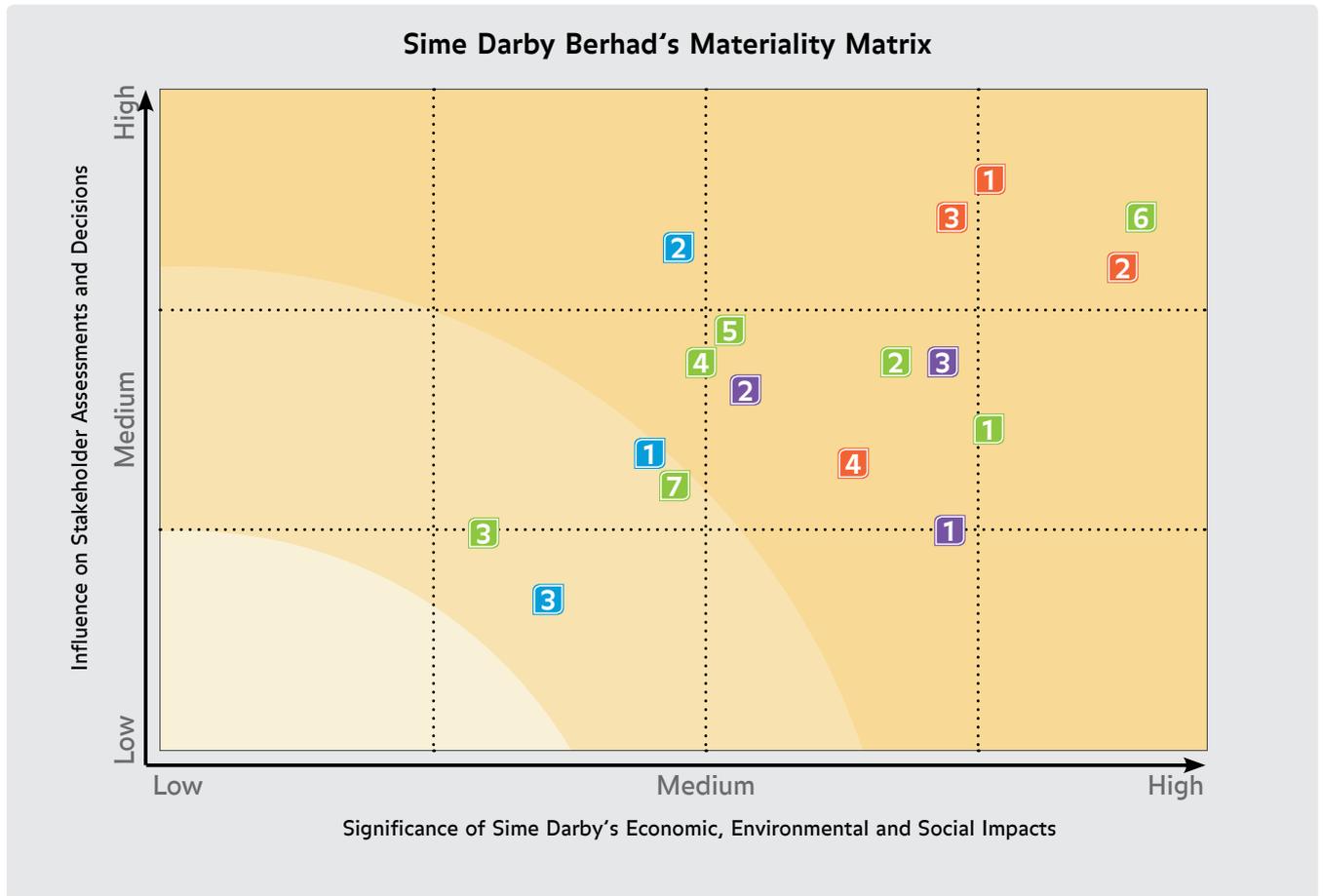
Our methodology for identifying, refining, selecting and naming our material matters was presented to the Group Management Committee (GMC).

4 Prioritisation

We engaged with GMC members and senior managers Group-wide to prioritise our material matters.

5 Approval

The materiality matrix was developed in FY2023 and presented to the GMC, the Risk Management & Sustainability Committee (RMSC) and approved by the Board. In FY2024 the periodic review, identifying no changes, was presented to the RMSC.



Material Matters by Sustainability Blueprint Themes

Theme 1: Optimising Our Environmental and Social Footprint

- | | | |
|---|--|----------------------------|
| 1 Climate Change (Including Financial Risk & Opportunities) | 4 Waste and Effluent Management | 6 Health and Safety |
| 2 Energy and Emissions Management (Including Renewable Energy) | 5 Labour Practices | 7 Diversity |
| 3 Water Management | | |

Theme 2: Inspiring Our Employees to Deliver Meaningful Change

- | | | |
|---|--|--|
| 1 ESG Oversight, Measurement and Reporting | 2 Employee Training and Development | 3 Community Contributions and Development |
|---|--|--|

Theme 3: Engaging in Sustainable Partnerships

- | | |
|--------------------------------|---|
| 1 Customer Satisfaction | 3 Business Ethics and Compliance (Including Anti-Bribery/Corruption) |
| 2 Business Continuity | 4 Responsible Supply Chain |

Theme 4: Driving Sustainable Innovation and Technology

- | | | |
|---------------------------------------|------------------------------------|------------------------------------|
| 1 Sustainable Product Offering | 2 Technology and Innovation | 3 Data Privacy and Security |
|---------------------------------------|------------------------------------|------------------------------------|

For further details on our sustainability initiatives and achievements, please refer to the Creating Sustainability Value section on pages 66 to 92 of this report.

BUSINESS ENVIRONMENT

GLOBAL ECONOMIC INDUSTRY REVIEW & OUTLOOK

Sime Darby is a diversified Asia Pacific multinational company, with the Group's Malaysia operations being the largest revenue contributor at 29% following the acquisition of UMW Holdings Berhad (UMW). China and Australia remain key markets, contributing 26% and 33% to the Group's overall revenue respectively. This geographic diversification has helped Sime Darby offset challenges in certain markets throughout FY2024, particularly the slow recovery of China's economy. On the other hand, Malaysia's automotive sector, which benefited from a resilient economy and Australia's mining sector driven by high commodity prices, provided support.

MALAYSIA

Overview

Despite the government's projection of 4%, Malaysia's growth was subdued at 3.7% in 2023 due to weaker external demand and following the strong growth of 8.7% in 2022. However, in the first half (1H) of 2024, Malaysia's GDP growth was 5.1% and is expected to meet the government's official forecast range of 4%-5% for the year, with the Ringgit expected to appreciate to RM4.43 against the US Dollar at the end of 2024. Inflation eased in 2023 in line with other regional economies. The Malaysian automotive total industry volume (TIV) rose to an all-time high of close to 800,000 units in 2023, with analysts and the Malaysian Automotive Association (MAA) initially forecasting a drop in 2024. Nonetheless, TIV figures as at June 2024 are recorded to show vehicle sales to be 7% higher than the corresponding period last year.

Impact

The strong consumer growth in the automotive sector benefitted Toyota and Perodua which recorded healthy sales volumes. In Malaysia, the Motors Division also benefitted from the robust demand leading to significant growth in BYD and Ford businesses. As for our Industrial Division, foreign direct investment (FDI) flows aided the construction and data centre segments, leading to increased equipment demand.

Future Prospects

Risks to the Malaysian economy include weaker than expected global growth, lower commodity prices and escalation of geopolitical conflicts. Nevertheless, Malaysia has attracted billions in data centre-related investments, totalling RM76 billion from 2021 to 2023. The country also stands to benefit from the 'China Plus One' strategy, where foreign companies have shifted manufacturing facilities out of China to geopolitically neutral locations like Malaysia to diversity their footprint. In addition, the automotive market performed well for the first seven months of 2024, increasing 7% from the same period in 2023, on the back of a stronger economy, wider selection of vehicles, aggressive promotional strategies and a healthy backlog of orders.

CHINA

Overview

China's GDP growth in 2023 was 5.2%, signalling a challenging economic environment with deflationary pressures. Although China's 1H 2024 GDP growth met the 5% target in Q2 2024, China's GDP grew at 4.7%. Vehicle prices declined by 4% in 2023, reflecting broader economic struggles. Consumer confidence remains low with China's economy experiencing a real estate correction and given that 70% of Chinese wealth is tied up in real estate, this has affected consumption.

Further, in a bid to expand their market share, local OEMs have increased production capacity in China, exacerbating issues of oversupply. Domestic demand for cars slowed down amidst the economic downturn, leading to intense price wars. Tesla's price cuts in October 2023 triggered similar moves by BYD, further intensifying competition.

Impact

Revenue from China amounted to RM18 billion, making it an important market for us. However, earnings for Motors Division have declined despite increased sales volumes due to the price wars and heavy discounting of cars impacting margin. Similarly, the construction sector has also slowed due to market recovery, affecting our Industrial Division's earnings. Nonetheless, the Group has undertaken cost optimisation measures to manage the situation.

Future Prospects

Given that China has the world's largest manufacturing base and one of the strongest consumer markets, it has the foundation to stage an economic recovery in the longer term. In the near term, the tepid environment is expected to continue with the World Bank predicting that China's GDP will grow at 4.5% in 2024 and 4.3% in 2025. Nevertheless, factors that have previously driven its high growth in GDP (such as real estate and high export volumes) are receding and are increasingly being replaced with advanced technological and manufacturing capabilities which are relevant for the economy (renewable energy, electric vehicles, batteries). Sime Darby remains committed to the Chinese market and we will continue to maintain our operations there whilst implementing initiatives to consolidate our businesses.

AUSTRALASIA

Overview

Australia's economy has continued to face challenges due to inflation, with only 0.1% growth in Q2 2024 following an economic slowdown in 2023. Excluding 2020, which was impacted by the Covid-19 pandemic, annual growth was the slowest since 1991 when Australia experienced a recession. Inflation will remain high due to a tighter labour market and higher petrol prices. With more interest rate hikes and weaker consumer spending, this will likely slow the economy further in 2024.

Australian resources and energy export earnings are estimated to have declined by about 10% in 2023-2024 to AU\$417 billion from AU\$466 billion in 2022-2023, reflecting the decrease in bulk commodity prices and the rise in the AUD/USD exchange rate, as the world economic growth remains soft. Despite commodity price challenges, Australia's resource export and production volumes will continue to see it placed as a dominant force in global mining.

New Zealand's GDP fell 0.2% in the June 2024 quarter, following a 0.1% increase in the March 2024 quarter.

Impact

In spite of the weaker economy, export volumes from our Australasia region continue to be strong, as the price of metallurgical coal has remained relatively high. The earnings for the Industrial Division's Australian operations remained robust, boosted by higher product support sales and mining equipment deliveries. Cavpower and Onsite acquisitions also contributed to our earnings. However, the slow economic growth has affected demand in our Motors business, particularly in used car sales.

Future Prospects

Moving forward, Australian resources and energy exports are set to ease after the extraordinary surge of 2022 to 2023. Nevertheless, the global energy transition is expected to be a key factor in strengthening demand for commodities. A robust US economy, significant investments in infrastructure and an increase in manufacturing capacity in China as well as India's emergence as a new economic powerhouse suggest an expansion in the demand for resources and commodities.

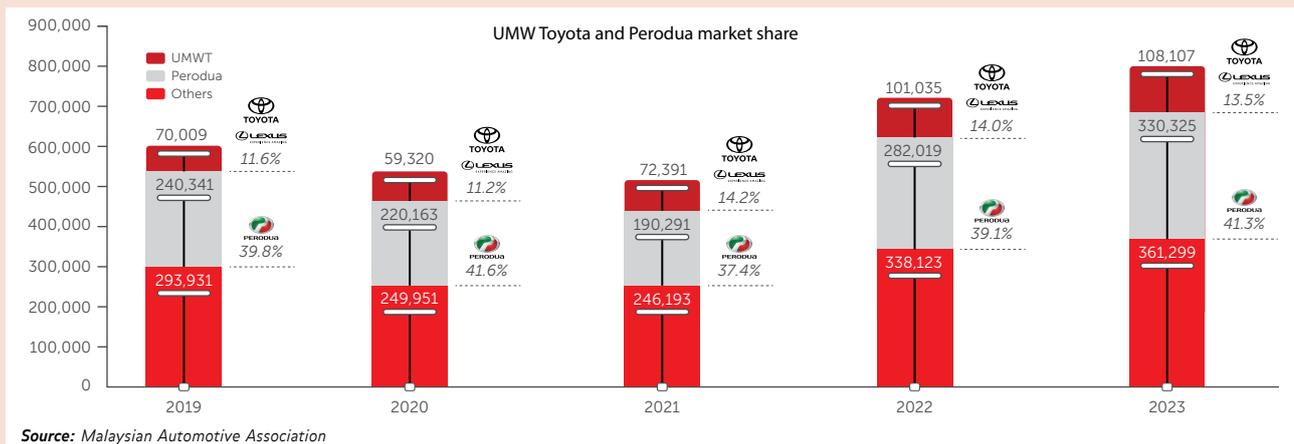
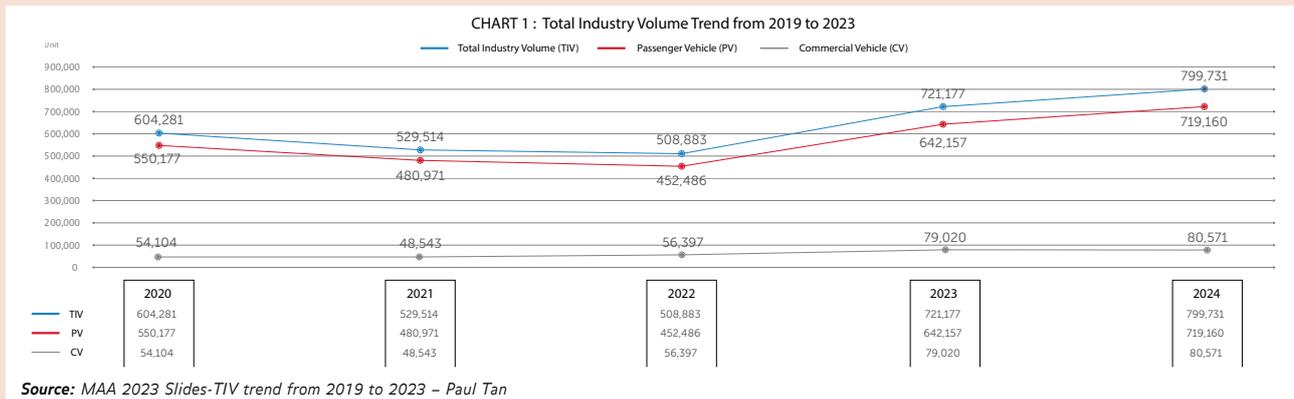
BUSINESS ENVIRONMENT

KEY MARKET TRENDS

1 HIGH TOTAL INDUSTRY VOLUME (TIV) FOR MALAYSIA

What Happened?

Malaysia achieved a record Total Industry Volume (TIV) of nearly 800,000 units last year, marking a historic milestone as it surpassed Thailand for the first time as the second largest automotive market in ASEAN after Indonesia.



This unprecedented growth was driven by strong consumer demand, a robust post-pandemic economic recovery and a more stable socio-political environment.

Favourable government incentives, such as the extension of the Sales and Services Tax (SST) exemption and the introduction of targeted electric vehicle (EV) incentives, also played a pivotal role in this success. Furthermore, many new model launches, including EVs with very competitive prices, significantly propelled vehicle sales.



How Did We Respond?

Our broad product offerings allow us to capitalise on Malaysia's strong TIV. The UMW acquisition came with mass-market brands, Toyota and Perodua, which will effectively capture both entry-level and mid-market segments.

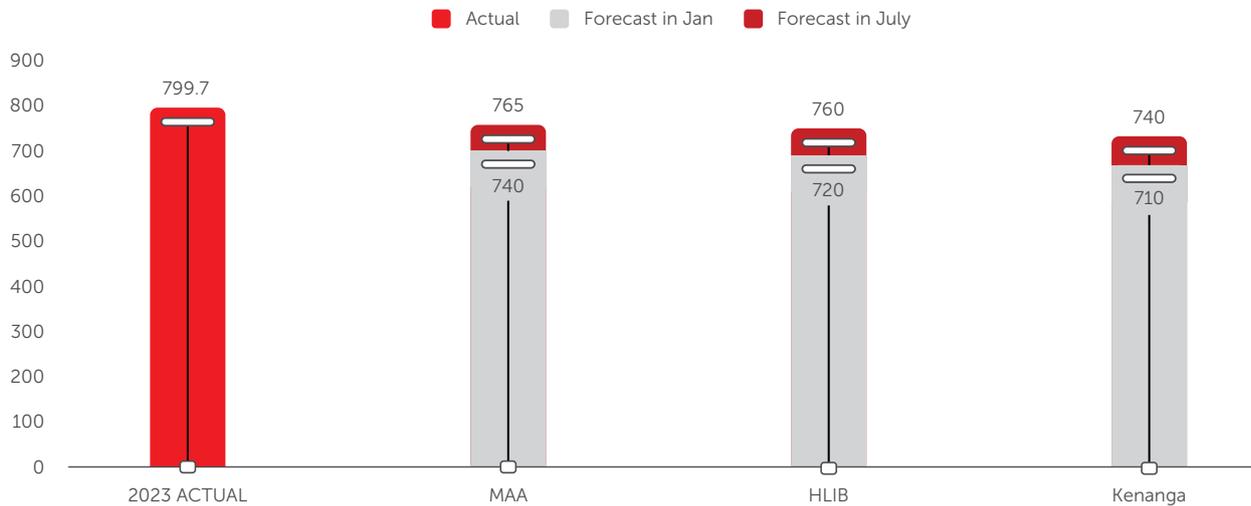
In response to evolving consumer trends, we have diversified our portfolio with a comprehensive lineup of electric and hybrid vehicles across all our brands (BMW, Volvo, Hyundai) with BYD leading the way.

What Is Our Outlook?

While we remain cautious about a potential decline in TIV in 2024, after having achieved a "breakthrough year" in 2023, the market continues to display strong growth indicators. In fact, the Malaysian Automotive Association (MAA) raised TIV forecast to 765k units (from 740k initially) on the back of the strong momentum. We are cautiously optimistic that the automotive industry will maintain its momentum, buoyed by steady economic growth, high employment rates, a favourable interest rate environment and a robust order backlog.

1 HIGH TOTAL INDUSTRY VOLUME (TIV) FOR MALAYSIA (continued)

What Happened?

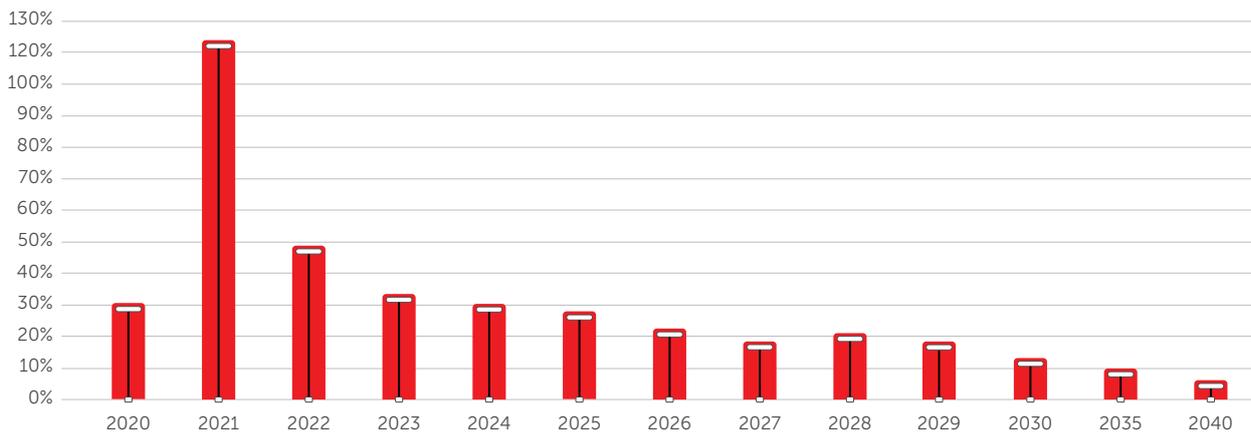


Source: <https://www.thestar.com.my/business/business-news/2024/06/14/kenanga-research-raises-automotive-sectors-2024-tiv-projection-to-740000-units>
<https://www.maa.org.my/pdf/2024/pressreleaseformay2024.pdf>

2 SHIFTING CONSUMER BEHAVIOUR IN THE AUTOMOTIVE SECTOR

What Happened?

Global electric vehicle sales volume growth



Source: <https://www.goldmansachs.com/infographics/v1/flourish/electric-vehicles-are-forecast/index.html>

After a surge of EV volumes globally for the past two years, EV demand appears to be moderating slightly, while hybrids are gaining traction. In China, half of all new energy vehicle sales are hybrids, which shows that preference for powertrains continue to evolve.

Further, we observe that the dealership model continues to remain relevant. Local dealers are able to serve customers better given their understanding of specific needs and preferences.

Advances in autonomous driving including shared mobility vehicles are expected to see sizeable scale ups in the coming years, which could impact private demand for vehicles.



BUSINESS ENVIRONMENT

KEY MARKET TRENDS

2 SHIFTING CONSUMER BEHAVIOUR IN THE AUTOMOTIVE SECTOR *(continued)*

How Did We Respond?

Our strategy is to maintain a broad portfolio of brands that can constantly serve the demands of our customers.

This includes a portfolio expansion of brands to cover all powertrains, in anticipation of a multi-pathway future, with continued demand for internal combustion engine (ICE), hybrids and electric vehicles. Our broad geographic footprint insulates us from shifting market trends as we believe these trends will not happen everywhere, all at once.

Presence along the value chain including manufacturing, after-sales, used cars and fleets, gives us broader profit pools to capitalise on and mitigates the impact from changing trends.

What Is Our Outlook?

According to Fitch, vehicle sales are expected to increase by 2% to 3% over 2024 and 2025 (to over 90 million) mainly supported by growth in Southeast Asia and India.

Weaker demand is likely in North America and Europe, while Chinese demand is expected to strengthen with aggressive promotion from auto makers. Vehicle demand remains solid in 2024 amid expectations of a soft economic landing and improved purchasing power due to falling inflation.

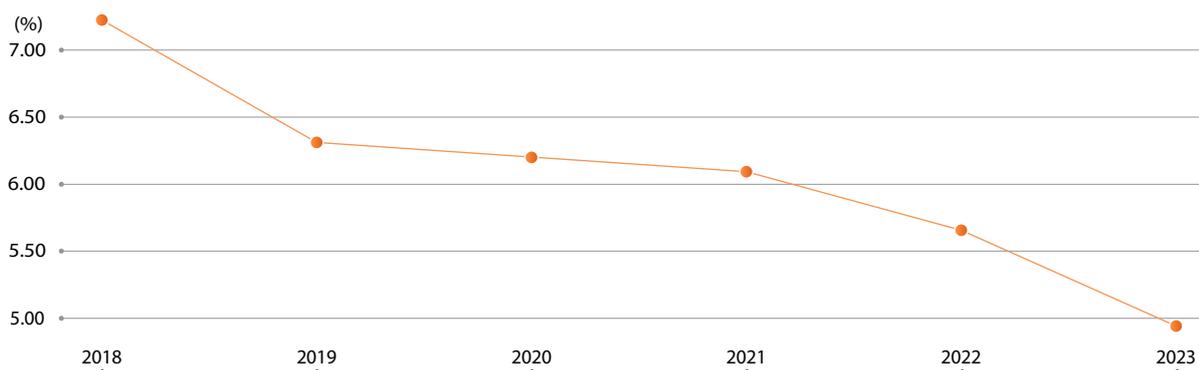
However, with shifting trends in digital, electrification and autonomous, we need to continue to stay ahead of the curve.

3 CHALLENGING AUTOMOTIVE BUSINESS IN CHINA

What Happened?

The Chinese automotive market has been rapidly evolving over the past decade. Although sales have increased over the last few years, margins are declining due to overproduction and intense competition leading to discounting among auto players.

Average profit margin in China

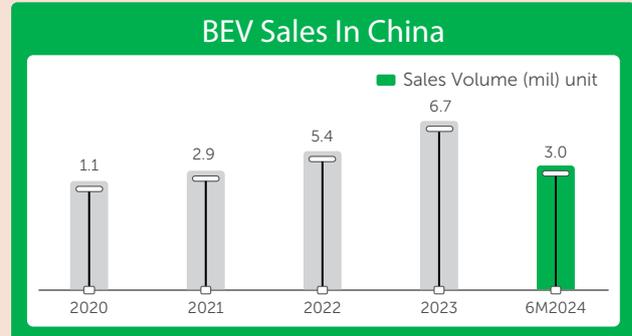


Source: <https://www.reuters.com/business/autos-transportation/chinas-auto-workers-bear-brunt-price-war-fallout-widens-2023-09-05/>

3 CHALLENGING AUTOMOTIVE BUSINESS IN CHINA (continued)

What Happened? (continued)

Additionally, rising debt levels and a real estate correction have led to low consumer sentiment, resulting in a subdued environment.



Source: China Association of Automobile Manufacturers (CAAM) via www.marklines.com

How Did We Respond?

China is an important market to Sime Darby, but in view of the economic slowdown, we are consolidating our position in China to enhance operational efficiency and implement cost rationalisation initiatives.

We will also explore capitalising on the growing sales of new-energy vehicles (NEVs) and have taken new sales brands, such as XPENG, BYD and Li Auto into our portfolio, to move with consumer demand.

Additionally, we are working with our principals to navigate the situation and seek solutions in the market. China remains an important region for them as it is the largest automotive market in the world and we will invest alongside them.

Further, we leveraged our operations in other markets in Asia Pacific to cushion the negative impact from China operations.

What Is Our Outlook?

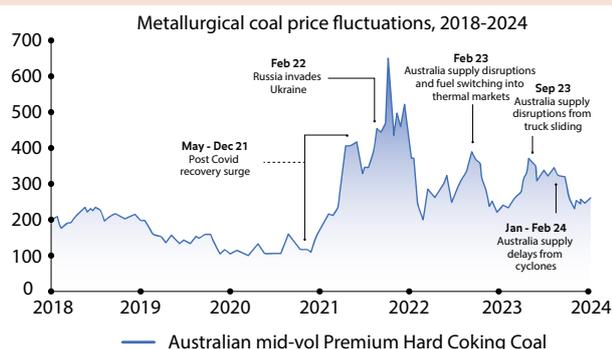
We remain long-term bullish on the China market, recognising its status as a major manufacturing hub for the world, its strong business ecosystem and vast pool of skilled labour. China has also established itself as a technology leader (in EVs, renewable energy and generative AI) and the world's largest consumer market.

The government has introduced new policies to support the automotive sector, including subsidies of up to RMB20,000 (US\$2,800) for consumers trading in older, less eco-friendly vehicles for new, energy-efficient models. Beijing has also relaxed auto loan requirements and is running campaigns to promote EVs in smaller cities and rural areas.

Overall, while challenges remain, these supportive measures and investments reflect a commitment to overcoming the downturn and stimulating the automotive market in China.

4 ROBUST COMMODITY PRICES & THE ENERGY TRANSITION

What Happened?



Source: <https://www.industry.gov.au/publications/resources-and-energy-quarterly-june-2024>

As the world economy improves in 1H 2024 with more infrastructure spending globally, demand for commodities has remained elevated. Iron ore prices have remained above US\$100 a tonne, while the demand and price of metallurgical coal has been relatively steady after a price surge in early 2024.

As the energy transition accelerates, demand for critical minerals will intensify. Projections from the United Nations Trade and Development (UNTAD) and the International Energy Agency suggest that by 2050, lithium demand could increase by over 1,500%, with similar rises expected for nickel, cobalt and copper, on the back of heightened demand for battery materials.

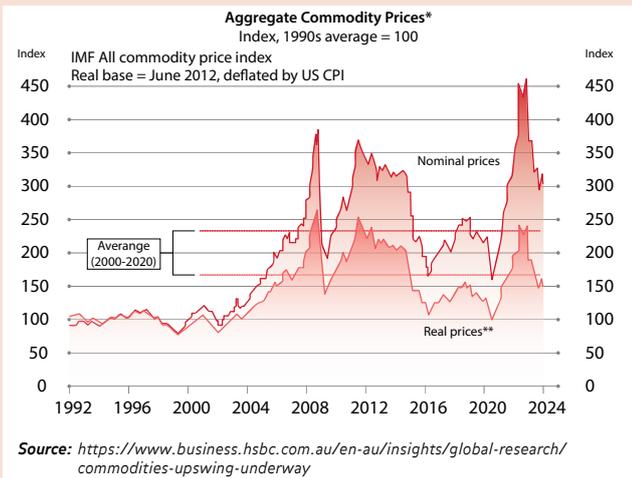
BUSINESS ENVIRONMENT

KEY MARKET TRENDS

4 ROBUST COMMODITY PRICES & THE ENERGY TRANSITION *(continued)*

What Happened? *(continued)*

Copper prices have also trended higher, averaging around US\$9,700 per tonne from January to June 2024. This increase reflects robust global demand, driven by ongoing infrastructure investments from both governments and the private sector.



How Did We Respond?

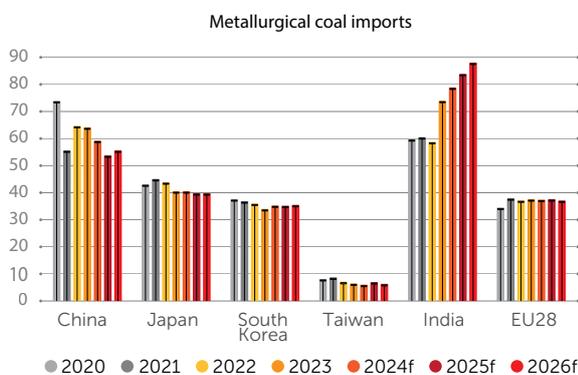
Strong commodity prices have translated to high equipment spending and after-sales from our customers resulting in our Industrial Division achieving another year of positive financial results.

Our Cavpower acquisition has significantly bolstered our presence in South Australia, a region vital for copper and abundant in other critical minerals like lithium. The market is set to receive over AU\$21 billion in infrastructure investments over the next four years, underscoring its strategic significance to Australia.

With the Onsite acquisition, we have broadened our equipment rental services to complement our existing Salmon rental equipment business, allowing us to expand geographically in Australia.

What Is Our Outlook?

Global steelmaking has a healthier outlook in 2024 globally, as new infrastructure investment increases and the property sector recovers in China. This will support the construction sector and therefore steel and iron ore demand in the near future. As a result, Australian iron ore export volumes are forecasted to increase by 2.3% annually over the next two years.



The global transition away from fossil fuels highlights the ongoing need for substantial quantities of materials such as lithium, cobalt and copper.

To meet the 2030 net-zero emission targets, the industry will need to develop more production capacity. The required investment from 2022 to 2030 is estimated between US\$360 billion and US\$450 billion. This fresh demand is expected to provide support for prices.

Source: <https://www.industry.gov.au/publications/resources-and-energy-quarterly-june-2024>

ENTERPRISE RISK MANAGEMENT

FY2024 was a year of growth and opportunities for Sime Darby, as we expanded our presence in key markets and diversified our portfolio with new businesses that align with our strategic vision. We also leveraged on the potential of generative artificial intelligence (AI) and other technological innovations to enhance our business processes and services. In addition, we navigated through various challenges in the macroeconomic and geopolitical landscape, such as the sluggish recovery of China and New Zealand, the disruption of global supply chain and freight services and the intense market competition in the automotive industry, where consumers increasingly demand for more sustainable products such as hybrids and battery electric vehicles (BEVs).

Furthermore, the key risk trends observed in FY2024 include:



On the **geopolitical** front, uncertain bilateral relations have impacted the global economy and disrupted worldwide supply chains. Key events such as the Russian-Ukraine, Israel-Hamas, China-Taiwan and the Red Sea conflicts as well as the upcoming US presidential elections, have wide-ranging impacts that could directly or indirectly affect our business.



In terms of **macroeconomic** risks, most of our key markets have registered higher economy growth with the exception of China and New Zealand. China's economy was largely **subdued** due to challenges in the property sector and rising government debt, which in turn, contributed to weaker demand for New Zealand's exports.



The global push for **sustainability** is accelerating **decarbonisation** efforts, with net-zero goals, incentives and renewable energy becoming increasingly prominent. While this transition presents challenges for our business, it also offers opportunities in clean energy ventures. The rising focus on ESG has intensified scrutiny of sustainability and climate-related disclosures, leading to higher **compliance costs** for corporations.



While **technology and AI** are transforming business processes, they also introduce issues like misinformation. Increasing cybersecurity threats and tactics like hacking and deepfakes could exploit digital vulnerabilities, spreading biased narratives further. The advent of cybersecurity threats also leads to more **regulatory scrutiny** on data privacy and data sovereignty across our key markets.

Throughout the year, the Group has implemented several initiatives to strengthen the focus on risk and compliance across the business. This includes enhancements to governance tools, infrastructure and processes, positioning governance as a crucial support for Sime Darby's growth. These measures ensure robust "checks and balances" mechanisms and enhance resilience against global risks and unforeseen events.

 For more details of of these initiatives, please refer to the Risk Management & Sustainability Committee (RMSC) Report on pages 131 to 136 of this report.

ENTERPRISE RISK MANAGEMENT

GROUP'S TOP 10 RISKS

Amid a landscape of geopolitical tensions, economic shifts and technological advances, 10 key risks stand out as significant to our business. We have taken specific actions to manage these risks, aiming to mitigate their impact and sustain our business. The following outlines these critical areas and the measures taken to ensure we achieve our goals, enhance profitability and sustain our growth aspirations.

1 MARKET DYNAMICS Risk Trend: ↑

DESCRIPTION

The Group faces macroeconomic, geopolitical uncertainties and pricing competition in our key markets, i.e. Malaysia, Australia and China.

IMPACT

- Economic downturns, currency fluctuations, political instability and trade tensions in key markets can affect consumer spending and demand, affecting the Group's revenue and profitability.
- These factors may also intensify pricing pressures and competition, potentially squeezing margins and leading to loss of market share.

KEY MITIGATION MEASURES

- Continuously monitor geopolitical and macroeconomic developments to identify and mitigate systemic risks, adjusting strategies as needed.
- Align investment strategies with the Group's risk appetite, diversifying to prevent over-concentration in any single industry or region and ensuring balanced exposure.
- Strengthen relationships with principals and leverage customer insights to enhance product offerings and price competitiveness, bolstering our competitive edge.

2 BUSINESS PARTNERS Risk Trend: ↔

DESCRIPTION

The Group's trading operations are primarily dependent on key principals and business partners, whose decisions and actions can adversely affect our dealership's performance.

IMPACT

- The potential loss of key principals could significantly impact our financial position and disrupt revenue streams, though strong relationships and a positive performance history help to mitigate this risk.
- Operational disruptions or supply chain issues with our partners could delay product delivery and affect overall revenue.
- Aerospace business faces increased risk due to its heavy reliance on a single customer for revenue.

KEY MITIGATION MEASURES

- Maintain regular communication with principals to align business goals and address issues promptly, ensuring mutual expectations are met.
- Focus on meeting targets and requirements set by principals to sustain strong relationships and secure ongoing support.
- Diversify business operations to reduce reliance on key principals while reinforcing existing relationships to enhance overall resilience.

3 DISRUPTION

Risk Trend: ↔

DESCRIPTION

The Group's automotive segment faces disruptions from electrification, autonomous driving and agency sales model impacting business models and product offerings.

IMPACT

Rising demand for EVs in key markets gives pressure on the after-sales business due to reduced service requirements and the specialised skills needed. However, our EV business has shown an upward trajectory specifically in Singapore, Malaysia, Australia and Hong Kong, which shows potential in the EV segment.

KEY MITIGATION MEASURES

- Adapt our offerings, supply chains and customer engagement strategies to remain competitive and relevant amid evolving market conditions.
- Strengthen manufacturer partnerships, enhance service capabilities and diversify revenue streams to effectively address market disruptions.
- Develop a robust network of EV charging stations with reliable service providers and explore growth opportunities and future-proof the automotive sector.

4 MERGERS AND ACQUISITIONS

Risk Trend: ↑

DESCRIPTION

The Group faces potential adverse consequences from mergers or acquisitions that may impact the Group's achievement of goals. This risk includes challenges during the acquisition process and post transaction integration, affecting operational efficiency and strategic alignment.

IMPACT

Failure to achieve expected financial returns from mergers or acquisitions can harm the Group's performance and shareholder value. Poor integration of acquired entities with Sime Darby's culture and systems may lead to strategic misalignment, cultural clashes and operational inefficiencies.

KEY MITIGATION MEASURES

- The Board and Management oversee and approve key acquisitions and divestments, adhering to governance and policy guidelines to manage risks and align with strategic objectives.
- Implement a robust risk assessment framework for thorough due diligence and evaluation of potential investments, incorporating comprehensive risk management strategies.
- Form dedicated integration teams for major acquisitions to ensure smooth assimilation of acquired entities, addressing integration challenges and aligning with Sime Darby's culture, systems and processes.

5 PRODUCT, SERVICE AND DELIVERY

Risk Trend: ↔

DESCRIPTION

The Group's business is highly dependent on the availability of products, the timeliness of supply deliveries and the quality of the products and services we deliver to our customers. We also rely heavily on our principals for a steady and reliable supply chain.

IMPACT

Extended product delivery times could lead to penalties, order cancellations and missed customer expectations. This disruption may also cause us to lose market share to competitors that can offer shorter and more reliable delivery times.

KEY MITIGATION MEASURES

- Maintain regular communication with principals to optimise inventory management and closely monitor delivery schedules, implementing strategic approaches to handle potential supply disruptions effectively.
- Focus on contractual delivery dates when accepting customer orders, considering stock availability and original equipment manufacturer (OEM) schedules and implement strategies to mitigate risks associated with delivery delays.
- Negotiate terms that include *force majeure* clauses in sales agreements to manage risks related to liquidated damages.

ENTERPRISE RISK MANAGEMENT

6 HEALTH, SAFETY AND ENVIRONMENT

Risk Trend: ↔

DESCRIPTION

The Group is susceptible to operational hazards, environmental issues and climate change challenges, exacerbated by global sustainability pressures. These risks also affect our employees, exposing them to potential accidents, health risks and environmental hazards.

IMPACT

Health issues can reduce productivity and increase absenteeism. Safety incidents may lead to injuries, legal liabilities and low morale. Environmental disruptions such as natural disasters can cause operational downtime, financial losses and reputational damage, affecting trust, market share and long-term performance.

KEY MITIGATION MEASURES

- Implement standardised HSE management processes across all business units for consistent and effective risk management.
- Establish a comprehensive safety programme to promote a strong safety culture, with targeted initiatives for leadership and employees to prioritise safety at all levels.
- Regular health and safety assessments, supplemented by an audit programme, are conducted across all business divisions, with corrective action plans promptly implemented to address any identified issues and to continuously improve safety standards.

7 CYBERSECURITY

Risk Trend: ↑

DESCRIPTION

The Group faces significant cybersecurity risks such as data breaches, ransomware and other digital threats that could compromise operations and data integrity. Unaddressed vulnerabilities and cyberattacks underscore the need for robust cybersecurity measures.

IMPACT

As the Group expands and adopts advanced digital technologies, cybersecurity threats could increase, leading to severe data breaches, operational disruptions and financial losses. This could erode trust among principals and customers, damaging the Group's reputation and market position.

KEY MITIGATION MEASURES

- Implement key cybersecurity measures like data centre monitoring, data loss prevention and an expanded Security Operations Centre (SOC).
- Conduct annual tests of the Disaster Recovery Centre and maintain robust IT Disaster Recovery and Cyber Incident Response Plans.
- Organise IT security training, vulnerability assessments and phishing exercises to bolster cyber defences.

8 ESG – CLIMATE CHANGE

Risk Trend: ↔

DESCRIPTION

The Group is exposed to different aspects of climate-related risks given its wide and diverse geographical presence, including physical and transition risks.

IMPACT

- The shift to cleaner energy has increased compliance scrutiny in the mining industry. However, this has created more opportunities, as cleaner equipment options are part of our offering to clients.
- The rise of renewable energy poses a risk to older fossil fuel technologies/ICE vehicles but offers us an opportunity to adapt and capitalise on the expanding EV market.

KEY MITIGATION MEASURES

- Work with professional consultants to undertake a climate change scenario analysis, identifying key physical and transition risks to our operations, ensuring our strategies align with emerging regulatory requirements and industry best practices.
- Develop a comprehensive "Climate Change Risk Assessment Guideline" for identifying and managing climate-related risks across the Group.

9 PEOPLE

Risk Trend: ↔

DESCRIPTION

The Group is susceptible to talent shortage, risking gaps in the skills, knowledge and expertise needed to execute strategies, support daily operations and ensure effective service delivery.

IMPACT

Insufficient skilled talent across the Group’s operations could lead to operational inefficiencies, impeding the smooth execution of critical business processes and potentially reducing productivity.

KEY MITIGATION MEASURES

- Implement comprehensive talent management strategies, with a strong emphasis on succession planning as a key KPI to ensure leadership continuity.
- Conduct ongoing training and development programmes to enhance skills and support growth.
- Use targeted apprenticeship programmes to develop future tradespeople for long-term growth.

10 REGULATORY COMPLIANCE

Risk Trend: ↔

DESCRIPTION

The Group is susceptible to changes in the regulatory landscape across its markets, which may lead to higher compliance costs, increased scrutiny and the risk of breaching legal or regulatory requirements.

IMPACT

- Advent of more stringent regulatory regimes such as data sovereignty, anti-bribery and anti-corruption, anti-competition and modern slavery across our key markets.
- Non-compliance with these laws and regulations could result in financial penalties, operational disruptions, financial instability, tarnished reputation, eroded trust and strained partnerships and lack of investor confidence.

KEY MITIGATION MEASURES

- Implement a comprehensive regulatory compliance programme to ensure adherence to legal requirements and high standards.
- Conduct training and awareness initiatives to foster a culture of compliance and staying informed about regulatory changes.
- Establish continuous monitoring and review mechanisms to adapt to evolving regulations and promptly address issues.

Risk Trend:



Increased Trend

Higher risk exposure due to advent of material factors, events or incidences that could have wide-ranging/systematic 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 positive/ favourable outcome of risk events

ENTERPRISE RISK MANAGEMENT

GROUP'S RISK APPETITE STATEMENT

The Risk Appetite Statement defines the level of risk appetite that the Group is prepared to accept in pursuit of its strategic objectives. This statement is approved by the Board and guides the Management of our top 10 risks, ensuring alignment with the Group's overall strategy.



Geographical Exposure

We will pursue investments in key markets, but cautious in over-concentrating our investments in a single country or region, especially in countries with high macroeconomic, geopolitical and bribery & corruption risks.



Sectoral Exposure

We will continue to seek opportunities for diversification to spread concentration risk, but we will avoid the risk of over-diversifying our core trading business.



Disruption

We will seek to minimise the risk of technological and business disruption by intensifying our digital proofing strategies.



Mergers & Acquisitions

We have low tolerance for investments that may adversely impact the Group's financial position and reputation.

We seek to avoid investing in businesses with high transaction multiples that could dilute our earnings.



Principals

We acknowledge the risk of being highly dependent on our key principals; and will avoid any situation or action that may adversely impact our relationship with them.



Regulatory Compliance

We will comply with the legislations within the jurisdictions we operate; and have no tolerance for significant non-compliances of regulations.



Ethics & Integrity

We have zero tolerance for any breaches of Sime Darby's Anti-Bribery & Anti-Corruption Policy.



Cybersecurity

We will limit and mitigate the impact of cyber risk exposure on our business operations.



Health, Safety and Environment

We will manage and minimise risks that may compromise the health, safety and environment of our employees, partners and local communities in our areas of operations.



Brand and Reputation

We have low appetite for risks that will adversely affect our market position, impact our brand and reputation.

In FY2024, the RMSC monitored adherence to the risk appetite statement and advised management on strategies to maintain risk exposures within the risk tolerance limits. This involved recommending measures to address certain breaches related to a significant Health, Safety & Environment incident.

For more details on the incident, please refer to the *Creating Sustainable Value* section on page 79 of this report.

OUR 5-YEAR STRATEGY MASTERPLAN

5-YEAR STRATEGY MASTERPLAN FY2024-FY2028

FY2024 marks the first year of the newly developed 5-Year Strategy Masterplan, a roadmap designed to propel Sime Darby into a future of sustained growth and profitability. This strategic blueprint is made up of three pillars:



Operational Excellence



Growing the Core



Future Ready

Our purpose is to deliver the best products and solutions that move and develop Asia Pacific. The acquisition of UMW, Onsite and Cavpower will further enable us to expand our capabilities across our entire value chain, bringing us closer to our vision of becoming the leading Motors and Industrial player in Asia Pacific.

OPERATIONAL EXCELLENCE



To maximise the potential of our businesses, we emphasise resource management, productivity enhancement, cost optimisation and profit margin improvement, as we continuously strive to enhance our operations.

Key Priorities

- Enhance returns and efficiencies
- Manage working capital
- Allocate capital effectively
- Promote digitalisation
- Integrate acquisitions effectively
- Drive portfolio rationalisation

Resource Allocation

We prioritise continuous improvement, by ensuring our businesses are run efficiently in terms of profitability, margins, overheads and working capital. Rationalising our non-core units has helped capital and improve returns. This also involves maintaining high employee productivity and effective working capital management to control operating costs.

FY2024 Initiatives

- **Profitability & Working Capital:** Focus on increasing profitability and optimising working capital turns across core businesses.
 - Push into higher margin businesses such as after-sales and used cars, achieving an after-sales retention rate of 87.1% and increasing our used car sales volumes to 32,280 sales, up 17.6% from FY2023.
 - Reduced inventory turnover from 179 to 162 days for the Industrial Division and from 70 to 68 days for the Motors Division following the implementation of cost optimisation initiatives.
- **Acquisition Integration:** Drive successful execution of merger integration plans for new acquisitions, ensuring they deliver improved returns.
 - Continuous integration of recent acquisitions (UMW, Cavpower and Onsite) to ensure alignment in processes, policies, strategy and culture.
- **Portfolio & Business Review:** Evaluate businesses within our portfolio to ensure alignment with the Group’s direction.
 - Successful divestment of Ramsay Sime Darby Health Care for a significant gain on disposal of RM2 billion.
 - UMW has a high quality portfolio of brands and we will assess the portfolio to determine alignment with Sime Darby’s portfolio.
- **Productivity Enhancement & Cost Optimisation:** Utilise resources efficiently throughout the Group.

FY2024 Achievements

- Return on Equity (Core ROE): 7.2%*
 - Long-term Core ROE target: 11%
- * Shortfall mainly due to heavy discounting in China, impacting Motors China’s vehicle margins and earnings.

Outlook

Our immediate focus is on vigilant inventory management, cost optimisation and seamless acquisition integration. We will concentrate on integrating our recent acquisitions to ensure a smooth and rapid transition into the Group whilst maintaining a disciplined approach to debt repayment. We will continuously strive to increase our ROE by improving margins, reducing overheads, divesting low-return businesses and engaging with regulators to support sustained business growth and operational excellence.

Our Capitals



Key Risks



Material Matters



Stakeholders



OUR 5-YEAR STRATEGY MASTERPLAN

GROWING THE CORE



To grow our core businesses with new and existing brands, expand into new markets to promote geographical diversification for our portfolio and strengthen our capabilities across the value chain.

Key Priorities

- Grow with principals as their ‘strategic partner’
- Market expansion and geographical diversification
- Expand adjacencies and value chain segments

Resource Allocation

Notwithstanding our recent expansions, with the recent acquisitions, we are reallocating capital from non-core areas to strengthen our Automotive and Industrial core businesses.

FY2024 Initiatives

- **Secure New Principals:** Focus our growth with strategic partners as we adopt new brands for our core businesses.
 - Secured two coveted automotive brands in Malaysia: Toyota and Perodua.
 - Strengthened our partnership with BYD, the best-selling EV brand in the world.
- **Expand into New Markets:** Capitalise on opportunities to grow in new markets and explore geographical diversification.
 - Aggressively grew our dealership network in China.
 - Extended our presence into South Australia, with the Cavpower acquisition.
- **Strengthen Capabilities:** Pursue adjacencies to expand along the value chain.
 - Moved up the automotive value chain with the UMW acquisition, granting us new capabilities in production, distribution and auto parts through Toyota and Perodua.

FY2024 Achievements

- **UMW acquisition:** Secured 100% of UMW on 21 March 2024, establishing it as the third core division of the Group, with its strategy fully aligned.
- **Cavpower acquisition:** Completed critical integration tasks by the end of 2024, with the remaining tasks scheduled for completion in 2025.
- **Onsite acquisition:** Successfully completed critical integration components for people and finance reporting.
- **Greenfield expansion in China:** Opened nine showrooms in China throughout FY2024 with two currently in the pipeline.

Outlook

The Group has been aggressive in expanding its portfolio through acquisitions and will focus on integration for the time being. This involves aligning their strategies with the Group and streamlining processes and harmonising the workforce and culture.

Following these acquisitions, we will strengthen our relationship with our new principals, Toyota and Daihatsu Japan, as well as the emerging China original equipment manufacturers (OEMs) in the new EV space such as BYD. These strategic areas will allow us to pursue high-quality opportunities within our industries.

Our Capitals



Key Risks



Material Matters



Stakeholders



FUTURE READY



To look to the future and adapt to the changing business landscape and focus on readying our business by aligning our products and services to the new trends impacting our industries.

Key Priorities

- Facilitating the energy transition with Cavpower, making inroads into regions with critical minerals for batteries
- Implement mobility initiatives such as continuous expansion into retail for EV chargers
- Build EV infrastructure
- Explore digital revenue streams

Resource Allocation

While we improve our operations and look towards expanding our business, we constantly evaluate how the Group needs to evolve to capture new trends for the future such as the energy transition towards more efficiency, mobility and ESG.

FY2024 Initiatives

- **Continuous Expansion into EV Retail:** Prioritise growing market interest in EV adoption, covering the luxury, mid-level and mass market.
 - Introduced EV models from renowned brands like BMW, MINI, Porsche, Hyundai, BYD and Volvo across key markets.
 - Secured the position of being the EV leader in Malaysia.
 - Continued rollout of high-performance EV chargers by Porsche (via Motors Division) with Shell across the Malaysian Peninsular's North-South highway corridor.
- **Expanded Kineta for EV Charging:** Provided EV charging solutions to encourage EV adoption for all our consumers.
- **Capitalised on the Energy Transition**
 - Acquired Cavpower, making inroads into copper rich regions, a critical metal for the energy transition.
- **Gained Exposure to E-commerce:** Build foundations needed to capitalise on the e-commerce revolution.
 - Via the UMW acquisition, secured Toyota Industries Corporation (TICO) franchise, the best-in-class forklifts to serve the growing e-commerce segment.

FY2024 Achievements

- **Number of EVs sold:** 27,005 units across all business units and geographies, making up 19% of total sales for the Motors Division.
- **Number of chargers sold and installations completed:** 4,139 chargers sold and 2,882 installations completed under Kineta.
- **Total investments:** RM71.7 million invested in various mobility startups and initiatives.

Outlook

Our businesses are constantly evolving with shifting consumer behaviour, brands, business models and channels. This is especially true for Motors with EVs, direct-to-customer sales models and online platforms. The energy transition has also opened up new pathways for our Industrial business. We strive to stay ahead by adapting to trends and ensuring our portfolio of brands and services remain current, relevant and ever-ready and able to capitalise on opportunities.

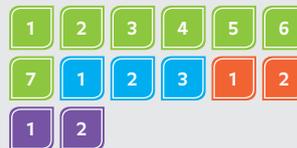
Our Capitals



Key Risks



Material Matters



Stakeholders



5-YEAR FINANCIAL HIGHLIGHTS

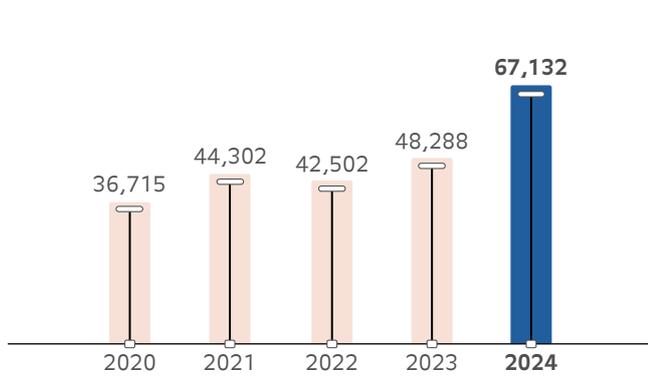
(including Statement of Financial Position)

Financial Year Ended 30 June (RM million)	2020	2021	2022	2023	2024
FINANCIAL RESULTS					
Revenue*	36,715	44,302	42,502	48,288	67,132
Profit before interest and tax*	1,462	2,230	1,796	2,084	2,758
Profit before tax*	1,328	2,144	1,687	1,821	2,181
Profit after tax – continuing operations	932	1,571	1,213	1,337	1,483
Profit after tax – discontinuing/discontinued operations	(59)	(41)	(26)	175	2,046
Profit after tax	873	1,530	1,187	1,512	3,529
Non-controlling interests and perpetual sukuk	(53)	(105)	(84)	(54)	(223)
Net Profit	820	1,425	1,103	1,458	3,306
Core Net Profit	1,040	1,248	1,195	1,154	1,316
FINANCIAL POSITION					
Share capital	9,300	9,302	9,318	9,330	9,330
Reserves	5,697	6,581	6,692	7,596	10,036
Shareholders' equity	14,997	15,883	16,010	16,926	19,366
Non-controlling interests and perpetual sukuk	416	377	361	357	3,992
Total equity	15,413	16,260	16,371	17,283	23,358
Borrowings and leases	4,045	3,734	5,029	8,454	13,211
Disposal group liabilities	–	–	127	–	180
Other liabilities	7,815	8,493	8,702	11,303	15,073
Total equity and liabilities	27,273	28,487	30,229	37,040	51,822
Non-current assets	12,552	12,537	11,684	15,413	24,470
Current assets excluding cash	13,027	13,477	15,061	18,541	24,023
Disposal group assets	–	–	1,712	–	652
Bank balances and cash	1,694	2,473	1,772	3,086	2,677
Total assets	27,273	28,487	30,229	37,040	51,822
Average shareholders' equity (quarterly average)	14,550	15,356	15,789	16,065	18,229
FINANCIAL RATIOS					
Operating margin (%)*	4.1	4.9	4.1	4.2	3.7
Return on average shareholders' equity (%)^	5.6	9.3	7.0	9.1	18.1
Core ROE (%)^	7.1	8.1	7.6	7.2	7.2
Debt/Equity (%)	26.2	23.0	30.7	48.9	56.6
SHARE INFORMATION					
Basic Earnings per share (sen)	12.1	20.9	16.2	21.4	48.5
Core Earnings per share (sen)	15.3	18.3	17.6	16.9	19.3
Net assets per share attributable to owners of the Company (RM)	2.21	2.33	2.35	2.48	2.84
Net dividend per share (sen)	10.0	15.0	11.5	13.0	13.0

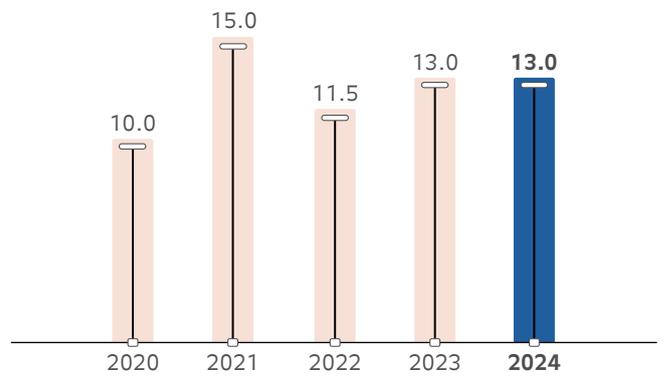
* Excludes discontinuing/discontinued operations

^ Based on average shareholders' equity (quarterly average)

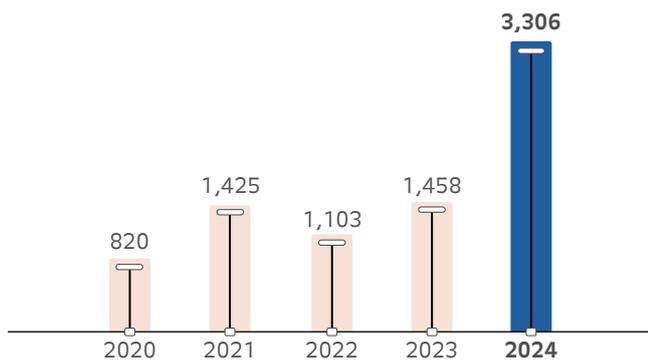
Revenue* (RM million)



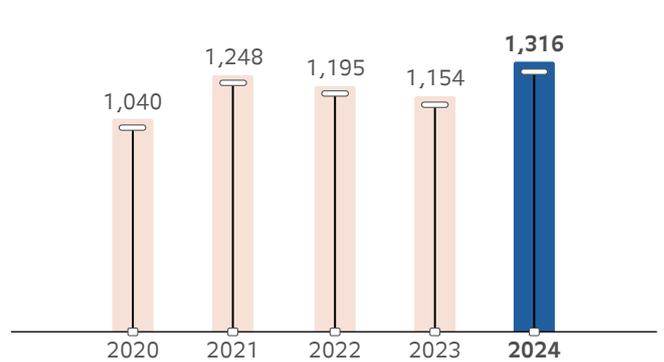
Net Dividend Per Share (Sen)



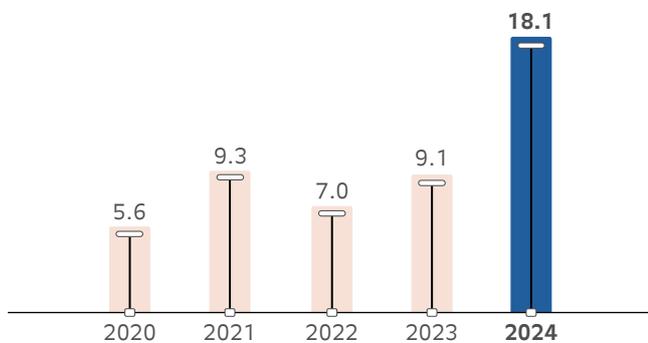
Net Profit (RM million)



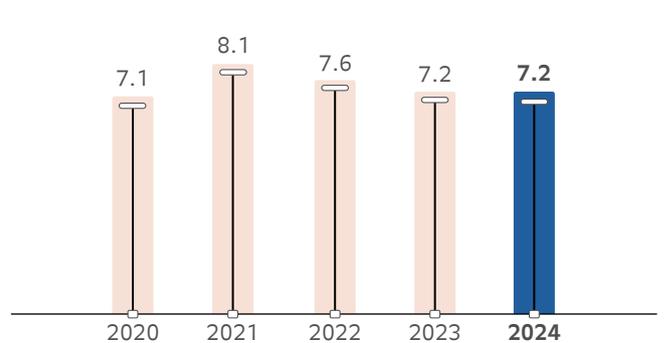
Core Net Profit (RM million)



ROE^ (%)



Core ROE^ (%)



* Excludes discontinuing/discontinued operations

^ Based on average shareholders' equity (quarterly average)

STATEMENT OF VALUE ADDED

VALUE ADDED

	FY2023	FY2024
(RM million)		
Revenue*	48,288	67,132
Operating expenses excluding staff costs, depreciation & amortisation and CSR expenses*	(40,791)	(57,027)
Other operating income, other gains and losses and finance income*	699	709
Share of results of joint ventures and associates*	64	260
Income from discontinuing/discontinued operations	188	2,087
Total	8,448	13,161

* From continuing operations

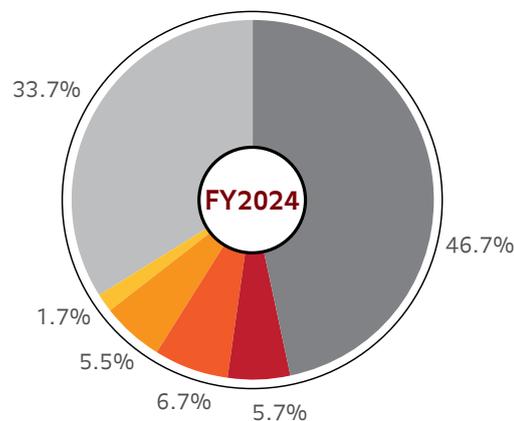
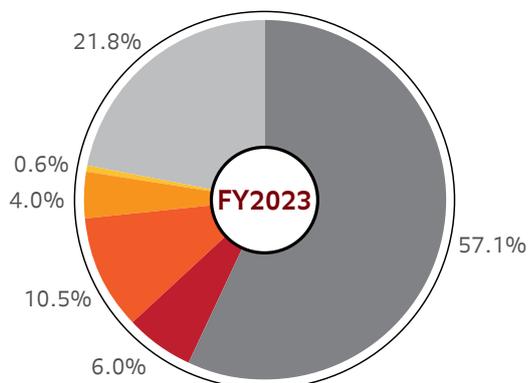
VALUE DISTRIBUTION

	FY2023	FY2024
(RM million)		
Directors and Employees	4,826	6,143
Government and Society ¹	506	747
Dividends ²	886	886
Finance costs ³	335	724
Non-controlling interests and perpetual sukuk	54	223
Reinvestment	1,841	4,438
Total	8,448	13,161

¹ Tax 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	FY2024
Revenue	13,980	15,524	18,835	18,793	67,132
Segment results					
Industrial	358	351	359	399	1,467
Motors	203	192	180	9	584
UMW	-	47	262	171	480
Corporate and Others	269	1	(42)	(1)	227
Profit before interest and tax	830	591	759	578	2,758
Net finance costs	(102)	(138)	(157)	(180)	(577)
Taxation	(154)	(140)	(151)	(253)	(698)
Profit/(Loss) from discontinuing/discontinued operations	24	2,027	(11)	6	2,046
Non-controlling interests and perpetual sukuk	(9)	(52)	(100)	(62)	(223)
Net Profit	589	2,288	340	89	3,306
Earnings per share (sen)	8.6	33.6	5.0	1.3	48.5

(RM million)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	FY2023
Revenue	12,182	11,292	11,528	13,286	48,288
Segment results					
Industrial	216	224	236	375	1,051
Motors	176	151	170	555	1,052
Corporate and Others	(25)	30	(1)	(23)	(19)
Profit before interest and tax	367	405	405	907	2,084
Net finance costs	(46)	(56)	(57)	(104)	(263)
Taxation	(97)	(103)	(108)	(176)	(484)
Profit from discontinued operations	3	150	13	9	175
Non-controlling interests	(20)	(7)	(13)	(14)	(54)
Net Profit	207	389	240	622	1,458
Earnings per share (sen)	3.1	5.7	3.5	9.1	21.4

FINANCIAL CALENDAR

For the Financial Year ended 30 June 2024



ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS

1st Quarter

27 November 2023

ended 30 September 2023

3rd Quarter

23 May 2024

ended 31 March 2024

2nd Quarter

21 February 2024

ended 31 December 2023

4th Quarter

27 August 2024

ended 30 June 2024



DIVIDENDS

1st Interim Dividend of 3.0 sen Per Ordinary Share
Announcement of the Notice of Entitlement and
Announced: 21 February 2024

Date of Entitlement

8 March 2024

Date of Payment

27 March 2024

2nd Interim Dividend of 10.0 sen Per Ordinary Share
Announcement of the Notice of Entitlement and
Announced: 27 August 2024

Date of Entitlement

10 September 2024

Date of Payment

30 September 2024



18th ANNUAL GENERAL MEETING

Notice Date

16 October 2024

Meeting Date

14 November 2024

INVESTOR RELATIONS

The Group’s Investor Relations unit facilitates communication between the Group and the investment community. Pertinent matters that may concern stakeholders include strategic developments, financial results and material business matters affecting the Group. A comprehensive investor relations programme, designed for institutional shareholders and private investors addresses these matters on a regular basis.

HOW THE GROUP COMMUNICATES

The Investor Relations unit conducts regular meetings, conference calls and site visits with investors to keep the investment community abreast of the Group’s operations, strategic developments and financial performance. In addition, investment roadshows are held to engage with shareholders and potential investors across the globe.

Quarterly Financial Results Briefings and Announcements

The Investor Relations unit and the Group Communications department provide the investment and media community with an up-to-date view of the Group’s financial performance and operations via analyst briefings and press conferences. These sessions coincide with the release of the Group’s quarterly financial results on Bursa Securities.

In FY2024, the Group held four analyst briefing sessions and two press conferences to announce the Group’s quarterly results. These were supplemented by press releases and other materials shared on the Group’s website and social media channels.

Sime Darby Investor Engagements

<p>September 2023 30th CITIC CLSA Investors’ Forum, Hong Kong</p> <p>1</p>	<p>January 2024 Nomura ASEAN Conference</p> <p>2</p>	<p>March 2024 UBS OneASEAN Summit, Singapore</p> <p>3</p>	<p>June 2024 UOB Kay Hian – Malaysia Gems Conference</p> <p>4</p>	<p>July 2024 J.P.Morgan Malaysia+ ASEAN Conference</p> <p>5</p>
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For more details on our investor engagement activities, please refer to the Stakeholder Engagement and Value Creation section on pages 26 to 31 of this report.

CORPORATE WEBSITE AND SOCIAL MEDIA

To communicate with its stakeholders, the Group maintains a comprehensive website at www.simedarby.com that includes an up-to-date investor and media centre. News, announcements, share price updates, investor presentations, events and other relevant information are posted on the website. Shareholders are also welcomed to raise queries by contacting the Group at any time throughout the year. Contact details are available at the Contact Us section of the Group’s website at <https://www.simedarby.com/contact-us>.

The Group also maintains a social media presence to disseminate information more effectively while engaging more directly with its stakeholders.



Website:
Up-to-date investor and media centre



Audience:
Fund managers, analysts, bankers, shareholders, the media and other stakeholders



<https://www.facebook.com/simedarbyberhad/>



<https://www.instagram.com/simedarbyberhad/>



<https://www.linkedin.com/company/sime-darby-berhad/>

INVESTOR RELATIONS

SIME DARBY 18TH AGM



Engagement Date:
14 November 2024



Format:
Virtual platform



Audience:
Shareholders and proxies

The Annual General Meeting (AGM) provides a platform for the Chairman and Group Chief Executive Officer (GCEO) to share with shareholders how the Group has performed during the year.

It also offers all shareholders the opportunity to put forward questions to the Chairman of the Board and Board Committees as well as to the Senior Independent Director. At the AGM, e-polling is conducted on each resolution. Shareholders also have the opportunity to cast their votes by proxy in advance of the meeting. Following the AGM, results of the polls are published on the Company's website and released to Bursa Securities.

The 18th AGM of the Company will be held on 14 November 2024 at 10.00am. The notice of the AGM is issued at least 28 days prior to the date of the meeting in accordance with the Malaysian Code on Corporate Governance 2021.

The notice and agenda will also be published in the local Bahasa Melayu and English newspapers and made available on the Company's website.

INDICES REPRESENTATION

We are proud to be recognised in key indices

KUALA LUMPUR
COMPOSITE INDEX (KLCI)

FTSE4GOOD

KL CONSUMER
PRODUCT (KLCM)

MSCI EMERGING
MARKETS INDEX



FTSE4Good

MSCI

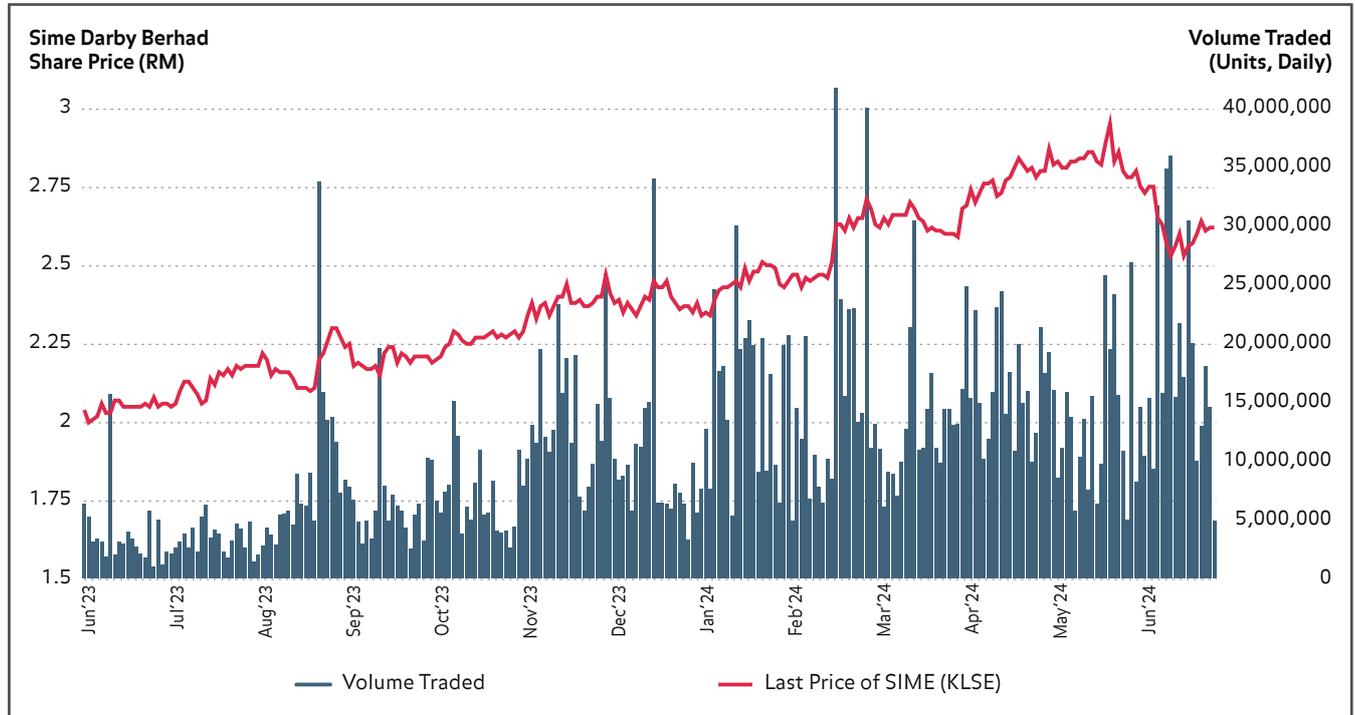
ANALYST COVERAGE

A total of 17 research houses issued analyst coverage of Sime Darby's stock in FY2024, as detailed below:

Affin Hwang Investment Bank Berhad Afifah Ishak	AmlInvestment Bank Berhad Mohshin Shri Abdul Aziz	BIMB Securities Sdn Bhd Sabariah Mohamad Akhair	CGS International Jacquelyn Yow	CIMB Securities Mohd Shanaz Noor Azam
Citi Megat Fais	CLSA Securities Malaysia Khoo Zhen Ye	Hong Leong Investment Bank Berhad Daniel Wong	Kenanga Investment Bank Berhad Wan Mustaqim Bin Wan Ab Aziz	Macquarie Capital Securities Malaysia Max Koh
Maybank Investment Bank Berhad Loh Yan Jin	Nomura Securities Malaysia Ahmad Maghfur Usman	Public Investment Bank Berhad Denny Oh	RHB Investment Bank Berhad Syahril Hanafiah	TA Securities Holdings Berhad Angeline Chin
UBS Securities Malaysia Nicole Goh	UOB Kay Hian Securities Anas Fitri Ahmad			

SHARE PERFORMANCE

Sime Darby Berhad share price FY2024



	30 June 2024	30 June 2023	Variance	(%)
KLCI	1,590.09	1,376.68	213.41	16%
Sime Darby	RM2.62	RM2.05	RM0.57	28%

BUSINESS REVIEW

INDUSTRIAL DIVISION

In FY2024, the Industrial Division achieved another year of positive financial results, with revenue and profit before interest and tax (PBIT) surpassing the results in FY2023. This performance was primarily driven by the strong contribution from the Australasia region, particularly through high equipment deliveries to the mining sector and increased product support sales. Additionally, our two recent acquisitions of Onsite and Cavpower bolstered our results.

China continues to present challenging market conditions for the Division, with strategies in place to ensure we continue to deliver exceptional service to our customers in the region. In Southeast Asia, our operations have benefitted from increased activities in the data centre market, oil & gas and maritime sectors, resulting in increased sales and product support sales of power solutions.

Our extensive range of equipment and industrial solutions is continually evolving, empowering our customers on their paths towards growth and decarbonisation.



“

We are dedicated to supporting our customers in the Asia Pacific region by continually enhancing our offerings in the resources, infrastructure and energy sectors. Our goal is to deliver top-tier solutions from industry-leading brands, ensuring exceptional value and innovation for our customers. This past year, we adapted to market changes by broadening offerings, diversifying end markets and streamlining operations. Our achievements, fuelled by acquisitions and strong business performance, reflect our dedication to meeting changing consumer needs and prioritising impactful solutions to deliver long-term success for our stakeholders.

”

Dean Mehmet
Managing Director, Industrial Division

WHAT WE DO

Industrial Division is involved in the sale of new and used heavy equipment, power systems, product support, equipment rental, rental services and industrial solutions. With operations across 14 countries and territories in the Asia Pacific region, we serve a customer base spanning a range of sectors.

Our largest market is Australasia followed by China. We maintain long-term partnerships with premium industrial brands and are recognised as one of the world’s largest Caterpillar dealers. We are also a distributor of many other industrial solutions brands.

Sime Darby Industrial operates in:

Business segments

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

Customer sectors

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

KEY FOCUS AREAS & RESULTS

The Industrial Division remains aligned with the Group’s 5-year Strategy Masterplan. In FY2024, the Division focused on growing its core business, driving operational excellence and future readiness.

01 GROW THE CORE

- Development of cutting-edge solutions and technologies to enhance customer productivity, safety and energy efficiency.
- Enhancement of digital capabilities and customer experience initiatives to streamline the end-to-end customer journey.

02 OPERATIONAL EXCELLENCE

- Optimisation of branch networks and investments in facility and warehouse infrastructure to provide strategic presence and capacity to meet growing market demand.
- Investment in systems and delivery of efficiency strategies to increase throughput and better support customers.

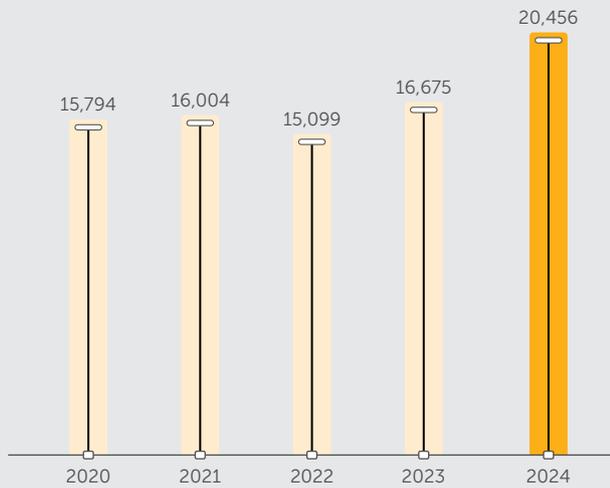
03 FUTURE READY

- Provision of increasingly energy-efficient equipment and alternative fuel solutions to support customers on their decarbonisation journeys.
- Entry into the copper belt of Australia via the Cavpower acquisition, a pivotal location to support global electrification requirements.
- Close collaboration with original equipment manufacturers (OEMs) to supply electrified equipment to customers.

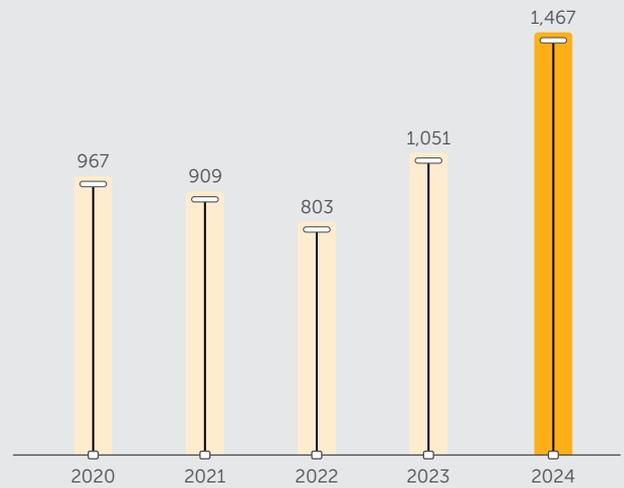
➤ PERFORMANCE HIGHLIGHTS

Financial Performance

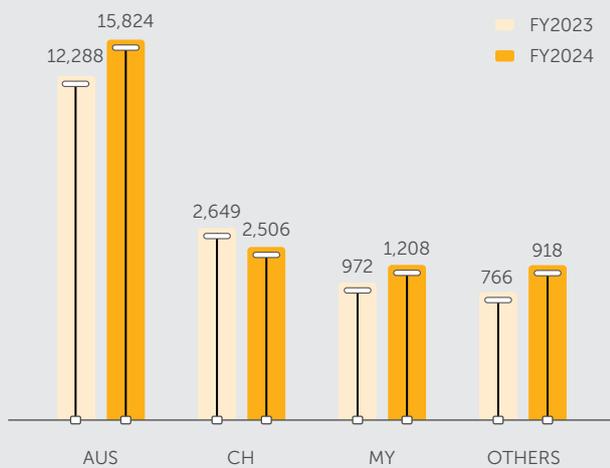
REVENUE (RM million)



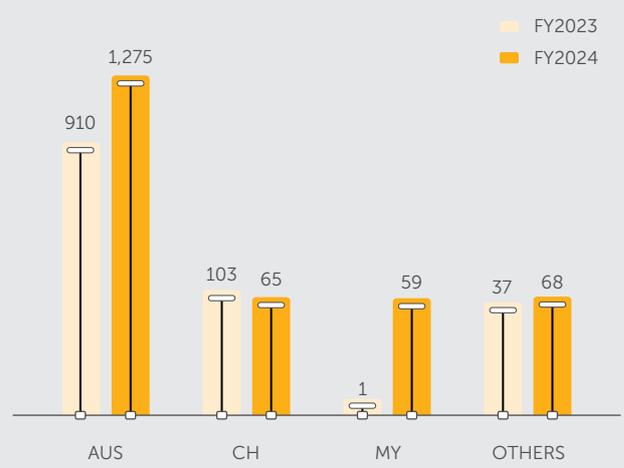
PBIT (RM million)



REVENUE BY REGION (RM million)



PBIT BY REGION (RM million)

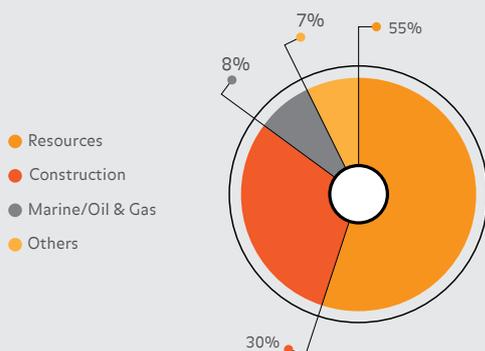


AUS: Australasia
CH: Chinese Mainland, Hong Kong SAR, Macau SAR and Taiwan

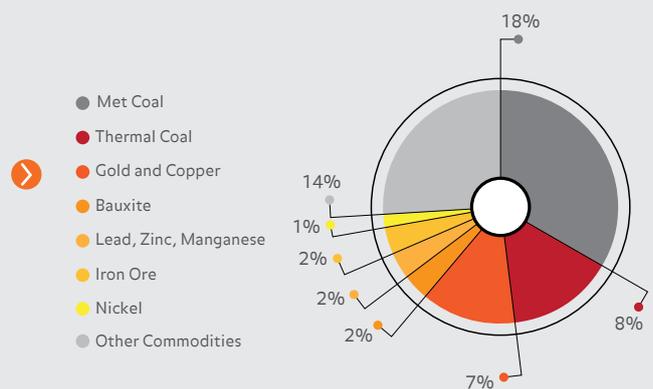
Others: South Korea, Japan, Singapore, Maldives, Brunei

Non-financial Performance

SHARE OF INDUSTRIAL REVENUE BY CUSTOMER SEGMENTS



SHARE OF RESOURCES REVENUE BY COMMODITY EXPOSURE



BUSINESS REVIEW

KEY CHALLENGES & GROWTH OPPORTUNITIES

Increased competition and rising cost pressures continue to pose challenges to the Division. We are consistently seeking innovative solutions to overcome challenges while actively exploring new opportunities for growth.

Key Challenges	Mitigation Strategies
Cost and resourcing pressures in customer operating environments	<ul style="list-style-type: none"> Active customer engagement to understand pressures and changing needs. Provide low-capital alternatives. Deliver increasingly productive, energy-efficient and fuel-efficient offerings. Provide autonomous haulage solutions. Develop equipment life cycle solutions to optimise the total cost of ownership. Provide customers with digital tools and solutions to monitor and optimise fleet performance.
Increased competition from new market entrants	<ul style="list-style-type: none"> Articulate and convey superior product value proposition across safety, reliability, productivity and energy efficiency. Ensure strong and reliable product support capabilities through broad network, facilities, supply chain and expertise. Leverage advanced digital capabilities to support customers through purchasing and product life cycle journeys. Promote data analytics and lab expertise to proactively identify upcoming issues and partner with customers on solutions.
Challenging economic conditions in China	<ul style="list-style-type: none"> Closely monitor macroeconomic factors and customer requirements. Collaborate with suppliers to provide low-cost and tailored solutions for customer needs. Extend capabilities in distribution, product support and digital to support broader customer requirements. Identify and deliver growth initiatives across Asia Pacific to maintain overall resilience for Sime Darby Industrial despite country-level cyclicalities.

Growth Opportunities	Our Approach
Rising demand for decarbonised solutions across core sectors	<ul style="list-style-type: none"> Offer hybrid and electric solutions to our customers. Promote existing offerings such as cogeneration, dual-fuel engine, transitional and alternative fuel solutions. Explore and pursue low-carbon opportunities to expand offerings.
Growth in battery metals demand to support global electrification requirements	<ul style="list-style-type: none"> Capitalise on the extensive battery metal development pipeline in South Australia, particularly copper, through the acquisition of Cavpower.
Increased investment pipeline in physical and digital infrastructure across Asia Pacific	<ul style="list-style-type: none"> Offer construction equipment and support solutions to capitalise on the opportunities from the stimulus packages in China and infrastructure programmes across Asia Pacific. Provide integrated solutions across equipment, power generation, technology and rental to facilitate fit-for-purpose support at construction sites. Leverage the acquisition of Onsite to offer non-earthmoving and complementary CAT solutions, for full construction life cycle support.

OUTLOOK & STRATEGIC PLANS

In the short-term, we will continue to focus on our three core industries – Resources, Infrastructure and Energy – and to strengthen our business across our operating regions. We remain committed to driving greater operational efficiency and maintaining competitiveness by expanding our offerings, diversifying into new markets, optimising operations and introducing innovative products.

As we look ahead, several key trends and strategic priorities will shape our path forward. The evolving landscape of customer behaviour is driving increased demand for decarbonisation solutions and increasingly sophisticated product offerings. We are well-positioned to respond to these trends through our investment in people, partnerships, technology and acquisitions. Furthermore, the strong foundation afforded by our broad geographical, commodity and industry presence enables us to partner with our customers for the long-term.

MOTORS DIVISION

FY2024 has seen inflationary pressures, excess inventory supply in our key markets and price wars in the Chinese Mainland. However, strong demand for both Ford and BYD in Malaysia and BYD in Singapore have helped lessen the impact.

We successfully implemented several initiatives that will position us for stronger growth when the markets recover. In Hong Kong, we secured distributorship rights for XPENG, a battery electric vehicle brand. We also commenced the assembly of wheel and door modules for Porsche and local assembly of Chery vehicles in Malaysia. Finally, we launched Drivecare, a multi-franchise, one-stop service centre in Malaysia and Singapore.



“ We remain steadfast in our commitment to delivering world-class service and a seamless, end-to-end bespoke customer experience by equipping ourselves with advanced digital and automation solutions. We will continue to diversify our powertrain offerings to meet demand for more sustainable vehicles. Our dedication to innovation and decarbonisation, with customer centricity at the core of our vision, drives us towards an environmentally sustainable future together. ”

Andrew Basham
Managing Director, Motors Division

WHAT WE DO

The Motors Division operates in ten markets across several segments in the automotive sector, including assembly, distribution/importation, retail of new and used cars, after-sales services and rental operations. Our wide geographical footprint gives us access to a diverse and rising middle class customer base, which is a key driver of economic growth.

We have built an extensive network of dealerships and long-standing brand partnerships with many of the world’s top automotive and commercial truck brands, ranging from luxury brands to mass-market brands. This group of brands and our reputation for consistently delivering high quality products and services has contributed to our leadership position as an automotive player in the Asia Pacific region, making us a partner of choice for brands seeking to expand in this region.

Business Activities

-  Assembly
-  Distributor/Importer
-  Retail of New & Used Cars
-  After-sales Services
-  Rental



KEY FOCUS AREAS & RESULTS

In FY2024, the Motors Division focused on extending its business presence and operational capabilities through key initiatives that reflect our commitment to stakeholders. These efforts are designed to create value for our business partners while also enhancing operational processes to enhance employee productivity and to deliver convenient solutions to our customers.

01 EXPANSION OF BUSINESS FOOTPRINT

- Secured distribution rights for XPENG in Hong Kong and expanded new showrooms for BMW, Hyundai and BYD in Malaysia.
- Expanded the assembly business in Malaysia through the assembly of Chery vehicles and the assembly of wheel and door modules for Porsche.
- Launched Drivecare with three service centres in Malaysia and Singapore.

02 ENHANCING OPERATIONAL EFFICIENCY

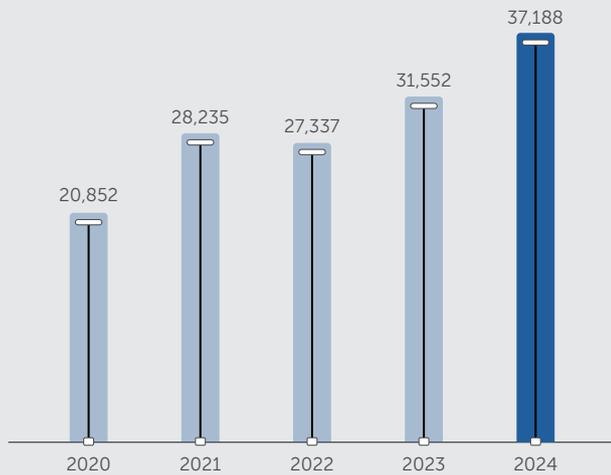
- Digitalisation of sales and after-sales processes, such as the OneGo mobile app in Malaysia, to provide customers with convenient access to essential services.
- Automation of almost 200 manual processes to increase employee productivity and efficiency.
- Implementation of new systems and enhancements, such as:
 - Digital payments for BYD Malaysia to enhance the online purchasing experience.
 - A plant maintenance platform at our assembly operations at Inokom.
 - A workforce planning and analytics solution across China.

BUSINESS REVIEW

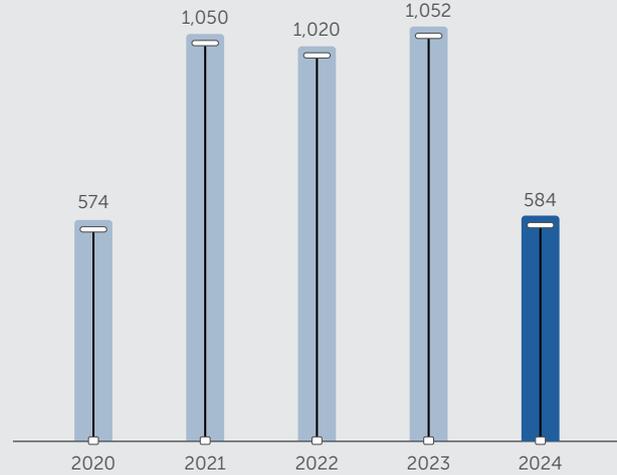
PERFORMANCE HIGHLIGHTS

Financial Performance

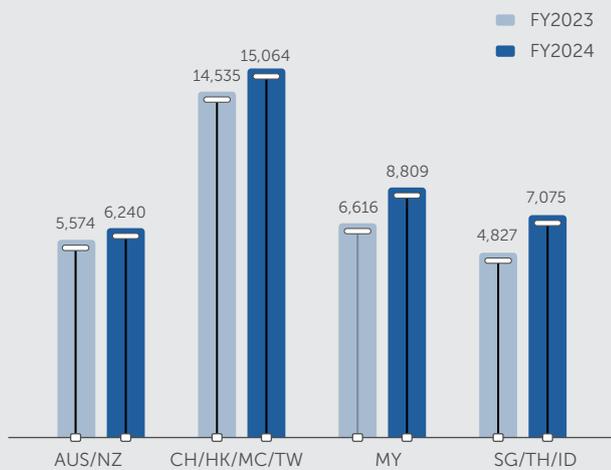
REVENUE (RM million)



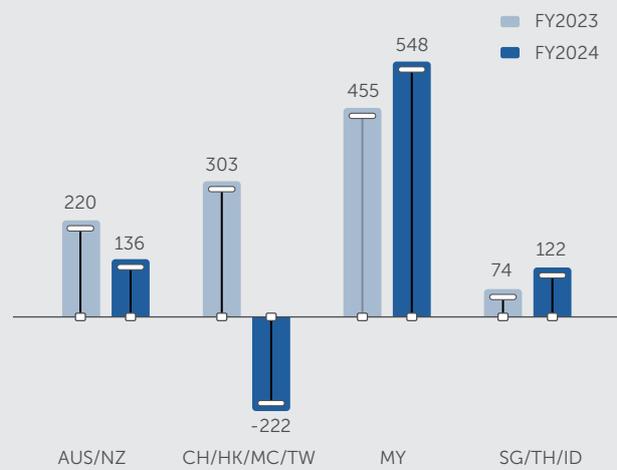
PBIT (RM million)



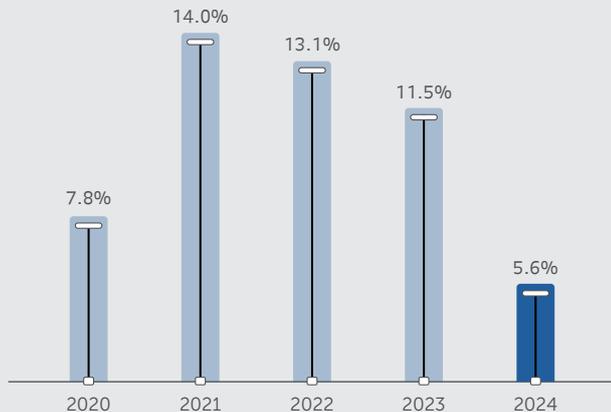
REVENUE BY REGION (RM million)



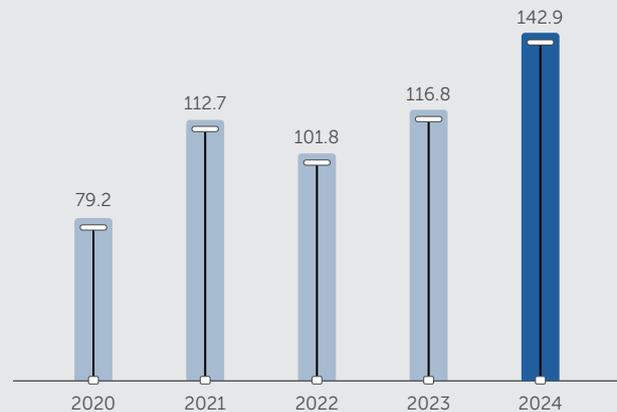
PBIT BY REGION (RM million)



ROAIC (%)



UNIT SALES ('000)



Note:
Includes new and used vehicle sales

KEY CHALLENGES & GROWTH OPPORTUNITIES

Technological advances and consumer preferences are changing the landscape of automotive retail and the relationship dynamic between original equipment manufacturers (OEMs) and their retailers. These present both risks and opportunities for growth. We are taking proactive steps to mitigate these risks and recalibrating our brand portfolio to capitalise on emerging opportunities.

Key Challenges	Mitigation Strategies
Discounting in China due to an oversupply of New Energy Vehicles (NEV)	<ul style="list-style-type: none"> Engage in dialogues with OEMs to review targets. Optimise operations to reduce costs.
Shift in consumer preferences towards Plug-in Hybrid Electric Vehicles (PHEV) and Hybrid Electric Vehicles (HEV) impacts sales of Battery Electric Vehicles (BEV) and Internal Combustion Engine (ICE) vehicles	<ul style="list-style-type: none"> Initiate conversations with our OEMs to bring the right powertrain offerings to each market. Explore opportunities with new brands that have a well-defined product roadmap across all powertrains.
Implementation of agency sales model disintermediates the role of dealerships	<ul style="list-style-type: none"> Continue dialogues with OEMs to understand their plans and timeline for implementation, as several OEMs have discontinued or deferred their plans for implementing the agency model. Align operating structures if and when necessary to adapt to the agency model. Continue to diversify brand portfolio.
Customer acceptance of autonomous vehicles disrupts OEMs that have under-invested in self-driving technology	<ul style="list-style-type: none"> Monitor developments in vertical take-off and landing (VTOL) vehicles and autonomous driving technology. Seek partnerships with OEMs that are investing in autonomous driving and VTOL.

Growth Opportunities	Our Approach
Demand for NEV and the proliferation of new NEV brands creates opportunities to diversify portfolio	<ul style="list-style-type: none"> Provide a balanced powertrain offering to match customer demand through existing brand partners and new NEV brands. Secured distributorship rights for XPENG in Hong Kong.
Demand for cost-effective after-sales solutions across the lifespan of vehicles	<ul style="list-style-type: none"> Launched Drivecare to retain car owners seeking post-warranty service outside authorised dealer networks.
Diversification of OEM manufacturing network in response to supply chain bottlenecks and geopolitical tensions	<ul style="list-style-type: none"> Continue to position Inokom as a regional assembler for the ASEAN region. Inokom has been appointed to assemble Chery vehicles for right-hand drive (RHD) markets in ASEAN.

OUTLOOK & STRATEGIC PLANS

Our strategy revolves around three pillars: operational excellence, investments and technology. We will continue to review our business operations and working capital practices to optimise efficiency and profitability, invest selectively to expand our growth pipeline and harness the power of digital technologies and advanced data analytics to support informed decision-making, implement new business solutions and engage seamlessly with our customers across various touchpoints. In addition, we will strive to embed a mindset of safety-first throughout our organisation.

Global macroeconomic volatility and escalating geopolitical tensions have substantially affected the short-term outlook in our key markets. The Asia Pacific market is expected to continue to recalibrate in response to economic policies, price discounting and the evolving EV landscape. According to BMI, the long-term outlook remains positive despite the short-term challenges and adjustments in response to market dynamics.

The five-year forecasts for our key markets, as adapted from Economic Intelligence Unit (EIU), are as follows:

China: New car sales are expected to grow at an average annual rate of 2.8%, supported by government stimulus measures and incentives for NEVs. The government also aims to double the size of the used-car market to RMB2 trillion (US\$306 billion) by 2025.

Australia: New car sales are projected to grow at a compounded annual growth rate (CAGR) of approximately 2%. Demand will be supported by car rental companies, government purchases and increasing consumer interest in EVs, particularly among urban dwellers and younger drivers.

Malaysia: New car sales are forecasted to increase at a CAGR of 3.5%, on the back of annual GDP growth of 4.4% and heightened market competition. While household purchasing power is expected to remain resilient due to targeted government subsidies and low consumption taxes, high household debt will constrain spending on big-ticket items.

Ultimately, growth opportunities remain, especially in markets that are actively developing their automotive infrastructure. We will monitor developments in each market and tailor our strategies accordingly to ensure alignment with the macroenvironment and industry trends.

BUSINESS REVIEW

UMW DIVISION

UMW Holdings Berhad (UMW) became a subsidiary of Sime Darby in December 2023, cementing the Group's position as the largest automotive player in Malaysia. UMW delivered strong revenue and profit before interest and tax (PBIT) of RM9.4 billion and RM480 million respectively during the period of just over six months post-acquisition.

In the first half of 2024, Toyota (including Lexus) and Perodua commanded a 55.5% share of the Malaysian automotive market. Toyota led the non-national segment with 46,821 units (including Lexus) while Perodua topped the national segment with 169,849 units in line with the positive growth in Malaysia's Total Industry Volume (TIV), resilient domestic economy and robust demand from the national segment.

As part of its continuous commitments towards carbon neutrality, UMW Toyota in line with Toyota Global Commitment to achieve carbon neutrality by 2050, launched the Beyond Zero initiative, to showcase the diverse range of powertrains for achieving electrification, such as hybrid electric vehicles (HEV), battery electric vehicles (BEV) and fuel cell electric vehicles (FCEV). In FY2024, UMW Toyota introduced the Toyota Yaris G Limited and the all-new Toyota HiAce van, embodying the vision of 'Move your World'.



“

With UMW as a core division of Sime Darby, we have opened a new market demographic for the Group with the addition of two of Malaysia's best brands: Toyota and Perodua. Our presence in the national and mass-market segments complements our Group's brand portfolio, while our manufacturing and distribution capabilities position us well across the automotive value chain. As we embark on this exciting journey, we are committed to "Motorising Malaysia", advancing the automotive industry, supporting electrification and decarbonisation, as well as strengthening our partnerships with Toyota and Daihatsu Japan.

”

Mustamir Mohamad
Managing Director, UMW Division

WHAT WE DO

UMW is a leading player across the automotive, equipment, manufacturing & engineering (M&E) and aerospace industries with a legacy spanning over 100 years.

UMW's **Automotive Segment** comprises the importing, manufacturing, distributing and retailing of motor vehicles, manufacturing automotive components and exporting motor vehicles and related parts.

In the **Equipment Segment**, UMW is a market leader in Malaysia and Singapore, distributing brands like Toyota, BT and Raymond across Malaysia, Brunei, Singapore, Vietnam and China. These products span across the material handling, industrial power, marine and logistics sectors. UMW had also distributed Komatsu brand heavy equipment (to be divested in Q2 FY2025).

The **M&E Segment** plays a key role in manufacturing and distributing auto parts and lubricants. Through our partnership with Kayaba (KYB) Japan, KYB-UMW Malaysia produces high-quality shock absorbers and hydraulic power steering systems with exports to 39 countries. UMW also offers complete lubricant solutions through Pennzoil, Repsol and our very own brand, GRANTT.

As for the **Aerospace Segment**, UMW Aerospace is the sole Tier-1 supplier of fan cases for the Trent 1000 and Trent 7000 engines for Rolls-Royce, cementing its position in the global aerospace supply chain. The business continues to expand its capabilities, with development well underway to introduce chemical milling to manufacture rear cases for Rolls-Royce Trent 1000 and Trent 7000 engines.

Business segments



Automotive



Manufacturing & Engineering



Equipment



Aerospace

KEY FOCUS AREAS & RESULTS

As part of UMW's integration into Sime Darby, our focus has been on introducing and communicating the Group's purpose, core values and strategy to UMW employees, strengthening stakeholder relationships and aligning operations across the Group.

01 INTEGRATION OF UMW WITHIN SIME DARBY

- Aligned UMW's organisational and reporting structure to Sime Darby as a division.
- Harmonised Group Policies & Authorities (GPA) and Limits of Authority (LOA).
- Aligned financial reporting, harmonised accounting policies, completed change of auditors and change of financial year.
- Centralised and aligned talent and capabilities to Sime Darby in adherence to reporting requirements.

03 DIVESTMENT OF ASSETS TO ALIGN STRATEGIES

- Progressed on the divestment of UMW Komatsu under the Equipment segment (to be divested in Q2 FY2025).

02 ENSURING BUSINESS CONTINUITY

- Strengthening relationships and becoming strategic partner to new principals.
- Building on existing market momentum and maintaining market leadership across business segments.
- Launched the 'Beyond Zero' initiative, in alignment with Toyota's global pursuit of Carbon Neutrality by 2050, showcasing its various electrified technologies including HEVs, BEVs and FCEVs.
- Joint venture with Toyota Industries Corporation (TICO), a global forklift leader, to expand our Equipment business as well as to serve the growing e-commerce segment.

KEY CHALLENGES & GROWTH OPPORTUNITIES

Intense competition in the automotive industry against the backdrop of a rapidly changing business environment continues to present various challenges to the division’s business. To navigate these pressures, we will actively seek growth opportunities and leverage on its long-standing partnerships.

Key Challenges	Mitigation Strategies
Challenging automotive landscape driven by growing demands for BEV	<ul style="list-style-type: none"> • Our presence in the upstream manufacturing and distribution segments along the value chain broadens our earnings pool and insulates us from shifting trends. • Collaborate with OEMs to focus on multi-pathway strategy by introducing multiple powertrain solutions to cater to the diverse needs and preferences of our customers. • Maintain the lead position in both national and the non-national markets through the right product and model line-up, competitive pricing and marketing strategy.
Competition from new market entrants	<ul style="list-style-type: none"> • Provide mobility solutions that are inclusive and accessible to all Malaysians. • Continuous operational improvement to enhance efficiency and productivity. • Focus on enhancing customer experience throughout the buying and ownership journey and increasing customer centricity through digitalisation.

Growth Opportunities	Our Approach
Drive towards low-carbon mobility	<ul style="list-style-type: none"> • Promote low-carbon mobility growth through the introduction of hybrid models and pilot BEV and FCEV models. • Implement sustainable practices in manufacturing, using renewable energy sources, reducing waste and minimising carbon footprint.
New and adjacent business segments along the value chain	<ul style="list-style-type: none"> • Explore into adjacent areas along the downstream value chain and throughout the vehicle life cycle, leveraging on our scale and retail capabilities. • Identify segments that are currently under-developed and fragmented.

OUTLOOK & STRATEGIC PLANS

We have aligned our strategy with the Group’s 5-Year Strategic Masterplan, focusing around three gears: driving our core automotive business, optimising our portfolio across segments and exploring new business adjacencies.

In the near-term, we will continue to focus on driving operational excellence and strengthening our businesses to sustain our market leadership, maintain strong relationships with our key stakeholders and review our business portfolio to determine alignment with the Group’s portfolio, while progressing with our integration activities.

Looking ahead, the automotive sector is expected to continue evolving with shifting customer dynamics and a global transition towards net zero mobility solutions. As the largest automotive player in Malaysia, we are well-positioned to realise our vision of ‘Motorising Malaysia’ and supporting stakeholders in driving the transition to carbon neutrality.

OUTLOOK OF THE MALAYSIAN AUTOMOTIVE MARKET

Malaysia achieved a record-breaking Total Industry Volume (TIV) of around 800,000 units in 2023, surpassing Thailand for the first time as the second largest automotive market in ASEAN after Indonesia. Building on the continued strong sales momentum in the first half of 2024 with a 7% increase from the same period in 2023, the Malaysian Automotive Association (MAA) has revised its 2024 forecast upwards from 740,000 to 765,000 units, driven by robust sales and healthy backlog orders, particularly from the A-segment. In the mid-term, we are cautiously optimistic that TIV will stabilise and grow at a compounded annual growth rate (CAGR) of 3.5% over the next five years (Source: EIU).

In line with global trends, the industry landscape is evolving with the acceleration of electric vehicles and their extended variants (xEV)* transition and this shift is expected to be long-term positive for the sector. As Malaysia targets xEV adoption rates of 15% by 2030 and 80% by 2050, we are seeing an influx of automakers entering the market. While local auto players may face increased competition in 2024, this dynamic environment also presents opportunities for growth and will further accelerate demand for xEVs.

* Primary xEV categories include Battery Electric Vehicles (BEVs), Plug-in Hybrid Electric Vehicles (PHEVs), Hybrid Electric Vehicles (HEVs) and Fuel Cell Electric Vehicles (FCEVs).



CREATING SUSTAINABLE VALUE

In FY2024, Sime Darby charted significant progress towards a more sustainable and secure future. Despite the many challenges, we were agile and applied strategic foresight in executing our commitments to integrating sustainability.

In its fourth year, the Sustainability Blueprint – embedded within our broader 5-Year Strategy Masterplan – has been guiding our efforts to contribute to a lower-carbon economy. The dynamic framework has enabled us to meet market demands, comply with regulatory requirements and seize emerging sustainable development opportunities. This aligns our growth with the needs of our stakeholders and society at large, ensuring we build a resilient and responsible business for the future.

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OUR SUSTAINABILITY BLUEPRINT JOURNEY

Our Sustainability Blueprint is integral to our strategic decisions, ensuring long-term value for employees, clients, shareholders and communities. Integrated into our 5-year Strategy Masterplan, sustainability is deeply embedded in our organisational culture.

Now in its fourth year, the Blueprint has driven significant progress. All 31 activities under our Flagship Initiatives are either completed or part of our business-as-usual operations. We have also improved the sustainability knowledge in our ESG Councils, empowering them to deliver on our sustainability targets.



➤ REACHING OUR OVERALL TARGETS

Our Overall Targets are the strategic compass directing Sime Darby’s sustainability journey. By addressing ESG priorities, these targets enhance our accountability and drive business performance.

Target 1

30% REDUCTION OF EMISSIONS BY 2030 (SCOPE 1 AND 2 ONLY) FROM 2020 LEVELS

Our 2030 target is annual Scope 1 and 2 emissions of 112,000 tonnes of carbon dioxide equivalent. In FY2024, we have achieved an annual reduction of approximately 23,000 tonnes* with projects identified to deliver a further 24,000 tonnes under review. Efforts are underway to identify projects for an additional 32,000 tonnes required to meet the 2030 target.

We will achieve this target by continuing to:

- Increase education and training to support our ability to identify opportunities to abate emissions.
- Increase focus on implementing renewable energy production across our facilities.
- Implement energy and asset efficiency measures.
- Source more renewable energy from the grid.

Target 2

MINIMUM RM250 MILLION INVESTMENTS IN ESG INNOVATION BY 2025

60% of the target has been achieved with a reported RM150 million spent on ESG investments.*

We will achieve by continuing to:

- Enhance our tracking mechanism to capture and monitor our investments in ESG innovation through internal review.
- Continue to invest in ESG innovation, including leveraging the recently acquired UMW research and development operation.

Target 3

>50% PRODUCTS IN OUR PORTFOLIO BY 2025 TO BE MORE ENERGY EFFICIENT THAN THE 2020 PRODUCT PORTFOLIO

Target has been achieved with >70% of the Group’s products more efficient for both Motors and Industrial Divisions.*

We have achieved by:

- Growing the range and volume of low emission vehicles sold by the Motors Division, such as EVs and hybrids.
- Developing energy efficient product offerings and expanding remanufacturing and refurbishing services for the Industrial Division.
- Expanding product offerings through electrification and providing biodegradable solutions for UMW Division.



Our Commitment to Net Zero

Sime Darby is committed to achieve net zero carbon emissions across our portfolio by 2050.

As a leading player in the Industrial and Automotive sector in Asia Pacific, our commitment reinforces the importance of climate change and the push for Malaysia to become a net zero greenhouse gas (GHG) emissions nation by 2050.

“As a responsible multinational organisation, we are investing in our future as we transition to a net zero Asia Pacific region.”

Dato’ Jeffri Salim Davidson, Group Chief Executive Officer

This commitment aims to accelerate the progress that has been accomplished through Sime Darby’s Sustainability Blueprint. Using measures set by Bursa Malaysia, we will align our roadmap to net zero with rigorous international standards.

➤ OUR JOURNEY TO NET ZERO CARBON EMISSIONS AND LOOKING AHEAD

Climate change is a key consideration in our operations and we are dedicated to reducing our environmental impact. Since launching our Sustainability Blueprint in FY2021, we have set ambitious targets for the organisation that cascade down through our divisions and to our individual business units.

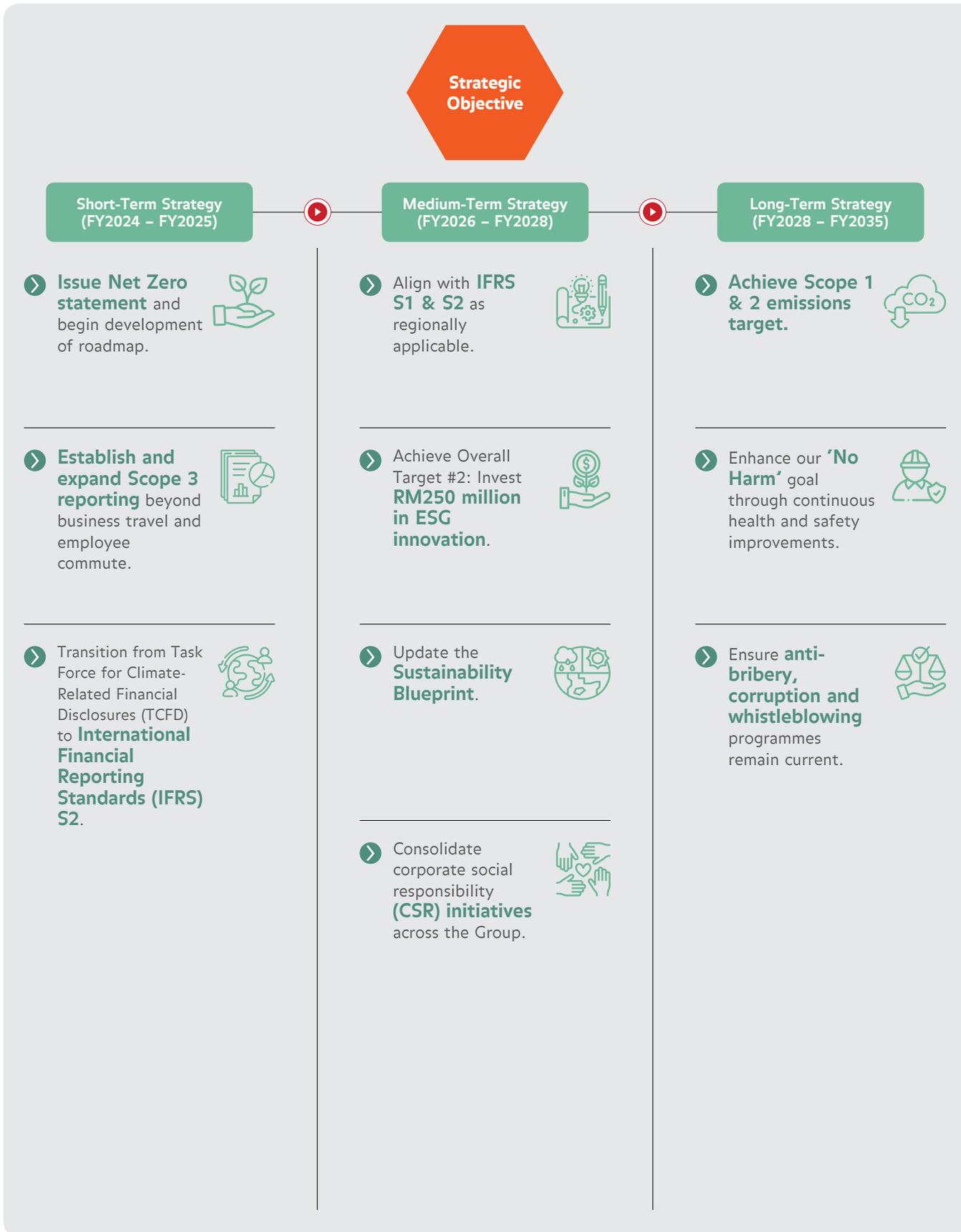
Today, we are accelerating our progress towards net zero carbon emissions by 2050, with our Net Zero Roadmap to be finalised in FY2025.

Looking ahead, we will intensify our efforts to achieve a 30% GHG emissions reduction, guided by our Group Emissions Reduction Framework, positioning us as a contributor to the low-carbon economy.

* Internally reviewed by Group Corporate Assurance (GCA) Department

COMMITTED TO DELIVERING A SUSTAINABLE FUTURE

We align our sustainability and ESG strategies with short, medium and long-term goals to meet regulatory requirements, deliver value to the business and achieve our targets effectively.



How We Will Get There

Short-Term Strategy (FY2024 – FY2025)

- Utilise the **GHG Protocol** on Scope 1, 2 & 3 reporting.



- Expand TCFD implementation to include regionally applicable aspects of **IFRS S2**.



- Elevate health, safety and environment (HSE) standards through **targeted training and equipping all employees with essential tools**.



Medium-Term Strategy (FY2026 – FY2028)

- Invest in **Climate Scenario Analysis** and environmental resources management (ERM) integration.



- Enhance overall **Target 1 and 2** reporting.



- Provide **CSR guidance** to improve local impact.



- Leverage **Bursa Malaysia's Centralised Sustainability Intelligence Platform (CSIP)** to engage with suppliers on Scope 3 emissions.



- Continue to **expand our SELF safety culture programme** so it remains current and engaging, tailored for local audiences.



- Continue to **enhance training through Technical Education and Training (TVET) programmes** including ESG training to meet industry demands.



Long-Term Strategy (FY2028 – FY2035)

- Leverage original equipment manufacturer (OEM) data to **drive efficiency**.



- Review and **enhance HSE metrics** to support 'No Harm'.



- Build on **short and medium-term strategies**.



- Report and **measure our long-term impact** of CSR initiatives.



SUSTAINABILITY GOVERNANCE

OUR GOVERNANCE STRUCTURE

Sime Darby’s sustainability governance ensures our leadership efficiently plans and executes our sustainability blueprint while maintaining the highest level of integrity. This structure also ensures the delivery of our commitments across all operations.

Sustainability Governance Structure

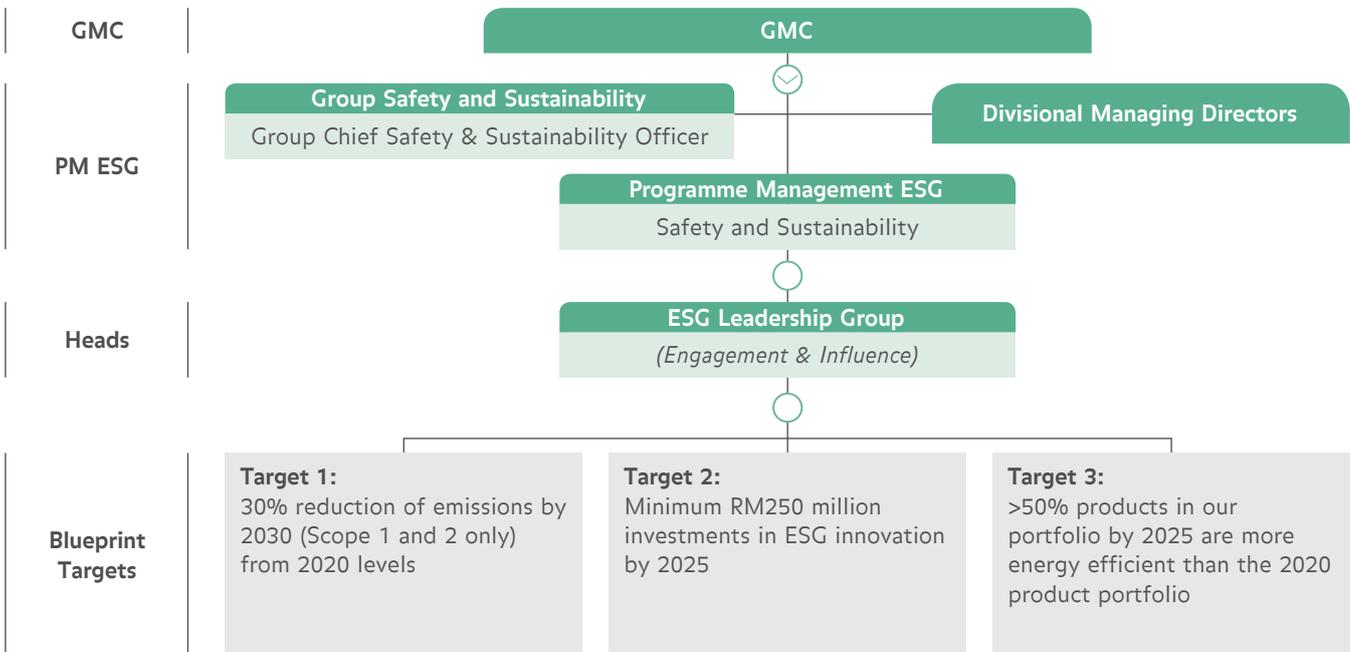


Key Developments in FY2024

The Risk Management and Sustainability Committee (RMSC) now oversees regular reporting to the Board, ensuring strategic alignment and adherence to our Sustainability Blueprint as well as Health, Safety and Environmental (HSE) risk and compliance guidelines. This includes quarterly updates through Divisional Management, Group Management Committee (GMC) and RMSC meetings. Training and education for ESG Councils were expanded to strengthen sustainability governance, including mandatory ESG training for the Board of Directors and senior leaders.

For more details about the RMSC and Board Committees, please refer to the Corporate Governance section on pages 131 to 136, and 108 to 109 of this report, respectively.

Programme Management ESG (PM ESG) Office



The PM ESG office drives sustainability strategy across the Group, facilitating collaboration through the ESG Councils at business units and ensuring sustainability principles are embedded at all levels. The PM ESG office ensures projects align with the overall targets and material matters, with significant projects approved by the GMC and reviewed by the Group Safety and Sustainability office.

This centralised function by the PM ESG facilitates knowledge sharing which transfers both downward and upward to support informed decision-making and aligns the organisation with sustainability best practices.

ESG RISK MANAGEMENT

In FY2024, we commenced the integration of Task Force on Climate-related Financial Disclosures (TCFD) recommendations into our RMSC governance structure. This strengthens our ability to identify, assess and mitigate sustainability-related risks across the Group. In Q4 of FY2024, the Group engaged external specialists to conduct a Group-wide Climate Scenario Analysis to integrate climate risk into the risk management framework.

For more details on climate change risk mitigation measures, please refer to the Enterprise Risk Management section on page 44.

SUSTAINABILITY-RELATED POLICIES AND GUIDELINES

Policies and guidelines are essential for guiding our operations and addressing critical business issues across the Group. We enhanced our Group Policies & Authority (GPA) framework with a strong focus on integrating ESG principles, aiming to embed sustainability throughout the Group in 2023. Further, in FY2024, we introduced a reporting template for all Bursa common material matters including the scope, methodology and exceptions/limitations.

For our common material matters, we adhere to Bursa Malaysia’s Sustainability Reporting Guide (3rd Edition), ensuring transparent ESG disclosure. For additional sustainability data visit www.simedarby.com.

STATEMENT OF INTERNAL REVIEW

The Group Corporate Assurance (GCA) Department, reporting directly to the Governance and Audit Committee (GAC), provided an internal review of the reported common material matters as well as the achievements against our Blueprint Targets – Target 1, 2 and 3.

For more details about the GAC, please refer to the Corporate Governance section on pages 126 to 130 of this report.

SUSTAINABILITY LEADERSHIP AND ENGAGEMENT

We actively participate in industry associations, conferences and networking events to look for ways to continuously improve our sustainability initiatives. These forums facilitate knowledge sharing and collaboration enabling us to adopt best practices and to advance our sustainability goals.

Membership & Associations	Our Contribution
CEO Action Network (CAN)	<p>CAN is a Malaysian network of CEOs and board members focused on sustainability advocacy, capacity building, sustainability action plans and performance.</p> <p>Our Contribution: We collaborated with active members to create sustainability initiatives and participated in activities with working groups to bolster our climate change management and mitigation strategy. In FY2024, we participated in the ISSB and effective ESG reporting workstream.</p>
Yayasan Sime Darby (YSD)	<p>YSD provides philanthropic support to Sime Darby that aims to support community enrichment and empowerment. Its activities focus on five pillars: education, environment, community and health, sports and arts and culture.</p> <p>Our Contribution: In FY2024, we contributed RM30 million to YSD.</p>



THEME 1

In working to make **substantial progress in our environmental and social impact**, we are committed to driving sustainable growth through informed decision-making and balanced economic outcomes. This includes engaging our colleagues across the Group in environmental and social responsibility initiatives to support the communities we operate in.

OPTIMISING OUR ENVIRONMENTAL AND SOCIAL FOOTPRINT

MATERIALITY MATTERS

- 1 Climate Change (Including Financial Risk & Opportunities)
- 2 Energy and Emissions Management (Including Renewable Energy)
- 3 Water Management
- 4 Waste and Effluent Management
- 5 Labour Practices
- 6 Health and Safety
- 7 Diversity

NAVIGATING SUSTAINABILITY CHALLENGES AND OPPORTUNITIES

FY2024 marked significant progress in our sustainability efforts. We rolled out the Group's a Responsible Sourcing Policy, expanded solar capacity and conducted energy audits to reduce our environmental impact. Acknowledging global challenges like climate change and water scarcity, we remain focused on addressing these issues through the development of our Net Zero Roadmap and by introducing more energy efficiency projects and water conservation initiatives.

Health and safety remained a top priority for our people, customers and visitors as we continued to review our Life Saving Commitments, safety procedures, critical controls and preventative measures across our operations.

Regretfully, we lost two valued members of Sime Darby due to an incident this year. Our crisis management response prompted an immediate systematic review of the critical risks across all business units particularly for those operating in hazardous environments. This initiated further enhancement of our extensive guidelines on risk management practices across the organisation.

For FY2025, data driven decision-making and decarbonisation initiatives will be key drivers of sustainable growth. Aligned with our Sustainability Blueprint, we aim to create long-term value for our stakeholders and contribute to a more sustainable future.

1 CLIMATE CHANGE (INCLUDING FINANCIAL RISK & OPPORTUNITIES)

► Why Is It Important?

Climate change is the long-term alteration in Earth’s weather patterns, leading to temperature rises, sea level increases and intensified extreme weather. Our Group’s response identifies and manages these risks and opportunities, as well as those arising from the transition to a lower-carbon economy.

► Our Approach

- Focus on actively reducing our carbon footprint through operational decarbonisation.
- Integrate climate change considerations into our business continuity management (BCM) programme.
- Participate in Bursa Malaysia’s Centralised Sustainability Intelligence Platform (CSIP) to encourage supply chain decarbonisation and embed ESG principles into our strategy.
- Guide the Board on climate-related risks and opportunities via the Risk Management and Sustainability Committee (RMSC).

► Risks & Key Challenges

Refer to the Enterprise Risk Management (ERM) Report (Disruption & Climate Change) on pages 43-44.

Physical risks

- Increase in damages, losses and costs due to sudden extreme weather and gradual climate shifts.

Transition risks

- Potential operational disruptions due to the shift towards a low-carbon economy, including technological changes, reputational damage and regulatory pressures. For example, stricter automotive emissions requirements can render inventory obsolete.

Value Creation for FY2024

- Implemented the Responsible Sourcing Policy to uphold ethical and environmental standards throughout our supply chains.
- Initiated the climate scenario analysis, aligning with the Task Force for Climate-Related Financial Disclosures (TCFD) and International Financial Reporting Standards S2 (IFRS S2) standards.
- Commenced Scope 3 reporting to enhance transparency and accountability.

Planned Activities

Short-term

- Enhance our net zero roadmap, complete a climate scenario analysis and align our reporting with new regulations.

Medium-term

- Improve Scope 1, 2 and 3 reporting to enhance decarbonisation efforts.

Long-term

- Capitalise on key opportunities, such as supporting the responsible mining of energy transition minerals and transitioning vehicle fleets to low-emission options.

Capitals



Strategy Pillars



Stakeholders



SDGs



Highlight

► Climate Change (Including Financial Risk & Opportunities)

Reinforcing Our Commitment to Responsible Sourcing

In a significant step towards ethical and sustainable business practices, we introduced our new Responsible Sourcing Policy in FY2024. The policy outlines clear guidelines for vendors, ensuring adherence to environmental, social and ethical standards.

Key highlights of the policy include:

- An established framework for responsible sourcing practices which ensures transparency and accountability throughout the supply chain.
- Clear expectations for vendors regarding environmental protection, fair labour practices, human rights and business ethics.
- Conducting regular reviews and updates to our responsible sourcing principles that address emerging issues and evolving industry standards.

By embedding responsible sourcing principles into our procurement processes we strive to conduct business in a socially and environmentally responsible manner to create a more equitable and sustainable future for our stakeholders.

OPTIMISING OUR ENVIRONMENTAL AND SOCIAL FOOTPRINT

2 ENERGY AND EMISSIONS MANAGEMENT (INCLUDING RENEWABLE ENERGY)

► Why Is It Important?

Energy and emissions management is the measurement and reduction of energy consumption and emissions. Our commitment is to report on all emissions (Scope 1 and 2) under our control, with independent internal review, while expanding our reporting to include selected indirect emissions (Scope 3).

► Our Approach

- Establish governance for Scope 1 and 2 reporting including biennial data reviews aligned to the GHG Protocol.
- Facilitate limited Scope 3 reporting for business travel and employee commuting.
- Utilise country-specific reputable sources such as government statistics and the International Renewable Energy Agency (IRENA).
- Apply international standards for energy and emission factors where data is limited.

► Risks & Key Challenges

Refer to the ERM Report on page 44.

- Inefficient energy use increases financial vulnerability.
- Penalties for non-compliance with tightening regulations.
- Poor energy and emissions management can damage brand reputation and hinder market share.
- Increasing investor scrutiny can cause loss of investment for businesses with poor sustainability performance.

Value Creation for FY2024

- Increased our solar capacity, producing 7.1GWh of renewable energy and avoiding approximately 3,900 tCO₂-e emissions.
- Conducted energy audits at our high-emitting facilities, with additional audits scheduled.
- Procured green energy in China, Malaysia, Singapore and New Zealand.
- Enhanced Scope 3 reporting and recalculated baseline emissions to improve accuracy and governance.

Planned Activities

Short-term

- Focus on expanding energy audits to identify opportunities for increased energy efficiency across the business.
- Expand rooftop solar installations with approximately 2,500kW of additional capacity.

Medium-term

- Leverage Bursa Malaysia’s Centralised Sustainability Intelligence (CSI) Platform to engage with suppliers on Scope 3 emissions.
- Continue to expand renewable energy installations at our facilities.

Long-term

- Increase green electricity selection and enhance Scope 3 reporting with additional categories.

<p>Capitals</p>	<p>Strategy Pillars</p>	<p>Stakeholders</p>	<p>SDGs</p>	<p> For Energy and Emissions Management metrics refer to page 91.</p>
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Highlight ► Solar Expansion Drives Sime Darby’s Sustainability Blueprint

Hastings Deering

Hastings Deering successfully installed 500kW of solar photovoltaic (PV) across five key locations: Townsville, Mount Isa, Mackay and Toowoomba in Queensland and Darwin in Northern Territory. In leveraging the increasing cost-effectiveness of solar energy and government incentives, these systems are not only generating substantial cost savings but also contributing to a cleaner environment by reducing emissions across these sites every year.

These systems are demonstrating a strong return on investment with an average payback period of 3.5 years. Building on this foundation, Hastings Deering plans to expand by installing an additional 1,200kW across six new sites in FY2025. The strategic investment of solar into these sites in Archerfield, Brisbane, two sites in Mackay, Rockhampton and Cairns is expected to reduce emissions by an additional 1,200 tCO₂-e.

3 WATER MANAGEMENT

► Why Is It Important?

Water management is the sustainable use and conservation of water across our operations. We prioritise sourcing, using and recycling water to efficiently protect the environment, support communities and ensure business continuity.

► Our Approach

- Commit to water conservation and sustainability through the integration of Safety and Sustainability Tier Plans.
- Report on the monthly performance of municipal, harvested and recycled water usage collected and processed by operational units.

► Risks & Key Challenges

- Water scarcity and supply disruptions due to climate change events.
- Infrastructure failures caused by ageing assets.
- Municipal water supply restrictions in vulnerable regions.

Value Creation for FY2024

- Conducted internal assurance on FY2024 municipal water consumption by Group Corporate Assurance.
- Developed water reduction strategies for sites identified to have high water consumption.
- Supported green initiatives like refraining from car washes and aquifer recharge projects.
- Performed asset condition assessments of critical wastewater infrastructure.

Planned Activities

Short-term

- Progress from strategy development to implementation of water conservation projects.

Medium-term

- Target water-intensive areas of our operations to improve management and efficiency.

Long-term

- Enhance our reporting accuracy by leveraging on smart consumption technology and investing in water conservation infrastructure.

Capitals

Strategy Pillars

Stakeholders

SDGs

For Water Management metrics refer to page 91.

Highlight ► An Effective Ecosystem Providing Sustainable Water Management

“Our unique infrastructure has the capacity to move water around our 26-acre site using head pressure and an electric pumping system. This enables us to distribute water to where it is needed most at a moment’s notice.”

Chris Salmon, Chief Executive Officer, Salmon Earthmoving Pty Ltd

Salmon Earthmoving

Established in Stapylton, Queensland, the previously family-owned Salmon Earthmoving Pty Ltd comes from humble beginnings starting their operations in the early 1940s. They have since grown their business over the last 80 years.

Salmon’s operations rely on an independent water supply system untethered from the main grid – a system which incorporates water sustainability practices through its advanced rainwater harvesting infrastructure. Water is collected from buildings, meticulously funnelled through gutters and pipes and then stored in strategically positioned large tanks. There’s also an onsite dam integrated into its water conservation strategy, capitalising on the natural water course on the property.

The capacity to store up to 380,000 litres of portable rainwater serves an array of domestic and commercial purposes: drinking, cleaning, machine washdown, dyno cooling and dust suppression. Looking ahead, Salmon aims to elevate its sustainable water infrastructure by installing gauges on all tanks and repurposing its contaminated water for broader commercial applications.

OPTIMISING OUR ENVIRONMENTAL AND SOCIAL FOOTPRINT

4 WASTE AND EFFLUENT MANAGEMENT

► Why Is It Important?

Waste and effluent management prioritises minimising waste and maximising resource recovery. We focus on reducing landfill waste and increasing recycling rates across all operations. We classify waste as general or hazardous and track all waste streams which helps to conserve resources and protect the environment.

► Our Approach

- Collaborate with trusted waste collectors throughout our supply chain following all jurisdictional waste management requirements.
- Integrate our Safety and Sustainability Tier Plans into our waste management which supports environmental goal setting.
- Capture waste through our monthly reporting process, monitoring it alongside health and safety key performance indicators.

► Risks & Key Challenges

Refer to the ERM Report (HSE) on page 44.

- Improper storage, treatment and disposal of hazardous waste.
- Certified vendor scarcity and data collection limitations in emerging markets.

Planned Activities

Short-term

- Improve waste management practices including wastewater management to further reduce our environmental impact.

Medium-term

- Reduce operating costs through waste repurposing, reselling and recycling.

Long-term

- Enhance data accuracy through precise measurements and work to increase our recycling rates.

Value Creation for FY2024

- Achieved 50% recycling rates across various Motors and Industrial sites through initiatives targeting cardboard, metal and waste oil.
- Reviewed our supply chain to assess its capabilities and highlight circular economy contributions.
- Conducted site observations and vendor due diligence to minimise risks and enhance reporting accuracy.

Capitals



Strategy Pillars



Stakeholders



SDGs



5 LABOUR PRACTICES

► Why Is It Important?

Our labour practices are to uphold high labour standards by cultivating a safe, fair and ethical work environment for all employees, preventing modern slavery and empowering our workforce. Our established culture of diversity and equity creates a safe and inclusive workplace that builds trusted long-term relationships with our employees.

► Our Approach

- Conduct ongoing region-specific risk assessments that are tailored to the unique needs of our operations.
- Support employee wellbeing and promote internal opportunities and development initiatives.
- Promote diversity, equity and inclusion (DEI) through employee training programmes.
- Address grievances and complaints through proactive mechanisms.

► Risks & Key Challenges

Refer to the ERM Report (Regulatory Compliance) on page 45.

- Disciplinary or legal action if standards are breached.
- Increased dissatisfaction and turnover among employees due to unfair treatment.

Planned Activities

Short-term

- Enhance operational efficiency for improved customer satisfaction.
- Increase employee development opportunities to improve employee retention and satisfaction.

Medium-term

- Continuously grow our positive DEI culture.

Long-term

- Uphold industry-leading standards in labour practices.

Value Creation for FY2024

- Deployed the Driving Our Achievement (DA) Performance Management Framework that supports our vision of developing a high-performance culture. The DA emphasises individual and team goals, personal development and work, adding value to customers, businesses and our portfolio.

Capitals



Strategy Pillars



Stakeholders



SDGs



For Labour Practice metrics refer to page 91.

6 HEALTH AND SAFETY

► Why Is It Important?

Health and safety involves creating a safe and healthy work environment where every employee can return home unharmed. With a proactive safety culture that is driven by our guiding principle of ‘No Harm’, we prioritise the protection of our employees, customers, contractors and visitors.

► Our Approach

- Provide mandatory health, safety and environment (HSE) inductions for all employees.
- Expanded the SELF safety culture programme through strategic delivery, strengthening safety-focused decision-making.
- Encourage proactive safety reporting and participation to manage risks.
- Continue to enhance safety practices, improving consistent standards across our organisation.
- Proactively use collated safety data to inform decisions and improvements.

► Risks & Key Challenges

Refer to the ERM Report (HSE) on page 44.

- Harm to our employees, customers, contractors and visitors.
- Legal and regulatory consequences of safety breaches.
- Negative impact on employee morale and productivity leading to difficulties retaining top talent.
- Damaged reputation and stakeholder relationships due to unsafe conditions.
- Financial and non-financial costs associated with workplace incidents.

Value Creation for FY2024

- Strengthened Life Saving Commitments across our Motors business.
- Deployed health, safety and wellbeing awareness campaigns across our portfolio to leverage global awareness days.
- Commenced employee preventative health and wellbeing programmes, including early intervention services across our Motors operations in Australia and New Zealand.
- Integrated newly acquired operating units into key reporting requirements.

Planned Activities

Short-term

- Proactively encourage health and safety reporting to ensure immediate investigations into possible occurrences or risks and the development of preventative and corrective actions.
- Continue to align operational policies with evolving regulatory frameworks.

Medium-term

- Enhance our safety systems and data analysis through technology and innovation.
- Continuously expand our SELF safety culture programme to keep it current, while tailoring it to local audiences.

Long-term

- Enhance our ‘No Harm’ goal through continuous health and safety improvements.

Capitals



Strategy Pillars



Stakeholders



SDGs



For Health and Safety metrics refer to page 91.

Highlight

► Sime Darby Motors New Zealand Drives Significant Safety Improvements

Sime Darby Motors New Zealand (SDMNZ)

The Motors NZ Truckstops Safety Improvement Project is aimed at enhancing safety culture and practices throughout SDMNZ with a focus on its Truckstops New Zealand business. Since its implementation, there has been a 40% decrease in the Total Recordable Injury Frequency Rate (TRIFR) across all SDMNZ operations for FY2024.

This demonstrates a culture shift across the organisation to improve workplace safety, with benefits being realised – a decrease in injuries and their severity, leading to a decrease in injury claim cost. Initially focused on six Truckstop sites, this targeted training has expanded across the wider SDMNZ network. Workshops to refine safety tools like ‘Take 5’, ‘Safety Interactions’ and ‘Right to Start’ meetings were also introduced to bolster safety awareness and engagement.

A safety culture survey was also conducted throughout Truckstops allowing our employees to provide valuable insights that informs future improvements and strengthen employee engagement.

OPTIMISING OUR ENVIRONMENTAL AND SOCIAL FOOTPRINT

7 DIVERSITY

► Why Is It Important?

Diversity in a workplace is where every individual, regardless of background, feels valued, respected and empowered to reach their full potential. By embracing the richness of our diverse workforce, including gender and generational perspectives, we create an environment of innovation, engagement and collective success.

► Our Approach

- Influence positive organisational culture through proactive practices that create an open and inclusive work environment.
- Prioritise employee wellbeing and safety through education, support programmes and open communication channels.
- Enhance career development through mentorship, coaching and recognition programmes, with a specific focus on empowering women.
- Embed inclusive values into our organisational culture and processes while proactively promoting culture, gender, ability and generational diversity.
- Address discrimination and misconduct through robust investigation and corrective actions.
- Implement robust reporting and support mechanisms while complying with all regulatory requirements.

► Risks & Key Challenges

- Inadequate diversity and inclusion strategies can hinder talent acquisition and retention.
- Lack of inclusivity can erode employee morale, productivity and overall organisational performance.

Planned Activities

Short-term

- Continue to embed our values into our performance and development framework.
- Expand our female empowerment programmes and increase awareness of mental health and wellbeing through targeted campaigns and support resources.

Medium-term

- Enhance the sense of inclusion and belonging among employees.
- Promote our recognition programmes to encourage positive behaviours and celebrate diversity and inclusion.

Long-term

- Enhance our diversity and inclusion policies to be aligned with our organisational processes and business goals.

Value Creation for FY2024

- Launched comprehensive programmes across our portfolio including 'Together as One', '24/7 Respect', cultural celebrations, International Women's Day initiatives, Women in Leadership programmes, Pink Shirt Day and financial and mental wellbeing support.
- Offered scholarship and Special Needs Bursary Programme ranging from spirituality to leadership to supporting Persons with Disabilities (PWD), the B40 and marginalised communities in Malaysia.
- Launched market-driven recognition awards to promote core values in our organisational culture and processes.
- Proactively addressed gender pay parity.
- Maintained high psychological safety scores through the Hastings Deering Life programme.
- Boosted female representation in Motors and Industrial Divisions.
- Successfully increased employee engagement Group-wide, especially within Motors Australia and New Zealand divisions.

<p>Capitals</p>	<p>Strategy Pillars</p>	<p>Stakeholders</p>	<p>SDGs</p>	<p> For Diversity metrics refer to page 91.</p>
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Highlight ► Diversity

Making Mental Health Matter

Sime Darby prioritised mental health in FY2024 with a company-wide campaign. Employees were encouraged to assess their mental wellbeing using a self-assessment checklist based on the internationally recognised Mental Health Continuum.

Leaders and safety teams participated in additional webinars focusing on the latest insights into workplace mental health. The two-week campaign was conducted through Right to Start and Toolbox Talk meetings, facilitating open discussions about mental health. Employees seeking further support were directed to mental health providers or external healthcare services.

The campaign supports our vision of fostering a supportive and inclusive workplace, while raising awareness about mental health and the impact it can have on employees and their colleagues.



THEME 2

While we have made improvements to embed ESG principles into the fabric of our business, it is our employees who are the driving force behind our progress. By investing in their development and wellbeing, we are positioning our organisation to have the competitive edge for sustained success.

INSPIRING OUR EMPLOYEES TO DELIVER MEANINGFUL CHANGE

MATERIALITY MATTERS

- 1 ESG Oversight, Measurement and Reporting
- 2 Employee Training and Development
- 3 Community Contributions and Development

PEOPLE AT THE HEART OF PROGRESS

Our journey over the past year has been defined by our people. We focused on developing our talent, creating opportunities for growth and strengthening our culture of high performance. Our dedication to our employees includes supplementing any skill gaps with training and developing careers with performance management.

Our passion for people also extends to creating positive social impacts through community initiatives. Yayasan Sime Darby, our philanthropic arm in Malaysia, spearheaded environmental and social projects, such as the *WildRoots* docuseries on conservation and *Program Sumbangan Asas Rahmah*, which provided essential aid to hundreds of families. We have donated to 75 organisations/distinct programmes we consider our beneficiaries, noting that these organisations have indicated a collective impact of more than 400,000 individuals.

Our businesses are also encouraged to forge strong local relationships for lasting social impact. For example during the year, Motors Australia raised AU\$62,000 for the Sydney Children's Hospital Foundation through a MINI Cooper fundraising event.

Establishing healthy partnerships and proactive initiatives enable us to make a tangible difference in the lives of many. As we look ahead, our focus remains on building a responsible organisation that supports talent growth, community development and one that delivers value to all stakeholders.

INSPIRING OUR EMPLOYEES TO DELIVER MEANINGFUL CHANGE

1 ESG OVERSIGHT, MEASUREMENT AND REPORTING

Why Is It Important?

ESG oversight measurement and reporting means having clear sustainable goals and targets that enable us to measure our performance, allowing us to improve transparency and accountability with our stakeholders. Having rigorous oversight improves our ability to identify opportunities, creates added value and mitigates risks associated with ESG.

Our Approach

- Integrate ESG into core business strategy and establish ESG performance metrics to improve accountability.
- Utilise reporting data to support transparent communications and mitigate the risk of greenwashing.
- Maintain ongoing evaluation of ESG performance across our portfolio with oversight by the Board.

Risks & Key Challenges

Refer to the ERM Report (Regulatory Compliance) on page 45.

- Limited ESG knowledge and skills leading to difficulties embedding ESG into daily operations and challenges in balancing priorities alongside short-term business pressures.
- Challenges in gathering, managing and using ESG data effectively.
- Penalties for non-compliance with ESG regulations and standards.

Planned Activities

Short-term

- Improve data collection and management systems.

Medium-term

- Develop educational tools to enhance ESG understanding to improve performance.

Long-term

- Continue to align with the latest changes in ESG standards and regulations.

Value Creation for FY2024

- Fostered cross-functional collaboration to drive ESG strategy and initiatives.
- Strengthened brand reputation by aligning with ESG standards and regulations.
- Enhanced internal communication and education to drive accountability and culture for ESG initiatives.
- Internal Assurance provided across Bursa Malaysia Common Material Matters and Associated Indicators.

Capitals



Strategy Pillars



Stakeholders



SDGs



2 EMPLOYEE TRAINING AND DEVELOPMENT

Why Is It Important?

Employee training is aimed at developing a high-performing and engaged workforce by strategically investing in talent development. We align learning experiences with business goals to enhance employee capabilities, drive retention and ensure sustainable organisational success.

Our Approach

- Build a strong talent pipeline through upskilling and development programmes.
- Support employees with frameworks and policies i.e. Performance and Development framework.
- Offer specialised training for different employee levels and external certifications.
- Prioritise employee wellbeing through coaching and career planning support.
- Align talent development with business objectives and organisational values.
- Conduct regular performance reviews aligned with the Driving Our Achievement (DA) framework.

Risks & Key Challenges

Refer to the ERM Report (People) on page 45.

- Inadequate training can disrupt operations and compromise company values.
- Lack of employee productivity and increased errors.
- Poor employee performance leads to difficulty in achieving business objectives.

Planned Activities

Short-term

- Identify and address immediate skill gaps with targeted training programmes.
- Enhance internal mobility and upskilling opportunities.

Medium-term

- Deepen the practice of our performance and development framework, enhancing performance management processes and coaching culture.

Long-term

- Further develop TVET programmes and ESG training to align with industry demands.

Value Creation for FY2024

- Enhanced leadership capabilities through the Aspiring Leaders, People Managers and Strategic Leaders Programmes.
- Strengthened our talent pipeline with Apprenticeship/Management Trainee and Technical and Vocational Education and Training (TVET) programmes.
- Improved digital proficiency through digital and generative AI masterclasses.
- Enhanced personal and professional development through Employee Education Sponsorship Programme.
- Enhanced customer focus through training on products and customer service.
- Fostered a positive approach to safety through our SELF safety culture programme.

Capitals



Strategy Pillars



Stakeholders



SDGs



For Employee Training and Development metrics refer to page 91.

3 COMMUNITY CONTRIBUTIONS AND DEVELOPMENT

► Why Is It Important?

Community contributions and development build strong relationships, uphold our social responsibility and improve community wellbeing. Our support drives sustainable community growth to achieve long-term positive social and environmental impacts.

► Our Approach

- Led community initiatives through Yayasan Sime Darby in Malaysia and local non-governmental organisations (NGO) partnerships across other markets.
- Promoted employee volunteerism and supported various NGOs focused on education, environment, community and health, sports, arts and culture.
- Worked with communities to design community projects, with continuous monitoring of projects to maximise positive outcomes.

► Risks & Key Challenges

- Reputational damage from failing to meet community expectations.
- Stakeholder resistance due to insufficient engagement.

Value Creation for FY2024

Across the Group, we generate substantial value within the local communities where we operate. Some notable initiatives are:

- YSD launched *WildRoots* docuseries in Malaysia to showcase conservation efforts for the Central Forest Spine landscape.
- YSD provided essential aid to 251 families through the *Program Sumbangan Asas Rahmah*.
- YSD sponsored RM500,000 to the Reef Check Malaysia (RCM) for two years and RM2.1 million to the Marine Research Foundation (MRF) for four and a half years as part of marine conservation and protection efforts.
- Motors New Zealand partnered with Mental Health Foundation NZ and raised NZ\$46,000 to fund 190,297 mental health resources for local communities.
- Tractors Singapore Limited awarded bursaries valued at SG\$10,000 each to two underprivileged students.
- Motors Australia donated a MINI Cooper which raised AU\$62,000 for the Sydney Children’s Hospital Foundation at the Gold Dinner Fundraising Gala.

Planned Activities

Short-term

- Develop a comprehensive Corporate Social Responsibility (CSR) Framework across our portfolio and improve our impact monitoring systems.

Medium-term

- Broaden our collaborations with NGOs and other stakeholders.

Long-term

- Measure and report on the long-term impact of our CSR activities.

Capitals



Strategy Pillars



Stakeholders



SDGs



 *For Community Contributions and Development metrics refer to page 92.*

Highlight ► Sowing Seeds of Change for Lasting Impact

“The *WildRoots* docuseries truly encapsulates the government and many other stakeholders’ work and commitment in saving the central forest spine, inviting Malaysians from every segment of society to contribute to preserving our environmental heritage,”

Nik Nazmi Nik Ahmad, Minister for Natural Resources and Environmental Sustainability.

Yayasan Sime Darby (YSD)

The *WildRoots* docuseries is a stunning visual journey through the 5.3 million hectares of rainforests, aiming to raise awareness about the critical importance of Malaysia’s Central Forest Spine (CFS). The docuseries showcases CFS rich biodiversity and the urgent need for its protection.

Sime Darby continues to demonstrate its commitment to environmental stewardship and highlights the Group’s commitment to safeguarding the CFS through proactive collaboration. *WildRoots* features the support of those who praised the initiative and its collaboration with project partners.

Our efforts extend beyond environmental conservation. Investing in initiatives like *WildRoots* is part of Sime Darby’s broader commitment to improving environmental sustainability and social responsibility.



THEME 3

Customer satisfaction remains at the heart of our operations. We build sustainable partnerships with trust by exceeding expectations, ensuring business continuity and upholding the highest ethical standards. We also prioritise a culture of integrity, transparency and compliance while building a responsible supply chain that safeguards our environment and community.

ENGAGING IN SUSTAINABLE PARTNERSHIPS

MATERIALITY MATTERS

- 1 Customer Satisfaction
- 2 Business Continuity
- 3 Business Ethics and Compliance (Including Anti-Bribery/Corruption)
- 4 Responsible Supply Chain

COLLABORATIVE GROWTH THROUGH SUSTAINABLE PARTNERSHIPS

In FY2024, we advanced our environmental stewardship, ethical practices and focus on our customers by proactively engaging in sustainable partnerships. By investing in our people, technology and supply chain, we have strengthened our ability to adapt to changing market conditions. This underscored the importance of business continuity where we took a proactive approach to risk management and operational resilience to navigate the uncertainties effectively.

Our focus on understanding and meeting customer needs has driven innovation and product development, resulting in our investment in digital transformation to enhance customer experiences, from online platforms to streamlined service delivery. We also prioritised local suppliers, particularly small and medium-sized enterprises (SME), to strengthen our value chain while contributing to community development.

Despite these significant strides, there is always room for improvement. In this financial year we received two verified corruption violations which did not have material financial impact to Sime Darby. These were addressed without delay through the Group's formal management process.

Looking ahead, we will continue to build strong partnerships and leverage technology to create long-term value for all stakeholders.

1 CUSTOMER SATISFACTION

Why Is It Important?

We are committed in meeting and exceeding the expectations of our customers and business partners through our range of products and services. We provide optimal solutions that align with evolving needs to ensure performance and reliability.

Our Approach

- Enhance customer experience by expanding omnichannel communications and customer touchpoints.
- Continuously analysing customer feedback to improve service.
- Utilise proactive communication to deliver bespoke high-quality services that foster trust and loyalty.
- Develop strong relationships through personalised customer journeys, after-sales services and loyalty programmes.
- Empower our employees' capabilities through targeted training and upskilling initiatives.
- Leveraged digital solutions to streamline our customer processes.

Risks & Key Challenges

Refer to the ERM Report (Product Service and Delivery) on page 43.

- Potential loss of market share due to customer dissatisfaction.
- Supply chain risks that harm reputation and increase costs.

Value Creation for FY2024

- Launched Sime Darby Motors OneGo mobile app.
- Introduced digital payment systems for BYD Malaysia customers to create seamless transactions.
- Strengthened cross-selling and collaboration within the Group to improve our sustainable product and service offerings.
- Established long-term partnerships with green technology providers.
- Launched new Industrial Dealership websites to improve customer experience.

For specific initiatives and achievements from our Industrial, Motors and UMW Divisions, please refer to pages 58 to 65 of this report.

Planned Activities

Short-term

- Maintain exceptional service and build customer trust through personalised solutions, while enhancing service efficiency with digital tools and feedback.

Medium-term

- Support customer decarbonisation efforts, improve product quality and enhance employee capabilities to ensure superior customer service.

Long-term

- Gain competitive advantage by driving innovation and elevating customer satisfaction.

Capitals

Strategy Pillars

Stakeholders

SDGs

2 BUSINESS CONTINUITY

Why Is It Important?

Business continuity safeguards our operations and sustains the company's performance by proactively preparing for potential business disruptions. This includes establishing a robust infrastructure that enables us to anticipate, prepare for and effectively respond to disruptions, ensuring the continuity of our business and protection of shared value.

Our Approach

- Conduct assessments of potential threats and implement strategies to respond and mitigate potential operational disruptions.
- Establish a Business Continuity Management (BCM) programme that comprises necessary response and recovery plans such as Emergency Response Plan, Crisis Communication Plan, IT Disaster Recovery Plan, Cyber Incident Response Plan and Business Continuity Plan.

Risks & Key Challenges

Refer to the ERM Report (Market Dynamics) on page 42 & (Climate Change) page 44.

- Operational disruptions due to unexpected threats, crises and disasters.
- Business failure due to an inability to adapt to the external environment.
- Economic downturns, market shifts and competitive pressures.

Value Creation for FY2024

- Conducted BCM desktop walkthrough exercises at key operating entities, including Auto Bavaria Ara Damansara and Guangdong CEL China.
- Conducted full-scale IT disaster recovery drill to test IT resilience.
- Increased the awareness on crisis communication procedures through targeted trainings and exercises.
- Developed BCM exercise and testing playbook.
- Organised training for BCM fraternity to enhance proficiency in conducting BCM exercises.

Planned Activities

Short-term

- Increase BCM awareness via trainings and testing of existing BCM plans.

Medium-term

- Review and enhance existing BCM plans and identify gaps through periodical assessments.

Long-term

- Integrate BCM principles at all levels and embed them into the organisational culture.

Capitals

Strategy Pillars

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ENGAGING IN SUSTAINABLE PARTNERSHIPS

3 BUSINESS ETHICS AND COMPLIANCE (INCLUDING ANTI-BRIBERY/CORRUPTION)

► Why Is It Important?

Business ethics is the culture of uncompromising integrity where ethical conduct, transparency and compliance with anti-bribery and anti-corruption laws are the foundation of our business operations. We are committed to creating an environment where everyone understands and upholds the highest ethical standards, backed by robust systems, processes and a mindset focused on compliance and protection of our reputation.

► Our Approach

- Ensure strong commitment to compliance and integrity from the Board and senior management through the Risk Management and Sustainability Committee (RMSC) and Anti-Bribery and Anti-Corruption Steering Committee (ABC SC).
- Implement a suite of policies, including the Anti-Bribery and Corruption Policy, Code of Business Conduct, Whistleblowing Charter & Framework and Conflict of Interest Guideline.
- Conduct regular compliance assessments using the Regulatory Compliance Monitoring Questionnaire (RCMQ).
- Report regulatory compliance to the RMSC on a quarterly basis.

► Risks & Key Challenges

Refer to the ERM Report (Regulatory Compliance) on page 45.

- Reputational damage due to bribery and corruption incidents.
- Ethical lapses and non-compliance may lead to loss of stakeholder trust.
- Financial loss due to dishonest conduct.

Planned Activities

Short-term

- To obtain approval on the ABMS 2.0 by ABC SC to be Sime Darby Anti-Corruption Plan (SDACP).

Medium-term

- Complete Cycle 2 of corruption risk assessments.

Long-term

- Revalidation of SDACP.

Value Creation for FY2024

- Validated Anti-Bribery Management System (ABMS) during Cycle 1 and commenced Cycle 2 with a focus on corruption risk assessments.
- Developed and operationalised Conflict of Interest (COI) Guideline in line with Bursa requirements.
- Ran ABC awareness campaigns, including rolling out ABC wallpaper in conjunction with International Anti-Corruption Day.
- Awareness on Gifts, Hospitality and Donations (GHD) was made via festive communications that was sent via the yourTrust application reaching 1,790 employees.
- Conducted GHD training in China with 2,764 participants.
- Facilitated mandatory annual e-learning on the Code of Business Conduct and ABC for all employees.

Capitals



Strategy Pillars



Stakeholders



SDGs



For Business Ethics and Compliance (Including Anti-Bribery and Corruption) metrics refer to page 92.

Highlight

► Business Ethics and Compliance (Including Anti-Bribery/Corruption)

Empowering Ethical Excellence

We believe ethical conduct is more than just a policy or a set of rules. It's a personal journey that each of us embarks on every day. To reinforce this commitment, we facilitate a mandatory annual e-learning programme for all employees focused on the Code of Business Conduct and Anti-Bribery and Anti-Corruption (ABC).

The comprehensive training programme covers essential topics such as ABC, group policies and authorities, conflict of interest, gifts, hospitality and donations and whistleblowing. By addressing these critical areas, our e-learning programme equips employees with the knowledge and tools to make informed ethical decisions and contribute to a positive and transparent work environment.

We strive to reinforce our culture of integrity and accountability, by providing our employees tools that empower them to make ethical choices and uphold the highest standards of conduct.

4 RESPONSIBLE SUPPLY CHAIN

► Why Is It Important?

A responsible supply chain is resilient, prioritising ethics, environment and social responsibility. We seize opportunities to drive sustainable practices, ensuring partner and community wellbeing, as well as compliance with regulations, effective risk management and the delivery of long-term value through a transparent, accountable network.

► Our Approach

- Commit to safeguarding workers’ rights throughout our value chain, including suppliers, through our Human Rights Charter.
- Reinforce our Vendor Code of Business Conduct, guiding vendors to uphold high standards of ethics and integrity.
- Screen new and existing suppliers for risks related to sanctions, bribery and corruption, applying a rigorous vendor due diligence process.

► Risks & Key Challenges

Refer to the ERM Report (Regulatory Compliance) on page 45.

- Non-compliance with labour laws and standards can lead to lawsuits, fines and penalties.
- Supply chain disruptions caused by supplier misconduct or environmental incidents.
- Damaged relationships with customers, investors and other stakeholders due to ethical lapses.

Value Creation for FY2024

- Launched the Responsible Sourcing Policy in December 2023, setting clear expectations for vendors on environmental protection, fair labour practices, human rights and business ethics.
- Improved sustainability across our supply chain by offering targeted support to vendors, particularly SMEs.
- Strengthened local economies by prioritising local suppliers, boosting community development and economic growth.
- Enhanced operational efficiency through digital procurement systems.

Planned Activities

Short-term

- Launch the Responsible Sourcing programme, focusing on task force development, governance, regional rollout and vendor segmentation.

Medium-term

- Integrate the Responsible Sourcing programme into our procurement policy, led by the Group Procurement Leadership Council and conduct ESG risk assessments across the supply chain.

Long-term

- Build a resilient supplier network committed to sustainability and responsible practices.

Capitals

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For Responsible Supply Chain metrics refer to page 92.

Highlight

► A Shared Vision for A Greener Malaysia

“It was developed in response to needs raised by companies, for them to cost effectively and seamlessly comply with various local and international ESG reporting frameworks.”

said Tan Sri Abdul Wahid Omar, Chairman of Bursa Malaysia about the Centralised Sustainability Intelligence (CSI) Platform.

UMW

In June 2024, Bursa Malaysia launched the CSI Platform with support from UMW through an early adopter programme. The platform streamlines ESG reporting, reduces carbon emissions and enhances global competitiveness for Malaysian businesses. It also enables companies to assess and reduce their carbon footprint, opening doors to green financing opportunities.

Global frameworks hosted by the CSI Platform to help businesses align with international best practices are:

- International Financial Reporting Standards (IFRS)
- Task Force on Climate-Related Financial Disclosures (TCFD)
- Global Reporting Initiative (GRI)
- The Greenhouse Gas Protocol

Now accessible nationwide, the CSI Platform facilitates the seamless sharing of information across the value chain, bolstering sustainability of the supply chain. As pilots of the platform, UMW has demonstrated the power of sustainable partnerships and how they can drive positive change towards a greener future and low-carbon economy.



THEME 4

Our culture of creativity and efficiency drives technological and innovative solutions, delivering value to customers while prioritising sustainable product development and upholding data privacy and security standards.

DRIVING SUSTAINABLE INNOVATION AND TECHNOLOGY

MATERIALITY MATTERS

- 1 Sustainable Product Offering
- 2 Technology and Innovation
- 3 Data Privacy and Security

TRANSFORMING IDEAS INTO IMPACT

In FY2024, technology has played a key role, with automation, data analytics and digital solutions to improve efficiency, reducing our environmental footprint and fostering growth.

We expanded our electric vehicle (EV) offerings by securing distribution rights for XPENG in Hong Kong and establishing 115 EV charging stations in Malaysia, in partnership with Gentari. We also increased our portfolio of energy-efficient Caterpillar products to more than 100 across our Industrial network. Our sustainability efforts extended to introducing biodegradable hydraulic lubricants, food-grade grease and in the development of the UMW High-Value Manufacturing (HVM) Park – the first GreenRE-certified industrial park in Selangor, Malaysia.

We also maintained our strong track record in data privacy, with zero breaches and no major risks to customer privacy.

Looking ahead, we will continue to invest in research and development, explore emerging technologies and strengthen partnerships to build a more sustainable future.

1 SUSTAINABLE PRODUCT OFFERING

► Why Is It Important?

Sustainable product offerings minimise environmental impact throughout the product life cycle, from sourcing materials to disposal. Our goal is to create energy-efficient, eco-friendly solutions that support decarbonisation and meet customer expectations while maintaining performance and functionality.

► Our Approach

- Promote electric, hybrid, hydrogen vehicles and mobility solutions across our Motors network.
- Introduce energy-efficient products including machinery and biodegradable lubricants.
- Reduce environmental footprint through solar energy, rainwater harvesting and green fleets.
- Focus on remanufacturing, refurbishment and automation to extend product life.

► Risks & Key Challenges

Refer to the ERM Report (Business Partners) on page 42 and (Product, Service and Delivery) on page 43.

- Rising competition in sustainable offerings, leading to potential customer attrition.
- Brand damage and market relevance issues due to perceived lack of sustainability focus.
- Challenges in product development, commercialisation and consumer acceptance of premium pricing.
- Rising costs, supply chain disruptions and evolving sustainability policies and regulations.
- Internal resistance to change and the need for upskilling.

Value Creation for FY2024

- Expanded electric vehicle (EV) offerings by securing distribution rights for XPENG in Hong Kong.
- Introduced more than 100 Caterpillar products with energy-efficient improvements across the Industrial network since 2020.
- Partnered with Gentari to establish 115 EV charging stations (and related EV infrastructure) across Malaysian showrooms.
- Refurbished over 600 forklifts, expanding product offerings through electrification and biodegradable solutions.

Planned Activities

- Short-term**
- Leverage regulations, technology and demand to enhance delivery of energy-efficient products while addressing consumer education and cost management.
- Medium-term**
- Strengthen partnerships to enhance sustainable product development, expand low-carbon product portfolios and expand portfolio of powertrain technologies using alternative fuels.
- Long-term**
- Drive innovative developments and intellectual property ownership or proprietary technologies.

<p>Capitals</p>	<p>Strategy Pillars</p>	<p>Stakeholders</p>	<p>SDGs</p>
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Highlight ► Accelerating Green Mobility Adoption

Sime Darby Motors

In FY2024, Sime Darby Motors partnered with Gentari to expand Malaysia’s EV infrastructure, establishing 115 charging stations throughout its showrooms nationwide. The partnership will explore opportunities to install stations at public locations such as hotels and healthcare centres. Solar energy integration is also being investigated to power the network, underscoring our commitment to reduce carbon emissions and advance eco-friendly transportation solutions.

DRIVING SUSTAINABLE INNOVATION AND TECHNOLOGY

2 TECHNOLOGY AND INNOVATION

Why Is It Important?

Technology and innovation are needed to drive efficient, secure and sustainable product development by transforming ideas into tangible solutions that benefit customers and the environment.

Our Approach

- Embrace automation and digitisation to boost efficiency and reliability.
- Collaborate with partners to accelerate innovation in electric vehicles (EVs), electric offerings, autonomous vehicles and alternative fuels.
- Leverage data analytics to advance manufacturing techniques and optimise processes.
- Invest in sustainable technologies like biodegradable lubricants and lightweight materials for aerospace.
- Adopt industrial automation and explore green products.
- Enhance security protocols for data platforms and systems.

Risks & Key Challenges

Refer to the ERM Report (Disruption) on page 43.

- Exposure to cyberattacks, data breaches and unforeseen risks from new technologies.
- High development costs with uncertain investment returns.
- Inefficiencies and operational constraints from manual processes.
- Challenges in scaling new technologies across global operations.

Planned Activities

Short-term

- Enhance operational efficiency and security through automation and performance monitoring.

Medium-term

- Adopt AI and advanced data analytics to deliver customised solutions for customers.

Long-term

- Expand investment in research and development to continue innovating our sustainable practices and technologies.

Value Creation for FY2024

- Introduced a real-time monitoring system to improve plant maintenance and workforce management at our Inokom facility.
- Rolled out workforce planning and analytics solutions across the Chinese Mainland to optimise resource, performance and talent.
- Signed a Memorandum of Understanding with Universiti Putra Malaysia (UPM) to explore green and sustainable technologies.
- Decoda carried out trials with its mining customers for RockAware, a digital solution for mining equipment tyre management.
- Introduced biodegradable hydraulic lubricants and multi-purpose food-grade grease.
- Established a High-Value Manufacturing (HVM) Park as the first GreenRE-certified industrial park in Selangor.

Capitals



Strategy Pillars



Stakeholders



SDGs



3 DATA PRIVACY AND SECURITY

Why Is It Important?

Protecting sensitive data from unauthorised access is crucial to building trust with stakeholders and ensuring compliance with relevant regulations.

Our Approach

- Establish robust security measures supported by clear policies.
- Utilise encryption tools to secure company devices.
- Focus on educating employees about data privacy and security risks.
- Improved data security through continuous review and enhancement of our technological infrastructure.

Risks & Key Challenges

Refer to the ERM Report (Cybersecurity) on page 44.

- Cyberattacks (malware, ransomware, phishing) and third-party data breaches within the supply chain.
- Cross-border data transfer challenges due to varying privacy laws.
- Financial and operational risks from data breaches.

Planned Activities

Short-term

- Enhance Third-Party Risk Management (TPRM) for the Group.
- Fortify cybersecurity framework to address external partner vulnerabilities.

Medium-term

- Ensure robust protection of sensitive data and compliance adherence.

Long-term

- Maintain continuous monitoring and adaptation to mitigate emerging threats.

Value Creation for FY2024

- Recorded zero breaches and identified no significant risks affecting customer privacy.
- Boosted cybersecurity with Privileged Access Management (PAM) and Third-Party Risk Management (TPRM).
- Enhanced compliance and reduced threats using PAM.
- Improved security standards via thorough vendor assessments with TPRM.

Capitals



Strategy Pillars



Stakeholders



SDGs



For Data Privacy and Security metrics please refer to page 92.

ESG DATA

Indicator	Measurement Unit	2024
Bursa (Energy management)		
Bursa C4(a) Total energy consumption [^]	Megawatt	1,646,224.00
Bursa (Water)		
Bursa C9(a) Total volume of water used	Megalitres	1,367.000000
Bursa (Labour practices and standards)		
Bursa C6(a) Total hours of training by employee category		
Management	Hours	19,537
Executive	Hours	82,374
Non-Executive	Hours	184,702
Workers	Hours	116,618
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	6.00
Bursa C6(c) Total number of employee turnover by employee category		
Executive and above	Number	776
Non-Executive	Number	1,623
Workers	Number	882
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
Bursa (Health and safety)		
Bursa C5(a) Number of work-related fatalities	Number	2
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.21
Bursa C5(c) Number of employees trained on health and safety standards	Number	25,018
Bursa (Diversity)		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Top Management Baby Boomers (1962 & earlier)	Percentage	15.30
Top Management Gen X (1963 - 1979)	Percentage	78.80
Top Management Gen Y (1980 - 1996)	Percentage	5.90
Top Management Gen Z (1997 & later)	Percentage	0.00
Senior Management Baby Boomers (1962 & earlier)	Percentage	10.95
Senior Management Gen X (1963 - 1979)	Percentage	76.64
Senior Management Gen Y (1980 - 1996)	Percentage	12.41
Senior Management Gen Z (1997 & later)	Percentage	0.00
Middle Management Baby Boomers (1962 & earlier)	Percentage	5.20
Middle Management Gen X (1963 - 1979)	Percentage	60.40
Middle Management Gen Y (1980 - 1996)	Percentage	34.40
Middle Management Gen Z (1997 & later)	Percentage	0.00
Junior Executives Baby Boomers (1962 & earlier)	Percentage	3.83
Junior Executives Gen X (1963 - 1979)	Percentage	33.35
Junior Executives Gen Y (1980 - 1996)	Percentage	53.07
Junior Executives Gen Z (1997 & later)	Percentage	9.75
Non-Executive Baby Boomers (1962 & earlier)	Percentage	1.90
Non-Executive Gen X (1963 - 1979)	Percentage	20.10
Non-Executive Gen Y (1980 - 1996)	Percentage	60.40

Internal assurance External assurance No assurance (*)Restated

[^] Bursa C4(a) Total Energy Consumption, Bursa unit of measure incorrect should be Gigajoules as per Bursa reporting guidelines.

ESG DATA

Indicator	Measurement Unit	2024
Non-Executive Gen Z (1997 & later)	Percentage	17.60
Workers Baby Boomers (1962 & earlier)	Percentage	2.47
Workers Gen X (1963 - 1979)	Percentage	16.96
Workers Gen Y (1980 - 1996)	Percentage	47.30
Workers Gen Z (1997 & later)	Percentage	33.27
Gender Group by Employee Category		
Top Management Male	Percentage	85.00
Top Management Female	Percentage	15.00
Senior Management Male	Percentage	80.00
Senior Management Female	Percentage	20.00
Middle Management Male	Percentage	72.00
Middle Management Female	Percentage	28.00
Junior Executives Male	Percentage	65.00
Junior Executives Female	Percentage	35.00
Non-Executive Male	Percentage	71.00
Non-Executive Female	Percentage	29.00
Workers Male	Percentage	91.00
Workers Female	Percentage	9.00
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	75.00
Female	Percentage	25.00
Under 30	Percentage	0.00
Between 30-50	Percentage	0.00
Above 50	Percentage	100.00
Bursa (Community/Society)		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	17,107,208.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	75
Bursa (Anti-corruption)		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Executive & Management	Percentage	77.84
Workers & Non-Executive	Percentage	91.41
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	2
Bursa (Supply chain management)		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	75.21
Bursa (Data privacy and security)		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0

Internal assurance External assurance No assurance

(*)Restated

CORPORATE INFORMATION

As at 30 September 2024

BOARD OF DIRECTORS

Tan Sri Samsudin Osman

(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)

Mohamad Idros Mosin

(Non-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 Zahrudin Raja Abdul Aziz

(Independent Non-Executive Director)

Professor Datuk Ts. Ir. Dr. Siti Hamisah Tapsir

(Independent Non-Executive Director)

Edree Ahmad

(Alternate Director to Mohamad Idros Mosin)

Dato' Jeffri Salim Davidson

(Non-Independent Executive Director)

GROUP CHIEF EXECUTIVE OFFICER

Dato' Jeffri Salim Davidson

GROUP SECRETARY

Noor Zita Hassan
(MIA 15073)
(SSM PC No. 202008002513)

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SHARE REGISTRAR

Tricor Investor & Issuing House Services Sdn Bhd
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(11324-H))

Office:

Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur, Malaysia

Telephone: +(603) 2783 9299
Facsimile: +(603) 2783 9222
Email: is.enquiry@my.tricorglobal.com

Customer Service Centre:

Unit G-3, Ground Floor
Vertical Podium
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur, Malaysia

AUDITORS

PricewaterhouseCoopers PLT
(LLP0014401-LCA & AF 1146)
Chartered Accountants
Level 10, Menara TH, 1 Sentral
Jalan Rakyat, Kuala Lumpur Sentral
50706 Kuala Lumpur, 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

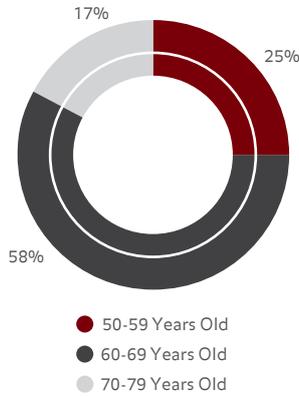
PLACE OF INCORPORATION AND DOMICILE

Malaysia

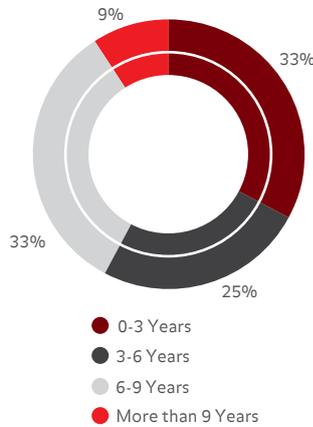
BOARD AT A GLANCE

As at 30 September 2024

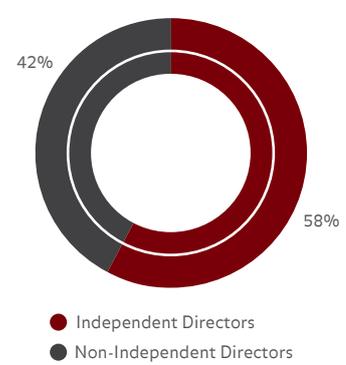
AGE BAND



LENGTH OF SERVICE



INDEPENDENCE



BOARD OF DIRECTORS



TAN SRI SAMSUDIN OSMAN
Non-Independent Non-Executive Chairman

Malaysian, Age 77, Male

Date of Appointment
19 December 2008

Length of Service (as at 30 September 2024)
15 years 9 months

Academic/Professional Qualification(s)/Membership(s)

- Bachelor of Arts (Hons) and Diploma in Public Administration, University of Malaya
- Master in Public Administration, Pennsylvania State University

Present Directorship(s)

Other Listed Entities

Nil

Other Public Companies

Nil

Total Board Meetings Attended in FY2024

12/12

Board Committee(s)

Nil

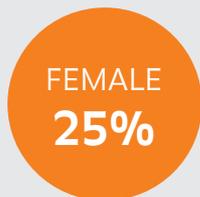
Areas of Expertise

Public Administration and Fund Management

Relevant Experience

Held various senior positions in the Malaysian Government including Secretary General, Ministry of Home Affairs and Ministry of Domestic Trade and Consumer Affairs and Chief Secretary to the Government of Malaysia. Former President of Perbadanan Putrajaya and former Chairman of Employees Provident Fund and EPF Investment Panel. Former Chairman of the Board of Trustees of the Mahathir Science Award Foundation. A member of the Special Independent Emergency Committee 2021 from 9 February 2021 to 1 August 2021 and a member of the Royal Commission of Inquiry from 20 January 2022 to 19 July 2022.

GENDER



NATIONALITY



THAYAPARAN SANGARAPILLAI
Senior Independent Non-Executive Director

Malaysian, Age 69, Male

Date of Appointment
1 December 2017

Length of Service (as at 30 September 2024)
6 years 10 months

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

Present Directorship(s)

- Other Listed Entities**
- Axiata Group Berhad

Other Public Companies

Nil

Total Board Meetings Attended in FY2024

15/16
(inclusive of 4 out of 4 special meetings related to the acquisition of UMW Holdings Berhad)

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.

BOARD OF DIRECTORS



TAN SRI AHMAD BADRI MOHD ZAHIR
Non-Independent Non-Executive Director

Malaysian, Age 64, Male

Date of Appointment

1 September 2020

Length of Service (as at 30 September 2024)

4 years 1 month

Academic/Professional Qualification(s)/Membership(s)

- Master in Business Administration, University of Hull
- Degree in Land and Property Management, Universiti Teknologi MARA

Present Directorship(s)

Other Listed Entities

- RHB Bank Berhad

Other Public Companies

Nil

Total Board Meetings Attended in FY2024

12/12

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. Was the Chairman of the Employees Provident Fund (EPF). Had held various senior positions in the Ministry of Finance, including Secretary General of the Treasury. Has served on the Boards of 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.



TAN SRI MUHAMMAD SHAHRUL IKRAM YAAKOB
Independent Non-Executive Director

Malaysian, Age 63, Male

Date of Appointment

8 June 2022

Length of Service (as at 30 September 2024)

2 years 4 months

Academic/Professional Qualification(s)/Membership(s)

- Bachelor of Science in Ecology, University of Malaya
- Diploma in Public Administration, National Institute of Public Administration
- Advanced Management Programme, Harvard Business School

Present Directorship(s)

Other Listed Entities

Nil

Other Public Companies

Nil

Total Board Meetings Attended in FY2024

14/16

(inclusive of 3 out of 4 special meetings related to the acquisition of UMW Holdings Berhad)

Board Committee(s)

- Chairman, Nomination & Remuneration Committee
- Member, Governance & Audit Committee

Areas of Expertise

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

Relevant Experience

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 Maritime Institute of Malaysia.



MOHAMAD IDROS MOSIN
Non-Independent Non-Executive Director

Malaysian, Age 52, Male

Date of Appointment
15 November 2018

Length of Service (as at 30 September 2024)
5 years 10 months

- Academic/Professional Qualification(s)/Membership(s)**
- Bachelor's degree in Business Administration (Hons), International Islamic University Malaysia
 - Executive Diploma in Investment Analysis, Universiti Teknologi MARA
 - Graduate Diploma in Applied Finance and Investment, Securities Institute Australasia

- PNB-IMD Leadership Development Programme, International Institute for Management Development
- Advanced Management Programme, Harvard Business School

Present Directorship(s)
Other Listed Entities
Nil

- Other Public Companies**
- MIDF Property Berhad

Total Board Meetings Attended in FY2024
12/12

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

Areas of Expertise
Finance and Business Administration

Relevant Experience
Previously the Group Head of Strategic Investments at Permodalan Nasional Berhad (PNB), focusing on the formulation and implementation of value creation plans for public listed strategic and core investee companies. Currently the Executive Director of Projek Lintasan Kota Holdings Sdn Bhd, a wholly-owned subsidiary of PNB. Has been involved in various assignments, including the development and evaluation of value enhancement strategies for strategic investments in the automotive, chemical, infrastructure, logistics, oil & gas, plantation, property and pharmaceutical sectors.



DATO' LEE CHEOW HOCK LAWRENCE
Non-Independent Non-Executive Director

Singaporean, Age 70, Male

Date of Appointment
1 March 2018

Length of Service (as at 30 September 2024)
6 years 7 months

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

Present Directorship(s)
Other Listed Entities
Nil

Other Public Companies
Nil

Total Board Meetings Attended in FY2024
11/12

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

Areas of Expertise
Automotive, Accounting and Management

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

BOARD OF DIRECTORS



MOY PUI YEE

Independent Non-Executive Director

Malaysian, Age 57, Female

Date of Appointment

2 July 2018

Length of Service (as at 30 September 2024)

6 years 3 months

Academic/Professional Qualification(s)/Membership(s)

- Bachelor of Economics and Law, Monash University of Australia
- Admitted to the Malaysian Bar in 1992

Present Directorship(s)

Other Listed Entities

Nil

Other Public Companies

Nil

Total Board Meetings Attended in FY2024

15/16

(inclusive of 4 out of 4 special meetings related to the acquisition of UMW Holdings Berhad)

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 (RLP). 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, an associate firm of RLP in Singapore.



DATO' DR. NIRMALA MENON

Independent Non-Executive Director

Malaysian, Age 64, Female

Date of Appointment

15 November 2019

Length of Service (as at 30 September 2024)

4 years 10 months

Academic/Professional Qualification(s)/Membership(s)

- Degree in Medicine, University of Mysore

Present Directorship(s)

Other Listed Entities

Nil

Other Public Companies

- Amanat Lebuhraya Rakyat Berhad

Total Board Meetings Attended in FY2024

14/16

(inclusive of 3 out of 4 special meetings related to the acquisition of UMW Holdings Berhad)

Board Committee(s)

- Member, 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. Was 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.



SCOTT WILLIAM CAMERON
Independent Non-Executive Director

Australian, Age 66, Male

Date of Appointment

1 January 2023

Length of Service (as at 30 September 2024)

1 year 9 months

Academic/Professional Qualification(s)/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

Present Directorship(s)

Other Listed Entities

- Engenco Ltd (ASX Australia)

Other Public Companies

Nil

Total Board Meetings Attended in FY2024

15/16

(inclusive of 3 out of 4 special meetings related to the acquisition of UMW Holdings Berhad)

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.



**TENGGU DATO' SRI AZMIL ZAHRUDDIN
RAJA ABDUL AZIZ**
Independent Non-Executive Director

Malaysian, Age 54, Male

Date of Appointment

1 August 2023

Length of Service (as at 30 September 2024)

1 year 2 months

Academic/Professional Qualification(s)/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

Present Directorship(s)

Other Listed Entities

- CelcomDigi Berhad
- CIMB Group Holdings Berhad
- CIMB Thai Bank Public Company Limited (listed on the Stock Exchange of Thailand)

Other Public Companies

- CIMB Bank Berhad

Total Board Meetings Attended in FY2024

13/14*

(inclusive of 3 out of 3 special meetings related to the acquisition of UMW Holdings Berhad)

Board Committee(s)

- Member, Governance & Audit Committee
- Member, Risk Management & Sustainability Committee

Areas of Expertise

Business, Finance, 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 the Chairperson of CelcomDigi Berhad and CIMB Thai Bank Public Company Limited and a Director 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. Had served as the Chairman of UEM Group Berhad and was a Director of Axiata Group Berhad and IHH Healthcare Berhad.

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

BOARD OF DIRECTORS



PROFESSOR DATUK TS. IR. DR. SITI HAMISAH TAPSIR
Independent Non-Executive Director

Malaysian, Age 63, Female

Date of Appointment
8 March 2024

Length of Service (as at 30 September 2024)
6 months

Academic/Professional Qualification(s)/Membership(s)

- 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
- Registered Professional Engineer, Board of Engineers, Malaysia

- Fellow, Institution of Engineers, Malaysia
- President, Malaysia Board of Technologists
- Fellow, Academy of Sciences, Malaysia

Present Directorship(s)

Other Listed Entities

- Malayan Cement Berhad
- Oppstar Berhad

Other Public Companies

Nil

Total Board Meetings Attended in FY2024
4/4*

Board Committee(s)

- Member, Nomination & Remuneration Committee

Areas of Expertise

Business, Finance, Risk Management, Human Capital, Healthcare and Education

Relevant Experience

Began her career as a lecturer at Universiti Teknologi Malaysia (UTM) in 1987. During her tenure at UTM, she held various roles, including 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. She was conferred the Emeritus Professor (Civil Engineering) by Universiti Teknologi Malaysia in 2021. Following her retirement from MOSTI, she joined UCSI University as Group Chief Executive Officer and Vice Chancellor.

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



DATO' JEFFRI SALIM DAVIDSON
Non-Independent Executive Director

Malaysian, Age 60, Male

Date of Appointment
1 December 2017

Length of Service (as at 30 September 2024)
6 years 10 months

Academic/Professional Qualification(s)/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)

Other Listed Entities

Nil

Other Public Companies

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

Total Board Meetings Attended in FY2024
16/16

(inclusive of 4 out of 4 special meetings related to the acquisition of UMW Holdings Berhad)

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 Darby Group in 1992. He has held various senior management positions within the Group across China, Singapore and Malaysia, before being appointed as the Group Chief Executive Officer of Sime Darby Berhad in 2017.



EDREE AHMAD
(Alternate Director to Mohamad Idros Mosin)

Malaysian, Age 42, Male

Date of Appointment

15 June 2023

Length of Service (as at 30 September 2024)

1 year 3 months

Academic/Professional Qualification(s)/Membership(s)

- Bachelor degree in Accounting and Finance, University of Manchester
- CIMA Diploma in Islamic Finance
- Palladium Kaplan-Norton Balanced Scorecard Certified Programme

Present Directorship(s)

Other Listed Entities

Nil

Other Public Companies

Nil

Total Board Meetings Attended in FY2024

Not applicable

Board Committee(s)

Nil

Areas of Expertise

Accounting, Finance, Public Equity and Strategic Investment

Relevant Experience

Joined Permodalan Nasional Berhad (PNB) as a Management Trainee in 2005 and has since held various positions, including Executive in the Corporate Services Department, Manager for Corporate Services/Private Investment, Manager in the Public Equity department and Assistant Vice President for both Public Equity and Strategic Investment. Currently the Vice President of Strategic Investments at PNB, overseeing investments in the Industrial & Motors divisions.

Additional Information

1. Save as disclosed below, the other Directors have no family relationship with any Director or major shareholder of Sime Darby Berhad (Sime Darby), no conflict of interest or potential conflict of interest, including interest in any competing business with Sime Darby or its subsidiaries and have not 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.
 - (i) Tan Sri Samsudin Osman, Dato' Lee Cheow Hock Lawrence, Mohamad Idros Mosin and Edree Ahmad (Alternate Director to Mohamad Idros Mosin) are nominees of Permodalan Nasional Berhad (PNB) on the Board of Sime Darby. They will recuse themselves from participating in any discussions on matters involving the interests of PNB Group and Sime Darby Group and will abstain from deliberation and voting on such issues at Board and Board Committee meetings of Sime Darby.
 - (ii) Tan Sri Ahmad Badri Mohd Zahir is the Nominee Director of Employees Provident Fund.
 - (iii) Moy Pui Yee is a partner at Rahmat Lim & Partners (RLP), a firm that provides legal services to the Sime Darby Group from time to time. She will maintain strict independence and avoid any involvement in matters involving RLP and the Sime Darby Group.
 - (iv) Tengku Dato' Sri Azmil Zahrudin Raja Abdul Aziz is a Director of CelcomDigi Berhad, CIMB Group Holdings Berhad, CIMB Bank Berhad and CIMB Thai Bank Public Company Limited (Companies). He will recuse himself from participating in discussions on issues involving the Companies and Sime Darby Group and will abstain from deliberation and voting on such issues at Board and Board Committee meetings of Sime Darby.
 - (v) Professor Datuk Ts. Ir. Dr. Siti Hamisah Tapsir is the Group Chief Executive Officer of the UCSI Group and the Vice Chancellor of UCSI University. UCSI Auto Sdn Bhd, a subsidiary of the UCSI Education Group, is an authorised dealer for Chery vehicles, which competes with BYD, a brand managed by Sime Darby Group. Professor Datuk Hamisah will recuse herself from discussions, deliberations and voting on matters related to Chery and BYD brands at Board and Board Committee meetings of Sime Darby. She will also ensure strict independence from UCSI Auto Sdn Bhd's operations and will not disclose any information regarding BYD business to the UCSI group of companies.
2. Directorships held by the Directors in other companies if any, are disclosed in the Board of Directors section at <http://www.simedarby.com/company/board-of-directors>.
3. The full profile of Directors are available on Sime Darby's corporate website at <http://www.simedarby.com/company/board-of-directors>.

EXECUTIVE LEADERSHIP



DATO' JEFFRI SALIM DAVIDSON
Group Chief Executive Officer

Age 60 Male Malaysian

Date of Appointment
21 November 2017

Academic/Professional Qualification(s)/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 Darby 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 52 Male Malaysian

Date of Appointment
13 December 2023

Academic/Professional Qualification(s)/Membership(s)

- Bachelor of Finance and Accounting, Salford University
- Member, 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

- Golden Hope Plantations Berhad
- Kumpulan Guthrie Berhad
- Kumpulan Sime Darby Berhad
- Sime Darby Holdings Berhad
- Sime Darby Malaysia Berhad
- Sime Darby Allied Products Berhad
- UMW Holdings Berhad

Relevant Experience

Has over 26 years of experience as a finance and business leader in multiple sectors including manufacturing, logistics, e-commerce, package/freight delivery, healthcare, infrastructure solutions, automotive, FMCG, retail, concession and trading. Before joining Sime Darby, he was the Chief Financial Officer for UEM Edgenta Berhad and the Group Chief Financial Officer of Pos Malaysia Berhad.



ROSELAINI FAIZ
Group Chief Human Resources Officer

Age 59 Female Malaysian

Date of Appointment
1 August 2018

Academic/Professional Qualification(s)/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.



DENY RAHARDJO
Group Chief Information & Digital Officer

Age 53 Male Indonesian

Date of Appointment
7 November 2022

Academic/Professional Qualification(s)/Membership(s)

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

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

- Nil

Relevant Experience

Has over 30 years of experience in the information 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 of 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.



ANDREW BASHAM
Managing Director, Motors Division

Age 58 Male Australian

Date of Appointment
1 February 2018

Academic/Professional Qualification(s)/Membership(s)

- Bachelor of Economics, University of Adelaide
- Fellow, Institute of Chartered Accountants, Australia

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

- Nil

Relevant Experience
Has over 27 years of extensive experience in management, business development and operations for leading global automotive brands. Began his career in audit and accounting with PricewaterhouseCoopers Australia before transitioning to distribution and logistics, eventually taking on senior management roles in various automotive companies.



DEAN MEHMET
Managing Director, Industrial Division

Age 60 Male Australian

Date of Appointment
1 July 2021

Academic/Professional Qualification(s)/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 39 years of industry experience, including 20 years in Chief Executive leadership roles at multinational corporations such as BlueScope Steel and Royal Dutch Shell. He joined the Sime Darby Group in 2012 as the Chief Operating Officer at Hastings Deering (Australia) Limited and 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 the Managing Director of Sime Darby Industrial – Australasia in 2020 before assuming his current role.



MUSTAMIR MOHAMAD
Managing Director, UMW Division

Age 52 Male Malaysian

Date of Appointment
13 December 2023

Academic/Professional Qualification(s)/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

- Kumpulan Sime Darby Berhad
- 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 Darby Berhad'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 Darby Berhad from November 2017 to December 2023.



NOOR ZITA HASSAN
Group Secretary

Age 58 Female Malaysian

Date of Appointment
21 November 2017

Academic/Professional Qualification(s)/Membership(s)

- Bachelor of Economics with Accountancy, Loughborough University of Technology
- Master in Accountancy, Charles Sturt University
- Member, CPA Australia
- Member, Malaysian Institute of Accountants

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

- Nil

Relevant Experience
Began her career as a management trainee in the accounting, internal audit, tax and corporate planning functions with Kumpulan Sime Darby Berhad (KSDB) in 1989 and subsequently transferred to the Group Secretarial department of KSDB in 1993. She was the Company Secretary of Hyundai-Sime Darby Berhad, a subsidiary of KSDB listed on the Main Board of Bursa Malaysia Securities Berhad from December 2004 until its delisting from the Official List of Bursa Securities in July 2006. She is also currently the Company Secretary of Sime Darby Motors.

Additional Information

1. None of the Executive Leadership has family relationship with any Director or major shareholder of Sime Darby Berhad (Sime Darby), conflict of interest or potential conflict of interest, including interest in any competing business with Sime Darby 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.simedarby.com/company/executive-leadership>.
3. The full profile of Executive Leadership is available on the Sime Darby's corporate website at <https://www.simedarby.com/company/executive-leadership>.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

LEADERSHIP & EFFECTIVENESS

The Board of Directors (the Board) of Sime Darby Berhad (Sime Darby or Company) is pleased to present the Corporate Governance Overview Statement (CG Overview), which provides shareholders and stakeholders with an overview of the corporate governance practices of the Sime Darby Group (Group) during the financial year under review, with reference to the fundamental corporate governance principles and practices as set out in the Malaysian Code on Corporate Governance 2021 (MCCG 2021). The application of each practice set out in the MCCG 2021 during the financial year under review is disclosed under Sime Darby's Corporate Governance Report published on the Company's website at www.simedarby.com.

The Group is committed to maintaining high standards of integrity and ethics in its business. Guided by best practices, we continually strive to improve and create sustainable value for our stakeholders. The Board considers good governance as essential for generating long-term economic value and growth, achieving sustainable performance and maximising returns while considering the interests of all stakeholders.

We believe in setting an appropriate tone from the top to ensure that ethical standards of behaviour permeate throughout the Group at all levels.

Therefore, ethical and effective leadership underscores the Board's commitment to developing a winning portfolio of sustainable businesses, delivering superior financial returns through operational excellence and maintaining high performance standards and good corporate governance.

Our Board provides judicious leadership and strategic guidance to safeguard stakeholder value creation within a framework of rigorous and effective controls. Good governance practices

are integrated across the Group, while the Board discharges its responsibilities within clearly defined governance parameters and robust mechanisms. Together with Management, the Board drives the Group's strategies and ensures strong, effective governance and ethical financial practices.

We embed world-class business practices and robust institutional governance and risk frameworks. Amidst an increasingly challenging business environment, the Board is committed to strengthening the Group's corporate governance practices and processes to effectively meet these challenges. We continuously review these practices and frameworks, mindful of the dynamic and evolving corporate and business landscape influenced by, among others, geopolitical and cultural shifts, regionally and globally. Our goal is to stay focused on our targets while ensuring we act in the best interests of our stakeholders.

We believe that good governance supports our core values through enhanced accountability, strong risk and performance management, transparency and effective leadership.

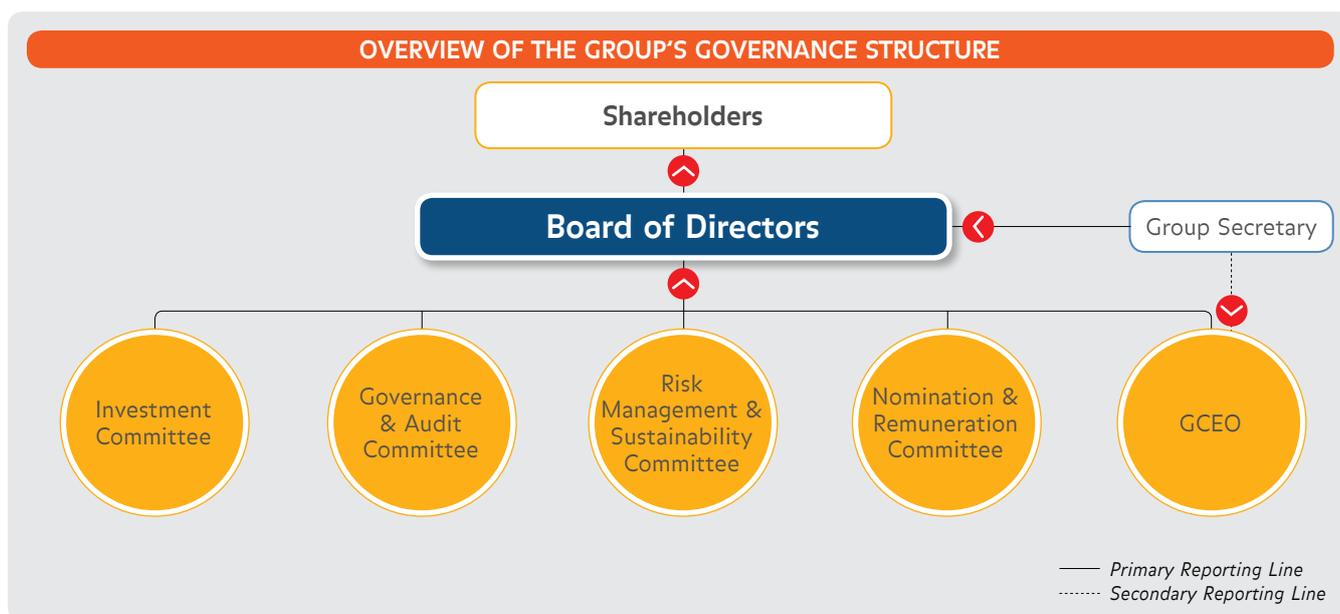
The Group's governance framework is firmly rooted in regulatory and statutory provisions as well as best practices and is guided by the following:

- a Companies Act 2016
- b Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Listing Requirements)
- c Guidelines on Conduct of Directors of Listed Corporations and their subsidiaries published by the Securities Commission of Malaysia (SC)
- d Malaysian Code on Corporate Governance (MCCG) 2021
- e Corporate Governance Guide 4th Edition issued by Bursa Securities
- f Minority Shareholders Watch Group Malaysia – ASEAN Corporate Governance Scorecard
- g Developments in international market practices and regional regulations

The Group’s governance framework, structure and processes are built upon the Terms of Reference (TOR) of the Board Committees, complemented by authority limits and supported by the various management policies and procedures.

The Board ensures that the Group’s governance structure remains appropriate and up-to-date with relevant corporate governance and regulatory requirements. The structure and associated practices are reviewed when necessary to reflect the evolving market and the communities in which the Group operates.

The diagram below provides an overview of the Group’s governance structure:



COMPLIANCE WITH MCCG 2021

The Group has benchmarked its practices against relevant regulations and other best practices and adhering to the principles of the MCCG 2021 where practicable and appropriate.

In the Corporate Governance Report (CG Report), the Company has provided a timeline for implementing practices that have not yet been adopted, accompanied by explanations. The CG Report is available online at <https://www.simedarby.com/investor/annual-reports>.

BOARD CHARTER

The duties and responsibilities of the Board are clearly defined in the Board Charter which governs the conduct of the Board in line with principles of good corporate governance.

The Board Charter sets out the Board’s strategic intent and authority, outlines the roles and responsibilities of the Board, individual Directors and the Senior Independent Director and those which it delegates to Management and in so doing, also sets the tone of the various Board Committees.

While delegating authority to Board Committees or the Management, the Board retains collective oversight. While certain responsibilities are delegated to Board Committees, the Board remains responsible for the exercise of such powers.

The Board Charter is available on our corporate website at www.simedarby.com.

BOARD LEADERSHIP

Sime Darby is led by the Board which is collectively responsible for the stewardship of the business and affairs of the Group on behalf of our shareholders and all other stakeholders. Within a framework of rigorous and effective controls, the Board sets the tone at the top, fostering a strong ethics and compliance culture throughout the organisation.

The Board is dedicated to safeguarding and enhancing stakeholder value. While protecting shareholder interests, the Board also considers the needs of employees, business partners, local communities, regulators and the public. It sets, oversees and approves the Group’s strategic objectives and direction of the Group with certain strategic oversight delegated to Board Committees. The Board ensures that the Group is adequately resourced to achieve its strategic goals and considers the impact of its decisions on all stakeholders.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

LEADERSHIP & EFFECTIVENESS

The Board ensures that the Group's strategic plan supports long-term value creation and incorporates environmental, social and governance (ESG) considerations. By promoting sustainable practices, the Group enhances resilience, creates durable and sustainable value and maintains stakeholder confidence.

The Board employs rigorous and effective controls to assess and manage emerging risks and opportunities, ensuring long-term sustainable development and growth. It commits to ethical business practices and lawful conduct, including proper use of authority and decorum. All Board members exercise their powers with good faith, in the best interest of the Company and with reasonable care, skill and diligence.

The Board ensures that key transactions or critical decisions are thoroughly deliberated and decided in meetings, with rationale, including any dissenting views, properly minuted and documented.

The balanced composition of the Board, including Non-Executive Directors (NEDs) prevents any individual or groups from dominating the decision-making process and thus, protecting shareholder interests. All Directors are expected to exercise independent judgement and act in the Company's best interest.

The Board is satisfied that each Director devotes sufficient time to discharge his/her responsibilities effectively. The current composition of the Board, with its diverse blend of skills, experience and knowledge, enables the Board to provide robust oversight, strategic guidance and constructive challenge, while empowering the GCEO to implement Board-approved strategies.

BOARD RESPONSIBILITIES

The Board operates on the principle of addressing all significant and material matters. It is accountable for the strategic management, performance monitoring and measurement, enterprise risk management, standard of conduct and critical business issues. The Board is responsible for setting the Group's long-term direction and strategy, with a focus on creating value for shareholders.

The Directors recognise their collective and individual responsibilities to shareholders regarding the management, control and operation of the Group.

In fulfilling its governance responsibility, the Board delegates certain functions to Board Committees while retaining ultimate accountability and responsibility for the Group's performance and affairs. The Board ensures that the Group adheres to high standards of ethical behaviour and provides Board Committees with clear TORs to facilitate effective operation.

BOARD FUNCTIONS

The Board provides guidance and direction to Management on sustainability, strategic planning, risk management, succession planning and financial and operational matters to meet the expectations and obligations of shareholders.

The Board assumes the following principal responsibilities in discharging its functions:

- a** Reviewing and adopting the Group's strategic plan, monitoring its implementation and addressing the sustainability of the Group's business.
- b** Overseeing the Group's business conduct, including strategy formulation, performance objectives, control and accountability systems, corporate governance framework, risk management practices and human capital management.
- c** Identifying principal risks and ensuring the implementation of appropriate internal controls and mitigation measures to manage these risks.
- d** Establishing and maintaining a succession plan to ensure continuity in leadership within the Group.
- e** Overseeing the development and implementation of a programme for effective communication with all stakeholders, including shareholders and investors.
- f** Reviewing the adequacy and integrity of the Group's management information and internal control system, including compliance with applicable laws, regulations, rules, directives and guidelines.

CHAIRMAN, GCEO AND SENIOR INDEPENDENT DIRECTOR

An effective Board is crucial to the Company’s long-term success and strategic objectives, facilitated by strong, transparent and open working relationships among Directors.

Designation/Directorship	Roles and Responsibilities
Chairman and GCEO	<p>The roles and responsibilities of the Chairman of the Board and the GCEO are separate and distinct to ensure that there is an appropriate balance of power, authority and accountability at the Board level. The separation is essential as each role has different expectations and serve distinct primary audiences.</p> <p>Tan Sri Samsudin Osman, the Chairman of the Board, is a Non-Independent Non-Executive Director (NINED). He is responsible for leading the Board, ensuring its effectiveness and setting its agenda. The Chairman also drives the adoption and implementation of good corporate governance practices within the Group. This includes fostering an open environment and ensuring that Directors receive accurate, timely and clear information through the Group Secretary.</p> <p>Dato’ Jeffri Salim Davidson, the GCEO, oversees the day-to-day management of the Group’s business operations and implements the Board’s decisions. Supported by the Management team, he formulates business strategies and plans to achieve the Group’s vision, growth targets, turnover and profitability, aligning with stakeholder expectations. He is responsible for executing Board policies and decisions and coordinating the implementation of business and corporate strategies.</p>
Senior Independent Director	<p>Thayaparan Sangarapillai, the Senior Independent Director, has the same legal responsibilities as other Directors. His role includes acting as a sounding board for the Chairman, an intermediary for other Directors when necessary and the point of contact for shareholders and other stakeholders with concerns which requires resolution or would not be appropriate to be communicated through the normal channels of the Chairman and/or GCEO. He also oversees the whistleblowing function to ensure all reported violations are properly investigated and reviews the effectiveness of the action taken in response to the concerns raised.</p>

BOARD COMMITTEES

The Board has established four Board Committees, namely, the Governance & Audit Committee (GAC), Nomination & Remuneration Committee (NRC), Risk Management & Sustainability Committee (RMSC) and Investment Committee (IC). Each Committee operates under its own TOR to assist the Board in fulfilling its fiduciary duties and responsibilities effectively. The TORs clearly define the division of responsibilities for each Committee. The Chairman of the Board does not chair any of these Committees. All Committees are composed solely of NEDs. Any amendments to a Committees’ TORs require the approval of the Board.

The Board Committees review and deliberate the issues within their formalised TORs and provide recommendations to the Board on matters within their scope. The Board maintains collective oversight and remains fully responsible for the Company’s effective control. Each Committee is supported by the Group Secretary and has access to independent advice as needed to fulfil its duties.

CORPORATE GOVERNANCE OVERVIEW STATEMENT LEADERSHIP & EFFECTIVENESS

ROLES OF BOARD COMMITTEES

a Governance & Audit Committee

The GAC supports the Board in fulfilling its responsibilities, including:

- Reviewing and reporting on the Group's financial results, external audit procedures and internal audit function.
- Overseeing the Company's financial reporting process and business practices and internal control systems.
- Monitoring the Group's governance and compliance activities and ensuring the independence of both external and internal audit functions.

The GAC comprises four NEDs, all of whom are Independent Non-Executive Directors (INED) in accordance with the Listing Requirements of Bursa Securities and the MCCG 2021.

Name	Membership/Designation
Thayaparan Sangarapillai	Chairman/Senior Independent Non-Executive Director
Tan Sri Muhammad Shahrul Ikram Yaakob	Member/Independent Non-Executive Director
Scott William Cameron	Member/Independent Non-Executive Director
Tengku Dato' Sri Azmil Zahrudin Raja Abdul Aziz	Member/Independent Non-Executive Director

b Nomination & Remuneration Committee

The NRC assists the Board in nominating new candidates to Board and Board Committees as well as key management positions and evaluates their performance and remuneration packages.

The NRC reviews the composition and balance of the Board, ensuring the right mix of skills, experience, knowledge and diversity.

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

Name	Membership/Designation
Tan Sri Muhammad Shahrul Ikram Yaakob	Chairman/Independent Non-Executive Director
Mohamad Idros Mosin	Member/Non-Independent Non-Executive Director
Dato' Dr Nirmala Menon	Member/Independent Non-Executive Director
Professor Datuk Ts. Ir. Dr. Siti Hamisah Tapsir	Member/Independent Non-Executive Director

c Risk Management & Sustainability Committee

The RMSC oversees the Group's risk management activities and supports the Board in identifying significant risks and ensuring the implementation of appropriate systems to manage the Group's overall risk exposure.

The Committee also provides guidance on key sustainability risks including monitoring and advising the Board on significant strategic activities and policies related to sustainability practices and initiatives and progress updates against the sustainability agenda.

The RMSC comprises five NEDs, three of whom are INEDs.

Name	Membership/Designation
Tan Sri Ahmad Badri Mohd Zahir	Chairman/Non-Independent Non-Executive Director
Dato' Lee Cheow Hock Lawrence	Member/Non-Independent Non-Executive Director
Moy Pui Yee	Member/Independent Non-Executive Director
Thayaparan Sangarapillai	Member/Senior Independent Non-Executive Director
Tengku Dato' Sri Azmil Zahrudin Raja Abdul Aziz	Member/Independent Non-Executive Director

d Investment Committee

The IC evaluates substantial business propositions, including mergers, acquisitions, partnerships, disposals and capital expenditures, along with their key associated risks and mitigation strategies before recommending them for the Board's approval.

The IC also oversees the implementation of the Group's 5-year Strategy Masterplan, analysing strategic aspects, industry trends and market shifts that impact the Group's long-term profitability and sustainability. It tracks the progress of major proposals to ensure alignment with the Group's strategic objectives.

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

Name	Membership/Designation
Mohamad Idros Mosin	Chairman/Non-Independent Non-Executive Director
Dato' Lee Cheow Hock Lawrence	Member/Non-Independent Non-Executive Director
Dato' Dr. Nirmala Menon	Member/Independent Non-Executive Director
Scott William Cameron	Member/Independent Non-Executive Director

The focus areas and key priorities of the Board Committees for the next financial year are set out below:

Board Committees	Key Focus Areas and Priorities for FY2025
Nomination & Remuneration Committee	<ul style="list-style-type: none"> • Review of talent management and succession planning • Application of consequence management consistently to prevent favouritism or bias, while reinforcing core values and promoting a culture of accountability • Evaluation and assessment of the composition of the Board and Board Committees in meeting the necessary skills, experience and competency • Regular review of the Group’s compensation and rewards framework to attract the best talent
Governance & Audit Committee	<ul style="list-style-type: none"> • Gearing and balance sheet review • Ongoing review of the effectiveness of governance, internal controls systems and processes across the Group • Monitoring any conflicts of interest
Risk Management & Sustainability Committee	<ul style="list-style-type: none"> • Enhancement of sustainability targets • Health and safety improvements in high-risk areas of the Group’s businesses • Ensure the Group’s understanding of market and macro risks and implementation of mitigating measures • Cybersecurity and risk performance review
Investment Committee	<ul style="list-style-type: none"> • Optimisation of cash holdings, borrowings and invested capital across the Group • Oversight of the divestment of non-strategic businesses • Monitoring post-acquisition integration and addressing challenges and opportunities for future-proofing businesses

BOARD COMPOSITION AND DIVERSITY

The Board is committed to ensuring that the Directors collectively possess a diverse mix of skills, experience, expertise and perspectives, which enhance the effectiveness of Board processes and decision-making. To achieve this, Sime Darby has established a Board Composition Policy that ensures its members collectively represent a balanced mix, facilitating effective stewardship and management within the organisation.

A truly diverse and inclusive Board composition is essential for leveraging differences in thought, perspective, knowledge, skills, cultural and geographical backgrounds, age and gender. This commitment is crucial for maintaining Sime Darby’s competitive edge in a challenging and evolving business environment. The Board recognises that to remain relevant, resilient and sustainable in a rapidly transforming business environment, diversity is a key factor. The Board Composition Policy acknowledges the importance of these principles in determining the optimal Board composition, aiming to balance independence, skills, experience, gender and age to harness a broad spectrum of talent, thereby enhancing overall performance and sustainability. Additionally, the Group’s Fit and Proper Policy outlines the criteria for assessing the suitability of Directors, including for re-election and new appointments. The assessment covers key aspects such as probity, personal integrity and reputation, competency and capability and financial integrity.

The NRC oversees the overall composition of the Board and Board Committees. The NRC is empowered to annually review and evaluate the composition and performance of the Board, assessing qualified candidates for Board appointments.

When assessing the suitability of Directors for nomination, the NRC is guided by a set of quantitative and qualitative criteria, which include:

- a** The appropriate size and balance between the number of INEDs and NINEDs;
- b** Skills, background and experience;
- c** Diversity in terms of gender, nationality and ethnicity; and
- d** Time commitment, character, professionalism and integrity.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

LEADERSHIP & EFFECTIVENESS

The Board appointment and re-election process which is delegated to the NRC, places emphasis on diversity in experience, skills, competencies, race, gender and age. Board membership is regularly refreshed based on objective criteria, merit and the contributions the candidate can bring. The NRC is committed to include women candidates as part of its gender diversity efforts, in alignment with the MCCG 2021 requirement for female representation on the Board.

Sime Darby's Board is committed to fostering a strong element of independence among its members to promote good corporate governance. INEDs are expected to exercise independent judgement and actively participate in the Board's deliberations, ensuring decision-making is not dominated by any single individual or small group. The goal is to create a well-rounded Board that brings together diverse talents and backgrounds, promotes robust and innovative decision-making and cultivates a collaborative and harmonious atmosphere among Directors.

The Board comprises individuals of high integrity and calibre, with a deep understanding of the Group's business and a diverse range of skills and experience. Directors apply their expertise to policy formulation and decision-making, facilitating effective oversight, strategic guidance and constructive challenge. As of the date of this statement, the Board consists of twelve members, including an Executive Director who serves as the GCEO, seven INEDs and four NINEDs. The presence of a majority of INEDs ensures effective collective oversight of Management, exceeding the one-third minimum requirement stipulated by the Listing Requirements of Bursa Securities and aligns with MCCG 2021's recommendation for a majority of independent directors.

The Board acknowledges Practice 5.9 of the MCCG 2021, which recommends that at least 30% of the Board be women and ongoing efforts are in place to identify and appoint suitable female candidates as board members. Currently, the Board comprises three female Directors, representing 25% of its composition. The NRC is actively working towards achieving 30% female representation on the Board as swiftly as possible while ensuring the selection of the most qualified candidates. In addition to gender diversity, the Board is committed to fostering a corporate culture that embraces all forms of diversity. At the organisational level, Sime Darby has achieved a diverse talent pool that reflects our business needs. The workforce comprises 75% male and 25% female employees, with females occupying 25% of senior management positions.

The Chairman ensures that all Board members are well-informed about their appointment terms, duties and responsibilities. New members receive comprehensive briefings on the Group's operations to enhance their understanding of the business, its environment and markets. Board members are expected to keep abreast of changes in the business landscape, including economic, political, social, legal and regulatory factors that may impact the Group.

When appointing or re-appointing a Director, the Board, through the NRC, considers the current composition and tenure of each Director. The NRC evaluates the criteria for Directors' appointments and assesses their performance on an annual basis. Potential candidates are identified from various sources, including referrals from existing Directors, major shareholders, Management or consulting firms, where necessary. The Board periodically reviews its composition and evaluates the need to introduce new skills and perspectives to the boardroom. Before accepting directorships in other companies, Directors are required to notify the Chairman of the Board to ensure that such appointments would not unduly affect their time commitment and responsibilities to the Board. Currently, none of the Directors holds more than five directorships in other listed companies, in accordance with Paragraph 15.06 of the Listing Requirements of Bursa Securities.

ATTENDANCE AT BOARD MEETINGS

During the financial year under review, the Board held a total of 12 meetings, comprising 8 scheduled meetings and 4 special meetings. In addition, four separate special meetings were attended by Independent Directors and the GCEO to discuss matters related to the acquisition of UMW Holdings Berhad.

The Board practices active and open discussions during its meetings to ensure all Directors have the opportunities to participate and contribute to the decision-making process. Robust discussions and vigorous deliberations at both Board and Board Committee meetings facilitate a constructive, insightful and healthy dialogue.

The Board has full and unrestricted access to all information about the Group's business and affairs. This includes financial results, annual budgets, business reviews, business plans and progress reports on the Group's projects and business strategies. The Board ensures that all information received is accurate, timely and clear.

The agenda and Board papers encompassing comprehensive qualitative and quantitative information are circulated to all Directors before each Board meeting to facilitate informed decision-making.

Access to Board papers is facilitated online through collaborative software, enabling Directors to securely access and review documents and collaborate with fellow Directors and the Group Secretary electronically.

Presentations and briefings by Management and relevant external consultants are conducted during Board meetings to provide explanations on agenda items or to clarify any issues raised by Directors.

The Directors commit adequate time to fulfil their responsibilities. Meeting dates for the entire calendar year are scheduled in advance to ensure Board members' availability and to facilitate Management's planning.

The Board is satisfied with the Directors' commitment to their roles and responsibilities, as evidenced by their attendance at the meetings held during the financial year under review, as detailed below:

Board		Scheduled Meeting	Special Meeting	Special Meeting*	Total
Tan Sri Samsudin Osman	Ⓞ	8/8	4/4	-	12/12
Thayaparan Sangarapillai	Ⓞ	7/8	4/4	4/4	15/16
Tan Sri Ahmad Badri Mohd Zahir	Ⓞ	8/8	4/4	-	12/12
Tan Sri Muhammad Shahrul Ikram Yaakob	Ⓞ	7/8	4/4	3/4	14/16
Mohamad Idros Mosin	Ⓞ	8/8	4/4	-	12/12
Dato' Lee Cheow Hock Lawrence	Ⓞ	8/8	3/4	-	11/12
Moy Pui Yee	Ⓞ	8/8	3/4	4/4	15/16
Dato' Dr. Nirmala Menon	Ⓞ	8/8	3/4	3/4	14/16
Scott William Cameron	Ⓞ	8/8	4/4	3/4	15/16
Tengku Dato' Sri Azmil Zahrudin Raja Abdul Aziz*	Ⓞ	6/7 [^]	4/4 [^]	3/3 [^]	13/14 [^]
Professor Datuk Ts. Ir. Dr. Siti Hamisah Tapsir [#]	Ⓞ	4/4 [^]	2/2 [^]	-	6/6 [^]
Dato' Jeffri Salim Davidson	Ⓞ	8/8	4/4	4/4	16/16

Note:

- * Special meetings related to the acquisition of UMW Holdings Berhad
- [^] Reflects number of meetings attended during the period of office held
- [#] Appointed on 1 August 2023
- [@] Appointed on 8 March 2024

INFORMATION AND SUPPORT TO THE BOARD

The Board has direct access to the advice and services of the Group Secretary and full, unrestricted access to information regarding the Group's business and affairs.

The Chairman, assisted by the Group Secretary, ensures that Directors receive all notices, agendas and minutes of the previous meetings well in advance of each session. Notices and agenda are circulated within a reasonable time frame before the meeting to the Directors and all required attendees. Written materials, including information requested by the Board from Management and/or external consultants, are provided alongside the agenda.

In consultation with the Chairman, the GCEO determines the agenda, structuring and prioritising matters based on their relevance and importance to facilitate quality and in-depth discussions. Presentations to the Board are prepared and delivered to ensure a clear and adequate understanding of the subjects being discussed.

All proceedings and deliberations of Board and Board Committee meetings, including comments made by the Directors, are duly recorded and documented. Minutes of meetings accurately capture the discussions, decisions and the rationale behind those decisions. Any dissenting views or instances where Directors abstain from voting or deliberating on a particular matter are also recorded. The Group Secretary properly maintains the minutes of each Board and Board Committee meeting.

The Board recognises the importance of providing timely, relevant and up-to-date information to ensure an effective decision-making process. In this regard, the Board is provided with information that is pertinent and of sufficient quality to enable effective deliberation on matters tabled in the meeting.

The Board receives regular updates on announcements made by the Company to Bursa Securities regarding significant transactions, as well as media coverage of Company-related events, analyst reports and other relevant news, as applicable and appropriate.

BOARD INDEPENDENCE

The presence of INEDs is pivotal for ensuring corporate accountability and the Board acknowledges their significant contributions to upholding good corporate governance. All Directors, irrespective of their independent status, are mandated to act in the best interests of the Company, exercising unfettered and unbiased judgement. INEDs play a critical role in providing independent and objective perspectives, advice and judgement, particularly in evaluating the strategies proposed by Management. They ensure these strategies are thoroughly discussed and assessed with a focus on the long-term interests of stakeholders.

CORPORATE GOVERNANCE OVERVIEW STATEMENT LEADERSHIP & EFFECTIVENESS

The role of INEDs is especially crucial in overseeing related party transactions, where their independence and impartiality safeguard the interests of minority shareholders. To maintain their objectivity and fulfil their responsibility in providing checks and balances to the Board, INEDs do not engage in the Group's operations.

To avoid any conflicts of interest, Board members are required to declare any potential conflicts at the outset of each meeting. When conflicts arise, Board papers relevant to the matter are withheld from the interested Directors, who must recuse themselves from discussions, abstain from deliberations and refrain from voting on the matter, both at Board and Board Committee meetings.

On 21 February 2024, the Board established a Conflict of Interest Guideline that outlines clear criteria, supported by well-defined processes and procedures, to be strictly adhered to across the Group. This Guideline aims to identify, address and manage conflicts of interest, whether actual, potential or perceived. It provides a structured approach to prevent conflicts from compromising the objectivity and impartiality of business operations, while safeguarding the Group's reputation and credibility.

The Board highly values the contributions of INEDs in promoting sound corporate governance. The impartiality, independence of views and valuable contributions of INEDs to Board deliberations are consistently affirmed. In line with the MCCG 2021, the Company has adopted a tenure policy ensuring no INED serves beyond the nine-year limit.

In alignment with the enhanced definition of independent directors under Bursa Securities' Listing Requirements, the Board has extended the cooling-off period for the appointment of INEDs to three years, further reinforcing the independence and integrity of the Board's composition.

MATTERS RESERVED FOR DECISION OF THE BOARD

The Board maintains a clear schedule of matters reserved for its decision. The specific matters reserved for the Board are outlined below.

- Group and divisional strategy, plans and budget;
- Acquisitions, disposals and transactions exceeding the authority limits delegated by the Board to Management;
- Changes to senior management; and
- Changes to key policies, procedures and delegated authority limits of the Group.

KEY BOARD ACTIVITIES OF FY2024

The key matters reviewed, deliberated and approved by the Board in FY2024 were as follows:

Strategy

- Annual budget setting
- Business expansion plans and developments
- Business and projects progress updates
- Group's five-year strategy
- New business ventures
- Strategic plans progress updates
- Key performance indicators of GCEO

Financial Performance

- Quarterly and yearly financial performance reports
- Capital structure review
- Dividend proposals

Governance

- Reappointment of external auditors
- Review of regulatory framework and compliance
- Review of related party transactions
- Consider the changes to Board composition
- Appointment and contract renewal for key management
- Succession planning and talent management review
- Recommendations of the 2024 Board Effectiveness Assessment (2024 BEA) and follow up actions thereto

BOARD EFFECTIVENESS ASSESSMENT

The BEA aims to evaluate the performance of the Board, Board Committees and individual Directors, identifying areas for improvement where required. Assisted by the NRC, the 2024 BEA was conducted using a questionnaire-based approach and the criteria for assessment which included the following:

Board

- Board mix and composition
- Board process
- Board governance
- Quality of information and decision-making
- Boardroom activities and dynamics
- Board's relationship with Management
- Management of ESG issues

Board Committees

- Committee governance
- Composition
- Relevance of experience
- Competency of chairmen of Board Committees
- Quality of reports and recommendations furnished to the Board

Individual Director

- Fit and proper conduct
- Contributions and performance
- Calibre and temperament

The results of the BEA, covering the performance of the Board as a whole and its Board Committees, are compiled and reviewed by the Board to identify areas for improvement. Individual performance evaluations are provided to the Chairman of the Board, who addresses any issues with the respective Directors for their development and enhancement.

The overall results of the 2024 BEA were generally positive, with the Board expressing satisfaction with the performance of both the Board and its Committees. The assessment indicates that the Board and its Committees are effective and operate well within established parameters. Any areas identified for improvement will be addressed through targeted action plans.

PERFORMANCE REVIEW OF THE BOARD COMMITTEES

Taking into account the outcomes of the 2024 BEA, the Board is satisfied with the performance and effectiveness of the NRC, GAC, RMSC and IC in delivering sound advice to the Board for the financial year under review.

BOARD INDUCTION AND DEVELOPMENT

The Board acknowledges the pivotal role Directors play in sustaining success and upholding their fiduciary duties. Ongoing development is essential to ensure Directors stay abreast of industry trends and best practices and possess the knowledge required to effectively discharge their responsibilities.

The Board's induction programme for new Directors includes comprehensive briefings on the Group's organisational structure, operations, ongoing projects, growth strategies and financial performance. During the financial year under review, two onboarding sessions were organised for Tengku Dato' Sri Azmil Zahrudin Raja Abdul Aziz and Professor Datuk Ts. Ir. Dr. Siti Hamisah Tapsir on 18 August 2023 and 28 March 2024 respectively.

The Group Secretary facilitates this induction, manages internal training initiatives and coordinates site visits to key operational units. These visits offers Directors visual insights into the Group's operations and are complemented by presentations and briefings from operational unit management.

Annual Board retreats and technical visits provide valuable opportunities for Directors to engage with Senior Management across the Group's operations in an informal environment. The activities held during the year included:

- a** Visits to Hong Kong and China to review the Group's operations in the regions from 9 to 13 October 2023.
- b** Offsite Board and Management strategy retreat in Bangkok from 23 to 24 April 2024, focused on deliberating the Group's strategic direction across its businesses and footprint. The retreat considered the state of the industrial and automotive industries and their future directions given the evolving landscape. External industry experts/speakers were invited to provide their insights.
- c** Visit to Perodua's manufacturing and assembly plant in Serendah, Rawang on 29 August 2024.

DIRECTORS' TRAINING

In accordance with Paragraph 15.08 of the Listing Requirements of Bursa Securities, the Directors recognise the importance of staying current with industry developments, particularly in sustainability, technological advancements and changes to statutory and regulatory requirements.

The Board ensures that Directors have ongoing opportunities to update and refresh their knowledge throughout the year, enabling them to perform their roles and duties effectively. The training needs of the Directors are periodically reviewed to ensure that they have access to continuing education programmes.

On 6 June 2023, Bursa Securities issued a letter informing listed companies of an amendment to the Listing Requirements regarding sustainability training for directors. All Directors of listed companies are required to attend and complete the Mandatory Accreditation Programme (MAP). With the increasing emphasis on sustainability, the MAP is now divided into two parts: MAP I, which comprises the current contents and MAP II, which focuses on sustainability matters. The new provisions of the Listing Requirements mandate that existing directors of listed companies must attend and complete MAP II by 1 August 2025. The Institute of Corporate Directors Malaysia (ICDM) is the appointed organiser for MAP II.

CORPORATE GOVERNANCE OVERVIEW STATEMENT LEADERSHIP & EFFECTIVENESS

The Group Secretarial Department coordinated with the Directors to confirm their availability for the programme. As of the date of this report, all Directors have successfully completed both MAP I and MAP II.

Recognising the pivotal role of sustainability in today's corporate landscape, the Group Secretarial Department organised an in-house training titled "Sustainability 101 for Senior Leadership – Building Capability & Capacity" for Directors of subsidiaries, Management and Divisional Secretarial teams. The training was conducted in two sessions by ICDM on 18 and 19 June 2024.

The areas of trainings, seminars, conferences and briefings attended by the Directors during the financial year under review, among others, are set out below:

List of Trainings Attended

Board Members

Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
Khazanah Megatrends Forum 2024
IIUM Workshop on New Financial Sustainability Model 2024-2028
International Conflict Talk 2.0: Navigating International Justice: South Africa's Legal Proceeding Against Israel
What's Happening in the World Economy
China – How Long Will the Slowdown Last?
Toyota's Multipathway Strategy in Asia
Generative AI and Opportunities for Business
Being Sued as an INED – A Personal Journey
What Amounts to a Conflict of Interest by Directors?
Advocacy Sessions on the Continuing Disclosure Requirements & Corporate Disclosure Policy of the Listing Requirements
① The Wirecard Scandal – A Whistleblower's Perspective
The IFRS S1 and S2: Reporting, Management and Value Creation
Managing Culture to Prevent Misconduct
IFRS – Sustainability Disclosure Standards
Decoding the TCFD Reporting Framework
Directors Masterclass on Biodiversity Matters in Collaboration with Climate Governance Malaysia
Insights & Experience from New Zealand in Developing the National Strategy for Financial Capability
Adaptive Leadership In Multigeneration Social Ecosystems
Emerging Risks in the Financial Industry
CPF Board's Financial Literacy Effort
The Path Towards Greater Prosperity for Malaysia
Sustainability Insights (UN SDGs and Organisation Sustainability Trends)

List of Trainings Attended

Board Members (continued)

EPF Private Markets Summit 2023
The 40 th ASEAN Social Security Association (ASSA)
Enterprise Sustainability (ESP) Board Mini Workshop
Cybersecurity
IIC Corporate Governance Conference 2024
Executive Insights: Charting the Path with Data and AI
Duties of Corporate Directors and Senior Management Officers
ⓧ Persidangan Antarabangsa Kesejahteraan Sosial (ISWC)
Taxonomy as a Guide for Sustainable and Responsible Investment in Malaysia
ESG Disclosures: Improving the Quality of ESG Data and its Impact
IASB-MASB Virtual Outreach on Post-Implementation Review of IFRS 9: Financial Instruments – Impairment
Conflict of Interest
The AI Revolution and Its Real-World Impact
ICAEW Ethics: Practicing Professionalism
Future of Cybersecurity with AI

GROUP SECRETARY

The Group Secretary of Sime Darby is qualified to act as the company secretary under Section 235 of the CA 2016. The Group Secretary’s roles and responsibilities are clearly specified in the Board Charter.

ACCESS TO INDEPENDENT PROFESSIONAL ADVICE

In discharging their duties, each Director is entitled to seek independent professional advice at the expense of the Company.

If a Director deems such advice necessary, he/she must first discuss it with the Chairman. If the Chairman approves, the Director will bring the request, including the reasons for seeking independent professional advice and the proposed cost, to the Board for approval. Upon obtaining the Board’s consent, the Director may proceed with seeking the advice.

ACCESS TO MANAGEMENT

Directors are provided with complete and unimpeded access to the Group’s Management. They also have unrestricted access to information pertaining to the Group, including the Group’s auditors and consultants.

When exercising their right to access information and Management, Directors must exercise judgement to ensure that such access does not disrupt the Group’s operations.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

EFFECTIVE AUDIT & RISK MANAGEMENT

The Board is committed to ensuring that the financial statement of the Group presents a balanced, clear and meaningful assessment of the financial performance and prospects of the Group.

FINANCIAL REPORTING

The GAC is entrusted with reviewing the integrity and reliability of the Group's financial statements and ensuring that these financial statements comply with the relevant accounting and regulatory requirements before recommending for the Board's approval.

The Statement of Responsibility by Directors regarding the preparation of the annual audited financial statements of the Company and the Group is presented in the Financial Report.

RELATIONSHIP WITH EXTERNAL AUDITORS

The GAC has established a formal and transparent relationship with the external auditors. During the financial year under review, the GAC met with external auditors without the presence of the Management to discuss any matters arising from the audit.

During the financial year under review, services provided by the external auditors included statutory audit and non-audit services. The terms of engagement for the services rendered by the external auditors were reviewed by the GAC and approved by the Board.

INTERNAL AUDIT

The internal audit function is carried out independently by the Group Corporate Assurance (GCA). GCA reports directly and with unrestricted access to the GAC and conducts regular audit engagements on the auditable entities of the Group, provides an independent review of the adequacy, efficiency and effectiveness of risk management, internal control and governance processes as well as monitoring of compliance policies and procedures implemented by the Management. GCA adheres to the International Standard for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors. All audit reports detailing the audit findings and recommendations are provided to Management with their response to the actions taken. These reports are thereafter presented to the GAC for deliberation.

The summary of the GCA function and activities during the financial year under review is set out in the GAC Report.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board acknowledges its responsibilities in an effective internal control system for the Group, covering financial controls and controls relating to operational, compliance and risk management.

The RMSC assists the Board in overseeing the risk management matters and sustainability frameworks and policies of the Group. The RMSC reviews the risk management framework and processes to ensure that they remain relevant and monitors the effectiveness of risk treatment or mitigation plans to manage and control the key risks.

The overview of the state of internal control and risk management within the Group is set out in the Statement on Risk Management and Internal Control of this Annual Report.

INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIPS WITH STAKEHOLDERS

We recognise that stakeholder engagement and management are important components of good corporate governance. We believe that working together with stakeholders will ensure healthy relationships and good communication in managing shareholders' expectations to ensure that the Company meets their needs and are favourably accepted.

The Board maintains an open and constructive relationship with all its stakeholders – large and small, institutional and private. We define our key stakeholders as those who have an interest in, are impacted, whether positively or negatively and exert significant influence on or are influenced by our businesses. They include investors, customers, suppliers, vendors, business partners, employees, local communities, governments, regulatory authorities, the media, NGOs and international bodies. These stakeholders all have a stake in our businesses and can affect them through direct or indirect influence. The Board does not distinguish between institutional and private investors and treats all shareholders equally. In line with this, steps are taken to ensure that all investors have access to the same information and disclosures.

The Chairman, supported by the Management, has the overall responsibility of ensuring that the Group listens to and effectively communicates with its stakeholders.

 For more details about our stakeholder engagement activities, please refer to the Stakeholder Engagement and Value Creation section on pages 26 to 31 of this report.

NOMINATION & REMUNERATION COMMITTEE REPORT



🕒 **Tan Sri Muhammad Shahrul Ikram Yaakob**
Chairman of the
Nomination &
Remuneration Committee

“

This report offers shareholders valuable insight into the activities of the Nomination & Remuneration Committee (NRC) during the year under review. It demonstrates the pivotal role the NRC plays in managing the nomination and remuneration processes for both the Board and its Committees. Additionally, it highlights the NRC's crucial involvement in overseeing key management positions, succession planning and human capital development within the Group.

”

COMPOSITION

The NRC is chaired by Tan Sri Muhammad Shahrul Ikram Yaakob and is composed exclusively of NEDs, with a majority being INEDs. This composition complies with Practice 5.8 of the MCGG 2021, which requires the NRC to be chaired by an INED. Additionally, it adheres to Practice 1.4 of the MCGG 2021, which stipulates that the Chairman of the Board should not serve as a member of the NRC.

MEETINGS AND ATTENDANCE

NRC meetings for FY2024 were prescheduled in October 2023, allowing members to plan ahead and incorporate the meeting dates into their schedules, providing ample notice of the meetings.

All NRC meetings met the requisite quorum as stipulated in the NRC's Terms of Reference (TOR).

The agenda and meeting papers pertinent to the topics to be discussed were distributed to NRC members through collaborative software, ensuring access to the documents within a reasonable timeframe before the scheduled meetings.

A total of seven (7) meetings were held during the financial year under review. The attendance of the NRC members is as follows:

Members		Membership/Designation	Appointment	Attendance
Tan Sri Muhammad Shahrul Ikram Yaakob		Chairman/Independent Non-Executive Director	25 July 2022	6/7
Mohamad Idros Mosin		Member/Non-Independent Non-Executive Director	21 November 2018	7/7
Dato’ Dr Nirmala Menon		Member/Independent Non-Executive Director	15 November 2022	7/7
Professor Datuk Ts. Ir. Dr. Siti Hamisah Tapsir		Member/Independent Non-Executive Director	8 March 2024	3/3*

Note:

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

ROLES AND RESPONSIBILITIES

The NRC’s primary objectives include assisting the Board in reviewing the appropriate size and balance of the Board and evaluating the required mix of skills, experience and knowledge of the Directors. The NRC also ensures sufficient focus on succession planning and human capital development within the Group and recommends to the Board the remuneration framework for the NEDs, the Executive Director, key positions and employees of the Group, as well as overseeing the administration of the Long Term Cash Incentive Plan (LTCIP).

By embracing its entrusted responsibilities, the NRC plays a significant role in shaping the leadership landscape of the Group, fostering long-term sustainable growth and enabling the Group to achieve its strategic objectives. Through a rigorous nomination process, the NRC reinforces the Group’s unwavering commitment to excellence, transparency and governance best practices.

TERMS OF REFERENCE

The TOR of the NRC sets out the authority, duties and responsibilities of the NRC and is assessed, reviewed and updated as needed to ensure it remains relevant, current and in conformity with regulatory changes.

The TOR is available at <https://www.simedarby.com/operating-responsibly/governance>.



“The NRC’s primary objectives include assisting the Board in reviewing the appropriate size and balance of the Board and evaluating the required mix of skills, experience and knowledge of the Directors.”

NOMINATION & REMUNERATION COMMITTEE REPORT

KEY ACTIVITIES OF FY2024

Key Focus Areas	Outcomes
Nomination Function	<ul style="list-style-type: none"> • Evaluated and recommended suitable candidates for appointments to the Board, Board Committees and senior management positions. • Assessed the contributions of Directors seeking election and re-election at the 17th AGM and made recommendations to the Board. • Oversaw the succession planning and performance evaluation of the Board, Board Committees and the senior management team. • Reviewed the succession plan for critical positions within the Group.
Remuneration Function	<ul style="list-style-type: none"> • Recommended bonus payouts and salary increments for employees of the Group. • Appraised the performance and recommended bonus payouts and salary increments for the GCEO and his direct reports. • Reviewed and recommended the renewal of fixed-term contracts for the senior management positions. • Reviewed and recommended the vesting of retention cash for FY2023 under the LTCIP. • Considered the FY2024 LTCIP grant. • Reviewed and recommended Directors' fees and benefits for NEDs of Sime Darby.
Governance Function	<ul style="list-style-type: none"> • Reviewed the terms of office and the performance of the GAC. • Reviewed and recommended changes to the TOR of Board Committees. • Reviewed the NRC Report for inclusion in the Sime Darby Annual Report 2023. • Reviewed the GCEO's key performance indicators (KPIs) and scorecard for the new financial year. • Reviewed the compliance status of the Board Committees with their respective TOR. • Reviewed the progress of the implementation of action plans arising from the BEA. • Reviewed the consequence management actions of employees of subsidiaries. • Considered the updates on the integration of Sime Darby Berhad and UMW Holdings Berhad. • Considered the results of the Sime Darby's Global Employee Engagement Survey.

FIT AND PROPER POLICY

Pursuant to paragraph 15.01A of the Listing Requirements, listed issuers are required to establish a comprehensive fit and proper policy to govern the appointment and re-election processes of directors for both the listed issuer and its subsidiaries. Sime Darby's Fit and Proper Policy, established on 16 February 2022, outlines the criteria for assessing Directors' re-election and the process for selecting candidates for new appointments.

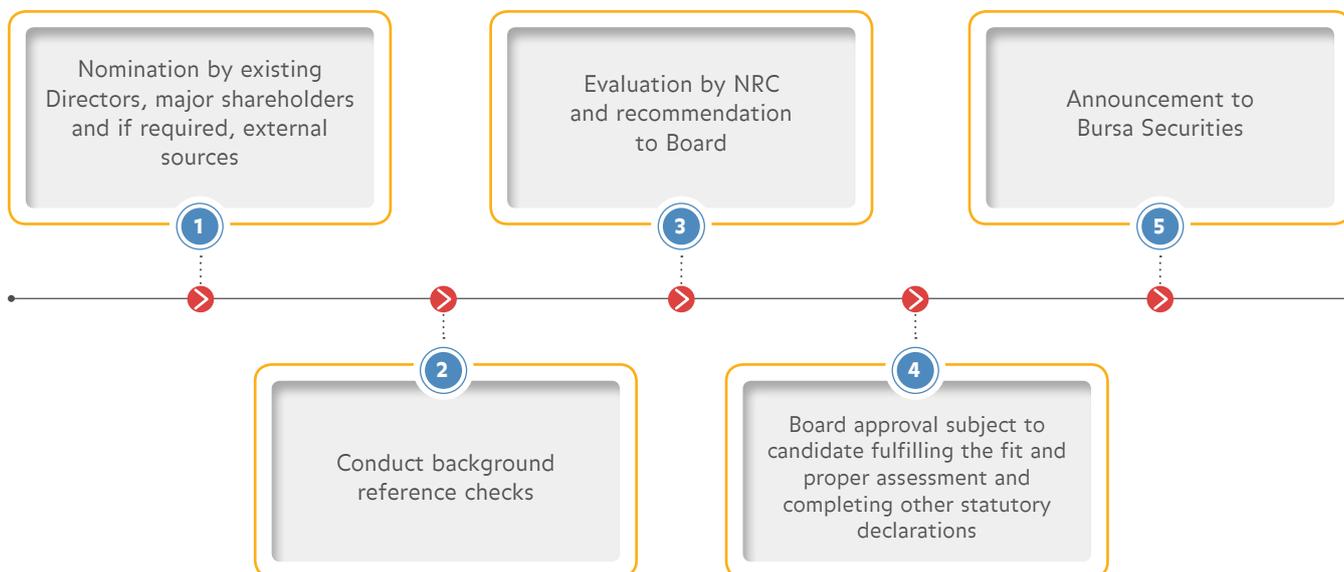
During the financial year under review, the Board, through the NRC, assessed the fitness and propriety of the Directors in accordance with this policy, in conjunction with the annual BEA exercise. The Board was satisfied that each of the Directors met the required standard of fitness and propriety.

NEW BOARD APPOINTMENT AND RE-APPOINTMENT

Sime Darby employs a rigorous and transparent screening process for the appointment and re-appointment of Directors, ensuring that the Board's composition and needs are carefully considered. The NRC has access to a broad pool of candidates, which may include recommendations from existing Board members, Management, major shareholders and external sources. All proposed appointments or re-appointments are assessed by the NRC, which is responsible for identifying any gaps in the Board's expertise before initiating the search for potential candidates. The NRC adheres to the selection criteria outlined in the Company's Board Appointment and Re-Appointment guidelines.

The NRC plays a crucial role in the screening and selection of candidates, evaluating their qualifications and attributes before making recommendations to the Board. Once a potential candidate is shortlisted, the Group Secretary conducts thorough background checks, including assessments of any civil or criminal charges from publicly available sources, to evaluate the candidate's character and integrity. In addition, the NRC considers the Group's strategic direction when evaluating candidates for new appointments.

The following depicts the process for Director appointment:



In accordance with the Company’s protocol, Directors must adhere to specific guidelines when accepting new directorships outside the Sime Darby Group. Prior to accepting such appointments, a Director must discuss the potential role with the Chairman of Sime Darby to ensure it aligns with the Company’s interests. Once a new directorship is accepted, Directors are required to promptly inform the Group Secretary in writing. This allows the Group Secretary to notify other Board members and relevant regulatory authorities. Directors are also provided with clear expectations regarding the time commitment required of them to ensure they can effectively fulfil their roles and responsibilities. They must confirm their ability to allocate sufficient time, considering their other board roles and commitments.

In compliance with the Listing Requirements of Bursa Securities, no Director holds more than five directorships in listed issuers.

The NRC and the Board regularly review the membership of the Board and its Committees to ensure all members possess the requisite skills and experience to effectively address challenges and contribute to achieving the Group’s strategic objectives.

During the year, Professor Datuk Ts. Ir. Dr. Siti Hamisah Tapsir was appointed as an INED of Sime Darby. Professor Datuk Dr. Siti Hamisah, a former civil servant with over 34 years of service in the Malaysian government, held various portfolios under six different ministers and made significant contributions to higher education and the fields of science, technology and innovation.

Professor Datuk Dr. Siti Hamisah is a registered professional engineer with the Board of Engineers Malaysia and a Fellow Member of the Institution of Engineers Malaysia. She is currently the President of the Malaysia Board of Technologists. With her extensive experience, the Board is confident that her contributions will further enhance its effectiveness in steering the Company and the Group towards continued success.

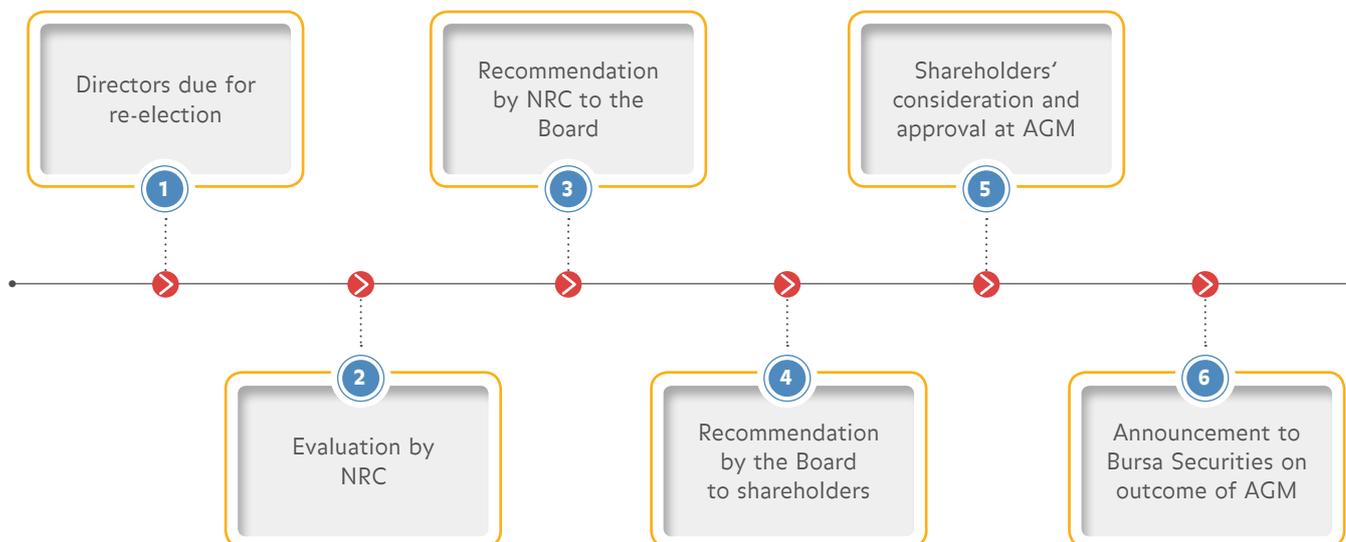
This appointment underscores Sime Darby’s ongoing commitment to increasing female representation on the Board.

NOMINATION & REMUNERATION COMMITTEE REPORT

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. Before recommending Directors for re-election to the Board, the NRC evaluates the performance of Directors who are scheduled for retirement at the upcoming Annual General Meeting (AGM).

The following depicts the process for re-election of Directors:



Rule 103 of the Constitution stipulates that at least one-third (1/3) of the Directors must retire by rotation at the AGM at least once every three years and are eligible for re-election.

Before any recommendations are submitted to the Board, the rotation list of Directors is presented to the NRC for endorsement. The NRC then conducts an assessment of the Directors seeking re-election, evaluating their competencies, commitment, contribution and performance based on the BEA. This assessment also includes their compliance with the fit and proper criteria as set out in the Fit & Proper Policy, any legal convictions and potential conflicts of interest. Directors seeking re-election must provide their consent for re-election.

The NRC's evaluation of the retiring Directors' performance and independence is followed by recommendations to the Board, which are then presented to shareholders for approval.

To determine the eligibility of Directors for re-election at the 18th AGM, each retiring Director is assessed based on the following criteria:

- **2024 BEA:** The performance and contributions of each Director during the preceding financial year were rigorously evaluated. The assessment included his/her achievements and adherence to the Company's fit and proper criteria, focusing on his/her overall suitability and qualifications to continue serving as Director.
- **Contribution to Board Deliberations:** The evaluation considered each Director's role in Board discussions and decision-making processes and his/her experience and unique strengths on shaping the Company's strategic direction.
- **Independence:** The degree of independence demonstrated by each Director was a crucial aspect of the evaluation. The Director is expected to exercise independent judgement, maintain impartiality and act in the Company's best interests, free from conflicts of interest or undue influence. This aspect was thoroughly examined to ensure that the Director upheld the highest standards of ethical conduct.

The Directors retiring pursuant to Rule 103 of the Company's Constitution at the 18th AGM are:

1. Tan Sri Samsudin Osman
2. Dato' Lee Cheow Hock Lawrence
3. Mohamad Idros Mosin
4. Moy Pui Yee

Based on the assessment, both the Board and the NRC are satisfied that the Directors seeking re-election at Sime Darby's 18th AGM meet the performance criteria essential for an effective and high-performing Board. These Directors have consistently demonstrated their commitment to diligently fulfilling their duties and aligning with the Board's expectations.

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 are eligible for re-election. Professor Datuk Ts. Ir. Dr. Siti Hamisah Tapsir, who was appointed as a Director to the Board during the year, is retiring under Rule 82.2.

Directors who seek for election and re-election under Rule 82.2 and Rule 103 respectively have provided their consent and offered themselves for election and re-election at the 18th AGM.

REMUNERATION APPROACH

The Board has delegated to the NRC the responsibility for establishing the principles, parameters and governance framework for the Group's remuneration matters. The remuneration structure for NEDs is designed to attract and retain high-calibre Board members, reflecting market practices and trends. The NRC conducts regular reviews of this structure

to ensure that compensation for NEDs remains competitive and appropriate, considering their responsibilities and the complexity of the Group's operations.

For the GCEO, the remuneration structure is designed to align rewards with both corporate and individual performance. It includes salary, allowances, bonuses and customary benefits that are competitive with those offered by comparable companies. The GCEO's performance is assessed against KPIs outlined in a scorecard aligned with Board-approved corporate objectives, as well as targets set in the Group's annual budget and plans. The NRC conducts annual review of the GCEO's performance and provides recommendations to the Board regarding any adjustments to his remuneration and rewards, based on the GCEO's contributions to the Group's success. The GCEO abstains from participating in discussions and decisions related to his own remuneration at Board and Board Committee meetings.

In addition to standard remuneration, the Company incentivises the GCEO with a performance-based cash plan, further linking individual performance to long-term value creation for the organisation.

Detailed disclosure of the top five Senior Management's remuneration is not provided in accordance with Practice 8.2 of the MCCG 2021 due to concerns about industry poaching. Protecting sensitive compensation data is crucial to prevent competitors from using this information to attract our key talent. Despite this, the Company is dedicated to fulfilling regulatory requirements while balancing the need to safeguard competitive information. We are actively reviewing our practices and exploring alternative disclosure methods that uphold transparency and fairness, while aligning with market standards and regulatory expectations.

(i) Non-Executive Directors

Element	Component	Details
Fixed	⊗ Directors' fees	Basic fee paid for directorial services rendered
	⊗ Benefits	Cash and non-cash benefits of monetary value

(ii) GCEO

Element	Component	Details
Fixed	⊗ Salary	Basic fee paid for services rendered as an employee of the organisation
	⊗ Benefits	Cash and non-cash benefits of monetary value
Variable	⊗ Annual bonus	Performance-based fee dependent on targets
	⊗ Long Term Cash Incentive Plan	Performance-based granting dependent on fulfilment of the vesting criteria

NOMINATION & REMUNERATION COMMITTEE REPORT

The Group's remuneration philosophy underscores its commitment to best practices in remuneration, retention and reward to attract and retain top talent. To achieve this, we regularly evaluate and benchmark our remuneration packages and incentives against market-related surveys. By aligning our compensation practices with industry standards, we aim to create a competitive and attractive structure that recognises and rewards excellence.

Attracting and retaining skilled and motivated individuals is crucial for our continued growth and our ability to deliver exceptional value to stakeholders. We are dedicated to fostering a culture of meritocracy, transparency and fairness in our remuneration processes. Our adherence to best practices ensures a dynamic, high-performing workforce that is motivated and engaged in driving the Group's success forward.

The details of the Directors' remuneration received from the Group in FY2024 are as follows:

	Salary & Other Remuneration	Directors' Fees		Benefits	LTCIP [®]	Total
		Company	Subsidiary			
Present Directors	RM					
Executive Director⁺						
Dato' Jeffri Salim Davidson ⁺	5,248,507	-	-	81,818	1,584,000	6,914,325
Non-Executive Directors						
Tan Sri Samsudin Osman		560,000	-	51,284		611,284
Scott William Cameron		468,138	78,564	4,624		551,326
Dato' Dr. Nirmala Menon		456,276	49,454	1,093		506,823
Dato' Lee Cheow Hock Lawrence		468,138	-	35,979		504,117
Tan Sri Muhammad Shahrul Ikram Yaakob		356,275	98,486	5,324		460,085
Thayaparan Sangarapillai		370,000	-	35,785		405,785
Mohamad Idros Mosin [^]	N/A ¹	344,413 [^]	-	2,357	N/A ¹	346,770
Tan Sri Ahmad Badri Mohd Zahir		320,000	-	671		320,671
Tengku Dato' Sri Azmil Zahrudin Raja Abdul Aziz ²		305,490	-	2,550		308,040
Moy Pui Yee		290,000	-	4,211		294,211
Professor Datuk Ts. Ir. Dr. Siti Hamisah Tapsir ³		88,063	-	226		88,289
Edree Ahmad		-	-	419		419
Total for Non-Executive Directors		4,026,793	226,504	144,523		4,397,820
Former Director						
Non-Executive Director						
Datuk Wan Selamah Wan Sulaiman ⁴ (Demised)	N/A ¹	20,968	-	42,121	N/A ¹	63,089
Grand Total for Non-Executive Directors		4,047,761	226,504	186,644		4,460,909

Notes:

¹ N/A – Not Applicable

² Appointed on 1 August 2023

³ Appointed on 8 March 2024

⁴ Demised on 24 July 2023

[®] Long Term Cash Incentive Plan

⁺ Paid by the Sime Darby Group

[^] Paid to Permodalan Nasional Berhad

ANNUAL EFFECTIVENESS REVIEW AND PERFORMANCE

Board effectiveness is crucial for achieving Sime Darby’s strategic objectives and ensuring long-term success. It reflects the Board’s capability to fulfil its mission and guide the organisation both now and into the future. Effective governance hinges on a well-structured Board, efficient operations, robust dynamics, sound decision-making and thorough evaluations. Consequently, the Board’s effectiveness is integral to the Company’s and the Group’s success.

The NRC assists the Board in its annual review of effectiveness and functionality through the BEA. This assessment examines the performance of the Board, its Committees and individual Directors, identifying areas for improvement and addressing any gaps.

The results of the 2024 BEA confirm the Board’s adherence to the highest standards of governance. The assessment highlights the Board’s exemplary performance, noting its well-balanced composition and the requisite skills and expertise to effectively drive Sime Darby’s growth strategy. Supported by a strong Management team, the Board continues to demonstrate excellence in governance and strategic oversight.

As part of the 2024 BEA, the performance of the NRC was evaluated. The findings confirmed that the NRC effectively provided valuable advice and recommendations to the Board throughout the financial year under review. The Board is pleased with the NRC’s performance and its continued effectiveness in fulfilling its responsibilities.

Focus Areas for FY2025

1 Talent Development and Leadership Pipeline



We are committed to securing a continuous supply of talent that meets the Group’s future leadership and growth needs, ensuring long-term organisational sustainability. This involves developing and maintaining a robust talent pipeline at various levels within the organisation. Our focus is on identifying and nurturing high-potential individuals for leadership roles through comprehensive development and retention programmes. By investing in talent development, we aim to drive the Group’s success and lay a strong foundation for sustained growth and prosperity.

2 Directors’ Training and Development



We are dedicated to continuously assessing and addressing the training needs of our Board of Directors, providing tailored educational solutions to ensure they are equipped with the latest knowledge and skills. This proactive approach enhances their ability to fulfil their fiduciary duties effectively. By empowering our Directors with the necessary expertise, we support informed decision-making and contribute to the long-term success of our organisation.

3 Compensation and Reward Framework



We continuously refine and evaluate our compensation and rewards framework to ensure it remains competitive, appropriate and aligned with current market standards. This proactive approach helps us attract and retain top talent, cultivating a motivated and engaged workforce. By maintaining a robust system for compensation and rewards, we aim to recognise and incentivise outstanding performance, thereby supporting the long-term success and growth of our organisation.

4 Consequence Management



We are committed to prioritising consequence management for FY2025. This commitment includes ensuring transparency and timely reporting of consequence management cases, along with regular reviews and monitoring of the effectiveness of the process. We will ensure consistent application of consequence management actions to eliminate any perception of favouritism or bias. Additionally, we will continue to reinforce our core values and foster a culture of accountability, encouraging individuals to take responsibility for their actions.

5 Ongoing Improvement



We are committed to addressing gaps identified in the 2024 BEA and implementing necessary improvements to enhance Board performance. This includes evaluating the effectiveness of these actions and refining our approach to ensure sustained progress. By leveraging insights from previous assessments, we aim to advance our governance practices and align with best practices.

GOVERNANCE & AUDIT COMMITTEE REPORT



⏪ **Thayaparan Sangarapillai**
Chairman of the Governance and Audit Committee/
Senior Independent Non-Executive Director

MEETINGS AND ATTENDANCE

Members	Membership/Designation	Appointment	Attendance
Thayaparan Sangarapillai	Chairman/Senior Independent Non-Executive Director [^]	1 December 2017	8/8
Tan Sri Muhammad Shahrul Ikram Yaakob	Member/Independent Non-Executive Director	15 November 2022	8/8
Scott William Cameron	Member/Independent Non-Executive Director	1 January 2023	8/8
Tengku Dato' Sri Azmil Zahrudin Raja Abdul Aziz	Member/Independent Non-Executive Director	24 August 2023	6/6*

Notes:

[^] Appointed as the Senior Independent Non-Executive Director of Sime Darby Berhad on 24 August 2023.

* Reflects number of meetings attended following his appointment as member of GAC.

COMPOSITION

The Governance & Audit Committee (GAC) is chaired by Mr Thayaparan Sangarapillai and comprises four members. All four are Independent Non-Executive Directors, in compliance with the Main Market Listing Requirements (Listing Requirements) of Bursa Malaysia Securities Berhad (Bursa Securities) and the Malaysian Code on Corporate Governance 2021.

ROLES AND RESPONSIBILITIES

A committee of the Sime Darby 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 review the Group's business processes and the quality of its accounting functions, financial reporting and internal controls;



to enhance the independence of both the external and internal audit functions by providing direction and oversight on behalf of the Board; and



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 performance of the GAC for FY2024 was evaluated as part of the BEA 2024 exercise. Based on the results of the assessment, the Board was satisfied that the GAC has discharged its duties responsibly and effectively. The performance of the GAC was also in accordance with the Committee's TOR.



Detailed Terms of Reference of the GAC is available at <https://www.simedarby.com/operating-responsibly/governance>

KEY ACTIVITIES OF FY2024

Financial Reporting

Reviewed and recommended to the Board for approval:

- all quarterly financial results and the annual audited financial statements for FY2024. 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 solvency; 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 FY2024.
- Reviewed and approved the Supplemental Audit Plan for UMW Holdings Berhad, post-acquisition, for the period from 1 January 2024 to 30 June 2024.
- Received the Annual Transparency Report (ATR) 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 FY2023.
- Held four (4) meetings with the external auditors without Management's presence to allow the external auditors to raise concerns, if any and discuss relevant issues and obtain feedback for improvement.
- Considered in consultation with the Management, the Group's audit fees and provision of non-audit services by the external auditors for FY2024 for recommendation to the Board for approval.
- Completed the annual external auditors' assessment prior to submitting the recommendation for re-appointment of the external auditors 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 FY2025.
- Reviewed internal audit reports at each GAC meeting.
- Considered the following:
 - results of planned audits, business advisory reviews and data analytics initiatives;
 - 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.
- Considered the integration plan and results of the Quality Assurance Review of UMW Holdings Berhad's internal audit department.
- Approved the KPIs for FY2024 and at the end of the financial year, conducted the performance appraisal for the Group Chief Assurance Officer.

Related Party Transactions (RPTs) and Recurrent Related Party Transactions (RRPTs)

Reviewed RPTs and RRPTs of the Group to ensure compliance with Companies Act 2016, the Main Market Listing Requirements and the Malaysian Financial Reporting Standards. The objective of the review is to ensure that RPTs and RRPTs are not accorded terms more favourable than that generally available to the public and that they are not detrimental to the interest of minority shareholders.

Governance and Regulatory Compliance

- Conducted annual review of Group Policies and Authorities (GPAs) and made key amendments related to:
 - Declaration of Conflict of Interest (COI) which requires the Management to report to the GAC the COI of the Board and key senior management;
 - Changes to the Group's Core Values which are now reflected in the GPA, Human Resource systems and the Code of Business Conduct;
 - Embedment of major IT projects including the policy on data loss prevention and responsible use of artificial intelligence;
 - Changes to the role of Group Safety and Sustainability to reflect its responsibility in providing direction on carbon emissions;
 - Introducing Responsible Sourcing Policy and the Human Rights Charter; and
 - Updating the Governance Structure to include UMW as a division.
- Reviewed the Statement on Risk Management and Internal Controls.

Annual Report

Reviewed and endorsed the following:

- Annual Audited Financial Statements for FY2024;
- Statement on Risk Management and Internal Controls;
- GAC report for inclusion in Sime Darby Berhad Annual Report 2024; and
- Corporate Governance Overview Statement.

Other Items

Reviewed:

- The internal Guideline on Conflict of Interest (COI) involving Directors and key senior management of the Group.
- The disclosure of COI from Sime Darby Berhad Board members and senior management.
- The proposed revision to the Terms of Reference of GAC to encompass oversight of COI, including the development of internal guidelines for identifying, assessing, reporting and monitoring COI.
- The proposed appointment of auditors other than PricewaterhouseCoopers for Tractors Singapore (Maldives) Private Limited and to retain current auditors for certain subsidiaries of UMW Holdings Berhad.
- Group sponsorships and donations approved by the GCEO for FY2024.
- 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 FY2024.

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 the management, significant and unusual events or transactions and how these matters are addressed.

Some of the areas and key matters considered by the Committee during the financial year include:

Significant Initiatives/ Issues	Matters Considered	Outcomes
<p>Acquisition of UMW Holdings Berhad (UMW) by Sime Darby Enterprise Sdn Bhd (SDESB)</p>	<p>On 13 December 2023, the Company, through its wholly-owned subsidiary, SDESB, completed the acquisition of 61.2% equity interest in UMW from Permodalan Nasional Berhad (PNB) and unit trust funds (UTFs) managed by PNB at RM5.00 per UMW share. The acquisition is deemed a related party transaction pursuant to the Listing Requirements as PNB is the person connected with AmanahRaya Trustees Berhad – Amanah Saham Bumiputera, a major shareholder of the Company and one of the UTFs. On 27 December 2023, SDESB issued a mandatory take-over offer to acquire all the remaining shares in UMW at RM5.00 per UMW share. On 21 March 2024, SDESB completed the compulsory acquisition of all the remaining UMW shares resulting in UMW becoming a wholly-owned subsidiary of SDESB. The acquisition was accounted as a business combination in accordance with MFRS 3 – Business Combination (MFRS 3). Arising from the acquisition, intangible assets amounting to RM402 million were recognised. Given the timing of the acquisition, the management had assessed that the purchase price represents its fair value supported by external valuation reports provided to the management. The management also did not note any indicators of a significant decline in performance since acquisition.</p>	<p>The GAC concurred with the management’s assessment on the recoverability of the intangible assets in UMW.</p>
<p>Acquisition of Kuxton Pty Limited and Kagera Pty Ltd (CavPower Group)</p>	<p>On 1 November 2023, Industrial Division completed the acquisition of the CavPower Group. The acquisition was accounted as a business combination in accordance with MFRS 3. Intangible assets amounting to RM819 million were recognised for the acquisition. Given the timing of the acquisition, the management had assessed that the purchase price represents its fair value supported by external valuation reports provided to the management. The management also did not note any indicators of a significant decline in performance since acquisition.</p>	<p>The GAC concurred with the management’s assessment on the recoverability of the intangible assets in CavPower Group.</p>
<p>Recoverability of the carrying amount of intangible assets at the Group</p>	<p>Using the Value-in-Use method, the management performed an impairment assessment on Cash Generating Units (CGUs) in the Group’s Motors Division in Australia, Malaysia and Indonesia, heavy equipment businesses in the Industrial Division in Australia and Papua New Guinea and chroming and equipment rental businesses in the Industrial Division in Australia. The management concluded that impairment amounting to RM59 million was recorded as at 30 June 2024 for CGUs in Motors Division and that impairment was not required for CGUs in Industrial Division as the projections indicated the recoverable amounts are still above the carrying values.</p>	<p>The GAC concurred with the Management’s assessment on the recoverability of the intangible assets at the Group’s Motors Division in Australia, Malaysia and Indonesia, heavy equipment businesses in the Industrial Division in Australia and Papua New Guinea and chroming and equipment rental businesses in the Industrial Division in Australia.</p>

GOVERNANCE & AUDIT COMMITTEE REPORT

Significant Initiatives/ Issues	Matters Considered	Outcomes
Reassessment of PNB and Yayasan Pelaburan Bumiputra (YPB) as Sime Darby Berhad's immediate and ultimate holding companies respectively	The management has reassessed PNB and YPB as Sime Darby's immediate and ultimate holding companies, respectively, under the Malaysian Companies Act 2016 (CA 2016) and MFRS 10 – Consolidated Financial Statements (MFRS 10), as well as PNB's treatment of Sime Darby. It was concluded that PNB does not control Sime Darby, as the criteria for control based on CA 2016 and MFRS 10 were not met. PNB also considers Sime Darby to be an associate rather than a subsidiary.	The GAC concurred with the management's assessment that PNB does not control Sime Darby and accordingly PNB and YPB are not Sime Darby's immediate and ultimate holding companies, respectively.
Conflict of Interest (COI)	Following the changes to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad effective from 1 July 2023 regarding conflict of interest (COI), the management has developed an Internal Guideline on COI for the Group (Guideline) and its procedures. This Guideline was created with input from legal consultants across the Group's key markets, including Malaysia, Singapore, Australia, New Zealand, China and Hong Kong. Management presented to the GAC the disclosures on COI and the corresponding mitigating actions provided by the Group's Directors and Group Management Committee members.	The GAC approved the COI Guideline and procedures. The GAC concluded that no further action was necessary on the disclosures and the related mitigating actions from the Group's Directors and Group Management Committee members.*

Note:

* For more details on the COI mitigating actions in place, please refer to the Board of Directors section of this report.

GROUP CORPORATE ASSURANCE (GCA) DEPARTMENT

The Group's internal audit function is carried out by the GCA department. This department is headed by Mr Ramesh Ramanathan, who has more than 20 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 department acts as a centralised function supported by regional corporate assurance teams that have direct control and supervision over audit services in designated regions across the Group. The UMW Holdings Berhad internal audit team was integrated into GCA effective 1 March 2024. Resulting from the integration, there are now a total of 55 internal auditors led by regional heads in Malaysia, Australia and China.

The department is guided by its charter which delegates functional reporting to the GAC and administrative reporting to the GCEO. This is to ensure an appropriate degree of independence from operational units of the Group. The principal responsibilities of the GCA are to undertake regular systematic reviews of internal controls systems and to provide

reasonable assurance that the systems in place continue to operate satisfactorily and effectively throughout the Group.

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 to ensure robustness in the audit planning process. There were no outsourced audit assignments 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 make appropriate recommendations for the improvement of key activities within GCA. These are carried out in the form of annual internal team validations.

In FY2024, total cost incurred for the internal audit function at the Group was RM16.9 million (excluding UMW's internal audit function). In comparison the cost was RM16.0 million in FY2023. The total cost incurred by UMW's internal audit function post-acquisition (December 2023) till 30 June 2024 was RM3.5 million.

GROUP RISK & COMPLIANCE (GRC) DEPARTMENT

The GRC assists the GAC in governance oversight, particularly in the review of the adequacy and effectiveness of Group Policies and Authorities (GPAs) and Group Procurement Policies and Authorities (GPPA).

The department is headed by Mr Richard Ong, a Fellow Member of the Association of Chartered Certified Accountants with 20 years of experience in governance, risk management and controls.

For further details, please refer to the Risk Management & Sustainability Committee Report on pages 131 to 136 of this report.

This report is made in accordance with a resolution of the Board of Directors dated 26 September 2024.

RISK MANAGEMENT & SUSTAINABILITY COMMITTEE REPORT



⏪ **Tan Sri Ahmad Badri Mohd Zahir**
Chairman of the Risk Management & Sustainability Committee

MEETINGS AND ATTENDANCE

Members	Membership	Appointment	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
Ms Moy Pui Yee	Member/Independent Non-Executive Director	20 July 2018	4/5
Mr Thayaparan Sangarapillai	Member/Independent Non-Executive Director	4 September 2019	5/5
Tengku Dato' Sri Azmil Zahrudin Raja Abdul Aziz	Member/Independent Non-Executive Director	24 August 2023	4/4*

Note:

* Reflects the number of meetings held following his appointment as a Member of RMSC.

COMPOSITION

The Risk Management and Sustainability Committee (RMSC), led by Tan Sri Ahmad Badri Mohd Zahir, consists of five members following the appointment of Tengku Dato' Sri Azmil Zahrudin Raja Abdul Aziz on 24 August 2023, with a majority of them being Independent Non-Executive Directors. Members of the RMSC bring with them a diverse set of expertise and experience and have 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 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 in addition to monitoring the effectiveness of the sustainability strategy across the Group.

The main functions and duties of the RMSC as specified in the TOR 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 and monitor the statement on risk management and internal control in the Group's Annual Report, Group's key performance against sustainability strategies and material sustainability matters relevant to the Group, including climate-related risks and opportunities;
-  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 risk framework;
-  Ensure the adequacy of resources and systems for sustainability, risk and compliance management; and evaluate the effectiveness of the Group's risk and compliance management;
-  Establish and recommend for the Board's approval the Group's sustainability strategy, blueprint, material matters, policies and guidelines and sustainability risk tolerance levels;
-  Oversee the processes, framework and strategies designed to manage economic, environmental and social risks, covering matters such as 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 Main Market Listing Requirements (MMLR).

In discharging its responsibilities, the RMSC is assisted functionally by both Group Risk & Compliance and Group Safety and Sustainability.

 Detailed Terms of Reference of the RMSC is available at <https://www.simedarby.com/operating-responsibly/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 not limited to the following:

- 1 Assessment and Advisory**
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**
Establish, institutionalise and implement the relevant framework, policies and guidelines for risk and compliance management such as the ERM Framework, BCM Framework and the Human Rights Charter;

- 4 Compliance Programme**
Implement 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**
Instill 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 20 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 a level of independence and objectivity in discharging of responsibilities.

RISK MANAGEMENT & SUSTAINABILITY COMMITTEE REPORT

THE GROUP SAFETY AND SUSTAINABILITY FUNCTION (GSS)

GSS's primary role is to manage safety and sustainability for the Group. Furthermore, GSS supports the RMSC and the Board in discharging their safety and sustainability responsibilities.

GSS is uniquely structured to ensure that adequate support is provided at both the GHO and Divisional levels, with direct reports embedded in operations. Key functions include, but are not limited to:

- **Policy Governance**
Establish, standardise and implement the relevant framework, policies and guidelines for safety and sustainability management;
- **Statutory Safety and Sustainability Compliance and Risk Reporting**
Capture, assess and evaluate key enterprise safety and sustainability compliance risk areas including major business proposals;
- **Training and Awareness**
Deliver safety and sustainability awareness training to support a positive reporting culture across the Group;
- **Sustainability Programme Management**
Implement a project methodology to capture and report on sustainability activities across GHO and the Divisions;
- **Monitoring and Reporting**
Continuously monitor and report key safety and sustainability risk areas including key incidents, regulatory breaches via documented and systemised communication and escalation channels;
- **Assurance**
Ensure the integrity of safety and sustainability data meet assurance requirements; and
- **Security**
Monitor global security threats and implement wellbeing outcomes for all employees.

GSS is currently headed by the Executive Manager for Sustainability Mr Angus Thompson. Angus holds a Bachelor of Environmental Management (Major Sustainable Development) with 18 years experience in sustainability management. GSS reports to the GCEO, with secondary reporting to the RMSC to enable discharge of duties relating to safety and sustainability.

KEY ACTIVITIES OF FY2024

Assessment and Advisory

- Oversaw Group and Divisional risk profiles and compliance attestations in managing the significant enterprise and compliance risks, articulated via quarterly Group Risk reports.
- Oversaw the implementation of Board risk appetite statements and tolerance level to ensure alignment with the Group's strategic objectives, growth pursuits and present business environment.
- Oversaw the project risks pertaining to major business proposals in accordance with the Group's Limits of Authority.
- Oversaw the establishment of the Climate Change Risk Assessment Framework and Plan.
- Oversaw the progressive alignment of the key risk assessment framework, policies and procedures for newly acquired entities.

Training and Awareness

- Oversaw the implementation of various training and awareness programmes for key risks and compliance topics including business continuity, risk appetite, project risks, anti-bribery and anti-corruption, yourTrust app in relation to GHD registration, Human Rights Charter, Competition Law Compliance Manual and Responsible Sourcing Policy across the Group.
- Oversaw the 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 revision of Group Policies and Authorities (GPA) to address legislative changes and areas of improvement.
- Oversaw the alignment of key policies in UMW in line with the acquisition.
- Oversaw the introduction of the Group's Net Zero Statement.

Resilience Management

- Oversaw the effectiveness of the Group's Business Continuity Management (BCM) programme via the development and replication of business continuity plan, execution of testing and simulation to strengthen the Group's preparedness and resilience during crisis or disasters.
- Oversaw the inception of a cybersecurity Insurance Policy to alleviate the impact of cybersecurity risks.

Compliance Programme

- Oversaw the enhancement of the Group's ABMS plan, namely ABMS 2.0 which integrates UMW's existing ABMS plan into the Group's ABMS 2.0.
- Oversaw the planning and scoping of the Group-wide corruption risk assessment exercises.
- Oversaw the development of the Global Privacy Notice to address the data privacy compliance risks.
- Oversaw the establishment and launch of the Group Competition Law Manual to highlight the key competition law compliance aspects across all key markets.
- Oversaw the assessment of modern slavery risks and the establishment and launch of the Group Human Rights Charter to address human rights impacts, including modern slavery risks in our operations and supply chain.
- Oversaw the development of the Conflict of Interest Guideline and operationalisation procedure to ensure compliance with Bursa regulatory requirements.

Sustainability Programme Management

- Oversaw the reporting of the Group-wide sustainability programme management office for Environment, Social, Governance (PM ESG).

Procurement Governance

- Oversaw the launch of the Group Responsible Sourcing Policy and the strategic planning of its implementation across the Group.

Statutory Safety and Sustainability Compliance and Risk Reporting

- Oversaw all significant incidents including reporting and lessons learned sharing throughout the Group.
- Oversaw the implementation of mitigation measures and action plan.

Monitoring and Reporting

- Oversaw the reporting on sustainability data from the Groupwide safety systems to monitor performance to targets on Tier 1 key performance indicators.

Assurance

- Oversaw the undertaking of audits on selected sites throughout all divisions and the report of all major non-conformances including mitigating and corrective action.
- Oversaw the collation of assurance questionnaires for all operations.

Security

- Monitored global security events for applicability and risk to Group operations.
- Oversaw the actions taken on reported security events.

The action plans for the focus areas for FY2024 as disclosed in the Annual Report 2023 were successfully implemented.

RISK MANAGEMENT & SUSTAINABILITY COMMITTEE REPORT

FOCUS AREAS TO BE UNDERTAKEN IN FY2025

The key activities to be undertaken in FY2025 will largely focus on setting the right governance infrastructure to cater for a larger Sime Darby ecosystem post-acquisition of UMW, ensuring 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 Darby'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 FY2025 include:

1 Assessment and Advisory

- Oversee the progression of the Taskforce on Climate Related Financial Disclosure (TCFD) Framework and the enhancements required to meet International Financial Reporting Standards (IFRS) S1 and S2 reporting based on regional requirements.
- Oversee the implementation of risk assessment and establishment of the formal risk framework and profiles for newly acquired entities.
- Oversee the recalibration of board risk appetite and tolerance levels.
- Oversee the implementation of Tier 4 risk assessment which deep dives the risk management to the operation level.

2 Training and Awareness

- Oversee the implementation of various training and awareness events to inculcate more awareness of climate risk assessment and Tier 4 operational risk assessment, code of business conduct, conflict of interest and anti-bribery and anti-corruption among employees across the Group.
- Oversee the continuous rollout of the cultural programme SELF.
- Oversee the implementation of the ESG training for internal stakeholders.

3 Policy Governance

- Oversee the enhancement of policies and procedures to address key control issues and weaknesses.
- Oversee the Health and Safety Framework maturity.
- Oversee the implementation of the Group Policy for Sustainability to include greenhouse gas (GHG) emission methodology for acquisition, mergers and growth.

4 Resilience Management

- Oversee the effectiveness of the Group's Business Continuity Management programme via implementation of testing and simulation to strengthen the Group's preparedness and resilience during crisis or disasters.

5 Compliance Programme

- Oversee the execution of Anti-Bribery Management System 2.0, particularly Corruption Risk Assessments.
- Oversee the enhancement of Gifts, Hospitality and Donations Procedure and operationalisation of Conflict-of-Interest Guideline and procedure.
- Oversee the assessment of cross-border data transfer risk and mitigation across all key markets.

6 Sustainability Programme Management

- Oversee the refinement of safety metric reporting.
- Oversee the review of the sustainability material matters.
- Oversee the Group's Net Zero commitment and emission reduction strategy.
- Oversee Scope 3 reporting and analysis.
- Oversee the Sustainability Blueprint update to ensure relevance to future direction.

7 Procurement Governance

- Oversee the strategic planning of the implementation of Group Responsible Sourcing Policy and Framework in accordance with the Group Responsible Sourcing Roadmap.
- Oversee the enhancement of GPPA to address business dynamics.

8 Statutory Safety and Sustainability Compliance and Risk Reporting

- Oversee the enhancement of systems to report all significant incidents and capture lessons learnt across the Group.
- Oversee the mitigation measures and action plans.

9 Monitoring and Reporting

- Oversee push data reporting for safety across all operational areas.
- Oversee the inclusion of the key acquisition data in monthly reporting in line with integration timeframes.

10 Assurance

- Oversee the enhancement of safety and sustainability data to meet assurance requirements through standardisation of reporting.

11 Security

- Oversee the continuous monitoring of global security threats.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

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 Darby 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.

The GAC's Terms of Reference and activities in assessing the adequacy and effectiveness of internal controls system and their implementation within the Group are detailed on pages 126 to 130 of this Annual Report.

In discharging its duties, the GAC is assisted by the Group Corporate Assurance (GCA) department.

• Risk Management & Sustainability Committee (RMSC):

The RMSC assists the Board by:

- Setting and overseeing the implementation of the risk management and sustainability frameworks, policies and procedures in identifying and managing 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 economic, environmental and social matters.

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) and Group Safety & Sustainability (GSS) departments.

For further details on the activities of the RMSC, please refer to pages 131 to 136 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.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

C Group Corporate Assurance Department (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 efficiency of the Group’s operations.

In supporting the Group to achieve its objectives, GCA employs a systematic and disciplined approach to evaluate and recommend improvements for the effectiveness of risk management, internal controls and governance processes.

A risk-based annual audit plan is developed by GCA which sets out GCA’s audit engagements within the Group for the year and is reviewed and approved by the GAC. GCA’s audit practices conform to the International Professional Practices Framework (IPPF) published by the US Institute of Internal Auditors Inc.

GCA tailors its annual audit plan based on emerging business risks of the Group. 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.

For further details on GCA’s mandate and activities, please refer to page 130 of this report.

D Group Risk & Compliance Department (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-compliance 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.

Post acquisition of UMW in March 2024, GRC has set up a compliance function in UMW within the UMW’s Risk and Integrity Department. UMW’s compliance function includes rolling out GRC’s compliance activities in UMW Division.

For further details on GRC’s mandate and activities, please refer to page 133 of this report.

E Group Safety & Sustainability (GSS)

GSS assists the RMSC and the Board in discharging their safety and sustainability responsibilities.

GSS main role is to provide reporting and assurance activities as well as programmes or undertakings to educate employees about the requirements of safety and sustainability and to manage assurance for the accurate reporting of the Group’s safety and sustainability metrics. The compliance review of operations and activities with key HSE regulatory requirements is undertaken via oversight, internal reporting, consultation, validation and monitoring of the Group’s state of HSE compliance.

GSS also sets the strategic plan to guide the priorities and direction of the Group’s safety and sustainability activities.

For further details on GSS’s mandate and activities, please refer to page 134 of this report.



Note:
¹ Group Risk & Compliance reports to the GAC on matters related to Sime Darby’s Group Policies & Authorities (GPA), Group Procurement Policies & Authorities (GPPA) and Code of Business Conduct (COBC).

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

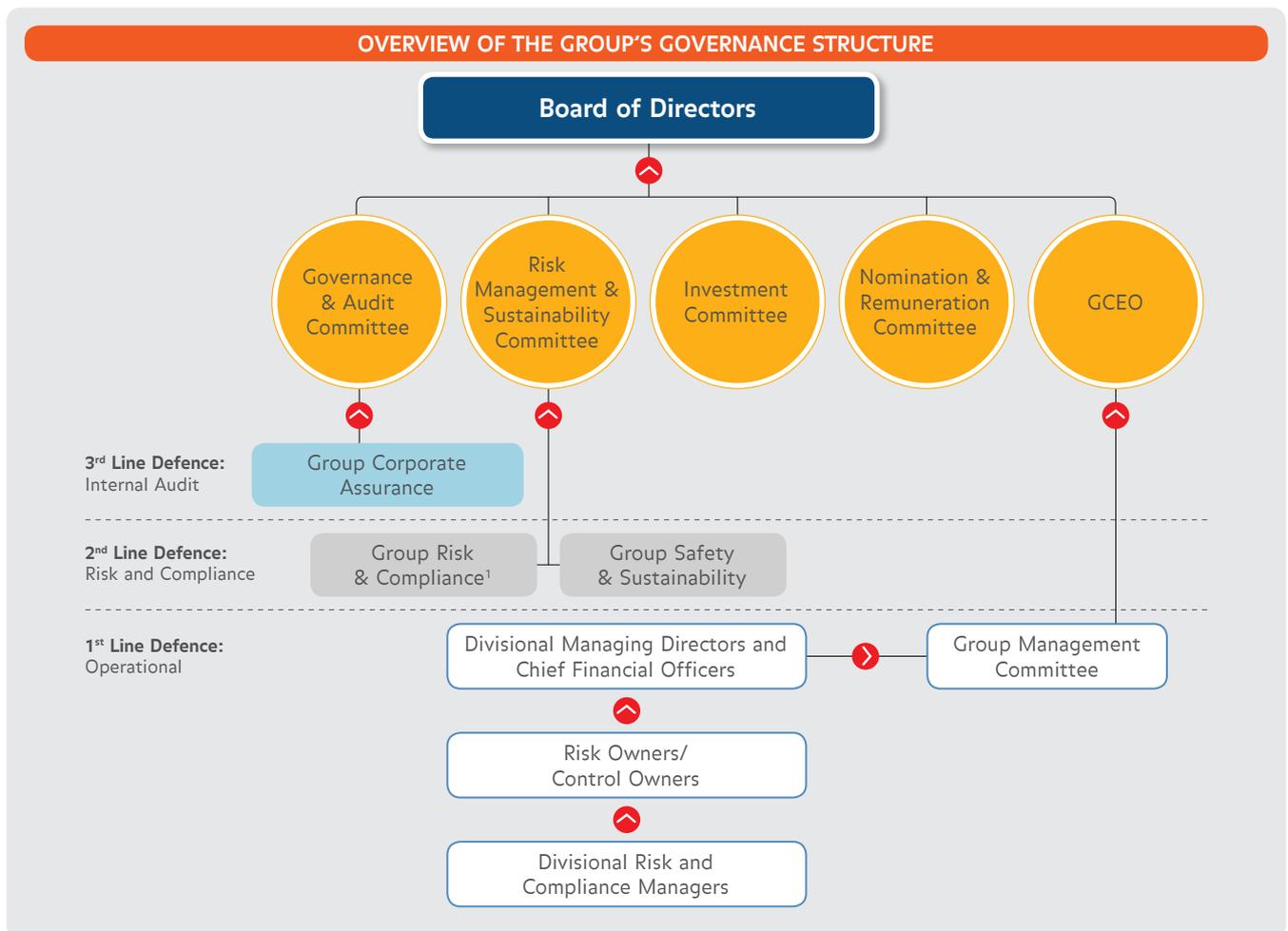
The Board has approved, via the RMSC, an ERM Framework which encapsulates the governance arrangements as well as assigns responsibility to relevant levels of management and operations.

The implementation of the Framework is ultimately the responsibility of the GCEO and members of the Sime Darby 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:



Note:

¹ Group Risk & Compliance reports to the GAC on matters related to Sime Darby’s Group Policies & Authorities (GPA), Group Procurement Policies & Authorities (GPPA) and Code of Business Conduct (COBC).

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTEGRATION OF RISK MANAGEMENT AND INTERNAL CONTROLS

Integration of the formal ERM Framework into the wider management framework occurs wherever practicable. The Group has embedded risk assessment into key operational activities and decision making processes across the Group (refer to the table below).

Risk assessments are performed based on a pre-defined risk management process adapted from ISO 31000 guidelines as well as globally accepted risk management practices.

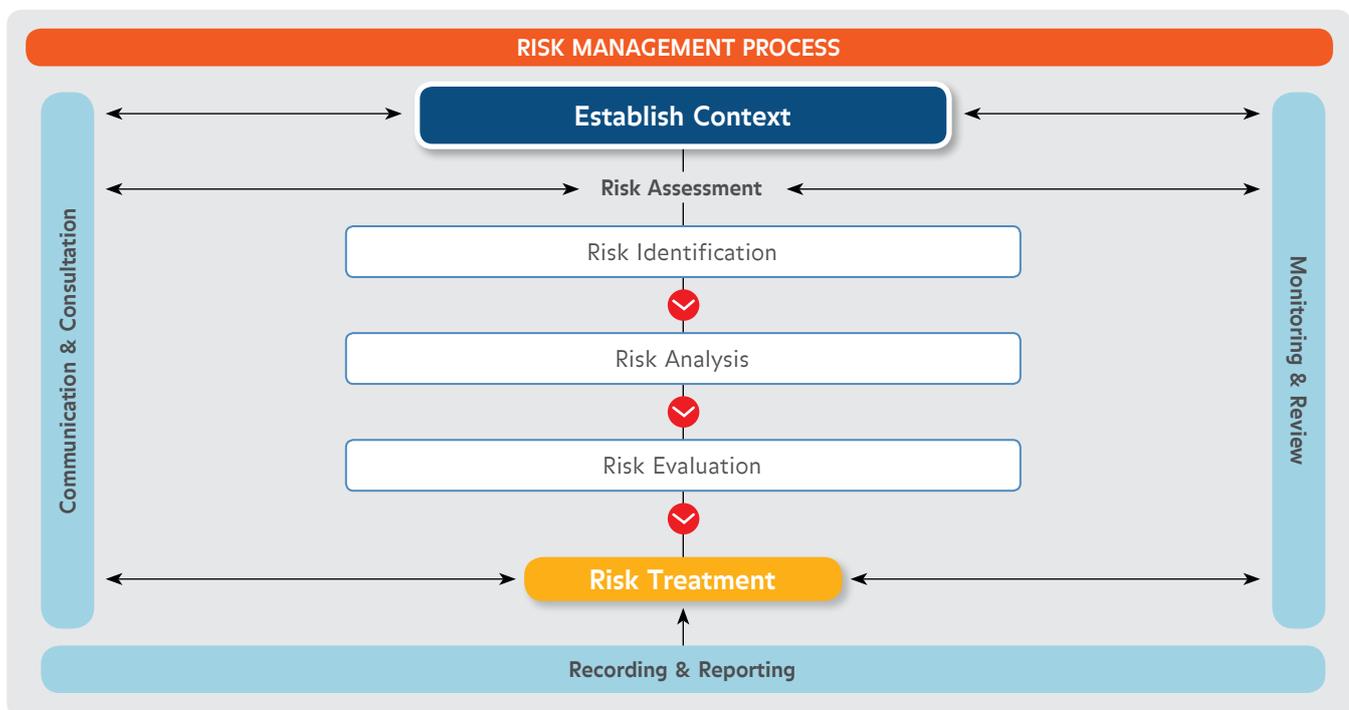
Risk Assessment Activities

Level/Context	Assessment	Management Involvement	Frequency
Strategic	⌚ Biennially Board Risk Appetite Setting	Set risk appetite, tolerance, limits and threshold	Biennially
Enterprise-wide (Division/ Business Units/Operating Units)	⌚ Quarterly Risk Profile Submission and Reporting	Update risks to reflect changes in rating, status of controls and action plans	Quarterly
Major Investments, CAPEX & Sales Tenders*	⌚ Risk Assessment on Major Business Proposals	Assess key risk exposure and controls required to manage them	As required

Note:

* Major Investments, CAPEX and Sales Tenders exceeding Management's limits of authority based on the GPA.

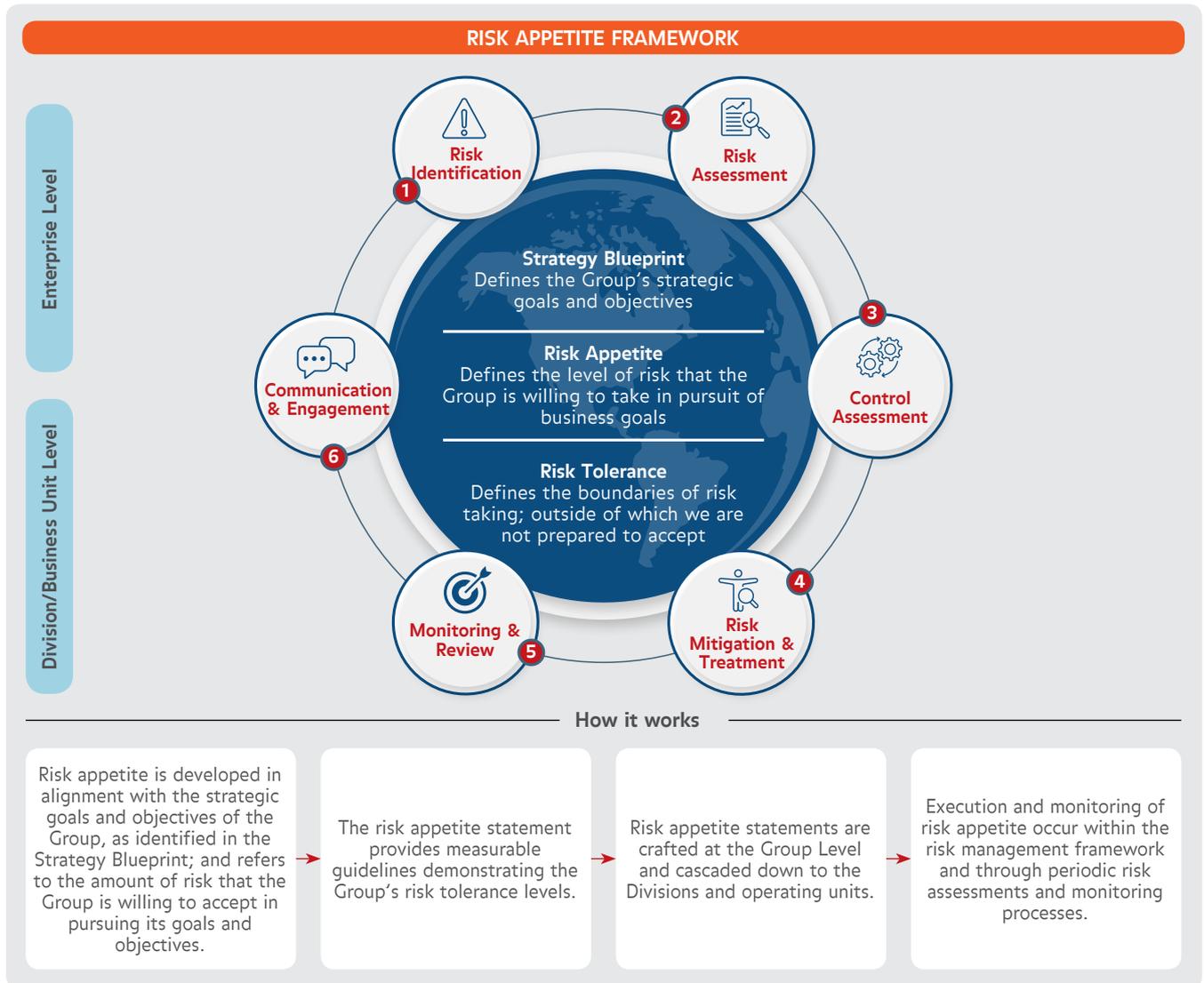
As illustrated, a top-down review of enterprise level risks is conducted as part of the annual strategic planning update to ensure that the risk implication of any change in strategy is identified, assessed and documented. This is supplemented by quarterly risk updates and regular reviews of projects along with assessments of investment proposals and tenders where required. The outcome of these reviews is the identification of new risks and the reassessment of others and may also lead to the development of specific action plans. Where conditions significantly change during the year, changes to the strategy and risk implication may be necessary.



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 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 and was approved by the Board.

GRC has also developed a risk appetite framework to guide 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 Management Discussion & Analysis section on page 46 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 Darby’s Sustainability Blueprint.

Upon 100% acquisition of UMW, the Group’s GPA has been rolled out to UMW Division. Harmonisation of Limits of Authority, amongst other internal controls, were prioritised and successfully aligned with management of UMW.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Code of Business Conduct (COBC)

In August 2023, the Group launched a new set of core values which clearly set out the expected behaviours for Directors and employees of the Group. These values have been reflected in the Group’s Business Principles and the COBC. The Group’s COBC also embeds the Group’s core values in creating a culture of ethical work environment.

A Compliance e-learning module with a declaration programme is in place with the aim to obtain confirmation that each Director and employee has read and agreed to comply with the provisions of the COBC.

 https://www.simedarby.com/sites/default/files/cobc_public_feb_2022_final.pdf

Integrity, Anti-Bribery and Anti-Corruption

The Group implemented an Anti-Bribery and Anti-Corruption framework and various efforts have progressed since 2018.

The Group also has in place an Anti-Bribery and Anti-Corruption Policy as well as Anti Bribery Management System (ABMS) that covers 11 key areas guided by the requirements of the Adequate Procedure T.R.U.S.T Guidelines.

 The Anti-Bribery and Anti-Corruption Policy may be accessed https://www.simedarby.com/sites/default/files/anti-bribery_anti-corruption_policy_feb_2022_finalwebsite.pdf

The Group also developed and implemented an application, ‘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 as well as on web to provide convenience to employees.

GRC had formalised the appointment of Divisional Risk and Compliance Managers to assist GRC in risk and compliance matters including increasing the efficiency for the ongoing implementation and monitoring of compliance obligations (in particular, ABMS) throughout the Group’s operations.

In demonstrating top level commitment, an Anti-Bribery and Anti-Corruption Steering Committee (ABC Steering Committee) was established on 1 July 2020 chaired by the GCFO with members including the Group Secretary, Group Head – GRC and Division Managing Directors. Risk and Compliance Managers are now also included as invitees. Numerous ABC Steering Committee meetings were convened since the establishment to share updates on the progress of continuous efforts for improvement of the Group’s ABMS.

In FY2022, the Group had engaged with an external consultant to perform validation of the Group’s ABMS 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 ABMS is adequate and is of low risk with a strong anti-bribery and anti-corruption system in place.

Following the outcome of the validation exercise, GRC has continued to improve the Group’s ABMS plan, namely ABMS 2.0. One of the critical path of improvement entailed integrating UMW’s existing ABMS into the Group’s ABMS 2.0.



One of the key areas under the T.R.U.S.T Guideline is on Conflict of Interest (COI). In line with the recent amendments by Bursa Malaysia Securities Berhad Main Market Listing Requirements on the COI declaration for Directors and Key Senior Management, the Group has developed a COI Guidelines. This Guidelines was also validated by international lawyers to ensure compliance with regulations in countries that the Group has footprints. Alongside this Guidelines, a COI Guidelines execution process was developed to ensure compliance with the Bursa’s requirements.

 For further details on all other ABMS activities, please refer to the RMSC Report on pages 131 to 136.

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.

More elaborated set of procedures are specified in the WCF and the policy on whistleblowing as set out in the GPA are available in the Group’s Enterprise Portal.

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 or instant text messages.

A summary of all cases including trends and analysis are presented to the Board for notation twice a year.

Post-acquisition of UMW, the existing Whistleblowing channels and procedures have been fully integrated with the Group.

 <https://www.simedarby.com/operating-responsibly/whistleblowing>

Group Procurement Policies and Authorities (GPPA)

The GPPA covers all types of purchases (capital expenditure, operating expenditure, trade) across the countries in which the Group operate. 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 Vendor COBC 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.



<https://www.simedarby.com/operating-responsibly/procurement-vendor-governance>

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.

Post 100% acquisition of UMW, the Group's monitoring mechanism has been rolled-out to UMW Division as well.

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 Securities.

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 Securities, 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 Issuers (Guidelines) issued on 31 December 2012, which is in line with the requirements of Paragraph 15.26 (b) of the MMLR of Bursa Securities and Principle B of the MCGG 2021 issued by Securities Commission Malaysia.

This Statement is made in accordance with a resolution of the Board dated 26 September 2024.

ADDITIONAL COMPLIANCE INFORMATION

1. UTILISATION OF PROCEEDS FROM CORPORATE PROPOSALS

On 11 December 2023, the Group issued RM3 billion Sukuk Murabahah under an Islamic Commercial Papers and Islamic Medium Term Notes (IMTN) programme. RM967 million of this issuance was redeemed during the financial year ended 30 June 2024.

Issuance Date	Outstanding Nominal Value as at 30 June 2024	Maturity Date	Proceeds Utilisation
11 December 2023	RM2,033 million	11 December 2024	To part finance the acquisition of UMW Holdings Berhad

2. AUDIT AND NON-AUDIT FEES

Total fees for statutory audits and total fees for non-audit services (including assurance-related services) 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	28	1
– Other audit firms	2	–
	30	1
Fees for non-audit services (including assurance related services)		
– PricewaterhouseCoopers PLT and member firms of PricewaterhouseCoopers International Limited	7	1

3. MATERIAL CONTRACTS INVOLVING INTERESTS OF DIRECTORS AND MAJOR SHAREHOLDERS

The Company had, on 24 August 2023 through its wholly-owned subsidiary, Sime Darby Enterprise Sdn Bhd (SDESB), entered into a conditional share purchase agreement (SPA) with Permodalan Nasional Berhad and AmanahRaya Trustees Berhad to acquire 714,813,100 ordinary shares, representing approximately 61.18% equity interest in UMW Holdings Berhad (UMW) for a total cash consideration of RM3,574,065,500 (Acquisition). The Acquisition was completed on 13 December 2023.

On 27 December 2023, SDESB offered to acquire all the remaining ordinary shares in UMW not already held by SDESB and Sime Darby for a cash consideration of RM5.00 per ordinary share pursuant to an unconditional mandatory general offer (MGO) in accordance with subsection 222(1) of the Capital Markets and Services Act 2007. The MGO was completed on 21 March 2024 and UMW has since become an indirect wholly-owned subsidiary of Sime Darby.

Further details of the SPA and the above acquisition can be found in the Company's announcement made to Bursa Malaysia Securities Berhad (Bursa Securities) on 24 August 2023.

Save for the above, there were no material contracts entered into by the Company and/or its subsidiaries involving interests of Directors and major shareholders.

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 Seventeenth Annual General Meeting (AGM) held on 16 November 2023, 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 set out in the Circular to Shareholders dated 18 October 2023 (RRPT Mandate). The RRPT Mandate is valid until the conclusion of the forthcoming Eighteenth AGM of the Company to be held on 14 November 2024.

Pursuant to Paragraph 10.09(2)(b) and Paragraph 3.1.5 of Practice Note 12 of the Main Market Listing Requirements of Bursa Securities, details of the recurrent related party transactions of a revenue or trading nature entered into during the financial year ended 30 June 2024 were as follows:

No.	Transacting companies in our Group	Transacting Party	Nature of Transactions	Related Party	Value of Transaction RM million
Transactions with SD Guthrie Berhad (SD Guthrie) (formerly known as Sime Darby Plantation Berhad) and its subsidiaries					
1.	Kumpulan Sime Darby Berhad	SD Guthrie	<ul style="list-style-type: none"> Leaseback of the Malaysia Vision Valley Land from KSDB to SD Guthrie for the SD Guthrie Group to carry out the planting/ replanting, maintenance of oil palm and the harvesting and selling of fresh fruit bunches[#] 	AmanahRaya Trustees Berhad – Amanah Saham Bumiputera (ASB) ¹	11
2.	Sime Darby Malaysia Berhad	SD Guthrie	<ul style="list-style-type: none"> Grant of a non-exclusive, non-assignable and non-transferable licence to use the “SIME DARBY” mark, Sime Darby Shield Device Logo, Shield Device Logo, Sime Darby in Chinese Characters, the “DEVELOPING SUSTAINABLE FUTURES” tagline and the “DELIVERING SUSTAINABLE FUTURES” tagline worldwide, solely in the course of or in connection with SD Guthrie’s business 		2
3.	Sime Darby Rent-A-Car Sdn Bhd	SD Guthrie and its subsidiaries	<ul style="list-style-type: none"> Car rental service income 		1
4.	Sime Darby Auto ConneXion Sdn Bhd	SD Guthrie and its subsidiaries	<ul style="list-style-type: none"> Sale of motor vehicles, parts and services 		2
5.	<ul style="list-style-type: none"> Sime Darby Industrial Sdn Bhd Hastings Deering (PNG) Limited Hastings Deering (Solomon Islands) Limited 	SD Guthrie and its subsidiaries	<ul style="list-style-type: none"> Sale of heavy equipment and spare parts and provision of maintenance services 		19
Total					35

ADDITIONAL COMPLIANCE INFORMATION

No.	Transacting companies in our Group	Transacting Party	Nature of Transactions	Related Party	Value of Transaction RM million
Others					
1.	Inokom Corporation Sdn Bhd (Inokom)	Mazda Malaysia Sdn Bhd (Mazda Malaysia)	<ul style="list-style-type: none"> Rental income received from Mazda Malaysia[^] Contract manufacturing assembly fee received from Mazda Malaysia 	Bermaz Auto Berhad (Bermaz) ²	126
		Bermaz Motor Trading Sdn Bhd	<ul style="list-style-type: none"> Rental income received from Bermaz Motors Trading Sdn Bhd*		2
		Kia Malaysia Sdn Bhd (Kia Malaysia)	<ul style="list-style-type: none"> Contract manufacturing assembly fees received from Kia Malaysia 		36
		Dinamikjaya Motors Sdn Bhd (Dinamikjaya Motors)	<ul style="list-style-type: none"> Rental income received from Dinamikjaya Motors[@] 		1
				Total	165
				Grand Total	200

Notes:

- ¹ ASB is a Major Shareholder of Sime Darby, holding 36.33% direct equity interest in Sime Darby as at 30 June 2024. ASB is also a Major Shareholder of SD Guthrie, holding 45.69% direct equity interest in SD Guthrie as at 30 June 2024.
- ² Bermaz is a Major Shareholder of Inokom, holding 29.00% direct equity interest in Inokom and an indirect Major Shareholder of Mazda Malaysia, holding an effective interest of 30.00% through Bermaz Motor Sdn Bhd (Bermaz Motor), a direct wholly-owned subsidiary of Bermaz. Bermaz Motor Trading is an indirect wholly-owned subsidiary of Bermaz through Bermaz Motor, while Dinamikjaya Motors is a 65%-owned subsidiary of Bermaz. Bermaz is also a Major Shareholder of Kia Malaysia, holding 33.33% equity interest in Kia Malaysia.
- [^] Lands (612,837 sq. ft.) held under H.S. (D) 4103, PT No 439 and H.S. (D) 4104, PT No 440, Mukim Padang Meha, Kulim, Kedah bearing postal address at Lot 38, Mukim Padang Meha, 09400 Padang Serai, Kulim, Kedah. The duration of the rental agreements are seven years (ending December 2028) and 24 months (ending April 2026) respectively. The payment is made on a monthly basis.
- ^{*} Designated areas (33,777 sq. ft.) at Inokom's property at Lot 38, Mukim Padang Meha, 09400 Padang Serai, Kulim, Kedah. The duration of the rental is four years (ending September 2028). The payment is made on a monthly basis.
- [@] Designated areas (71,827 sq. ft.) at Inokom's property at Lot 38, Mukim Padang Meha, 09400 Padang Serai, Kulim, Kedah. The duration of the rental is three years (ending May 2025) and extended for another 3 years (ending May 2028). The payment is made on a monthly basis.
- [#] Location : The Malaysia Vision Valley Land in Labu, Negeri Sembilan.
Term : Three years ending 29 June 2026.
Rental Formula : The preceding month's average price of crude palm oil (CPO) per metric tonne for Malaysia x total planted area (in hectares)/12.
Average price of CPO refers to average Malaysian Palm Oil Board delivered CPO price.
Payment Term : Monthly basis on or before the seventh (7th) day of each calendar month.

The Company proposes to seek a renewal of the RRPT Mandate for recurrent related party transactions involving the interest of Bermaz at its forthcoming Eighteenth AGM. The renewal of the existing RRPT Mandate if approved by the shareholders, will be valid until the conclusion of the Company's next AGM.

The renewal of the RRPT Mandate will not be sought for recurrent related party transactions involving the interest ASB as the estimated value of transaction with SD Guthrie Group is below the Sime Darby Group's threshold which necessitates a shareholders' mandate.

Details of the RRPT Mandate being sought are provided in the Circular to Shareholders dated 16 October 2024.

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 2024, as presented on pages 160 to 286, 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 26 September 2024.

BOARD APPROVAL OF FINANCIAL STATEMENTS

The annual financial statements for the financial year ended 30 June 2024 are set out on pages 160 to 286. The preparation thereof was supervised by the Group Chief Financial Officer and approved by the Board of Directors on 26 September 2024.

REPORTS AND FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

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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 2024.

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 26 July 2024 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 51 to the financial statements and the said information is deemed incorporated herein by such reference and shall form part hereof.

On 13 December 2023, Sime Darby Enterprise Sdn Bhd ("SDE"), an indirect wholly-owned subsidiary of the Company, completed the acquisition of an approximately 61.2% equity interest in UMW Holdings Berhad ("UMW"). Subsequently, SDE increased its equity interest in UMW and on 21 March 2024, UMW became an indirect wholly-owned subsidiary of the Company. SDE and its subsidiaries, joint ventures and associates are reported as a new business segment (UMW). The principal activities of companies under the UMW segment are disclosed in Note 51 to the financial statements. The UMW Komatsu Heavy Equipment Sdn Bhd ("UKHE") group (part of the UMW segment), which is involved in the business of importation and distribution of heavy equipment under the Komatsu brand, has been classified as discontinuing operations in view of its expected disposal in the financial year ending 30 June 2025.

On 28 December 2023, the Group completed the disposal of its entire 50% equity interest in Ramsay Sime Darby Health Care Sdn Bhd ("RSDH"). As this transaction resulted in the Group's exit from the Healthcare business, the results and cash flows of the Healthcare segment up to the completion date have been presented as discontinued operations in the financial statements of the Group.

FINANCIAL RESULTS

The results of the Group and of the Company for the financial year ended 30 June 2024 were as follows:

	Group RM million	Company RM million
Profit before interest and tax	2,758	965
Finance income	142	2
Finance costs	(719)	(3)
Profit before tax	2,181	964
Taxation	(698)	(-) ¹
Profit for the financial year from continuing operations	1,483	964
Profit for the financial year from discontinuing/discontinued operations	2,046	-
Profit for the financial year	3,529	964

Profit/(Loss) for the financial year attributable to owners of:

- the Company		
- from continuing operations	1,258	964
- from discontinuing/discontinued operations	2,048	-
	3,306	964
- non-controlling interests		
- from continuing operations	186	-
- from discontinuing operations	(2)	-
- perpetual sukuk		
- from continuing operations	39	-
Profit for the financial year	3,529	964

¹ Less than RM1 million

DIRECTORS' REPORT

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 2023, a second interim dividend of 10.0 sen per share was paid on 29 September 2023; and	682
b. In respect of the financial year ended 30 June 2024, a first interim dividend of 3.0 sen per share was paid on 27 March 2024	204
	886

The Board of Directors had on 27 August 2024 declared a second interim dividend of 10.0 sen per ordinary share amounting to RM682 million in respect of the financial year ended 30 June 2024. The dividend is proposed to be payable on 30 September 2024 to shareholders whose names appears in the record of depositors as at the close of business on 10 September 2024.

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:

Tan Sri Samsudin Osman	
Thayaparan Sangarapillai	
Tan Sri Ahmad Badri Mohd Zahir	
Tan Sri Muhammad Shahrul Ikram Yaakob	
Mohamad Idros Mosin	
Dato' Lee Cheow Hock Lawrence	
Moy Pui Yee	
Dato' Dr Nirmala Menon	
Dato' Jeffri Salim Davidson	
Scott William Cameron	
Edree Ahmad	(Alternate Director to Mohamad Idros Mosin)
Tengku Dato' Sri Azmil Zahrudin Raja Abdul Aziz	(Appointed on 1 August 2023)
Professor Datuk Ts. Ir. Dr. Siti Hamisah Tapsir	(Appointed on 8 March 2024)
Datuk Wan Selamah Wan Sulaiman	(Demised on 24 July 2023)

LIST OF DIRECTORS OF SUBSIDIARIES

By way of relief order dated 26 July 2024 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 2024 were RM11 million (2023: RM10 million) and RM4 million (2023: RM4 million) respectively. In addition, the estimated monetary value of benefits-in-kind provided to Directors by the Group during the financial year amounted to RM0.06 million (2023: RM0.02 million). Further details are disclosed in Note 8 to the financial statements.

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 paid during the financial year amounted to RM0.7 million, which covers the period from December 2023 to February 2025 (2023: RM0.6 million for the period from December 2022 to November 2023).

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 2023	Addition	As at 30 June 2024
Dato' Jeffri Salim Davidson	1,215,700	-	1,215,700
Scott William Cameron	28,700	-	28,700

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.

DIRECTORS' REPORT

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS (CONTINUED)

- c. As at the date of this Report:
- 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
 - there are no material contingent liabilities in the Group and in the Company which have arisen since the end of the financial year.
- 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:
- 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
 - 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

Total fees for statutory audits provided by the auditors amounted to RM30 million and RM1 million (2023: RM23 million and RM1 million) for the Group and the Company respectively, while total fees for assurance related and non-audit services amounted to RM7 million and RM1 million (2023: RM6 million and less than RM1 million) for the Group and the Company respectively.

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 26 September 2024.

Signed on behalf of the Board of Directors:



Tan Sri Samsudin Osman
Chairman



Dato' Jeffri Salim Davidson
Executive Director/Group Chief Executive Officer

26 September 2024

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, Tan Sri Samsudin Osman 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 160 to 286 are drawn up, in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016, so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2024 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 26 September 2024.



Tan Sri Samsudin Osman
Chairman



Dato' Jeffri Salim Davidson
Executive Director/Group Chief Executive Officer

26 September 2024

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 160 to 286 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 26 September 2024.

Before me,

Shahrudin bin Esa
Commissioner for Oaths (No. B520)
Petaling Jaya
Selangor



A-7-05, Blok A, Oasis Square,
Jalan PJU 1A/7A, Ara Damansara,
47301 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 2024, 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 2024 of the Group and of the Company, and the 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 160 to 286.

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"), 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.

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 matters	How our audit addressed the key audit matters
<p>Significant acquisitions during the financial year</p> <p>a. Acquisition of UMW Holdings Berhad group (“UMW group”)</p> <p>On 13 December 2023, the Group completed the acquisition of an approximately 61.2% equity interest in UMW Holdings Berhad (“UMW”) from Permodalan Nasional Berhad and Amanahraya Trustees Berhad for a purchase consideration of RM3,574 million. Based on the requirements of MFRS 3 “Business Combinations”, management had assessed the acquisition of the UMW to be a business combination.</p> <p>On 21 March 2024, the Group had completed the compulsory acquisition of all the remaining UMW shares. Following this, UMW is an indirect wholly-owned subsidiary of the Group. The purchase consideration paid inclusive of transaction costs amounted to RM2,274 million.</p> <p>b. Acquisition of Cavpower</p> <p>On 1 November 2024, the Group completed the acquisition of the entire equity interest in Kuxton Pty Limited and Kagera Pty Limited and its subsidiaries (collectively referred to as “Cavpower group”) for a purchase consideration of AUD535 million (RM1,615 million). Based on the requirements of MFRS 3 “Business Combinations”, management had assessed the acquisition of the Cavpower group to be a business combination.</p> <p>The fair value of net assets acquired on the date of acquisition was assessed via a PPA exercise.</p> <p>We focused on the above as assumptions made in determining the fair value of the identifiable assets acquired and liabilities assumed are inherently uncertain, requires significant judgement and are sensitive to change.</p>	<ul style="list-style-type: none"> • We obtained management’s assessment of whether the acquisition met the definition of a business combination in accordance with the requirements of MFRS 3 “Business Combinations”. • We obtained the purchase price allocation (“PPA”) report prepared by an external party for the acquisitions and assessed the independence, objectivity and competence of management’s expert by considering their professional background, reputation and experience in a similar industry. • We were assisted by our valuation experts to perform the following procedures: <ul style="list-style-type: none"> – to review the PPA report prepared by an external party; – to assess appropriateness of the methodology adopted in the PPA assessment on the acquisitions to ensure compliance with MFRS 13 “Fair Value Measurement”; – to discuss with management and external party on the key assumptions underlying the cash flow projections used in the PPA report; – to assess the appropriateness of identifiable assets acquired and liabilities assumed at the acquisition date by reading the clauses set out in the respective agreements; and – to assess the basis for determining the fair values of identifiable assets and liabilities assumed at the date of acquisition and appropriateness of the relevant discount rate used. • We checked the purchase consideration to the sale and purchase agreement. • We checked the calculation of goodwill arising from the acquisitions, being the difference between the total purchase consideration and the fair values of net identifiable assets acquired.

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 (continued)

Key audit matters	How our audit addressed the key audit matters
<p>Significant acquisitions during the financial year (continued)</p> <p>Refer to Note 3(a)(i) Material Accounting Policies – Basis of Consolidation – Subsidiaries, Note 4(e) Critical Accounting Estimates and Judgement in Applying Accounting Policies – Recognition of fair value of net assets, including intangible assets arising from acquisitions, as well as Note 45(a) Significant changes in the composition of the Group - Acquisition of Subsidiaries and Note 45(b) Acquisition of Additional Interest in Subsidiaries in the notes to the financial statements.</p>	<ul style="list-style-type: none"> We checked the appropriateness of disclosures in the financial statements. <p>Based on the procedures performed above, we did not identify any material exceptions.</p>
<p>Recoverability of indefinite useful life intangible assets' carrying amounts</p> <p>As at 30 June 2024, SDB Group's carrying amount of goodwill and distribution/dealership rights amounted to RM1,417 million and RM1,299 million, respectively.</p> <p>Based on assessments performed, impairment losses of RM57 million and RM2 million were recognised for goodwill and distribution/dealership rights respectively, arising mainly from Australia Motors. The carrying amounts of the remaining goodwill and distribution/dealership rights are recoverable.</p> <p>We focused on the above as the assumptions made by the Group in determining the recoverable amounts are inherently uncertain and requires significant judgement.</p> <p>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.</p>	<ul style="list-style-type: none"> 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, EBITDA growth rates 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. <p>Based on the procedures performed above, we did not identify any material exceptions.</p>

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key audit matters (continued)

Key audit matters	How our audit addressed the key audit matters
<p>Provision for warranties</p> <p>The Group recognises provision for liabilities associated with the warranties provided on certain products. 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. As at 30 June 2024, the provision for warranty amounted to RM504 million.</p> <p>Provision is recognised on product warranty claims for the sale of machinery, vehicles and other products where the Group has undertaken to repair or replace items that fail to comply satisfactorily with agreed-upon specifications. The provision was estimated based on historical claims experience, as well as recent trends 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 the future warranty obligations.</p> <p>The assumptions used in determining the provision for warranty involves significant management judgements and estimates. Accordingly, we consider this to be an area of audit focus.</p> <p>Refer to Notes 3(m) Material Accounting Policies – Provisions, Note 4(f) – Provision for Warranties and Note 44 – Provisions – Group.</p>	<ul style="list-style-type: none"> • We obtained an understanding over the warranty estimation process. • We assessed and evaluated the underlying assumptions used by the management, such as actual rate of return, failure rate and claims histories, as inputs to the provision computations and tested their plausibility using historical data for comparable items. • On a sample basis, we tested the validity of the historical data by tracing to supporting documents such as actual claims report. • We recalculated the mathematical accuracy of the provision workings. • We evaluated the outcome of prior period assessment of provision for warranties to assess the effectiveness of management’s estimation process. • We checked the appropriateness of disclosures in the financial statements. <p>Based on the procedures performed above, we did not identify any material exceptions.</p>

We have determined that there are no key audit matters to report for the Company.

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)

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, Corporate Governance Overview Statement, Nomination & Remuneration Committee Report, Governance & Audit Committee Report, Risk Management & Sustainability Committee Report, Statement of Responsibility by the Board of Directors and other sections of the 2024 Sime Darby Annual Report, which we obtained prior to the date of this auditor's report, and From The Desk of Group Chief Executive Officer and 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.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditors' responsibilities for the audit of the financial statements (continued)

- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- (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) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance 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 51 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



IRVIN GEORGE LUIS MENEZES
02932/06/2026 J
Chartered Accountant

Kuala Lumpur
26 September 2024

STATEMENTS OF PROFIT OR LOSS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

Amounts in RM million unless otherwise stated

	Note	Group		Company	
		2024	2023	2024	2023
Continuing operations					
Revenue	6	67,132	48,288	1,026	987
Operating expenses	7	(65,191)	(46,868)	(61)	(66)
Other operating income	10	450	413	-	-
Impairment of financial assets (net)	11	(22)	(27)	-	-
Other gains and losses	12	129	214	-	-
Operating profit		2,498	2,020	965	921
Share of results of joint ventures	13	17	12	-	-
Share of results of associates	14	243	52	-	-
Profit before interest and tax		2,758	2,084	965	921
Finance income	15	142	70	2	- ¹
Finance costs	16	(719)	(333)	(3)	(-) ¹
Profit before tax		2,181	1,821	964	921
Taxation	17	(698)	(484)	(-) ¹	(-) ¹
Profit for the financial year from continuing operations		1,483	1,337	964	921
Discontinuing/Discontinued operations					
Profit for the financial year from discontinuing/discontinued operations	18	2,046	175	-	-
Profit for the financial year		3,529	1,512	964	921
Profit/(Loss) for the financial year attributable to owners of:					
- the Company					
- from continuing operations		1,258	1,283	964	921
- from discontinuing/discontinued operations		2,048	175	-	-
		3,306	1,458	964	921
- non-controlling interests					
- from continuing operations		186	54	-	-
- from discontinuing operations		(2)	-	-	-
- perpetual sukuk					
- from continuing operations		39	-	-	-
		3,529	1,512	964	921
		Sen	Sen		
Basic and diluted earnings per share attributable to owners of the Company:					
- from continuing operations		18.5	18.8		
- from discontinuing/discontinued operations		30.0	2.6		
		48.5	21.4		

¹ Less than RM1 million.

The weighted average number of ordinary shares used to calculate the basic earnings per share was 6,816 million (2023: 6,813 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 171 to 286 form an integral part of these financial statements.

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

Amounts in RM million unless otherwise stated

	Note	Group		Company	
		2024	2023	2024	2023
Profit for the financial year		3,529	1,512	964	921
Other comprehensive income/(loss):					
Continuing operations					
<u>Items that may be reclassified subsequently to profit or loss</u>					
Currency translation differences		36	290	-	-
Share of other comprehensive income of joint ventures and associates		10	10	-	-
Net change in fair value of cash flow hedges		(9)	(11)	-	-
Taxation		3	2	-	-
		40	291	-	-
Reclassified to profit or loss:					
– currency translation differences on repayment of net investments		(45)	(29)	-	-
Reclassification of changes in fair value of cash flow hedges to inventories		17	14	-	-
Taxation		(5)	(3)	-	-
		7	273	-	-
<u>Items that will not be reclassified subsequently to profit or loss</u>					
Actuarial loss on defined benefit pension plans		(-) ¹	(8)	-	-
		(-) ¹	(8)	-	-
Other comprehensive income from continuing operations		7	265	-	-
Other comprehensive loss from discontinuing/discontinued operations	18	(1)	(91)	-	-
Total other comprehensive income	20	6	174	-	-
Total comprehensive income for the financial year		3,535	1,686	964	921
Total comprehensive income/(loss) for the financial year attributable to owners of:					
– the Company					
– from continuing operations		1,285	1,549	964	921
– from discontinuing/discontinued operations		2,047	84	-	-
		3,332	1,633	964	921
– non-controlling interests					
– from continuing operations		166	53	-	-
– from discontinuing operations		(2)	-	-	-
– perpetual sukuk					
– from continuing operations		39	-	-	-
Total comprehensive income for the financial year		3,535	1,686	964	921

¹ Less than RM1 million.

The notes on pages 171 to 286 form an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2024

Amounts in RM million unless otherwise stated

	Note	Group		Company	
		2024	2023	2024	2023
NON-CURRENT ASSETS					
Property, plant and equipment	21	12,542	7,990	-	-
Right-of-use assets	22	3,372	2,669	1	-
Investment properties	23	638	258	-	-
Intangible assets	24	3,387	2,306	-	-
Subsidiaries	25	-	-	9,625	8,887
Joint ventures	13	176	828	-	-
Associates	14	3,056	347	-	-
Financial assets at fair value through profit or loss	27	73	66	-	-
Deferred tax assets	28	892	648	-	-
Derivative assets	29	-	5	-	-
Receivables and other assets	30	206	296	-	-
Inventories	31	128	-	-	-
		24,470	15,413	9,626	8,887
CURRENT ASSETS					
Inventories	31	14,739	11,454	-	-
Financial assets at fair value through profit or loss	27	65	78	-	-
Receivables and other assets	30	8,210	5,871	- ¹	- ¹
Contract assets	32	95	59	-	-
Amounts due from subsidiaries	26	-	-	504	1,128
Prepayments	33	707	920	-	-
Tax recoverable		117	129	-	- ¹
Derivative assets	29	27	27	-	-
Bank balances, deposits and cash	34	2,677	3,086	50	85
		26,637	21,624	554	1,213
Disposal groups and assets held for sale	35	715	3	-	-
TOTAL ASSETS		51,822	37,040	10,180	10,100

¹ Less than RM1 million.

Amounts in RM million unless otherwise stated

	Note	Group		Company	
		2024	2023	2024	2023
EQUITY					
Share capital	36	9,330	9,330	9,330	9,330
Reserves	37	1,156	1,119	-	-
Retained profits		8,880	6,477	846	768
Attributable to owners of the company		19,366	16,926	10,176	10,098
Non-controlling interests	38	2,811	357	-	-
Perpetual sukuk	39	1,181	-	-	-
TOTAL EQUITY		23,358	17,283	10,176	10,098
NON-CURRENT LIABILITIES					
Borrowings	40	4,702	2,246	-	-
Lease liabilities	41	2,231	2,162	1	-
Derivative liabilities	29	- ¹	-	-	-
Payables and other liabilities	42	73	74	-	-
Contract liabilities	32	260	198	-	-
Government grants	43	133	4	-	-
Provisions	44	260	31	-	-
Deferred tax liabilities	28	977	448	-	-
		8,636	5,163	1	-
CURRENT LIABILITIES					
Borrowings	40	5,738	3,611	-	-
Lease liabilities	41	540	435	- ¹	-
Derivative liabilities	29	12	27	-	-
Payables and other liabilities	42	10,346	7,384	3	2
Contract liabilities	32	2,143	2,567	-	-
Provisions	44	498	427	-	-
Tax payable		371	143	-	-
		19,648	14,594	3	2
Liabilities associated with disposal groups	35	180	-	-	-
TOTAL LIABILITIES		28,464	19,757	4	2
TOTAL EQUITY AND LIABILITIES		51,822	37,040	10,180	10,100

¹ Less than RM1 million.

The notes on pages 171 to 286 form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

Amounts in RM million unless otherwise stated

Group 2024	Note	Share capital	Reserves ¹	Retained profits	Attributable to owners of the Company	Non-controlling interests	Perpetual sukuk	Total equity
At 1 July 2023		9,330	1,119	6,477	16,926	357	-	17,283
Profit for the financial year		-	-	3,306	3,306	184	39	3,529
Other comprehensive income/(loss) for the financial year	20	-	27	(1)	26	(20)	-	6
Total comprehensive income for the financial year		-	27	3,305	3,332	164	39	3,535
Transfer between reserves ²		-	10	(10)	-	-	-	-
Acquisition of non-wholly owned subsidiaries		-	-	-	-	4,698	1,177	5,875
Transactions with owners:								
- acquisition of non-controlling interests	45	-	-	(6)	(6)	(2,270)	-	(2,276)
- distribution to holders of perpetual sukuk		-	-	-	-	-	(35)	(35)
- dividends paid by way of cash		-	-	(886)	(886)	(123)	-	(1,009)
- dividends payable		-	-	-	-	(23)	-	(23)
- waiver of shareholders' loan of a non-wholly owned subsidiary		-	-	-	-	8	-	8
At 30 June 2024		9,330	1,156	8,880	19,366	2,811	1,181	23,358

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.

Amounts in RM million unless otherwise stated

Group 2023	Note	Share capital	Reserves ¹	Retained profits	Attributable to owners of the Company	Non-controlling interests	Total equity
At 1 July 2022		9,318	980	5,712	16,010	361	16,371
Profit for the financial year		-	-	1,458	1,458	54	1,512
Other comprehensive income/ (loss) for the financial year	20	-	183	(8)	175	(1)	174
Total comprehensive income for the financial year		-	183	1,450	1,633	53	1,686
Transfer between reserves ²		-	19	(19)	-	-	-
Reclassification upon disposal of subsidiaries ³		-	(51)	51	-	-	-
Acquisition of non-wholly owned subsidiaries		-	-	-	-	18	18
Disposal of non-wholly owned subsidiaries		-	-	-	-	(9)	(9)
Issuance of shares under the performance-based employee share scheme		12	(12)	-	-	-	-
Transactions with owners:							
- issue of shares in a non-wholly owned subsidiary		-	-	-	-	4	4
- acquisition of non-controlling interests		-	-	(2)	(2)	(27)	(29)
- dividends paid by way of cash		-	-	(715)	(715)	(14)	(729)
- dividends payable		-	-	-	-	(29)	(29)
At 30 June 2023		9,330	1,119	6,477	16,926	357	17,283

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.

³ Reclassification upon disposal of the Weifang port companies (defined in Note 18 to the financial statements).

STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

Amounts in RM million unless otherwise stated

Company	Note	Share capital	Share grant reserve	Retained profits	Total equity attributable to owners of the Company
2024					
At 1 July 2023		9,330	-	768	10,098
Profit for the financial year		-	-	964	964
Transaction with owners:					
- dividends paid by way of cash	19	-	-	(886)	(886)
At 30 June 2024		9,330	-	846	10,176
2023					
At 1 July 2022		9,318	9	565	9,892
Profit for the financial year		-	-	921	921
Performance-based employee share scheme		-	- ¹	-	-
Issuance of shares under the performance-based employee share scheme		12	(12)	-	-
Transfer from retained profits		-	3	(3)	-
Transaction with owners:					
- dividends paid by way of cash	19	-	-	(715)	(715)
At 30 June 2023		9,330	-	768	10,098

¹ Less than RM1 million.

The notes on pages 171 to 286 form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

Amounts in RM million unless otherwise stated

	Note	Group		Company	
		2024	2023	2024	2023
Cash flow from operating activities					
Profit for the financial year from continuing operations		1,483	1,337	964	921
Adjustments for:					
– dividend from subsidiaries		–	–	(1,026)	(987)
– dividend income from financial assets		(144)	(194)	–	–
– share of results of joint ventures and associates		(260)	(64)	–	–
– finance income		(142)	(70)	(2)	(–) ¹
– finance costs		719	333	3	– ¹
– taxation		698	484	– ¹	– ¹
– gain on disposals (net)		(284)	(179)	–	–
– impairment losses on receivables (net)		22	27	–	–
– impairment losses on non-financial assets (net)		195	1	–	–
– depreciation and amortisation		2,018	1,269	– ¹	– ¹
– inventory write-down and provision		279	213	–	–
– fair value (gain)/loss on financial assets at fair value through profit or loss		(20)	5	–	–
– other non-cash items		(25)	(22)	–	–
		4,539	3,140	(61)	(66)
Changes in working capital:					
– inventories		(805)	(1,750)	–	–
– rental assets		(1,635)	(1,302)	–	–
– receivables and other assets		(507)	(657)	– ¹	– ¹
– payables and other liabilities		(788)	1,824	–	–
Cash generated from/(used in) operations		804	1,255	(61)	(66)
Tax paid		(611)	(512)	(–) ¹	(–) ¹
Tax refunded		91	34	–	–
Dividends received from:					
– subsidiaries		–	–	1,026	1,053
– joint ventures and associates		38	32	–	–
– financial assets		144	194	–	–
Operating cash flow from continuing operations		466	1,003	965	987
Operating cash flow from/(used in) discontinuing/ discontinued operations		10²	(18)	–	–
Net cash flow from operating activities		476	985	965	987

¹ Less than RM1 million.

² Includes cashflow of UMW Komatsu Heavy Equipment Sdn Bhd (“UKHE”) group (refer Note 18).

STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

Amounts in RM million unless otherwise stated

	Note	Group		Company	
		2024	2023	2024	2023
Cash flow from investing activities					
Finance income received		125	57	-	-
Proceeds from sale of:					
– property, plant and equipment		44	55	-	-
– right-of-use assets		-	227	-	-
– other non-financial assets		314	64	-	-
Purchase of:					
– property, plant and equipment	21(d)	(1,003)	(758)	-	-
– other non-financial assets		(69)	(76)	-	-
Additions to financial assets at fair value through profit or loss		(616)	(12)	-	-
Proceeds from sale of subsidiaries		27 ²	-	-	-
Proceeds from partial sale of associates		11	-	-	-
Proceeds from sale of financial assets at fair value through profit or loss		1,070	44	-	-
Acquisition of subsidiaries and business ¹		(2,171)	(387)	-	-
Subscription of shares in an associate		-	(9)	-	-
Advances to subsidiaries (net)		-	-	(114)	(337)
Net movement in restricted deposits and deposits with maturity more than 3 months		346	-	-	-
Investing cash flow used in continuing operations		(1,922)	(795)	(114)	(337)
Investing cash flow from discontinuing/discontinued operations ³		2,861	1,319	-	-
Net cash flow from/(used in) investing activities		939	524	(114)	(337)

¹ Includes part payment of the consideration payable for the acquisition of Salmon Earthmoving Holdings Pty Ltd.

² Relates to balance consideration from the disposal of Jining ports.

³ Includes cash flow of UKHE group and proceeds from disposal of Ramsay Sime Darby Health Care Sdn Bhd (2023: Weifang port companies). Refer to note 18 for further details.

Amounts in RM million unless otherwise stated

	Note	Group		Company	
		2024	2023	2024	2023
Cash flow from financing activities					
Proceeds from performance-based employee share scheme		-	-	-	- ¹
Purchase of additional interest in subsidiaries		(2,276)	(29)	-	-
Finance costs paid		(601)	(188)	-	-
Long term borrowings and Islamic Medium Term Notes raised		4,504	2,186	-	-
Long term borrowings and Islamic Medium Term Notes repaid		(1,314)	(248)	-	-
Other short term borrowings (repaid)/raised (net)		(135)	822	-	-
Borrowings of acquired subsidiaries repaid		-	(1,467)	-	-
Repayment of lease liabilities		(687)	(580)	-	-
Proceeds from shares issued to non-controlling interests		4	-	-	-
Dividends paid to shareholders		(886)	(715)	(886)	(715)
Dividends paid to non-controlling interests		(136) ²	(27) ³	-	-
Dividends paid to perpetual sukuk holders		(35)	-	-	-
Financing cash flow used in continuing operations		(1,562)	(246)	(886)	(715)
Financing cash flow used in discontinuing/discontinued operations		(16) ⁴	(4)	-	-
Net cash used in financing activities		(1,578)	(250)	(886)	(715)
Net (decrease)/increase in cash and cash equivalents		(163)	1,259	(35)	(65)
Foreign exchange differences		1	21	-	-
Cash and cash equivalents at beginning of the financial year		2,938	1,658	85	150
Cash and cash equivalents at end of the financial year [note (a)]		2,776	2,938	50	85

¹ Less than RM1 million.

² Includes RM29 million declared in the financial year ended 30 June 2023.

³ Includes RM13 million declared in the financial year ended 30 June 2022.

⁴ Includes cashflow of UKHE group (refer Note 18).

STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

Amounts in RM million unless otherwise stated

	Note	Group		Company	
		2024	2023	2024	2023
a. Cash and cash equivalents at end of the financial year:					
Bank balances, deposits and cash	34	2,677	3,086	50	85
Bank overdrafts	40	(102)	(148)	-	-
Deposits with maturity of more than 3 months		(2)	-	-	-
Deposits restricted by bank		(57)	-	-	-
Cash and cash equivalents from continuing operations		2,516	2,938	50	85
Cash and cash equivalents included under disposal group		260	-	-	-
		2,776	2,938	50	85

b. Reconciliation of liabilities arising from financing activities of the Group

	2024		2023	
	Borrowings	Lease liabilities	Borrowings	Lease liabilities
At 1 July	5,857	2,597	2,983	2,046
Long term borrowings and Islamic Medium Term Notes raised	4,504	-	2,186	-
Long term borrowings and Islamic Medium Term Notes repaid	(1,314)	-	(248)	-
Other short term borrowings (repaid)/raised (net)	(135)	-	822	-
Repayment of lease liabilities	-	(687)	-	(580)
Overdrafts repaid disclosed as cash and cash equivalents (net)	(47)	-	(108)	-
Acquisition of subsidiaries	1,543	51	1,467	160
Borrowings of acquired subsidiaries repaid	-	-	(1,467)	-
Addition/modification/termination of leases	-	660	-	828
Finance costs [Note 16]	516	132	191	98
Finance costs paid	(540)	-	(152)	-
Exchange differences	56	18	183	45
At 30 June	10,440	2,771	5,857	2,597

Breakdown of finance costs paid of continuing operations:

	2024	2023
Borrowings	540	152
Payables and others	61	36
	601	188

The notes on pages 171 to 286 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

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.

On 13 December 2023, Sime Darby Enterprise Sdn Bhd ("SDE"), an indirect wholly-owned subsidiary of the Company, completed the acquisition of an approximately 61.2% equity interest in UMW Holdings Berhad ("UMW"). Subsequently, SDE increased its equity interest in UMW and on 21 March 2024, UMW became an indirect wholly-owned subsidiary of the Company. SDE and its subsidiaries, joint ventures and associates are reported as a new segment (UMW). The UMW Komatsu Heavy Equipment Sdn Bhd ("UKHE") group (part of the UMW segment), which is involved in the business of importation and distribution of heavy equipment under the Komatsu brand, has been classified as discontinuing operations in view of its expected disposal in the financial year ending 30 June 2025.

On 28 December 2023, the Group completed the disposal of its entire 50% equity interest in Ramsay Sime Darby Health Care Sdn Bhd ("RSDH"). As this transaction resulted in the Group's exit from the Healthcare business, the results and cash flows of the Healthcare segment up to the completion date have been presented as discontinued operations in the financial statements of the Group.

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 51.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

Amounts in RM million unless otherwise stated

2 BASIS OF PREPARATION (CONTINUED)

During the financial year, the Group has 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 2023:

- MFRS 17 – ‘Insurance contracts and amendments to MFRS 17’
- Amendments to MFRS 17 ‘Initial application of MFRS 17’ and MFRS 9 – ‘Comparative information’
- Amendments to MFRS 108 ‘Definition of accounting estimates’
- Amendments to MFRS 112 ‘Deferred tax related to assets and liabilities arising from a single transaction’
- Amendments to MFRS 112 ‘International tax reform – Pillar Two model rules’.

The adoption of the above standards and amendments to published standards did not have a material impact in the current period or prior periods and is not likely to materially affect future periods.

The Group and the Company have disclosed the impact of the adoption of the amendment to MFRS 112 related to international Tax Reform – Pillar Two Model Rules in Note 17 to the financial statements.

- Amendments to MFRS 101 ‘Presentation of Financial Statements’ and MFRS Practice Statement 2 ‘Disclosure of accounting policies’

MFRS 101 “Presentation of Financial Statements” and MFRS Practice Statement 2 ‘Disclosure of accounting policies’ require the disclosure of ‘material’, rather than ‘significant’, accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

The amendments did not result in any changes to the Group’s accounting policies. However, it impacted the accounting policy information disclosed in the financial statements. The material accounting policy information is disclosed in Note 3.

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 2024, 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 2024

- Amendments to MFRS 16 ‘Lease liability in a sale and leaseback’
- Amendments to MFRS 101 ‘Classification of liabilities as current or non-current’
- Amendments to MFRS 101 ‘Non-current liabilities with covenants’
- Amendments to MFRS 107 and MFRS 7 ‘Supplier finance arrangements’

Effective for annual periods beginning on or after 1 January 2025

- Amendments to MFRS 121 ‘Lack of Exchangeability’

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 7 ‘Financial Instruments: disclosures’
- Amendments to MFRS 9 ‘Financial Instruments’
- Amendments to MFRS 10 ‘Consolidated financial statements’
- Amendments to MFRS 107 ‘Statement of cash flows’

Effective for annual periods beginning on or after 1 January 2027

- MFRS 18 – ‘Presentation and disclosure in financial statements’

Amounts in RM million unless otherwise stated

2 BASIS OF PREPARATION (CONTINUED)

During the financial year, the Group has considered the new accounting pronouncements in the preparation of the financial statements. (continued)

c. 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.

Business combinations under common control are accounted using the predecessor method of merger accounting where the profit or loss and other comprehensive income include the results of each of the combining entities from the earliest date presented or from the date when these entities came under the control of the common controlling party (if later). The assets and liabilities of the combining entities are accounted for based on the carrying amounts from the perspective of the common controlling party, or the combining entities if the common controlling party does not prepare consolidated financial statements.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

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 will be transferred to inventories at their carrying amounts when they cease to be rented and are held for sale.

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 remeasurement 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

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

Amounts in RM million unless otherwise stated

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

h. Assets held for sale, disposal groups and discontinuing/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 with a view 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 discontinuing/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 with a view 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

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

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.

Amounts in RM million unless otherwise stated

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

I. 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 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

Amounts in RM million unless otherwise stated

3 SIGNIFICANT 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.

Amounts in RM million unless otherwise stated

3 SIGNIFICANT 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. A contract liability is recognised for the expected discounts and incentives payable to customers in relation to sales made.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

Amounts in RM million unless otherwise stated

3 SIGNIFICANT 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.

Amounts in RM million unless otherwise stated

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 key assumptions used to determine the recoverable amount of the property, plant and equipment, right-of use assets and intangible assets are set out in Note 21, Note 22 and Note 24 to the financial statements respectively.

During the financial year, impairment of non-financial assets totalling RM195 million (2023: RM1 million) in continuing operations and RM45 million (2023: RM41 million) in discontinuing/discontinued operations were charged as disclosed in Notes 12 (continuing operations) and 18 (discontinuing/discontinued operations).

b. Taxation

The Group has recognised deferred tax liabilities on unremitted earnings for subsidiaries which are located in jurisdictions that impose withholding tax on dividends where it is probable the temporary difference would reverse in the near future. The deferred tax liabilities on the unremitted earnings are estimated based on the projected dividends in the 5-year approved budget projections, restricted to the available retained earnings as at the end of the financial year. Actual dividends may differ depending on the actual financial performance of the companies and other factors. During the year, the Group recognised additional deferred tax provision on unremitted earnings of RM76 million (2023: reversal of RM1 million). The significant increase in deferred tax provision recognised was mainly due to the significant increase in projected dividends from certain jurisdictions in the approved budget.

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 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 the distinct goods or services is not directly observable, they are estimated based on expected cost-plus margin.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

Amounts in RM million unless otherwise stated

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENT IN APPLYING ACCOUNTING POLICIES (CONTINUED)

c. Revenue recognition on maintenance income, extended warranties and parts credit (continued)

Management estimates the related contract liabilities for future warranty claims based on historical extended warranty and services claim information, as well as recent trends that might suggest that past cost information may differ from future claims. The assumptions made in relation to the current period are consistent with those in the prior year. Factors that could impact the estimated claim information include the success of the Group's productivity and quality initiatives, as well as parts and labour costs and availability.

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. Recognition of fair value of net assets, including intangible assets, arising from acquisitions

During the financial year, the Group acquired Kuxton Pty Limited and Kagera Pty Limited and its subsidiaries (collectively referred to as "Cavpower group") and UMW Holdings Berhad ("UMW") group. Purchase price allocation ("PPA") exercises were undertaken which involves assumptions in determining the fair value of the identifiable assets acquired and liabilities assumed. The fair value of net assets of Cavpower and UMW acquired were RM1,031 million and RM9,430 million respectively. The goodwill recognised for Cavpower and UMW amounted to RM584 million and RM19 million respectively. Details of the acquisitions are set out in Note 45.

f. Provision for warranties

The Group recognises provision for liabilities associated with the warranties provided on certain products. 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. The carrying amount of provision for warranties at the end of the reporting period is disclosed in Note 44.

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, embedded derivatives and interest rate swaps 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.

Amounts in RM million unless otherwise stated

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 by using derivatives such as interest rate swaps.

As at 30 June 2024, the Group's percentage of fixed rate borrowings, both before and after taking into account of interest rate swap contracts, to the total borrowings was 13.6% (2023: 0.9%) and 14.1% (2023: 3.9%) respectively. The borrowings raised for the acquisitions of UMW, Cavpower 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 regularly 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

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
2024					
Malaysia	237	1,106	1,091	42	2,476
China ¹	267	223	9	-	499
Other countries in Asia	124	244	52	2	422
Australasia ²	1,704	650	-	-	2,354
	2,332	2,223	1,152	44	5,751

	Industrial	Motors	Others	Total
2023				
Malaysia	235	742	65	1,042
China ¹	262	209	-	471
Other countries in Asia	100	228	1	329
Australasia ²	1,287	589	-	1,876
	1,884	1,768	66	3,718

The Group has no significant concentration of credit risk.

¹ China consists of Mainland China, Hong Kong, Macau and Taiwan.

² Australasia consists of Australia, New Caledonia, New Zealand, Papua New Guinea and Solomon Islands.

A summary of the assumptions underpinning the Group's expected credit loss ("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 the 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.

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)

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 2024			
	Gross trade receivables	Expected credit loss rate (%)	Impairment	Net carrying amount
Industrial Division				
Current	1,467	0.2	(3)	1,464
Past due by				
– 1 to 30 days	498	2.1	(10)	488
– 31 to 60 days	112	2.7	(3)	109
– 61 to 90 days	133	3.4	(5)	128
– 91 to 180 days	113	12.3	(14)	99
– more than 181 days	138	68.0	(94)	44
Total	2,461		(129)	2,332
Motors Division				
Current	1,010	0.0	–	1,010
Past due by				
– 1 to 30 days	881	0.2	(2)	879
– 31 to 60 days	221	0.2	(–) ¹	221
– 61 to 90 days	52	1.5	(1)	51
– 91 to 180 days	53	5.1	(3)	50
– more than 181 days	30	59.3	(18)	12
Total	2,247		(24)	2,223
UMW Division				
Current	1,070	0.2	(2)	1,068
Past due by				
– 1 to 30 days	37	2.0	(1)	36
– 31 to 60 days	24	1.2	(–) ¹	24
– 61 to 90 days	7	1.6	(–) ¹	7
– 91 to 180 days	14	13.4	(2)	12
– more than 181 days	11	56.0	(6)	5
Individually assessed	5	100.0	(5)	–
Total	1,168		(16)	1,152

¹ Less than RM1 million.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

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 2023			
	Gross trade receivables	Expected credit loss rate (%)	Impairment	Net carrying amount
Industrial Division				
Current	1,332	0.5	(7)	1,325
Past due by				
– 1 to 30 days	301	3.0	(9)	292
– 31 to 60 days	97	4.1	(4)	93
– 61 to 90 days	64	10.9	(7)	57
– 91 to 180 days	120	21.7	(26)	94
– more than 181 days	85	72.9	(62)	23
Individually assessed	8	100.0	(8)	–
Total	2,007		(123)	1,884
Motors Division				
Current	343	0.0	–	343
Past due by				
– 1 to 30 days	996	0.6	(6)	990
– 31 to 60 days	286	0.9	(3)	283
– 61 to 90 days	67	0.7	(1)	66
– 91 to 180 days	63	2.2	(1)	62
– more than 181 days	35	32.3	(11)	24
Total	1,790		(22)	1,768

Net trade receivables of RM44 million (2023: RM66 million) relates to the Others segment and the total impairment for these receivables is RM2 million (2023: RM1 million).

The impairment of finance lease receivables has been assessed to be immaterial as at 30 June 2024 and 30 June 2023.

The impairment of contract assets (carrying value of RM95 million (2023: RM59 million)) has been assessed to be immaterial.

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 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 2024 was less than RM1 million (2023: RM5 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 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

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 2024 was RM261 million (2023: RM885 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 (2023: 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:

	2024			
	Trade receivables	Rebates from principals	Other receivables	Total
As at 1 July 2023	146	5	6	157
Impairment losses	98	5	6	109
Reversal of impairment losses	(76)	(10)	(1)	(87)
Write-offs	(3)	-	-	(3)
Exchange differences	6	-	-	6
At 30 June 2024	171	- ¹	11	182

¹ Less than RM1 million.

	2023			
	Trade receivables	Rebates from principals	Other receivables	Total
As at 1 July 2022	123	3	74	200
Impairment losses	84	2	1	87
Reversal of impairment losses	(57)	-	(3)	(60)
Write-offs	(9)	-	(66)	(75)
Exchange differences	5	-	-	5
At 30 June 2023	146	5	6	157

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 RM6 million (2023: RM11 million) has been provided for based on a percentage of risk sharing ratio over the total outstanding lease portfolio (see Note 44).

Amounts in RM million unless otherwise stated

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 2024, the Group's total cash and cash equivalents was RM2,776 million (2023: RM2,938 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. It is also inclusive of cash and cash equivalents under disposal group of RM260 million (2023: Nil). As at 30 June 2024, the Company had total cash and cash equivalents of RM50 million (2023: RM85 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.

	2024	2023
Borrowings [Note 40]	10,440	5,857
Lease liabilities (2024: including lease liabilities of RM1 million under disposal group, 2023: Nil)	2,772	2,597
Total Debt	13,212	8,454
Total Equity	23,358	17,283
Total Debt/Equity ratio	0.57	0.49

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

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").

	2024	2023
Total Debt	13,212	8,454
Operating profit from continuing operations	2,498	2,020
Add : Depreciation and amortisation [Note 7]	2,018	1,269
Less : Other gains [Note 12]	(129)	(214)
Adjusted EBITDA of continuing operations	4,387	3,075
Adjusted EBITDA of discontinuing/discontinued operations	54	21
Adjustment to annualise adjusted EBITDA of Cavpower and UMW	502	-
Adjustment to annualise adjusted EBITDA of Onsite	-	325
Adjusted EBITDA	4,943	3,421
Debt/Adjusted EBITDA ratio	2.67	2.47

ii. Externally imposed capital requirements

The Group maintains a debt to equity ratio that complies with the applicable debt covenants as at 30 June 2024 and 30 June 2023.

6 REVENUE

Revenue comprise the following:

	Group		Company	
	2024	2023	2024	2023
Revenue from contracts with customers	65,753	47,190	-	-
Revenue from other sources				
– rental income	1,379	1,098	-	-
– dividend income from subsidiaries	-	-	1,026	987
	67,132	48,288	1,026	987

Amounts in RM million unless otherwise stated

6 REVENUE (CONTINUED)

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

	Industrial	Motors	UMW	Others	Total
2024					
<u>Segment revenue</u>					
Sale of equipment and vehicles	7,605	30,716	6,821	-	45,142
Sale of parts, assembly charges and provision of after-sales services	11,657	5,227	1,775	-	18,659
Manufacturing and engineering ³	317	-	619	13	949
Commission, handling fees and others	-	908	49	46	1,003
	19,579	36,851	9,264	59	65,753
<u>Geographical market</u>					
Malaysia	1,154	8,709	9,105	54	19,022
China ¹	2,393	15,056	22	-	17,471
Other countries in Asia	916	7,003	137	5	8,061
Australasia ²	15,116	6,083	-	-	21,199
	19,579	36,851	9,264	59	65,753
<u>Timing of revenue recognition</u>					
- at a point in time	14,779	31,892	9,263	38	55,972
- over time	4,800	4,959	1	21	9,781
	19,579	36,851	9,264	59	65,753

¹ China consists of Mainland China, Hong Kong, Macau and Taiwan.

² Australasia consists of Australia, New Caledonia, New Zealand, Papua New Guinea and Solomon Islands.

³ Renamed from engineering services previously to better reflect the composition of the revenue under this item following the acquisition of UMW.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

Amounts in RM million unless otherwise stated

6 REVENUE (CONTINUED)

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

	Industrial	Motors	Others	Total
2023				
<u>Segment revenue</u>				
Sale of equipment and vehicles	6,788	26,077	–	32,865
Sale of parts, assembly charges and provision of after-sales services	8,827	4,566	–	13,393
Engineering services	282	–	–	282
Commission, handling fees and others	–	610	40	650
	15,897	31,253	40	47,190
<u>Geographical market</u>				
Malaysia	912	6,525	35	7,472
China ¹	2,539	14,527	–	17,066
Other countries in Asia	763	4,761	5	5,529
Australasia ²	11,683	5,440	–	17,123
	15,897	31,253	40	47,190
<u>Timing of revenue recognition</u>				
– at a point in time	12,528	26,982	27	39,537
– over time	3,369	4,271	13	7,653
	15,897	31,253	40	47,190

¹ China consists of Mainland China, Hong Kong, Macau and Taiwan.

² Australasia consists of Australia, New Caledonia, New Zealand, Papua New Guinea and Solomon Islands.

Revenue from contracts with customer of the Group includes RM2,434 million (2023: RM1,903 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, 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	
	2024	2023
Within 1 year	898	692
Between 1-2 years	318	231
Between 2-3 years	126	82
Between 3-4 years	58	35
Between 4-5 years	33	12
After 5 years	68	4
Total undiscounted lease receipts	1,501	1,056

Included in revenue is RM146 million (2023: RM189 million) arising from subleasing of right-of-use assets.

Amounts in RM million unless otherwise stated

7 OPERATING EXPENSES

	Group		Company	
	2024	2023	2024	2023
<u>Direct costs</u>				
Finished goods, work in progress and other direct overheads	53,983	39,077	-	-
Inventory write-down and provision [Note 31]	279	213	-	-
Raw materials and consumables	1,779	749	-	-
Engineering contract costs	115	81	-	-
	56,156	40,120	-	-
<u>Directors and employees costs</u>				
Salaries, fees, allowances, overtime and bonus	4,506	3,529	4	4
Defined contribution pension plans	376	276	-	-
Termination benefits	15	9	-	-
Performance-based employee share scheme	-	- ¹	-	-
Training, insurance and other benefits	1,222	995	-	-
	6,119	4,809	4	4
<u>Depreciation and amortisation</u>				
Amortisation:				
- intangible assets	121	83	-	-
Depreciation:				
- property, plant and equipment	1,275	723	-	-
- right-of-use assets	598	456	- ¹	- ¹
- investment properties	24	7	-	-
	2,018	1,269	- ¹	- ¹
<u>Leases</u>				
Short-term leases	166	97	- ¹	- ¹
Lease of low-value assets	9	12	-	-
	175	109	- ¹	- ¹
<u>General expenses</u>				
Auditors' remuneration [Note 9]	37	29	2	1
Management fee charged by a subsidiary	-	-	50	58
Other expenses	686	532	5	3
	723	561	57	62
	65,191	46,868	61	66

¹ Less than RM1 million.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

Amounts in RM million unless otherwise stated

8 DIRECTORS' REMUNERATION

	Group		Company	
	2024	2023	2024	2023
<u>Executive Director</u>				
Emoluments and benefits	6	5	-	-
Defined contribution pension plans	1	1	-	-
Performance-based employee share scheme	-	- ¹	-	-
	7	6	-	-
<u>Non-Executive Directors</u>				
Fees and benefits	4	4	4	4
	11	10	4	4

¹ Less than RM1 million.

Estimated monetary value of benefits-in-kind of the Executive Director amounted to RM0.03 million (2023: less than RM0.01 million) for the Group. Estimated monetary value of benefits-in-kind of Non-Executive Directors amounted to RM0.03 million (2023: RM0.02 million).

During the financial year, the Group sold vehicles to Directors and their close family members for RM0.5 million (2023: RM0.7 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 2024 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.

Amounts in RM million unless otherwise stated

9 AUDITORS' REMUNERATION

	Group		Company	
	2024	2023	2024	2023
<u>Fees for statutory audits</u>				
PricewaterhouseCoopers PLT Malaysia	6	4	1	1
Member firms of PricewaterhouseCoopers International Limited	22	19	-	-
Other audit firms	2	- ¹	-	-
	30	23	1	1
<u>Fees for assurance related services</u>				
PricewaterhouseCoopers PLT Malaysia	1	- ¹	1	- ¹
Member firms of PricewaterhouseCoopers International Limited	-	-	-	-
	1	-¹	1	-¹
<u>Fees for non-audit services</u>				
PricewaterhouseCoopers PLT Malaysia	1	- ¹	-	-
Member firms of PricewaterhouseCoopers International Limited	5	6	-	-
	6	6	-	-
	37	29	2	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	
	2024	2023
Dividend income from financial assets	144	194
Hire of plant and machinery	20	2
Operating lease income ¹	66	52
Government grant income	16	34
Sales of scrap	35	31
Forfeiture of customer deposits	26	17
Other miscellaneous income	143	83
	450	413

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

Amounts in RM million unless otherwise stated

11 IMPAIRMENT OF FINANCIAL ASSETS (NET)

	Group	
	2024	2023
<u>Receivables</u>		
- Impairment of receivables	109	87
- Reversal of impairment of receivables	(87)	(60)
	22	27

12 OTHER GAINS AND LOSSES

	Group	
	2024	2023
Net foreign currency exchange gain/(loss):		
- realised foreign exchange gain arising from repayment of net investments	45	29
- other foreign exchange loss	(8)	(5)
Fair value (loss)/gain:		
- derivatives	(16)	10
- financial assets at FVTPL	20	(5)
Gain on disposal of:		
- property, plant and equipment	8	6
- right-of-use assets	-	179
- investment properties	279	-
Loss on disposal of:		
- property, plant and equipment	(3)	(6)
Impairment of:		
- property, plant and equipment	(90)	-
- right-of-use assets	(46)	-
- intangible assets	(59)	(1)
Net (loss)/gain on lease modifications/terminations	(1)	7
	129	214

Amounts in RM million unless otherwise stated

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 51.

The Group’s interest in joint ventures are as follows:

	2024	2023		
	Total	Material joint venture	Others	Total
<u>Continuing operations</u>				
Share of results	17	–	12	12
Share of other comprehensive income/(loss)	7	–	(4)	(4)
Fair value gain on loan to joint venture [Note a]	15	–	–	–
	39	–	8	8
<u>Discontinued operations</u>				
Share of results	45	57	–	57
Share of other comprehensive (loss)/income	(2)	4	–	4
Share of total comprehensive income	82	61	8	69
Unquoted shares, at costs	91	595	11	606
Loan to joint venture [Note a]	16	–	–	–
Share of post-acquisition reserves	69	164	58	222
	176	759	69	828

a. Loan to joint venture

On 11 July 2023, the loan to a joint venture, Mine Energy Holdings Pty Ltd group (“MEH”), with a fair value of nil as at 30 June 2023, was restructured following the entry of a new shareholder in MEH. The Group’s equity interest in MEH remained at 50%. Part of the loan has been capitalised via subscription of new ordinary shares in MEH while the balance was restructured (with revised terms and unpaid interest waived). The loan to joint venture bear no interest for 36 months 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 2024. The material joint venture in the previous financial year was Ramsay Sime Darby Health Care Sdn Bhd group (“RSDH”), which was disposed during the year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

Amounts in RM million unless otherwise stated

13 JOINT VENTURES – GROUP (CONTINUED)

b. Material joint venture (continued)

Summarised financial information

The summarised statement of comprehensive income of the material joint venture is as follows:

	2023
	RSDH
Revenue	1,293
Depreciation and amortisation	(120)
Profit before interest and tax	182
Interest income	1
Interest expense	(18)
Profit before tax	165
Taxation	(52)
Profit for the financial year	113
Non-controlling interests	-
Profit attributable to joint venturers	113
Other comprehensive income	9
Total comprehensive income	122
Dividend received	-

The summarised statement of financial position of the material joint venture is as follows:

	2023
	RSDH
Non-current assets	1,620
<u>Current assets</u>	
Cash and cash equivalents	62
Other current assets	269
	331
<u>Non-current liabilities</u>	
Borrowings	(318)
Other non-current liabilities	(112)
	(430)
<u>Current liabilities</u>	
Borrowings	(5)
Other current liabilities	(262)
	(267)
Net assets	1,254

The summarised statement of comprehensive income and statement of financial position reflect the amounts presented in the financial statements of the joint venture adjusted for fair value adjustments at date of acquisition.

Amounts in RM million unless otherwise stated

13 JOINT VENTURES – GROUP (CONTINUED)

b. Material joint venture (continued)

Reconciliation

Reconciliation of the summarised financial information presented to the carrying amounts of the Group's interest in the material joint venture is as follows:

	2023
	RSDH
<u>Net assets</u>	
At 1 July	1,132
Total comprehensive income	122
At 30 June	1,254
Group's interest (%)	50.0
Interest in joint venture	627
Goodwill ¹	132
Carrying amount at end of the financial year	759

¹ Goodwill relates to the Group's retained interest in RSDH following the disposal of the Group's healthcare business in June 2013.

c. Commitments and contingent liabilities

There are no commitments or contingent liabilities relating to the Group's interest in the joint ventures.

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 51.

The Group's interest in associates are as follows:

	2024			2023
	Material associate	Others	Total	Total
Share of results	199	44	243	52
Share of other comprehensive income	– ¹	3	3	14
Share of total comprehensive income	199	47	246	66
Unquoted shares, at costs	2,340	488	2,828	175
Share of post-acquisition reserves	37	194	231	175
Unrealised profit on transactions with associates	–	(2)	(2)	(2)
Impairment losses	–	(1)	(1)	(1)
	2,377	679	3,056	347

¹ Less than RM1 million.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

Amounts in RM million unless otherwise stated

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")	The Perodua group, including its associates, are principally involved in the manufacture, assembly and distribution of motor vehicles and parts and other related activities.

During the year, the Group completed the acquisition of UMW and as a result, Perodua (an associate of UMW) became an associate of the Group. Refer to Note 45 for further details.

Summarised financial information

The summarised statement of comprehensive income of the material associate is as follows:

	2024
	Perodua
Revenue	10,638
Depreciation and amortisation	(51)
Share of results of associates	268
Profit before interest and tax	565
Interest income	30
Interest expense	(2)
Profit before tax	593
Taxation	(67)
Profit for the financial year	526
Non-controlling interests	(2)
Profit attributable to owners of the associate	524
Other comprehensive income	- ¹
Total comprehensive income	524
Dividend received	-

¹ Less than RM1 million.

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:

	2024
	Perodua
Non-current assets	5,096
<u>Current assets</u>	
Cash and cash equivalents	1,821
Other current assets	897
	2,718
<u>Non-current liabilities</u>	
Financial liabilities excluding payables	(104)
Other liabilities	(20)
	(124)
<u>Current liabilities</u>	
Financial liabilities excluding payables	(32)
Other current liabilities	(1,363)
	(1,395)
Net assets	6,295
Less: non-controlling interests	(41)
Net assets attributable to owners of the associate	6,254

Reconciliation

Reconciliation of the summarised financial information presented to the carrying amounts of the Group's interest in the material associate is as follows:

	2024
	Perodua
<u>Net assets attributable to owners of the associate</u>	
At acquisition date	6,156
Dividend	(426)
Total comprehensive income	524
At 30 June	6,254
Group's interest (%)	38.0
Interest in associate representing carrying amount at end of the financial year	2,377

Note: The dividend declared by Perodua during the financial year was paid after 30 June 2024.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

Amounts in RM million unless otherwise stated

14 ASSOCIATES – GROUP (CONTINUED)

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	
	2024	2023
Interest income from:		
– banks and other financial institutions	102	39
– discontinued operations	–	4 ¹
– other interest income	3	2
Islamic profit distribution	20	12
	125	57
Accretion of discount on receivables	17	13
	142	70

¹ Eliminated at Group (combined continuing and discontinued operations).

The Company's finance income of RM2 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 (2023: finance income from banks and other financial institutions – less than RM1 million).

16 FINANCE COSTS

	Group	
	2024	2023
Interest expense payable to banks and other financial institutions	387	184
Islamic financing distribution payment	129	7
Interest on borrowings	516	191
Interest expense on leases	132	98
Interest on payables and others	76	46
Total finance costs	724	335
Interest capitalised in property, plant and equipment	(5)	(2)
Net finance costs	719	333

The Company's finance costs of RM3 million in the current financial year arose from the financial guarantee in respect of the Sukuk Murabahah programme of a subsidiary and leases (2023: finance costs for leases - less than RM1 million).

Amounts in RM million unless otherwise stated

17 TAXATION

	Group		Company	
	2024	2023	2024	2023
Income tax:				
In respect of current year				
– Malaysian income tax	230	89	– ¹	– ¹
– foreign income tax	462	283	–	–
In respect of prior years				
– Malaysian income tax	7	9	– ¹	– ¹
– foreign income tax	6	33	–	–
Total income tax	705	414	–¹	–¹
Deferred tax:				
– origination and reversal of temporary differences	(104)	90	– ¹	– ¹
– deferred tax adjustment due to change in tax legislation in New Zealand	26	–	–	–
– deferred tax on unremitted earnings	76	(1)	–	–
– effects of recognition of previously unrecognised temporary differences and temporary differences not recognised	(5)	(19)	–	–
Total deferred tax	(7)	70	–¹	–¹
Total tax expense	698	484	–¹	–¹

¹ Less than RM1 million.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

Amounts in RM million unless otherwise stated

17 TAXATION (CONTINUED)

Tax reconciliation

Reconciliation from tax at applicable tax rate to tax expense is as follows:

	Group		Company	
	2024	2023	2024	2023
Profit before tax	2,181	1,821	964	921
Less: Share of results of joint ventures	(17)	(12)	-	-
Share of results of associates	(243)	(52)	-	-
	1,921	1,757	964	921
Applicable tax	494	437	231	221
Withholding tax and additional tax on foreign income	29	23	-	-
Effects of tax incentives and non-taxable income:				
– non-taxable dividends	(35)	(47)	(246)	(237)
– tax incentives and other income	(38)	(37)	-	-
Effects of non-deductible expenses	176	84	15	16
Effects of real property gains tax	(39)	-	-	-
Effects of income subject to different tax rates	1	2	-	-
Effects of deferred tax on unremitted earnings	76	(1)	-	-
Effects of deferred tax adjustment on change in tax legislation in New Zealand	26	-	-	-
Effects of deferred tax assets not recognised and previously unrecognised deferred taxes	(5)	(19)	-	-
Under provision in prior years	13	42	-	-
Tax expense for the financial year	698	484	-¹	-¹
Applicable tax rate (%)	25.7	24.9	24.0	24.0
Effective tax rate (%)	36.3	27.5	-²	-²

¹ Less than RM1 million.

² Less than 0.1%.

The Group's effective tax rate of 36.3% for the financial year ended 30 June 2024 was higher than the applicable tax rate of 25.7%, mainly due to the impact of deferred tax on unremitted earnings and non-deductible expenses.

The Group's effective tax rate of 27.5% for the financial year ended 30 June 2023 was higher than the applicable tax rate of 24.9%, mainly due to the impact of non-deductible expenses, deferred tax not recognised for certain tax losses, withholding taxes and adjustments to tax expense relating to prior years, partly offset by non-taxable income and dividend income.

Amounts in RM million unless otherwise stated

17 TAXATION (CONTINUED)

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%.

Malaysia and New Zealand will be implementing the Pillar Two model rules effective 1 January 2025. Some foreign jurisdictions where the Group operates in (i.e. Vietnam, South Korea and Japan) have implemented Pillar Two model rules in 2024.

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. Due to the complexities in applying the legislation and calculating the Global Anti-Base Erosion income, the Group has yet to reasonably estimate the impact for those jurisdictions where the legislation has been enacted or substantively enacted.

18 DISCONTINUING/DISCONTINUED OPERATIONS

The discontinuing/discontinued operations of the Group consist UKHE (defined in Note 1), RSDH (defined in Note 1) and Logistics (Note 18(c)).

a. UKHE – subsidiary acquired exclusively with a view 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 plans to divest the UKHE group within 12 months following the completion of the acquisition of UMW.

The Group has entered into a sale and purchase agreement with Komatsu Ltd to divest the Group’s entire equity interest in the UKHE group (refer to Note 52). As the UKHE group is deemed to be a group of subsidiaries acquired exclusively with a view for resale, its results and cashflows have been presented as discontinuing operations in the financial statements of the Group.

The results of the UKHE group is summarised as below:

Statement of Profit or Loss and Comprehensive Income

Loss for the financial year	(6)
Other comprehensive income for the financial year	1
Total comprehensive loss for the financial year	(5)

The Group performed an impairment assessment of the UKHE group based on the fair value less costs to sell model during the financial year ended 30 June 2024. The review led to an impairment of RM45 million.

Disclosure of further analysis on the results and cash flow information of the UKHE group is not required in accordance with MFRS 5.

b. RSDH

On 28 December 2023, the Group completed the disposal of its entire 50% equity interest in RSDH. As this transaction resulted in the Group’s exit from the healthcare business, the results of RSDH for the current year and previous financial years have been presented as discontinued operations in the financial statements of the Group

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

Amounts in RM million unless otherwise stated

18 DISCONTINUING/DISCONTINUED OPERATIONS (CONTINUED)

c. Logistics

On 7 November 2022, the Group completed the divestments of its entire equity interests in the following Weifang port companies ("Weifang port companies"):

1. Weifang Sime Darby Port Co., Ltd and its associate, Weifang Ocean Shipping Tally Co., Ltd
2. Weifang Sime Darby Logistics Services Co., Ltd
3. Weifang Sime Darby General Terminal Co., Ltd
4. Weifang Wei Gang Tugboat Services Co., Ltd
5. Weifang Sime Darby Liquid Terminal Co., Ltd
6. Weifang Sime Darby West Port Co., Ltd
7. Weifang Senda Container Service Provider Co., Ltd

As this transaction resulted in the Group's exit from the logistics business, the results and cash flows of the Logistics segment up to the completion date have been presented as discontinued operations in the financial statements of the Group.

Analysis of the results of the discontinued operations is as follows:

	2024	2023		
	RSDH	Logistics	RSDH	Total
<u>Statement of Profit or Loss</u>				
Revenue	-	58	-	58
Operating expenses	-	(40)	-	(40)
Other operating income	-	3	-	3
Other gains and losses	2,007	91	-	91
Operating profit	2,007	112	-	112
Share of results of associate and joint ventures	45	- ¹	57	57
Profit before interest and tax	2,052	112	57	169
Finance income	-	6	-	6
Finance costs	-	(4)	-	(4)
Profit before tax	2,052	114	57	171
Taxation	-	4	-	4
Profit for the financial year	2,052	118	57	175
Profit for the financial year attributable to owners of the:				
- the Company	2,052	118	57	175
- non-controlling interests	-	-	-	-
	2,052	118	57	175

¹ Less than RM1 million. Includes impairment of Weifang Sime Darby Liquid Terminal Co., Ltd. ("WSDLT") of RM1 million and reversal of impairment of Weifang Sime Darby West Port Co., Ltd. ("WSDWP") of RM1 million.

Amounts in RM million unless otherwise stated

18 DISCONTINUING/DISCONTINUED OPERATIONS (CONTINUED)

Significant operating expenses and other gains and losses of the discontinued operations are as follows:

	2024	2023
	RSDH	Logistics
<u>Operating expenses</u>		
Employee costs	-	17
Stevedoring and transportation expenses	-	13
<u>Other gains and (losses)</u>		
Gain on disposal of subsidiaries	-	141
Gain on disposal of joint ventures	2,007	6
Fair value gain on financial assets at FVTPL	-	2
Foreign exchange loss	-	(17)
Impairment of property, plant and equipment	-	(41)

In the prior year, the Group performed impairment assessments of the Weifang port companies based on the fair value less costs to sell model. The review led to an impairment of property, plant and equipment of RM41 million, an impairment of RM1 million for the investment in WSDLT and a reversal of impairment of RM1 million for the investment in WSDWP.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

Amounts in RM million unless otherwise stated

18 DISCONTINUING/DISCONTINUED OPERATIONS (CONTINUED)

Analysis of comprehensive income and cash flow information of the discontinued operations are as follows:

	2024	2023		
	RSDH	Logistics	RSDH	Total
<u>Statement of Comprehensive Income</u>				
Profit for the financial year	2,052	118	57	175
Other comprehensive income/(loss):				
<u>Items that may be reclassified subsequently to profit or loss</u>				
Currency translation differences	-	27	-	27
Share of other comprehensive (loss)/income of joint ventures	(6)	1	4	5
	(6)	28	4	32
Reclassified to profit or loss:				
Currency translation differences on:				
- disposal of subsidiaries	-	(123)	-	(123)
- disposal of joint ventures	5	-	-	-
	(1)	(95)	4	(91)
<u>Items that will not be reclassified subsequently to profit or loss</u>				
Actuarial loss on defined benefit pension plans	(1)	-	-	-
Other comprehensive (loss)/income for the financial year	(2)	(95)	4	(91)
Total comprehensive income for the financial year	2,050	23	61	84
Total comprehensive income for the financial year attributable to owners of:				
- the Company	2,050	23	61	84
- non-controlling interests	-	-	-	-
	2,050	23	61	84
<u>Statement of Cash Flows</u>				
Net cash used in operating activities	-	(18)		
Net cash from investing activities ¹	2,810	1,319		
Net cash used in financing activities	-	(4)		
Net increase in cash and cash equivalents	2,810	1,297		

¹ Includes net cash inflow from disposal of subsidiaries and joint ventures.

Amounts in RM million unless otherwise stated

19 DIVIDENDS PAID IN CASH

	Group/Company	
	2024	2023
Second interim dividend of 10.0 sen per share for the financial year ended 30 June 2023, paid on 29 September 2023 (2023: 7.5 sen per share, paid on 30 September 2022)	682	511
First interim dividend of 3.0 sen per share for the financial year ended 30 June 2024, paid on 27 March 2024 (2023: 3.0 sen per share, paid on 31 March 2023)	204	204
	886	715

The Board of Directors had on 27 August 2024 declared a second interim dividend of 10.0 sen per ordinary share (amounting to RM682 million) in respect of the financial year ended 30 June 2024. The dividend will be paid on 30 September 2024.

20 OTHER COMPREHENSIVE INCOME/(LOSS) – GROUP

Other comprehensive income/(loss) and the tax effects are analysed as follows:

2024	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	-	56	-	56	(20)	36	-	36
Net change in fair value of cash flow hedges	(9)	-	-	(9)	-	(9)	3	(6)
Share of other comprehensive income of joint ventures and associates	5	5	-	10	-	10	-	10
Reclassified to profit or loss:								
– currency translation differences on repayment of net investments	-	(45)	-	(45)	-	(45)	-	(45)
Reclassification of changes in fair value of cash flow hedges to inventories	17	-	-	17	-	17	(5)	12
Actuarial loss on defined benefit pension plans	-	-	(-) ¹	(-) ¹	-	(-) ¹	-	(-) ¹
Other comprehensive income/(loss) before tax	13	16	(-) ¹	29	(20)	9	(2)	7
Taxation	(2)	-	-	(2)	-	(2)		
Other comprehensive income/(loss) from continuing operations	11	16	(-) ¹	27	(20)	7		
Other comprehensive income/(loss) from discontinued operations	-	- ¹	(1)	(1)	-	(1)		
Total other comprehensive income/(loss) after tax	11	16	(1)	26	(20)	6		

¹ Less than RM1 million.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

Amounts in RM million unless otherwise stated

20 OTHER COMPREHENSIVE INCOME/(LOSS) – GROUP (CONTINUED)

Other comprehensive income/(loss) and the tax effects are analysed as follows: (continued)

2023	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	-	291	-	291	(1)	290	-	290
Net change in fair value of cash flow hedges	(11)	-	-	(11)	-	(11)	2	(9)
Share of other comprehensive (loss)/income of joint ventures and associates	(4)	14	-	10	-	10	-	10
Reclassified to profit or loss: - currency translation differences on repayment of net investments	-	(29)	-	(29)	-	(29)	-	(29)
Reclassification of changes in fair value of cash flow hedges to inventories	14	-	-	14	-	14	(3)	11
Actuarial loss on defined benefit pension plans	-	-	(8)	(8)	-	(8)	-	(8)
Other comprehensive (loss)/income before tax	(1)	276	(8)	267	(1)	266	(1)	265
Taxation	(1)	-	-	(1)	-	(1)		
Other comprehensive (loss)/income from continuing operations	(2)	276	(8)	266	(1)	265		
Other comprehensive loss from discontinued operations	-	(91)	-	(91)	-	(91)		
Total other comprehensive (loss)/income after tax	(2)	185	(8)	175	(1)	174		

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
2024							
At 1 July 2023	545	2,474	367	3,391	849	364	7,990
Acquisition of subsidiaries	859	1,225	762	603	152	149	3,750
Additions	21	64	119	1,635	385	418	2,642
Disposals	-	-	(15)	-	(23)	(1)	(39)
Reclassification	-	88	103	(19)	191	(363)	-
Depreciation	-	(132)	(165)	(712)	(266)	-	(1,275)
Impairment losses	-	(27)	(8)	-	(55)	-	(90)
Exchange differences	6	15	4	36	9	2	72
Transfer to:							
- investment properties	-	(28)	-	-	-	-	(28)
- inventories	-	-	-	(415)	-	-	(415)
- finance lease receivables	-	-	-	-	-	(14)	(14)
- disposal groups	-	-	(1)	(47)	(1)	(2)	(51)
At 30 June 2024	1,431	3,679	1,166	4,472	1,241	553	12,542
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 at end of the financial year	1,431	3,679	1,166	4,472	1,241	553	12,542
2023							
At 1 July 2022	520	2,364	303	1,606	680	267	5,740
Acquisition of subsidiaries and business	-	9	3	1,199	11	-	1,222
Additions	13	130	62	1,302	263	299	2,069
Disposals	-	(3)	(4)	-	(32)	(16)	(55)
Reclassification	-	16	65	8	103	(192)	-
Depreciation	-	(99)	(68)	(371)	(185)	-	(723)
Exchange differences	12	57	6	116	9	9	209
Transfer to:							
- inventories	-	-	-	(469)	-	-	(469)
- finance lease receivables	-	-	-	-	-	(3)	(3)
At 30 June 2023	545	2,474	367	3,391	849	364	7,990
Cost	545	3,616	1,069	4,140	2,102	364	11,836
Accumulated depreciation	-	(1,103)	(694)	(741)	(1,249)	-	(3,787)
Accumulated impairment losses	-	(39)	(8)	(8)	(4)	-	(59)
Carrying amount at end of the financial year	545	2,474	367	3,391	849	364	7,990

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Amounts in RM million unless otherwise stated

21 PROPERTY, PLANT AND EQUIPMENT – GROUP (CONTINUED)

At 1 July 2022	Freehold land	Buildings	Plant and machinery	Rental assets	Vehicles, equipment and fixtures	Capital work in progress	Total
Cost	520	3,411	952	2,221	1,786	267	9,157
Accumulated depreciation	-	(1,008)	(641)	(607)	(1,102)	-	(3,358)
Accumulated impairment losses	-	(39)	(8)	(8)	(4)	-	(59)
Carrying amount	520	2,364	303	1,606	680	267	5,740

a. Capital work in progress

RM5 million of interest expense was capitalised during the financial year ended 30 June 2024 (2023: RM2 million).

b. Assets pledged as security

Property, plant and equipment with a total carrying amount of RM62 million (2023: RM66 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 RM90 million (2023: Nil).

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 intense competition and unfavourable market conditions, certain subsidiaries in Mainland China have carried out impairment assessments of their cash-generating units ("CGUs"). This has resulted in impairment losses recognised for property, plant and equipment and right-of-use assets of RM49 million and RM16 million respectively. The recoverable amounts of the CGUs were determined based on the value-in-use ("VIU") model based on the five year budget projections. A key assumption used in the VIU calculations was the discount rate of 10%.

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 RM1 million and RM6 million respectively.

d. Reconciliation to the statements of cash flows

Reconciliation to the cash flow for purchase of property, plant and equipment is as follows:

	2024	2023
Additions for the financial year	2,642	2,069
Add/(Less):		
Net changes in payables for purchase of property, plant and equipment	6	(9)
Net changes in prepayments for purchase of property, plant and equipment	(5)	2
Additions to rental assets, included as changes in working capital in the statements of cash flows	(1,635)	(1,302)
Interest expense capitalised in capital work in progress	(5)	(2)
Total cash payments during the financial year	1,003	758

Amounts in RM million unless otherwise stated

22 RIGHT-OF-USE ASSETS – GROUP

	Leasehold land	Buildings	Vehicles, equipment and fixtures	Rental assets	Total
2024					
At 1 July 2023	681	1,730	136	122	2,669
Acquisition of subsidiaries	509	110	8	–	627
Additions	88	321	80	203	692
Terminations/modifications	16	(2)	10	(6)	18
Impairment losses	(26)	(20)	–	–	(46)
Depreciation	(71)	(340)	(71)	(116)	(598)
Sublease arrangement	–	(3)	–	–	(3)
Exchange differences	1	6	1	5	13
At 30 June 2024	1,198	1,802	164	208	3,372
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 at end of the financial year	1,198	1,802	164	208	3,372
2023					
At 1 July 2022	498	1,407	82	99	2,086
Acquisition of subsidiaries and business	–	139	21	–	160
Additions	161	452	81	130	824
Disposals	(–) ¹	–	–	–	(–) ¹
Terminations/modifications	45	(9)	10	(4)	42
Depreciation	(50)	(259)	(61)	(86)	(456)
Reclassification from receivables	–	2	–	–	2
Sublease arrangement	–	(22)	–	(20)	(42)
Exchange differences	27	20	3	3	53
At 30 June 2023	681	1,730	136	122	2,669
Cost	1,091	2,420	303	233	4,047
Accumulated depreciation	(305)	(690)	(167)	(111)	(1,273)
Accumulated impairment losses	(105)	–	–	–	(105)
Carrying amount at end of the financial year	681	1,730	136	122	2,669

¹ Less than RM1 million.

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Amounts in RM million unless otherwise stated

22 RIGHT-OF-USE ASSETS – GROUP (CONTINUED)

At 1 July 2022	Leasehold land	Buildings	Vehicles, equipment and fixtures	Rental assets	Total
Cost	852	1,949	204	267	3,272
Accumulated depreciation	(258)	(542)	(122)	(168)	(1,090)
Accumulated impairment losses	(96)	-	-	-	(96)
Carrying amount	498	1,407	82	99	2,086

The Company's ROU assets during the financial year ended 30 June 2024 comprise of vehicles leased from a subsidiary with carrying amount of RM1 million.

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 RM46 million (2023: Nil). RM26 million relates to additional impairment recognised for land held by a subsidiary in Hong Kong in the Motors segment (see below for further details). The remaining impairments mainly relate to the impairment losses of Motors segment's Mainland China operations as explained in Note 21(c).

Impairment recognised for land held by a subsidiary in Hong Kong in the Motors segment

The land had been impaired in previous years and the impairment losses recognised in the previous financial years were due to the change in intended use of the land amidst restrictions on development of the land. Development of the land has not commenced.

In the current financial year, management has performed an impairment assessment on the said land based on the latest developments and information. The recoverable amount was determined by an independent professional valuer using the Market Approach where reference is made to recent sales information which was available in the market, with appropriate adjustments to reflect the differences in the characteristics such as time, location, accessibility, size and other material factors. This has resulted in additional impairment losses of RM26 million recognised during the year.

For the impairment assessment in the financial year ended 30 June 2023, the recoverable amount was determined by an independent professional valuer on the basis of investment value using the residual method for commercial land (value-in-use approach).

The key assumptions used in the value-in-use calculations for the financial year ended 30 June 2023 were as follows:

- The development parameters can be developed strictly in accordance with the plans and specifications provided without any further revisions and amendments;
- The lease modification of relevant portion of the property has been approved by the Lands Department; and
- For the purpose of assessing the gross development value and investment value, the Group has adopted the maximum roofed area. For the remaining agricultural lots of the property, it is assumed that the site areas are true and correct, fit for valuation purposes, and from reliable sources.

Amounts in RM million unless otherwise stated

23 INVESTMENT PROPERTIES – GROUP

	Freehold land	Leasehold land	Buildings	Total
2024				
At 1 July 2023	42	24	192	258
Acquisition of subsidiaries	211	57	108	376
Additions	-	-	1	1
Depreciation	-	(2)	(22)	(24)
Transfer from property, plant and equipment	-	-	28	28
Transfer to assets held for sale	(1)	-	-	(1)
At 30 June 2024	252	79	307	638
Cost	252	95	393	740
Accumulated depreciation	-	(16)	(86)	(102)
Accumulated impairment losses	-	-	(-) ¹	(-) ¹
Carrying amount at end of the financial year	252	79	307	638
2023				
At 1 July 2022	44	25	198	267
Depreciation	-	(1)	(6)	(7)
Transfer to assets held for sale	(2)	-	-	(2)
At 30 June 2023	42	24	192	258
Cost	42	38	254	334
Accumulated depreciation	-	(14)	(61)	(75)
Accumulated impairment losses	-	-	(1)	(1)
Carrying amount at end of the financial year	42	24	192	258
At 1 July 2022				
Cost	44	38	254	336
Accumulated depreciation	-	(13)	(55)	(68)
Accumulated impairment losses	-	-	(1)	(1)
Carrying amount	44	25	198	267

¹ Less than RM1 million.

The fair value of investment properties as at 30 June 2024 was RM2,383 million (2023: RM2,030 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.

Rental income generated from and direct operating expenses incurred on income generating investment properties are as follows:

	2024	2023
Rental income	27	21
Direct operating expenses	(11)	(4)

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24 INTANGIBLE ASSETS – GROUP

2024	Acquired				Total	Internally generated assets ¹	Total intangible assets
	Goodwill	Distribution/ dealership rights	Computer software	Customer relationships, trademarks and others			
At 1 July 2023	820	976	78	217	2,091	215	2,306
Acquisition of subsidiaries	603	371	3	243	1,220	1	1,221
Additions	-	-	22	-	22	-	22
Amortisation	-	-	(24)	(40)	(64)	(57)	(121)
Impairment losses	(57)	(2)	-	-	(59)	-	(59)
Exchange differences	51	(46)	1	13	19	(1)	18
At 30 June 2024	1,417	1,299	80	433	3,229	158	3,387
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 at end of the financial year	1,417	1,299	80	433	3,229	158	3,387

¹ Internally generated assets consist of computer software and development costs.

Amounts in RM million unless otherwise stated

24 INTANGIBLE ASSETS – GROUP (CONTINUED)

2023	Acquired				Total	Internally generated assets ¹	Total intangible assets
	Goodwill	Distribution/ dealership rights	Computer software	Customer relationships, trademarks and others			
At 1 July 2022	274	902	69	38	1,283	269	1,552
Acquisition of subsidiaries and business	513	49	7	180	749	–	749
Additions	–	–	19	–	19	–	19
Amortisation	–	–	(16)	(10)	(26)	(57)	(83)
Impairment losses	(1)	–	–	–	(1)	–	(1)
Exchange differences	34	25	(1)	9	67	3	70
At 30 June 2023	820	976	78	217	2,091	215	2,306
Cost	994	976	153	254	2,377	591	2,968
Accumulated amortisation	–	–	(75)	(36)	(111)	(376)	(487)
Accumulated impairment losses	(174)	–	–	(1)	(175)	–	(175)
Carrying amount at end of the financial year	820	976	78	217	2,091	215	2,306

¹ Internally generated assets consist of computer software and development costs.

At 1 July 2022	Acquired				Total	Internally generated assets ¹	Total intangible assets
	Goodwill	Distribution/ dealership rights	Computer software	Customer relationships, trademarks and others			
Cost	443	902	130	64	1,539	579	2,118
Accumulated amortisation	–	–	(61)	(25)	(86)	(310)	(396)
Accumulated impairment losses	(169)	–	–	(1)	(170)	–	(170)
Carrying amount	274	902	69	38	1,283	269	1,552

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		
			2024	2023	
Industrial	Heavy equipment business	Goodwill	43	43	
		Distribution rights	747	743	
	Chroming business	Goodwill	107	106	
		Onsite Rental	Goodwill	542	536
	Cavpower	Customer relationships	167	184	
		Goodwill	604	–	
	New enterprise resource planning system	Customer relationships	228	–	
		Computer software	159	215	
	Motors	Australia	Goodwill	7	50
			Dealership rights	159	158
UMW	UMW	Goodwill	19	–	
		Distribution rights	371	–	

Goodwill, distribution rights, dealership rights and customer relationships

The goodwill and the distribution rights for the heavy equipment business arose from the acquisition of the Bucyrus distribution business in the Industrial Division's dealerships.

The chroming business goodwill arose from the acquisition of the Heavy Maintenance group in the Industrial segment.

The Onsite Rental goodwill and customer relationships arose from the acquisition of the Onsite Rental Group Limited in the Industrial segment.

The Cavpower goodwill and customer relationships arose from the acquisition of the Cavpower group in the Industrial segment.

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 Division and has been rolled out to all its dealerships in the different regions.

Amounts in RM million unless otherwise stated

24 INTANGIBLE ASSETS – GROUP (CONTINUED)

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, but are tested for impairment annually, either individually or at the cash-generating unit (“CGU”) level.

Heavy equipment goodwill and distribution rights

The recoverable amounts of the CGUs were determined based on the CGUs’ value-in-use (“VIU”) model, determined using the discounted cash flow projections based on the five year budget projections for the heavy equipment business of the Industrial operations in Australasia (defined in Note 6) that were included in the Group Budget approved by the Board of Directors (“Board”). Most of the distribution rights and goodwill have been allocated to Australia. The key assumptions used in the impairment assessment for Australia are as follows:

	2024	2023
Discount rates (%) per annum	9.0	9.0
Range of forecast growth rates (%):		
– revenue	(3) – 4	(3) – 2
– earnings before interest, tax, depreciation and amortisation (“EBITDA”)	(8) – 7	(8) – 5
– terminal	2.5	2.5

Based on management’s assessment, no impairment charge is required on the carrying value of the 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 assumption that would cause the carrying amounts of the CGUs to materially 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 the 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. The key assumptions used in the impairment assessment for the chroming business in Australia are as follows:

	2024	2023
Discount rates (%) per annum	10.5	10.5
Range of forecast growth rates (%):		
– revenue	2 – 5	5 – 11
– EBITDA	5 – 17	(17) – 24
– terminal	2.5	2.5

Based on management’s assessment, no impairment charge is required on the carrying value of the goodwill of the chroming business of the Industrial operations in Australia. Management believes that there is no reasonable possible change in any key assumption that would cause the carrying amount of the CGU to materially exceed the recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

Amounts in RM million unless otherwise stated

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 over a period of ten years developed based on the 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:

	2024	2023
Discount rates (%) per annum	11.0	11.0
Forecast growth rates (%):		
– revenue	4 – 9	3.1
– terminal	2.4	2.5

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 assumption that would cause the carrying amount of the CGU to materially exceed the recoverable amounts.

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 the 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:

	2024
Discount rates (%) per annum	9.0
Forecast growth rates (%):	
– revenue (average growth rate)	2.8
– terminal	2.5

Based on management's assessment, no impairment charge is required on the carrying value of the goodwill of Cavpower. Management believes that there is no reasonable possible change in any key assumption that would cause the carrying amount of the CGU to materially exceed the recoverable amount.

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:

	2024	2023
Discount rates (%) per annum	12.0	12.0
Range of forecast growth rates (%):		
– revenue	4 – 7	5 – 34
– terminal	2.5	2.5

Arising from the assessment, an impairment loss of RM20 million (FY2023: Nil) was recognised mainly due to deterioration in margins from increasing competition. The Group has performed sensitivity analysis based on the following key assumption and the impact to the VIU is as follows:

Key assumption	Sensitivity	VIU is lower by
Terminal growth rate	Lower by 0.5%	7

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 – 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:

	2024	2023
Discount rates (%) per annum	12.1	12.0
Range of forecast growth rates (%):		
– revenue	4 – 10	6 – 21
– terminal	2.5	2.5

Arising from the assessment, an impairment loss of RM23 million (FY2023: Nil) was recognised mainly due to deterioration in margins from increasing competition. The Group has performed sensitivity analysis based on the following key assumption and the impact to the VIU is as follows:

Key assumption	Sensitivity	VIU is lower by
Terminal growth rate	Lower by 0.5%	6

UMW goodwill and distribution rights

The recoverable amount of the CGU was determined based on the VIU model, using five year budget projections. The key assumptions used for the impairment assessment are as follows:

	2024
Discount rates (%) per annum	15.5
Average forecast growth rates (%):	
– revenue	9.4
– terminal	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 assumption that would cause the carrying amount of the CGU to materially exceed the recoverable amount.

Remaining goodwill and distribution/dealership rights

The remaining goodwill and distribution/dealership rights allocated to other CGUs amounted to RM95 million (2023: RM85 million) and RM22 million (2023: RM75 million) respectively. Based on impairment assessments performed by management, no further impairment was required for the current and previous financial years except for the impairment recognised during the year of RM14 million (2023: RM1 million) for goodwill and RM2 million (2023: Nil) for dealership rights.

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 RM121 million (2023: RM83 million) was recorded in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

Amounts in RM million unless otherwise stated

25 SUBSIDIARIES – COMPANY

The Company's equity interest in subsidiaries, their respective principal activities and countries of incorporation are disclosed in Note 51.

	2024	2023
Unquoted shares at cost	8,738	8,000
Contribution to a subsidiary	887	887
	9,625	8,887

During the financial year, the Group undertook a restructuring of certain loans and advances between subsidiaries. As a result of this restructuring, the Company increased its investment in a subsidiary by RM738 million with a corresponding set-off against the amount due from Sime Darby Holdings Berhad ("SDHB").

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.

26 AMOUNTS DUE FROM SUBSIDIARIES – COMPANY

	2024	2023
Current	504	1,128

The amounts due from subsidiaries are unsecured, non-interest bearing and mainly consist of advances to SDHB and dividend receivable of RM242 million (2023: RM242 million). The advances to SDHB of RM261 million (2023: RM885 million) are classified as current as these amounts are short term advances which are expected to be settled in the next financial year. The reduction in the amount due from SDHB was mainly due to the restructuring of loans and advances between subsidiaries as explained in Note 25.

27 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

2024	Unquoted shares	Investment in money market funds	Others	Total
At 1 July 2023	134	–	10	144
Acquisition of subsidiaries	5	434	1	440
Additions	–	615	1	616
Disposal	(81)	–	–	(81)
Redemption	–	(989)	–	(989)
Changes in fair value	– ¹	5	(–) ¹	5
Exchange differences	1	–	2	3
At 30 June 2024	59	65	14	138

¹ Less than RM1 million.

Amounts in RM million unless otherwise stated

27 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

2023	Unquoted shares	Others	Total
At 1 July 2022	167	14	181
Additions	12	-	12
Disposal	(44)	-	(44)
Distribution	-	(6)	(6)
Changes in fair value	(4)	1	(3) ¹
Exchange differences	3	1	4
At 30 June 2023	134	10	144

¹ Inclusive of fair value gain recognised under discontinued operations amounting to RM2 million.

During the year, the Group has completed the divestment of its investment in Jining Port and Shipping Port Services Co Ltd. In the prior year, the fair value of Jining Port and Shipping Port Services Co Ltd that amounted to RM78 million was based on the present value of the proceeds expected from the divestment in the financial year ended 30 June 2024.

The financial assets at fair value through profit or loss are categorised as follows:

	Group	
	2024	2023
Non-current	73	66
Current	65	78
	138	144

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	
	2024	2023
Deferred tax assets	892	648
Deferred tax liabilities	(977)	(448)
	(85)	200
Tax losses for which the tax effects have not been recognised in the financial statements		
– Expiring within 10 years	2,003	1,354
– With no expiry period	512	437
	2,515	1,791

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

Amounts in RM million unless otherwise stated

28 DEFERRED TAX (CONTINUED)

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 (2023: 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 RM209 million (2023: RM90 million).

Unutilised investment tax allowances for which the tax effects have not been recognised in the financial statements amounted to RM328 million (2023: Nil).

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 RM138 million (2023: RM211 million) would be payable.

The components and movements of the Group's net deferred taxes are as follows:

2024	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 2023	10	(416)	411	131	53	-	11	200
(Charged)/Credited to profit or loss	(16)	11	9	31	(35)	3	4	7
Charged to other comprehensive income	-	-	-	-	-	-	(2)	(2)
Acquisition of subsidiaries	(238)	(149)	142	135	(109)	(74)	(4)	(297)
Exchange differences	⁻¹	4	3	-	-	-	-	7
At 30 June 2024	(244)	(550)	565	297	(91)	(71)	9	(85)
Deferred tax assets (before offsetting)	171	-	565	297	94	-	102	1,229
Deferred tax liabilities (before offsetting)	(415)	(550)	-	-	(185)	(71)	(93)	(1,314)
Net deferred tax (liabilities)/assets	(244)	(550)	565	297	(91)	(71)	9	(85)

¹ Less than RM1 million.

	Deferred tax before offsetting	Offsetting	Deferred tax after offsetting
Deferred tax assets	1,229	(337)	892
Deferred tax liabilities	(1,314)	337	(977)
Net deferred tax liabilities	(85)	-	(85)

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: (continued)

2023	Property, plant and equipment and investment properties	Intangible assets	Receivable impairments and provisions	Tax losses and unabsorbed capital allowances	Right-of-use assets and lease liabilities	Others	Total
At 1 July 2022	154	(363)	288	129	75	(30)	253
(Charged)/Credited to profit or loss ¹	(121)	17	50	1	(23)	42	(34)
Charged to other comprehensive income	-	-	-	-	-	(1)	(1)
Acquisition of subsidiaries and business	(16)	(59)	68	-	-	-	(7)
Exchange differences	(7)	(11)	5	1	1	-	(11)
At 30 June 2023	10	(416)	411	131	53	11	200
Deferred tax assets (before offsetting)	276	-	411	131	91	30	939
Deferred tax liabilities (before offsetting)	(266)	(416)	-	-	(38)	(19)	(739)
Net deferred tax assets/(liabilities)	10	(416)	411	131	53	11	200

¹ Inclusive of deferred tax expense credited to profit or loss under discontinued operations of RM36 million.

	Deferred tax before offsetting	Offsetting	Deferred tax after offsetting
Deferred tax assets	939	(291)	648
Deferred tax liabilities	(739)	291	(448)
Net deferred tax assets	200	-	200

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

Amounts in RM million unless otherwise stated

29 DERIVATIVE ASSETS/LIABILITIES – GROUP

The Group's derivative assets and liabilities are as follows:

	2024			2023		
	Derivative assets	Derivative liabilities	Net	Derivative assets	Derivative liabilities	Net
<u>Non-current</u>						
Derivatives not designated as hedges:						
– forward foreign exchange contracts [note (a)]	-	-	-	4	-	4
Cash flow hedges:						
– forward foreign exchange contracts [note (a)]	-	(-) ¹	(-) ¹	-	-	-
– interest rate swap contracts [note (b)]	-	-	-	1	-	1
	-	(-) ¹	(-) ¹	5	-	5
<u>Current</u>						
Derivatives not designated as hedges:						
– forward foreign exchange contracts [note (a)]	9	(5)	4	12	(1)	11
– embedded derivative [note (c)]	-	(1)	(1)	-	-	-
Cash flow hedges:						
– forward foreign exchange contracts [note (a)]	18	(6)	12	12	(26)	(14)
– interest rate swap contracts [note (b)]	- ¹	-	- ¹	3	-	3
	27	(12)	15	27	(27)	-
Total	27	(12)	15	32	(27)	5

¹ Less than RM1 million.

Derivatives are entered into to hedge foreign currency and interest rate risks 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.

Amounts in RM million unless otherwise stated

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:

	2024 Maturities			2023 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	1,266	10	1,276	1,030	–	1,030
– other currencies	21	–	21	82	–	82
	1,287	10	1,297	1,112	–	1,112
Forward contracts used to hedge receivables and financial assets at FVTPL denominated in:						
– United States Dollar	227	–	227	211	–	211
– European Union Euro	2	–	2	9	–	9
– Chinese Renminbi	114	–	114	106	113	219
– other currencies	15	–	15	3	–	3
	358	–	358	329	113	442
Forward contracts used to hedge inter-company balances denominated in:						
– Chinese Renminbi	1	–	1	39	–	39
	1	–	1	39	–	39
Forward contracts used to hedge anticipated purchases denominated in:						
– United States Dollar	557	–	557	975	4	979
– European Union Euro	270	–	270	410	–	410
– Australian Dollar	188	–	188	324	–	324
– other currencies	74	–	74	88	–	88
	1,089	–	1,089	1,797	4	1,801

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

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)

	2024 Maturities			2023 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	663	–	663	774	–	774
– European Union Euro	59	–	59	3	–	3
– Australian Dollar	44	–	44	67	–	67
– other currencies	186	–	186	22	–	22
	952	–	952	866	–	866
Forward contracts used to hedge inventories where the payment is denominated in:						
– United States Dollar	60	–	60	76	–	76
	60	–	60	76	–	76
Forward contracts used to hedge borrowings denominated in:						
– European Union Euro	18	–	18	–	–	–
	18	–	18	–	–	–
Total notional amount	3,765	10	3,775	4,219	117	4,336
Net fair value assets/ (liabilities)	16	(–)¹	16	(3)	4	1

¹ Less than RM1 million.

Amounts in RM million unless otherwise stated

29 DERIVATIVE ASSETS/LIABILITIES – GROUP (CONTINUED)

b. Interest rate swap contracts

The Group has entered into interest rate swap contracts for certain long-term borrowings to reduce the Group's exposure to volatility in interest rates. The notional amount, fair value and maturity periods of the interest rate swap contracts are as follows:

	Notional amount 2024	Fair value assets 2024	Notional amount 2023	Fair value assets 2023
Maturity periods:				
– less than 1 year	50	- ¹	129	3
– 1 year to less than 3 years	-	-	49	1
	50	- ¹	178	4

¹ Less than RM1 million.

c. 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 2024	Fair value liabilities 2024
Maturity periods:		
– less than 1 year	1,071	(1)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

Amounts in RM million unless otherwise stated

30 RECEIVABLES AND OTHER ASSETS

	Group		Company	
	2024	2023	2024	2023
<u>Non-current</u>				
Trade receivables ¹	4	6	-	-
Finance lease receivables [note (a)]	115	96	-	-
Other receivables	30	144 ²	-	-
Total receivables	149	246	-	-
Prepayments	44	39	-	-
Pension assets [note (b)]	13	11	-	-
Total receivables and other assets	206	296	-	-
<u>Current</u>				
Trade receivables ¹	5,918	3,858	-	-
Amounts due from joint ventures	5	6	-	-
Amounts due from associates	181 ³	- ⁴	-	-
Finance lease receivables [note (a)]	62	86	-	-
Other receivables:				
– rebates from principals	687	604	-	-
– assembly purchases and expenses recoverable	598	726	-	-
– warranty and parts claims	152	115	-	-
– others	329 ²	197	- ⁴	- ⁴
Deposits	135	107	-	-
	8,067	5,699	-⁴	-⁴
Accumulated impairment losses:				
– trade receivables	(171)	(146)	-	-
– rebates from principals	(-) ⁴	(5)	-	-
– other receivables	(11)	(6)	-	-
Total receivables	7,885	5,542	-⁴	-⁴
Indirect taxes recoverable	163	128	-	-
Right to return assets	162	201	-	-
Total receivables and other assets	8,210	5,871	-⁴	-⁴
Total non-current and current receivables (financial assets)	8,034	5,788	-⁴	-⁴

¹ Mainly relates to revenue from contracts with customers.

² Includes balance consideration receivable from disposal of the Weifang port companies (defined in Note 18).

³ Includes dividends receivable of RM164 million.

⁴ Less than RM1 million.

The Group's credit risk management objectives and policies are described in Note 5(a)(iii).

Amounts in RM million unless otherwise stated

30 RECEIVABLES AND OTHER ASSETS (CONTINUED)

a. Finance lease receivables

Finance lease receivables consists 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 1.7% to 13.2% (2023: 1.7% to 7.0%).

Movements in finance lease receivables are as follows:

	Group	
	2024	2023
At 1 July	182	212
Additions	48	82
Lease payments received during the financial year	(75)	(127)
Finance income	10	9
Transfer from property, plant and equipment	14	3
Remeasurement/Derecognition	-	(3)
Exchange differences	(2)	6
At 30 June	177	182

The following table sets out a maturity analysis of lease receivables, showing the undiscounted lease payments to be received after the reporting date:

	Group	
	2024	2023
Within 1 year	55	73
Between 1-2 years	41	35
Between 2-3 years	36	30
Between 3-4 years	25	24
Between 4-5 years	20	15
After 5 years	27	19
Total undiscounted lease payments	204	196
Unearned finance income	(27)	(14)
Net investment in the lease	177	182

b. Pension assets

Certain subsidiaries in Hong Kong operate funded defined benefit plans. The defined benefit plans are determined based on an annual actuarial valuation as at 30 June 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 pension assets presented is net of present value of obligations of RM9 million (2023: RM15 million).

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

Amounts in RM million unless otherwise stated

31 INVENTORIES – GROUP

	2024	2023
<u>Non-current</u>		
Development properties	128	-
<u>Current</u>		
Raw material and consumables	485	173
Work in progress	712	893
Trading inventories		
– equipment	3,620	3,251
– motor vehicles	6,193	3,776
– parts, accessories and others	3,421	3,361
Development properties	308	-
	14,739	11,454

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 RM279 million (2023: RM213 million). The carrying amount of inventories stated at net realisable value was RM2,615 million (2023: RM2,407 million).

Inventories with a total carrying amount of RM33 million (2023: RM10 million) were pledged as security for borrowings (see Note 40).

32 CONTRACT ASSETS AND LIABILITIES – GROUP

	2024	2023
Contract assets		
<u>Current</u>		
Engineering contracts [note (a)]	95	59
Contract liabilities		
<u>Non-current</u>		
Deferred income:		
– maintenance income and extended warranties [note (b)]	260	198
<u>Current</u>		
Engineering contracts [note (a) and (b)]	21	29
Deferred income:		
– maintenance income and extended warranties [note (b)]	517	363
– others	3	5
Customer deposits [note (c)]	1,529	2,066
Incentives payable and others	73	104
	2,143	2,567
	2,403	2,765

a. Engineering contracts

The engineering contracts represent the timing differences between revenue recognition and the milestone billings. The milestone billings are structured and/or negotiated with customers to reflect the physical completion of the contracts.

Amounts in RM million unless otherwise stated

32 CONTRACT ASSETS AND LIABILITIES – GROUP (CONTINUED)

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:

	2025	2026	After 2026	Total
Deferred income	520	209	51	780
Engineering contracts	89	34	90	213
	609	243	141	993

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.

33 PREPAYMENTS – GROUP

	2024	2023
Prepaid inventories	469	728
Other prepayments	238	192
	707	920

34 BANK BALANCES, DEPOSITS AND CASH

	Group		Company	
	2024	2023	2024	2023
Deposits				
– Islamic	642	739	50	85
– conventional	999	1,501	–	–
	1,641	2,240	50	85
Cash at bank and in hand	1,036	846	– ¹	– ¹
Total bank balances, deposits and cash	2,677	3,086	50	85
Effective profit/interest rates per annum on deposits with licensed banks/financial institutions				
	%	%	%	%
– Islamic	3.67	3.42	3.00	3.20
– conventional	3.64	3.84	–	–

¹ Less than RM1 million.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

Amounts in RM million unless otherwise stated

35 DISPOSAL GROUPS AND ASSETS HELD FOR SALE

Disposal groups (excluding subsidiaries acquired exclusively with a view for resale)

The disposal groups consists of Hyster operations in New Zealand and Ferrari operations in Australia. The sale of the Ferrari operations in Australia was completed in July 2024 while the sale of Hyster operations in New Zealand is expected to be completed in the financial year ending 30 June 2025.

The assets and liabilities of the disposal group as at 30 June 2024 are as follows:

	Hyster and Ferrari operations
Assets of the disposal groups	
– Property, plant and equipment	51
– Inventories	36
– Other assets	1
	88
Liabilities of the disposal groups	
– Other liabilities	2
	2

Subsidiaries acquired exclusively with a view for resale

This relates to UKHE (refer to Note 18). The assets and liabilities of UKHE recorded under the disposal group amounted to RM564 million and RM178 million respectively.

Assets held for sale

The assets held for sale of RM63 million (2023: RM3 million) relate to the sale of several properties (previously classified as investment properties or consolidated via the acquisition of UMW) for which sale and purchase agreements have been entered into.

36 SHARE CAPITAL

	Group/Company			
	Number of shares (million)		Share capital	
	2024	2023	2024	2023
Issued and fully paid up:				
Ordinary shares with no par value				
At 1 July	6,816	6,810	9,330	9,318
Issuance of shares under Performance-Based Employee Share Scheme	–	6	–	12
At 30 June	6,816	6,816	9,330	9,330

In the prior year, the Company issued 5,679,100 new ordinary shares under the Performance-Based Employee Share Scheme ("PBESS"). With the allotment of the new shares, the Company's issued and paid-up capital has increased from 6,809,918,477 ordinary shares to 6,815,597,577 ordinary shares as at 30 June 2023. The PBESS had lapsed in the financial year ended 30 June 2023.

Amounts in RM million unless otherwise stated

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
Share grant reserve	Arising from the PBESS
Exchange reserve	Arising from exchange differences on translation of the net investments in foreign operations

Group	Share grant reserve	Capital reserve	Legal reserve	Hedging reserve	Exchange reserve	Total
2024						
At 1 July 2023	-	223	136	-	760	1,119
Other comprehensive income [Note 20]	-	-	-	11	16	27
Transfer from retained profits	-	-	10	-	-	10
At 30 June 2024	-	223	146	11	776	1,156
2023						
At 1 July 2022	9	246	148	2	575	980
Other comprehensive (loss)/ income [Note 20]	-	-	-	(2)	185	183
Transfer from retained profits	3	-	16	-	-	19
Reclassification to retained profits upon disposal of subsidiaries	-	(23)	(28)	-	-	(51)
Issuance of shares under the PBESS	(12)	-	-	-	-	(12)
At 30 June 2023	-	223	136	-	760	1,119

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

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:

	2024			2023
	Material non-controlling interests	Others	Total	Total
Profit for the financial year	124	60	184	54
Other comprehensive income/(loss)	- ¹	(20)	(20)	(1)
Total comprehensive income	124	40	164	53
Net assets	2,047	764	2,811	357

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 of and dividends paid by UMWT group are as follows:

	2024
Revenue	8,193
Profit attributable to shareholders of UMWT	249
Other comprehensive income	- ¹
Total comprehensive income	249
Attributable to owners of non-controlling interests:	
– Profit for the financial year	124
– Other comprehensive income	- ¹
Total comprehensive income	124
Dividends paid to non-controlling interests	92

¹ Less than RM1 million.

Amounts in RM million unless otherwise stated

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:

	2024
Non-current assets	3,522
Current assets	2,982
Non-current liabilities	(528)
Current liabilities	(1,832)
Net assets	4,144
UMWT NCI	(33)
Net assets attributable to shareholders of UMWT	4,111
Proportion of equity held by NCI (%)	49.0
Non-controlling interests (inclusive of NCI at UMWT)	2,047

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:

	2024
Cash flows used in operating activities	(540)
Cash flows used in investing activities	(21)
Cash flows used in financing activities	(184)
Net decrease in cash and cash equivalents	(745)

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 made an issuance of RM1,100,000,000 nominal value of perpetual sukuk musharakah. The perpetual sukuk musharakah is accounted 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.

The perpetual sukuk holders are conferred the right to receive distribution on a semi-annual basis from their issue date at the rate of 6.35% per annum. The perpetual sukuk has no fixed redemption date but UMW has the option to redeem 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%.

While 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

Amounts in RM million unless otherwise stated

40 BORROWINGS

Group	2024			2023		
	Secured	Unsecured	Total	Secured	Unsecured	Total
<u>Non-current</u>						
Term loans and other long-term borrowings	12	3,403	3,415	23	2,223	2,246
Sukuk and Islamic term loans	37	1,250	1,287	-	-	-
	49	4,653	4,702	23	2,223	2,246
<u>Current</u>						
Term loans and other long-term borrowings due within one year	11	408	419	11	334	345
Sukuk and Islamic term loans due within one year	29	2,043	2,072	-	-	-
Bank overdrafts	-	102	102	-	148	148
Islamic financing	-	561	561	-	679	679
Revolving credits, trade facilities and other short-term borrowings	-	2,584	2,584	-	2,439	2,439
	40	5,698	5,738	11	3,600	3,611
Total borrowings	89	10,351	10,440	34	5,823	5,857

a. Sukuk and Islamic term loans

During the year, the Group 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, irrevocably and unconditionally guaranteed by Sime Darby Berhad. On 11 December 2023, Tranche 1 of the Sukuk Murabahah at an issue size of RM3.0 billion in nominal value was issued. RM967 million of this issuance was redeemed during the year. The proceeds were used to part finance the acquisition of UMW. Tranche 1 of the Sukuk Murabahah will mature in the financial year ending 30 June 2025.

Included in the sukuk and Islamic term loans are outstanding amounts from UMW's sukuk programme. On 21 December 2012, UMW had established an Islamic medium term notes ("IMTN") programme of up to RM2 billion in nominal value based on the Islamic principle of Musharakah for a tenure of 15 years. On 15 October 2021, UMW had obtained the sukukholders' consent to extend the programme tenure from 15 years to perpetual. The outstanding IMTNs under this programme will mature in the financial years ending 30 June 2026 and 30 June 2027.

Amounts in RM million unless otherwise stated

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	
	2024 %	2023 %
Term loans	6.49	5.63
Sukuk and Islamic term loans	3.80	-
Other borrowings	4.26	4.66

The Group's floating rate term loans that are subject to contractual interest rates repricing within 1 year amounted to RM5,783 million (2023: RM2,526 million).

ii. Secured financing

As at 30 June 2024, borrowings amounting to RM89 million (2023: RM34 million) are secured by property, plant and equipment with a carrying value of RM62 million (2023: RM66 million), inventories with a carrying value of RM33 million (2023: RM10 million) and deposits restricted by bank of RM56 million (2023: Nil).

41 LEASE LIABILITIES

	Group	
	2024	2023
Non-current	2,231	2,162
Current	540	435
	2,771	2,597

a. Undiscounted contractual cash flows

	Group	
	2024	2023
Future minimum lease payments:		
– within 1 year	675	540
– between 1 to 2 years	557	534
– between 2 to 5 years	965	905
– above 5 years	1,203	1,248
	3,400	3,227
Less: unexpired finance charges	(629)	(630)
	2,771	2,597

b. Currency profile

All lease liabilities are denominated in the functional currency of the respective subsidiaries.

c. Lease commitments

As at 30 June 2024, commitments for short term leases and low value leases amounted to RM2 million (2023: RM3 million) and RM12 million (2023: RM8 million) respectively.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

Amounts in RM million unless otherwise stated

41 LEASE LIABILITIES (CONTINUED)

d. Other information on lease liabilities

The lease terms range from 2 to 40 years (2023: 2 to 40 years).

The average effective interest rates of lease liabilities range from 1.4% to 14.0% (2023: 1.1% to 9.6%) 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 2024 was RM1,552 million (2023: RM1,272 million) and range between 1 to 20 years (2023: 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 RM1 million as at the end of the financial year (2023: Nil).

42 PAYABLES AND OTHER LIABILITIES

	Group		Company	
	2024	2023	2024	2023
<u>Non-current</u>				
Employee benefits	34	27	-	-
Refund liabilities	1	1	-	-
Other payables	38	46	-	-
Payables and other liabilities	73	74	-	-
<u>Current</u>				
Trade payables	5,161	4,334	-	-
Vehicle financing [note (a)]	1,043	559	-	-
Accruals and other payables [note (b)]	2,550	977	2	2
Amounts due to joint ventures	2	2	-	-
Amounts due to associates	4	2	-	-
Financial guarantees [note (c)]	-	-	1	-
Payables	8,760	5,874	3	2
Employee benefits	1,055	893	-	-
Indirect taxes payable	196	247	-	-
Government grant [Note 43]	8	-	-	-
Refund liabilities	327	370	-	-
Payables and other liabilities	10,346	7,384	3	2
Non-current and current payables (financial liabilities)	8,798	5,920	3	2

Amounts in RM million unless otherwise stated

42 PAYABLES AND OTHER LIABILITIES (CONTINUED)

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 3.3% to 11.3% (2023: 4.2% to 7.2%) per annum.

b. Accruals and other payables

Included in accruals and other payables are amounts payable for the purchase of property, plant and equipment of RM22 million (2023: RM28 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.

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 (2023: other business operations related grants).

44 PROVISIONS – GROUP

	Warranties	Risk sharing	Disputes	Others	Total
2024					
At 1 July 2023	181	11	222	44	458
Additions	250	3	–	5	258
Reversals	(112)	(4)	–	(24)	(140)
Translation differences	–	–	2	–	2
Charged to profit or loss	138	(1)	2	(19)	120
Acquisition of subsidiaries	328	–	–	–	328
Utilised	(144)	(4)	–	(1)	(149)
Exchange differences	1	¹ –	–	¹ –	1
At 30 June 2024	504	6	224	24	758
2023					
At 1 July 2022	178	20	209	37	444
Additions	143	3	–	14	160
Reversals	(54)	(5)	–	(8)	(67)
Translation differences	–	–	13	–	13
Charged to profit or loss	89	(2)	13	6	106
Utilised	(91)	(7)	–	(2)	(100)
Exchange differences	5	¹ –	–	3	8
At 30 June 2023	181	11	222	44	458

¹ Less than RM1 million.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

Amounts in RM million unless otherwise stated

44 PROVISIONS – GROUP (CONTINUED)

The provisions are subject to the following maturity periods:

	2024	2023
<u>Non-current</u>		
Due later than one year	260	31
<u>Current</u>		
Due no later than one year	498	427
	758	458

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 was 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.

45 SIGNIFICANT CHANGES IN THE COMPOSITION OF THE GROUP

a. Acquisition of subsidiaries

- i. On 1 November 2023, the Group completed the acquisition of the entire equity interest in Kuxton Pty Limited and Kagera Pty Limited and its subsidiaries (collectively referred to as Cavpower group), the Caterpillar dealer in South Australia, for a purchase consideration of AUD535 million (RM1,615 million). The acquisition complements the Group's existing dealership footprint while diversifying from coal markets through exposure to large deposits of critical materials (copper, lithium and cobalt) in South Australia.

The following table summarises the net assets and net cash outflow arising from the acquisition of Cavpower group.

Property, plant and equipment	417
Intangible assets excluding goodwill	235
Associates	111
Inventories	309
Receivables and other assets	97
Cash and cash equivalents	120
Net deferred tax liabilities	(100)
Payables, provisions and other liabilities	(141)
Net tax payable	(17)
Net assets acquired	1,031
Goodwill on acquisition	584
Purchase consideration	1,615
Less: cash and cash equivalents of subsidiaries acquired	(120)
Less: deferred consideration	(8)
Net cash outflow on acquisition	1,487

Amounts in RM million unless otherwise stated

45 SIGNIFICANT CHANGES IN THE COMPOSITION OF THE GROUP (CONTINUED)

a. Acquisition of subsidiaries (continued)

For the financial year ended 30 June 2024, the acquisition contributed revenue of RM697 million and profit after tax attributable to owners of the Company of RM48 million, before including acquisition finance costs and acquisition related costs of RM6 million (included in operating expenses in the statement of profit or loss).

Had the acquisition been completed on 1 July 2023, the acquisition would have contributed additional revenue of approximately RM364 million and additional profit after tax attributable to owners of the Company of approximately RM16 million, before including acquisition finance costs and fair value adjustments.

- ii. On 13 December 2023, the Group completed the acquisition of an approximately 61.2% equity interest in UMW from Permodalan Nasional Berhad and Amanahraya Trustees Berhad for a purchase consideration of RM3,574 million. This acquisition is expected to scale up and strengthen the Group's motors business, enhancing sustainable returns by entering into new brand ecosystems and diversifying the Group's geographical and business portfolio.

The following table summarises the net assets and net cash outflow arising from the acquisition of UMW.

Property, plant and equipment	3,333
Right-of-use assets	626
Investment properties	376
Intangible assets excluding goodwill	383
Associates	2,553
Inventories	2,129
Receivables and prepayments	1,293
Cash and cash equivalents	2,920
Disposal group and assets held for sale	760
Other assets	547
Borrowings	(1,543)
Net deferred tax liabilities	(197)
Payables	(3,257)
Provisions	(317)
Other liabilities	(176)
Net assets acquired	9,430
Non-controlling interests	(4,698)
Perpetual sukuk	(1,177)
Goodwill on acquisition	19
Purchase consideration	3,574
Less: cash and cash equivalents of subsidiaries acquired	(2,920)
Net cash outflow on acquisition	654

For the financial year ended 30 June 2024, the acquisition contributed revenue (including discontinuing operations) of RM9,782 million and profit after tax attributable to owners of the Company of RM230 million, before including acquisition finance costs and acquisition related costs of RM16 million (included in operating expenses in the statement of profit or loss).

Had the acquisition been completed on 1 July 2023, the acquisition would have contributed additional revenue of approximately RM8,863 million and additional profit after tax attributable to owners of the Company of approximately RM425 million, before including acquisition finance costs and fair value adjustments.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

Amounts in RM million unless otherwise stated

45 SIGNIFICANT CHANGES IN THE COMPOSITION OF THE GROUP (CONTINUED)

b. Acquisition of additional interest in subsidiaries

- i. On 27 December 2023, the Group had offered to acquire all the remaining ordinary shares in UMW not already held for a cash consideration of RM5.00 per ordinary share pursuant to an unconditional mandatory general offer. On 21 March 2024, the Group had completed the compulsory acquisition of all the remaining UMW shares in accordance with subsection 222(1) of the Capital Markets and Services Act 2007. Following this, UMW became an indirect wholly-owned subsidiary of the Group. The purchase consideration paid inclusive of transaction costs amounted to RM2,274 million.
- ii. On 27 May 2024, the Group acquired 5% equity interest in Sime Darby Hyundai Sdn Bhd ("SDH") for a consideration of RM2 million. Following the acquisition, the Group holds 56% equity interest in SDH.

Details of net cash outflow is as follows:

	UMW	SDH	Total
Non-controlling interest acquired	2,268	2	2,270
Premium on acquisition	6	-	6
Net cash outflow on acquisition of non-controlling interest	2,274	2	2,276

c. Disposal of joint venture

On 28 December 2023, the Group completed the disposal of its entire 50% equity interest in RSDH for a cash consideration of approximately RM2,842 million.

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

Joint venture representing net assets disposed	798
Gain on disposal of joint venture	2,007
Add: net exchange loss included in the gain on disposal	5
Proceeds from disposal, net of transaction costs	2,810

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.

On 13 December 2023, Sime Darby Enterprise Sdn Bhd ("SDE"), an indirect wholly-owned subsidiary of the Company, completed the acquisition of an approximately 61.2% equity interest in UMW. SDE and its subsidiaries, joint ventures and associates are reported as a new segment (UMW).

During the year, the Group completed the disposal of its entire 50% equity interest in RSDH. As this transaction resulted in the Group's exit from the healthcare business, the results of RSDH for the current year and previous financial years have been presented as discontinued operations.

UKHE group, a subsidiary of UMW, is deemed to be acquired exclusively with a view for resale and hence, the results and cashflows have been presented as discontinuing operations in the financial statements of the Group (refer Note 18).

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.

Amounts in RM million unless otherwise stated

46 SEGMENT INFORMATION – GROUP (CONTINUED)

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	Insurance broking and other general investments
Discontinued operations	
Logistics	Management of port facilities
Healthcare	Investment in the Ramsay Sime Darby Health Care Group, providers of healthcare services

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.

a. Segment results

2024	Continuing operations						Discontinuing/ Discontinued operations		Total
	Industrial	Motors	UMW	Others	Corporate and intra-group adjustments	Total	Healthcare	UKHE	
Segment revenue:									
External	20,456	37,188	9,410	78	-	67,132	-	372	67,504
Inter-segment	4	17	13	12	(46)	-	-	-	-
	20,460	37,205	9,423	90	(46)	67,132	-	372	67,504
Segment results:									
Operating profit/(loss)	1,428	568	275	295	(68)	2,498	2,007	8	4,513
Share of results of joint ventures and associates	39	16	205	- ¹	-	260	45	-	305
Profit/(Loss) before interest and tax	1,467	584	480	295	(68)	2,758	2,052	8	4,818
Included in operating profit/(loss)									
Depreciation and amortisation	(1,058)	(719)	(227)	(5)	(9)	(2,018)	-	-	(2,018)
Impairment losses (net):									
- non-current assets	(1)	(194)	-	-	-	(195)	-	(45)	(240)
- receivables	(4)	4	(16)	(1)	(5)	(22)	-	(3)	(25)
Fair value gain/(loss) on financial assets at FVTPL	15	(-) ¹	5	- ¹	-	20	-	-	20
Gain on disposals (net)	-	3	2	279	-	284	-	-	284
Inventory write-down and provision	(109)	(165)	(5)	-	-	(279)	-	(1)	(280)

¹ Less than RM1 million.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

Amounts in RM million unless otherwise stated

46 SEGMENT INFORMATION – GROUP (CONTINUED)

a. Segment results (continued)

2023	Continuing operations					Discontinued operations		Total
	Industrial	Motors	Others	Corporate and intra-group adjustments	Total	Logistics	Healthcare	
Segment revenue:								
External	16,675	31,552	61	-	48,288	58	-	48,346
Inter-segment	7	14	3	(24)	-	-	-	-
	16,682	31,566	64	(24)	48,288	58	-	48,346
Segment results:								
Operating profit/(loss)	1,000	1,039	39	(58)	2,020	112	-	2,132
Share of results of joint ventures and associates	51	13	- ¹	-	64	- ¹	57	121
Profit/(Loss) before interest and tax	1,051	1,052	39	(58)	2,084	112	57	2,253
<u>Included in operating profit/(loss)</u>								
Depreciation and amortisation	(662)	(588)	(5)	(14)	(1,269)	-	-	(1,269)
Impairment losses (net):								
- non-current assets	-	(1)	-	-	(1)	(41)	-	(42)
- receivables	(22)	(5)	-	- ¹	(27)	-	-	(27)
Fair value (loss)/gain on financial assets at FVTPL	-	(8)	3	-	(5)	2	-	(3)
Gain on disposals (net)	2	177	-	-	179	147	-	326
Inventory write-down and provision	(99)	(114)	-	-	(213)	-	-	(213)

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

2024	Continuing operations						Discontinuing operations	
	Industrial	Motors	UMW	Others	Corporate and intra-group adjustments	Total	UKHE	Total
Segment assets	19,375	17,147	12,764	305	658	50,249	564	50,813
Segment liabilities	(4,013)	(6,393)	(2,849)	(459)	(13)	(13,727)	(178)	(13,905)
Segment invested capital	15,362	10,754	9,915	(154)	645	36,522	386	36,908
Net tax liabilities						(339)	-	(339)
Borrowings and lease liabilities						(13,211)	-	(13,211)
Total equity						22,972	386	23,358
Joint ventures and associates included in segment assets	446	114	2,671	1	-	3,232	-	3,232
Additions to non-current assets are as follows:								
Capital expenditure	1,844	1,257	250	1	5	3,357	6	3,363
Addition to financial assets at FVTPL	-	-	615	-	1	616	-	616
	1,844	1,257	865	1	6	3,973	6	3,979

¹ Less than RM1 million.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

Amounts in RM million unless otherwise stated

46 SEGMENT INFORMATION – GROUP (CONTINUED)

b. Segment assets and liabilities and additions to non-current assets (continued)

2023	Continuing operations					Discontinued operations		Total
	Industrial	Motors	Others	Corporate and intra-group adjustments	Total	Logistics	Healthcare	
Segment assets	16,809	15,803	416	2,476	35,504	-	759	36,263
Segment liabilities	(4,501)	(5,732)	(466)	(13)	(10,712)	-	-	(10,712)
Segment invested capital	12,308	10,071	(50)	2,463	24,792	-	759	25,551
Net tax assets					186	-	-	186
Borrowings and lease liabilities					(8,454)	-	-	(8,454)
Total equity					16,524	-	759	17,283
Joint ventures and associates included in segment assets	308	108	- ¹	-	416	-	759	1,175
Additions to non-current assets are as follows:								
Capital expenditure	1,557	1,346	- ¹	9	2,912	1	-	2,913
Addition to financial assets at FVTPL	-	12	-	-	12	-	-	12
Addition to interest in an associate	9	-	-	-	9	-	-	9
	1,566	1,358	- ¹	9	2,933	1	-	2,934

¹ Less than RM1 million.

Capital expenditure consists of the following:

	Continuing operations	Discontinuing/ Discontinued operations	Total
2024			
Property, plant and equipment	2,642	6	2,648
Right-of-use assets	692	-	692
Investment properties	1	-	1
Intangible assets other than goodwill	22	-	22
	3,357	6	3,363
2023			
Property, plant and equipment	2,069	1	2,070
Right-of-use assets	824	-	824
Intangible assets other than goodwill	19	-	19
	2,912	1	2,913

Amounts in RM million unless otherwise stated

46 SEGMENT INFORMATION – GROUP (CONTINUED)

b. Segment assets and liabilities and additions to non-current assets (continued)

Reconciliation of segment assets and liabilities to total assets and total liabilities are as follows:

	Assets		Liabilities	
	2024	2023	2024	2023
Segment total	50,813	36,263	13,905	10,712
Tax assets/liabilities	1,009	777	1,348	591
Borrowings	-	-	10,440	5,857
Lease liabilities	-	-	2,771	2,597
	51,822	37,040	28,464	19,757

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	
	2024	2023	2024	2023	2024	2023
Malaysia	19,267	7,644	1,254	382	9,493	3,021
China ¹	17,597	17,184	(116)	453	2,751	2,582
Other countries in Asia	8,204	5,598	211	119	1,165	926
Australasia ²	22,064	17,862	1,409	1,130	9,947	7,919
	67,132	48,288	2,758	2,084	23,356	14,448

¹ China consists of Mainland China, Hong Kong, Macau and Taiwan.

² Australasia consists of Australia, New Caledonia, New Zealand, Papua New Guinea and Solomon Islands.

Revenue by location of customers is not materially different from that of revenue by location of operations.

Reconciliation of non-current assets, other than financial assets and tax assets to the total non-current assets are as follows:

	2024	2023
Non-current assets other than financial instruments and tax assets	23,356	14,448
Financial assets at FVTPL	73	66
Deferred tax assets	892	648
Derivative assets	-	5
Receivables	149	246
	24,470	15,413

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

Amounts in RM million unless otherwise stated

47 RELATED PARTIES

Significant related party transactions and balances other than as disclosed in Notes 6, 8, 15, 16, 26, 27, 30 and 42 are as follows:

Group	2024	2023
a. Transactions with joint ventures and associates		
<u>Continuing operations</u>		
Purchase of products and services from Sitech Construction Systems Pty Ltd	19	23
Purchase of equipment and parts from FG Wilson Asia Pte Ltd	21	8
Contribution paid to Yayasan Sime Darby	30	25
Sale of goods and services to and rental income from Perusahaan Otomobil Kedua Sdn Bhd ("Perodua") and its subsidiaries and associates	313	-
Purchase goods and services from Perodua and its subsidiaries and associates	356	-
Sale of goods to UMW Toyotsu Motors Sdn Bhd	174	-
Purchase goods and services from UMW Toyotsu Motors Sdn Bhd	15	-
<u>Discontinued operations</u>		
Loans repaid by Weifang Sime Darby Liquid Terminal Co Ltd	-	6
b. Transactions between subsidiaries and non-controlling interests or their affiliate companies		
<u>Continuing operations</u>		
Contract assembly service provided by Inokom Corporation Sdn Bhd ("ICSB") to Mazda Malaysia Sdn Bhd ("Mazda Malaysia") ¹	124	93
Contract assembly service provided by ICSB to Kia Malaysia Sdn Bhd ("Kia Malaysia") ¹	36	29
Rental income received by ICSB from Mazda Malaysia and Bermaz Motor Trading Sdn Bhd ("BMT") ¹	5	3
Sale of goods and services to Toyota Motor Corporation, Japan and its subsidiaries and Toyota Tsusho Corporation, Japan and its subsidiaries	1,142	-
Purchase of goods and services from Toyota Motor Corporation, Japan and its subsidiaries and Toyota Tsusho Corporation, Japan and its subsidiaries	3,688	-
Purchase of goods and services from Toyota Industries Corporation, Japan and its subsidiaries	180	-
Purchase of goods and services from Kayaba Industry Co Ltd ("Kayaba") and its subsidiaries	16	-
Sale of goods and services to Kayaba and its subsidiaries	42	-
<u>Discontinuing operations</u>		
Purchase of goods and services from Komatsu Ltd, Japan and its subsidiaries	198	-

¹ *Bermaz Auto Berhad is a major shareholder of ICSB and Kia Malaysia and also an indirect major shareholder of Mazda Malaysia. BMT is an indirect subsidiary of Bermaz Auto Berhad.*

Amounts in RM million unless otherwise stated

47 RELATED PARTIES (CONTINUED)

Significant related party transactions and balances other than as disclosed in Notes 6, 8, 15, 16, 26, 27, 30 and 42 are as follows: (continued)

Group	2024	2023
c. Transactions with Directors and key management personnel and their close family members		
<u>Continuing operations</u>		
Sale of motor vehicles by the Group	1	1

	Group		Company	
	2024	2023	2024	2023
d. Remuneration of Directors and key management personnel				
Salaries, other emoluments and benefits	42	34	4	4
Defined contribution pension plans	4	4	-	-
Performance-based employee share scheme	-	- ¹	-	-
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 2024, Permodalan Nasional Berhad ("PNB") owned approximately 4.74% (2023: 5.11%) 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.

Other than the significant related party transactions disclosed below, 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.

- i. On 7 August 2023, Kumpulan Sime Darby Berhad, a wholly-owned subsidiary of the Group completed the disposal of 760.12 acres of land in Labu, Negeri Sembilan to Sime Darby Property (MVV Central) Sdn. Bhd., a wholly-owned subsidiary of Sime Darby Property Berhad for a cash consideration of RM280 million.
- ii. On 13 December 2023, the Group completed the acquisition of an approximately 61.2% equity interest in UMW from PNB and Amanahraya Trustees Berhad for a total cash consideration of RM3,574 million.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

Amounts in RM million unless otherwise stated

47 RELATED PARTIES (CONTINUED)

Significant related party transactions and balances other than as disclosed in Notes 6, 8, 15, 16, 26, 27, 30 and 42 are as follows: (continued)

f. Outstanding balances with related parties

The significant outstanding balances between the Group and related parties are as follows:

	2024	2023
<i>i. Amounts due from/(to) non-controlling interests and their affiliated companies</i>		
<u>Continuing operations</u>		
Kayaba and its subsidiaries	23	-
Kayaba and its subsidiaries	(19)	-
Dividend payable to Kayaba Industry Co Ltd	(16)	-
Toyota Industries Corporation, Japan and its subsidiaries	(44)	-
Toyota Motor Corporation, Japan and its subsidiaries and Toyota Tsusho Corporation, Japan and its subsidiaries	219	-
Toyota Motor Corporation, Japan and its subsidiaries and Toyota Tsusho Corporation, Japan and its subsidiaries	(496)	-
<u>Discontinuing operations</u>		
Komatsu Ltd, Japan and its subsidiaries	(81)	-
<i>ii. Amounts due from/(to) joint ventures and associates</i>		
Perodua and its subsidiaries and associates	36	-
Perodua and its subsidiaries and associates	(59)	-
Dividend receivable from Perodua	162	-

All outstanding balances are unsecured and repayable in accordance with agreed terms.

There were no material contracts subsisting as at 30 June 2024 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 investments in money market funds and quoted shares are based on quoted market prices in active markets (Level 1). The fair values of the remaining financial assets at FVTPL are based on valuation techniques with significant unobservable inputs (Level 3) as quoted market prices in active markets (Level 1) or valuation techniques using market observable inputs (Level 2) are not available.

Loan to joint venture

The fair value of the loan to joint venture is based on valuation techniques with significant unobservable inputs (Level 3).

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 fair value of interest rate swap contracts are calculated as the present value of the estimated future cash flows based on observable yield curves.

Amounts in RM million unless otherwise stated

48 FINANCIAL INSTRUMENTS (CONTINUED)

a. Financial instruments measured at fair value (continued)

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
2024				
<u>Financial assets</u>				
Financial assets at FVTPL	66	-	72	138
Loan to joint venture [Note 13]	-	-	16	16
<u>Derivative assets</u>				
- forward foreign exchange contracts	-	27	-	27
- interest rate swap contracts	-	- ¹	-	- ¹
	66	27	88	181
<u>Financial liabilities</u>				
<u>Derivative liabilities</u>				
- forward foreign exchange contracts	-	11	-	11
- embedded derivatives	-	1	-	1
	-	12	-	12
2023				
<u>Financial assets</u>				
Financial assets at FVTPL	-	-	144	144
<u>Derivative assets</u>				
- forward foreign exchange contracts	-	28	-	28
- interest rate swap contracts	-	4	-	4
	-	32	144	176
<u>Financial liabilities</u>				
<u>Derivative liabilities</u>				
- forward foreign exchange contracts	-	27	-	27

¹ Less than RM1 million.

The Company did not have any financial assets and liabilities measured at fair value as at 30 June 2024 (2023: Nil).

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 includes 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 2024 and 30 June 2023 approximated their fair values.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

Amounts in RM million unless otherwise stated

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:

Group	Denominated in currencies other than functional currencies					Denominated in functional currencies	Total
	United States Dollar	Chinese Renminbi	European Union Euro	Australian Dollar	Others		
2024							
Financial assets at							
FVTPL	10	-	-	-	1	127	138
Receivables (net)	477	122	28	2	36	7,369	8,034
Bank balances, deposits and cash	113	2	14	- ¹	45	2,503	2,677
Borrowings	(28)	-	(22)	-	-	(10,390)	(10,440)
Payables	(762)	(3)	(230)	(47)	(156)	(7,600)	(8,798)
	(190)	121	(210)	(45)	(74)	(7,991)	(8,389)
2023							
Financial assets at							
FVTPL	8	78	-	-	-	58	144
Receivables (net)	385	143	24	5	30	5,201	5,788
Bank balances, deposits and cash	78	2	-	43	24	2,939	3,086
Borrowings	(1)	-	-	-	-	(5,856)	(5,857)
Payables	(541)	-	(447)	(69)	(62)	(4,801)	(5,920)
	(71)	223	(423)	(21)	(8)	(2,459)	(2,759)

¹ Less than RM1 million.

The Company did not have any significant financial assets or liabilities denominated in foreign currency as at 30 June 2024 and 30 June 2023.

Amounts in RM million unless otherwise stated

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 RM28 million borrowings in USD is hedged by USD receivables and anticipated sales in USD (2023: USD1 million was not hedged as it relates to an overdraft) while the RM22 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 Chinese Renminbi receivables, US Dollar payables and Australian 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 of approximately RM197 million (2023: RM261 million) that are not denominated in the functional currency of at least one of the counterparties. These balances consist mainly of current accounts between Australasia subsidiaries and dividend payable by Mainland China subsidiaries. Most of these balances are not hedged. The inter-company balances hedged are disclosed in Note 29.

There are no material unhedged financial assets or liabilities as at 30 June 2024 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	
	2024	2023
Total borrowings [Note 40]	10,440	5,857
Fixed rate borrowings	1,424	51
Floating rate borrowings (swapped to fixed)	50	178
Total fixed rate borrowings after swap	1,474	229
Percentage of fixed rate borrowings over total borrowings		
– Before swap (%)	13.6	0.9
– After swap (%)	14.1	3.9

The borrowings on floating rates that have not been swapped consist mainly of long term borrowings raised for the Onsite and Cavpower acquisitions, short term borrowings raised for the UMW acquisition 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

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 2024, the Group's floating rate borrowings not swapped to fixed stood at RM8,966 million (2023: RM5,628 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
2024	
Profit after tax	
– Continuing operations	(72)
2023	
Profit after tax	
– Continuing operations	(42)

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	
	2024	2023	2024	2023
<u>Maximum exposure</u>				
Amounts due from subsidiaries	–	–	504	1,128
Receivables	8,034	5,788	– ¹	– ¹
Derivative assets	27	32	–	–
Bank balances, deposits and cash	2,677	3,086	50	85
Guarantees in respect of the Sukuk Murabahah programme of a subsidiary	–	–	2,037	–
	10,738	8,906	2,591	1,213
<u>Collateral and credit enhancement</u>				
Receivables	2,965	2,296	–	–

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.

Amounts in RM million unless otherwise stated

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
2024						
Borrowings						
– principal	5,724	841	1,310	2,567	10,442	10,419
– interest	319	256	203	162	940	21
Derivative liabilities	12	¹ –	–	–	12	12
Payables	8,760	22	5	11	8,798	8,798
	14,815	1,119	1,518	2,740	20,192	19,250

¹ Less than RM1 million.

2023

Borrowings						
– principal	3,572	311	1,948	–	5,831	5,814
– interest	168	123	263	–	554	43
Derivative liabilities	27	–	–	–	27	27
Payables	5,874	46	–	–	5,920	5,920
	9,641	480	2,211	–	12,332	11,804

Company	Within 1 year	Between 1 and 2 years	Between 2 and 5 years	Above 5 years	Total contractual cash flows	Total carrying amount
2024						
Payables (excluding financial guarantee)	2	–	–	–	2	2
Financial guarantee	–	–	–	–	–	1
– principal	2,033	–	–	–	2,033	–
– interest	38	–	–	–	38	–
	2,073	–	–	–	2,073	3

2023

Payables	2	–	–	–	2	2
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The contractual cash flow for the financial guarantee disclosed above is based on the contractual cash flows of the outstanding Sukuk Murabahah of the subsidiary.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

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 may issue surety bonds and letters of credit, which the Group provides 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	
	2024	2023	2024	2023
<u>Continuing operations</u>				
Performance and advance payment guarantees to customers of:				
– subsidiaries	–	–	1,582	1,582
– the Group	2,318	2,184	–	–

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 2024, the total outstanding risk sharing amount on which the Group has an obligation to pay the leasing company should the customers default, amounted to RM102 million (2023: RM197 million).

b. Capital commitments

Contracted capital expenditure not provided for in the financial statements:

Group	2024	2023
– Property, plant and equipment	664	962
– Other capital expenditure	9	15
	673	977

The Company did not have any capital commitments as at 30 June 2024 (2023: Nil).

Amounts in RM million unless otherwise stated

51 LIST OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

Subsidiaries, joint ventures and associates which are active as at 30 June 2024 are as follows:

Name of company	Country/ territory of business/ incorporation	Group's effective interest (%)		Auditors	Principal activities
		2024	2023		
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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

Amounts in RM million unless otherwise stated

51 LIST OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTINUED)

Subsidiaries, joint ventures and associates which are active as at 30 June 2024 are as follows: (continued)

Name of company	Country/ territory of business/ incorporation	Group's effective interest (%)		Auditors	Principal activities
		2024	2023		
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
CICA Vietnam Company Limited	Vietnam	–	100.0	3	Supply of industrial equipment, machinery, spare parts and after-sales services including maintenance and repairing services
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

Amounts in RM million unless otherwise stated

51 LIST OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTINUED)

Subsidiaries, joint ventures and associates which are active as at 30 June 2024 are as follows: (continued)

Name of company	Country/ territory of business/ incorporation	Group's effective interest (%)		Auditors	Principal activities
		2024	2023		
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	
Sime Darby SEM Dealer (Fujian) Limited	China	100.0	100.0	2	Sale of equipment and spare parts and service support for the SEM business
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
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	
Tractors Singapore (Maldives) Private Limited	Maldives	100.0	100.0	3	Sale and rental of engines, power systems, assembly and product support for industrial machinery and parts in the Republic of Maldives and other incidental businesses and associated to each of the foregoing

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

Amounts in RM million unless otherwise stated

51 LIST OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTINUED)

Subsidiaries, joint ventures and associates which are active as at 30 June 2024 are as follows: (continued)

Name of company	Country/ territory of business/ incorporation	Group's effective interest (%)		Auditors	Principal activities
		2024	2023		
Industrial – Subsidiaries (continued)					
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, hardchroming and hydraulic repair
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/contracting, sale of mining machinery parts, service and repair and crane hire
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
Prime Rentals Pty Ltd	Australia	100.0	100.0	2	
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	Labour hire/contracting, services and repair of mining machinery parts, as well as the crane hire business
Cavill Power Systems Pty Ltd	Australia	100.0	–	2	Investment holding
Cavpower Pty Ltd	Australia	100.0	–	2	Sale, rental and servicing for Caterpillar products
Cavrent Pty Ltd	Australia	100.0	–	2	Caterpillar rental operations business

Amounts in RM million unless otherwise stated

51 LIST OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTINUED)

Subsidiaries, joint ventures and associates which are active as at 30 June 2024 are as follows: (continued)

Name of company	Country/ territory of business/ incorporation	Group's effective interest (%)		Auditors	Principal activities
		2024	2023		
Industrial – Subsidiaries (continued)					
Cobar Mining Services Pty Ltd	Australia	100.0	–	2	Property Holding
Kagera Pty Ltd	Australia	100.0	–	2	Investment holding
Kuxton Pty Ltd	Australia	100.0	–	2	
Power Systems Holdings Pty Ltd	Australia	100.0	–	2	
R Cavill Holdings Pty Ltd	Australia	100.0	–	2	Property holding
Rawnsley Pty Ltd	Australia	100.0	–	2	
Sime Darby Industrial Machinery Australasia Pty Ltd	Australia	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	66.0	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	
Haynes Group (USA) Holdings Inc.	United States of America	100.0	100.0	4	Investment holding

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

Amounts in RM million unless otherwise stated

51 LIST OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTINUED)

Subsidiaries, joint ventures and associates which are active as at 30 June 2024 are as follows: (continued)

Name of company	Country/ territory of business/ incorporation	Group's effective interest (%)		Auditors	Principal activities
		2024	2023		
Industrial – Subsidiaries (continued)					
Haynes Group (USA) Holdings LLC.	United States of America	100.0	100.0	4	Provision of a patented hydraulic jacking system for the maintenance of slew bearing in electric rope and hydraulic mining shovels
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
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
APac Energy Rental Pte Ltd group	Singapore	30.0	30.0	3	Rental of industrial machines and equipment
Chubb Singapore Private Limited group	Singapore	30.0	30.0	2	Assembly and sale of security and fire protection products and provision of related security services
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	20.0	2	Distribution and rental of Caterpillar engine and associated products
Sitech Construction Systems Pty Ltd	Australia	34.0	30.6	3	Sale and servicing of Trimble Technology construction products
IR4 Pty Ltd	Australia	30.4	30.4	4	Supplier of end to end automation solutions for heavy manufacturing and engineering industries
Ultimate Positioning Group Pty Ltd	Australia	32.7	29.4	3	Sale, hire and servicing of Trimble surveying equipment

Amounts in RM million unless otherwise stated

51 LIST OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTINUED)

Subsidiaries, joint ventures and associates which are active as at 30 June 2024 are as follows: (continued)

Name of company	Country/ territory of business/ incorporation	Group's effective interest (%)		Auditors	Principal activities
		2024	2023		
Industrial – Associates (continued)					
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	49.0	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
Inokom Corporation Sdn Bhd	Malaysia	53.8	53.5	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 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
Sime Darby Auto Hyundai Sdn Bhd	Malaysia	56.0	51.0	1	Retail of motor vehicles, spare parts and accessories, and provision of after-sales services

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

Amounts in RM million unless otherwise stated

51 LIST OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTINUED)

Subsidiaries, joint ventures and associates which are active as at 30 June 2024 are as follows: (continued)

Name of company	Country/ territory of business/ incorporation	Group's effective interest (%)		Auditors	Principal activities
		2024	2023		
Motors – Subsidiaries (continued)					
Sime Darby Auto Imports Sdn Bhd	Malaysia	100.0	100.0	1	Importation of motor vehicles and spare parts and trading of completely knocked down motor vehicles
Sime Darby Auto Interior Sdn Bhd (formerly known as Associated Motor Industries Malaysia Sdn Bhd)	Malaysia	100.0	100.0	1	Manufacturing and assembly of modulars for motor vehicles
Sime Darby Auto Module Sdn Bhd (formerly known as Hyundai- Sime Darby Berhad)	Malaysia	100.0	100.0	1	Manufacturing and assembly of modulars for motors vehicles
Sime Darby Auto Performance Sdn Bhd	Malaysia	70.0	70.0	1	Distribution and retail of 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 (formerly known as Sime Darby Auto Britannia 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	51.0	1	Distribution of motor vehicles
Sime Darby Hyundai Sdn Bhd	Malaysia	56.0	51.0	1	Importation of vehicles and investment holding
Sime Darby Motors Manufacturing Sdn Bhd	Malaysia	100.0	100.0	1	} Investment holding
Sime Darby Motors Overseas Holdings Sdn Bhd	Malaysia	100.0	100.0	1	
Sime Darby Motors Sdn Bhd	Malaysia	100.0	100.0	1	

Amounts in RM million unless otherwise stated

51 LIST OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTINUED)

Subsidiaries, joint ventures and associates which are active as at 30 June 2024 are as follows: (continued)

Name of company	Country/ territory of business/ incorporation	Group's effective interest (%)		Auditors	Principal activities
		2024	2023		
Motors – Subsidiaries (continued)					
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
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
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	
Performance Premium 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
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 and spare parts and provision of after-sales services
Sime Darby (Thailand) Limited	Thailand	100.0	100.0	2	Investment holding and provision of management services

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

Amounts in RM million unless otherwise stated

51 LIST OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTINUED)

Subsidiaries, joint ventures and associates which are active as at 30 June 2024 are as follows: (continued)

Name of company	Country/ territory of business/ incorporation	Group's effective interest (%)		Auditors	Principal activities
		2024	2023		
Motors – Subsidiaries (continued)					
Sime Darby Auto Sports Limited (formerly known as Sime Darby Auto Services 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
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	–	2	
Changsha Bow Yue Vehicle Services Co Ltd	China	100.0	100.0	2	
Changsha Chuang Yue Motors Sales and Services Company Limited	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

Amounts in RM million unless otherwise stated

51 LIST OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTINUED)

Subsidiaries, joint ventures and associates which are active as at 30 June 2024 are as follows: (continued)

Name of company	Country/ territory of business/ incorporation	Group's effective interest (%)		Auditors	Principal activities
		2024	2023		
Motors – Subsidiaries (continued)					
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	
Dongguan Chuang Yi Motor Sales and Services Limited Company	China	100.0	100.0	2	
Foshan Bow Chuang Motors Sales and Services Company Limited	China	100.0	100.0	2	
Foshan Sime Darby Used Cars Sales Company Limited	China	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 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 and spare parts
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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

Amounts in RM million unless otherwise stated

51 LIST OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTINUED)

Subsidiaries, joint ventures and associates which are active as at 30 June 2024 are as follows: (continued)

Name of company	Country/ territory of business/ incorporation	Group's effective interest (%)		Auditors	Principal activities
		2024	2023		
Motors – Subsidiaries (continued)					
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	
Huizhou Sime Darby Zhi Yue Sales and Services Company Limited	China	100.0	–	2	Retail agent of motor vehicles and retail spare and provision of after-sales services
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	
Qijing 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

Amounts in RM million unless otherwise stated

51 LIST OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTINUED)

Subsidiaries, joint ventures and associates which are active as at 30 June 2024 are as follows: (continued)

Name of company	Country/ territory of business/ incorporation	Group's effective interest (%)		Auditors	Principal activities
		2024	2023		
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 spare parts and provision of after-sales services for motor vehicles
Shenzhen Bow Yue Motors Sales & 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 Chen Yue Motors Sales and Services Company Limited	China	100.0	100.0	2	Agent retail of motor vehicles and retail of spare parts and provision of after-sales services

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

Amounts in RM million unless otherwise stated

51 LIST OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTINUED)

Subsidiaries, joint ventures and associates which are active as at 30 June 2024 are as follows: (continued)

Name of company	Country/ territory of business/ incorporation	Group's effective interest (%)		Auditors	Principal activities
		2024	2023		
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 Zhi Yue Motors Sales and Services Company Limited	China	100.0	100.0	2	Agent retail 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	–	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

Amounts in RM million unless otherwise stated

51 LIST OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTINUED)

Subsidiaries, joint ventures and associates which are active as at 30 June 2024 are as follows: (continued)

Name of company	Country/ territory of business/ incorporation	Group's effective interest (%)		Auditors	Principal activities
		2024	2023		
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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

Amounts in RM million unless otherwise stated

51 LIST OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTINUED)

Subsidiaries, joint ventures and associates which are active as at 30 June 2024 are as follows: (continued)

Name of company	Country/ territory of business/ incorporation	Group's effective interest (%)		Auditors	Principal activities
		2024	2023		
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 motor vehicles and spare parts, after-sales services, management services and property investment
Sime Darby Peng Yue Motors (Hong Kong) Limited	Hong Kong	100.0	–	4	Importation, distribution and retail of motor vehicles and provision of 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 and leasing of motor vehicles
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, spare parts and accessories and repairs and maintenance of vehicles

Amounts in RM million unless otherwise stated

51 LIST OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTINUED)

Subsidiaries, joint ventures and associates which are active as at 30 June 2024 are as follows: (continued)

Name of company	Country/ territory of business/ incorporation	Group's effective interest (%)		Auditors	Principal activities
		2024	2023		
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 accessories
Brisbane BMW Unit Trust	Australia	100.0	100.0	2	Owns motor dealerships
LMM Holdings Pty Ltd	Australia	100.0	100.0	2	Operates Brisbane BMW Unit Trust's 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	Retail of motor vehicles and provision of after-sales services
Sime Darby Motors Wholesale Australia Pty Limited	Australia	100.0	100.0	2	Investment holding 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 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
Motor Truck Distributors (NZ) Limited	New Zealand	100.0	100.0	2	Distribution and retail of trucks and buses

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Amounts in RM million unless otherwise stated

51 LIST OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTINUED)

Subsidiaries, joint ventures and associates which are active as at 30 June 2024 are as follows: (continued)

Name of company	Country/ territory of business/ incorporation	Group's effective interest (%)		Auditors	Principal activities
		2024	2023		
Motors – Subsidiaries (continued)					
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	–	4	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

51 LIST OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTINUED)

Subsidiaries, joint ventures and associates which are active as at 30 June 2024 are as follows: (continued)

Name of company	Country/ territory of business/ incorporation	Group's effective interest (%)		Auditors	Principal activities
		2024	2023		
UMW – Subsidiaries					
Assembly Services Sdn. Bhd.	Malaysia	51.0	–	3	Assembly of passenger and commercial vehicles
Automotive Industries Sendirian Berhad	Malaysia	51.0	–	3	Manufacturing and selling of vehicle exhaust systems and other automotive components
KYB-UMW Malaysia Sdn. Bhd.	Malaysia	52.1	–	1	Manufacture and assembly of vehicle shock absorbers
Otomobil Sejahtera Sdn. Bhd.	Malaysia	100.0	–	3	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	–	3	Manufacturing of seats and other automotive components
UMW (East Malaysia) Sdn. Bhd.	Malaysia	74.0	–	3	Distribution of industrial and heavy equipment and related spares
UMW Aero Assets Sdn. Bhd.	Malaysia	100.0	–	1	Ownership and leasing of equipment and tools
UMW Aerospace Sdn. Bhd.	Malaysia	100.0	–	1	Manufacturing of aerospace engine component products
UMW Automotive Sdn. Bhd.	Malaysia	100.0	–	1	Investment holding
UMW Corporation Sdn. Bhd.	Malaysia	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	–	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	–	1	Provision of management support to the companies in equipment division
UMW Equipment Sdn. Bhd.	Malaysia	74.0	–	3	Trading and hiring of industrial, heavy and material handling equipment and related spares

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

Amounts in RM million unless otherwise stated

51 LIST OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTINUED)

Subsidiaries, joint ventures and associates which are active as at 30 June 2024 are as follows: (continued)

Name of company	Country/ territory of business/ incorporation	Group's effective interest (%)		Auditors	Principal activities
		2024	2023		
UMW – Subsidiaries (continued)					
UMW Grantt International Sdn. Bhd.	Malaysia	100.0	–	1	Manufacturing, distributing, selling and trading of lubricants, greases and specialty products
UMW Holdings Berhad	Malaysia	100.0	–	1	Investment holding
UMW India Ventures (L) Ltd.	Malaysia	75.0	–	1	Investment holding
UMW Industrial Power Services Sdn Bhd	Malaysia	100.0	–	1	Total power solution provider
UMW Industries (1985) Sdn. Bhd.	Malaysia	74.0	–	1	Trading and hiring of industrial and material handling equipment and related spares
UMW Innovation and R&D Centre Sdn. Bhd.	Malaysia	100.0	–	1	Conduct innovation and Research and Development (“R&D”) activities with a focus on business and environmental sustainability, related to automation, emerging technologies and integrated green technology, pre-commercialisation and related activities for the completed R&D prototypes and all other things as are incidental or conducive to the attainment of the above businesses
UMW IT Services Sdn. Bhd.	Malaysia	100.0	–	1	Providing internal information technology support and services for all technology related assets and business
UMW Komatsu Heavy Equipment Sdn. Bhd.	Malaysia	74.0	–	3	Provision of management support and provides consultancy services to its subsidiaries
UMW Land Sdn Bhd	Malaysia	100.0	–	1	Investment holding and property development
UMW Lubetech Sdn. Bhd. (formerly known as Lubetech Sdn. Bhd.)	Malaysia	100.0	–	1	Blending and packaging of lubricants
UMW Lubricant International Sdn. Bhd.	Malaysia	100.0	–	1	Manufacturing and trading of lubricants and specialty products
UMW M&E Sdn. Bhd.	Malaysia	100.0	–	1	Manufacturing and trading of filtration products and auto components

Amounts in RM million unless otherwise stated

51 LIST OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTINUED)

Subsidiaries, joint ventures and associates which are active as at 30 June 2024 are as follows: (continued)

Name of company	Country/ territory of business/ incorporation	Group's effective interest (%)		Auditors	Principal activities
		2024	2023		
UMW – Subsidiaries (continued)					
UMW Pennzoil Distributors Sdn. Bhd.	Malaysia	100.0	–	1	Marketing, selling and distribution of “Pennzoil” branded lubricants
UMW Petropipe (L) Ltd.	Malaysia	100.0	–	1	Investment holding
UMW Sher (L) Ltd.	Malaysia	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	74.0	–	1	Investment holding and the provision of management support for material handling business and consultancy services to its subsidiaries
UMW Toyota Motor Sdn. Bhd.	Malaysia	51.0	–	3	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	74.0	–	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	74.0	–	3	Marketing of Toyota industrial equipment, Aerex and other airport ground support equipment and environmental products
Vision Fleet Equipment Leasing (Zhejiang) Co. Ltd.	China	74.0	–	3	Rental and fleet management services mainly for products distributed by the UMW group in China
Jaybee Drilling Private Limited	India	45.0	–	3	Onshore drilling activities in India
PT UMW International	Indonesia	100.0	–	3	Engaged in lubricants supply and equipment
UMW Engineering Services Limited	Myanmar	74.0	–	3	Provision of after-sales services for equipment and maintenance and repair of equipment
UMW Niugini Limited	Papua New Guinea	75.5	–	3	Trading and hiring of industrial and material handling equipment and related service and spare parts

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

Amounts in RM million unless otherwise stated

51 LIST OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTINUED)

Subsidiaries, joint ventures and associates which are active as at 30 June 2024 are as follows: (continued)

Name of company	Country/ territory of business/ incorporation	Group's effective interest (%)		Auditors	Principal activities
		2024	2023		
UMW – Subsidiaries (continued)					
UMW Equipment & Engineering Pte Ltd	Singapore	74.0	–	2	Import, distribute, rent and service all types of industrial equipment and related parts
UMW Equipment Systems Pte Ltd	Singapore	74.0	–	2	Investment holding
UMW Heavy Equipment (S) Pte Ltd	Singapore	74.0	–	3	Import, distribute, rent and service all types of heavy equipment and related spares
UMW Equipment Systems (Vietnam) Company Limited	Vietnam	74.0	–	2	Provides spare parts and equipment, repair and maintenance service, and lease out equipment such as forklifts and material handling, industrial and heavy equipment
UMW – Joint ventures					
Lubritech International Holdings Limited group	Hong Kong	60.0*	–	3	Production and distribution of lubricants and related activities
UMW – Associates					
E-Lock Corporation Sdn Bhd	Malaysia	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	–	3	Manufacturing, assembly and distribution of motor vehicles, spare parts and other related activities
Toyota Capital Malaysia Sdn Bhd group	Malaysia	30.0	–	3	Provision of lease and hire purchase financing (conventional and Islamic)
UMW Toyotsu Motors Sdn Bhd	Malaysia	30.0	–	3	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

Amounts in RM million unless otherwise stated

51 LIST OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTINUED)

Subsidiaries, joint ventures and associates which are active as at 30 June 2024 are as follows: (continued)

Name of company	Country/ territory of business/ incorporation	Group's effective interest (%)		Auditors	Principal activities
		2024	2023		
Others – Subsidiaries (continued)					
Sime Darby Allied Products Berhad	Malaysia	100.0	100.0	1	} Investment holding
Sime Darby Energy Sdn Bhd	Malaysia	100.0	100.0	1	
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
Sime Darby Lockton Insurance Brokers Sdn Bhd	Malaysia	60.0	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
Sime Darby (China) Enterprise Management Co Ltd	China	100.0	100.0	2	Provision of services, including human resource management, corporate management, economic consultancy and investment consultancy services to domestic companies established by the Group; Undertaking outsourced services from overseas companies
Sime Darby Eastern International Limited	Singapore	100.0	100.0	2	Investment holding
Sime Darby Insurance Brokers (Singapore) Pte Ltd	Singapore	100.0	100.0	3	Insurance brokers and consultants

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

Amounts in RM million unless otherwise stated

51 LIST OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTINUED)

Subsidiaries, joint ventures and associates which are active as at 30 June 2024 are as follows: (continued)

Name of company	Country/ territory of business/ incorporation	Group's effective interest (%)		Auditors	Principal activities
		2024	2023		
Others – Subsidiaries (continued)					
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 Overseas (HK) Limited	Hong Kong	100.0	100.0	2	
Others – Joint ventures					
Malaysia–China Hydro Joint Venture	Malaysia	48.9	48.9	1	Engineering, procurement and construction work
Ramsay Sime Darby Health Care Sdn Bhd group	Malaysia	–	50.0	1	Operation of healthcare facilities and related healthcare services
Others – Associates					
Yayasan Sime Darby	Malaysia	@	@	1	Administration of scholarship awards and educational loans and undertake sports, environmental conservation and sustainability projects
Jining Port and Shipping Port Services Co Ltd	China	–	29.4*	3	Port tallying services, sale of equipment for water transportation of coal, building materials, agricultural and sideline products, loading and unloading, storage of general goods and investment activities

Amounts in RM million unless otherwise stated

51 LIST OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTINUED)

Subsidiaries, joint ventures and associates which are dormant/inactive as at 30 June 2024 are as follows:

Name of company	Country/territory of business/incorporation	Group's effective interest (%)		Auditors
		2024	2023	
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
CICA Limited	Channel Islands	–	100.0	3
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
UMW – Subsidiaries				
UMW Ace (BVI) Ltd.	British Virgin Islands	70.0	–	4
UMW Machinery Limited	Myanmar	100.0	–	3
UMW – Joint venture				
PT Pusaka Bersatu	Indonesia	49.0	–	3
Others – Subsidiaries				
Golden Hope Plantations Berhad	Malaysia	100.0	100.0	1
Kumpulan Guthrie Berhad	Malaysia	100.0	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 Marine (Hong Kong) Private 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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

Amounts in RM million unless otherwise stated

51 LIST OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTINUED)

Subsidiaries and joint venture placed under members' voluntary liquidation/deregistered are as follows:

Name of company	Country/territory of business/incorporation	Group's effective interest (%)		Auditors
		2024	2023	
Industrial – Subsidiaries				
Sime Darby Yangon Limited	Myanmar	–	100.0 [#]	4
Industrial – Joint venture				
Sime Darby Gas Malaysia BioCNG Sdn Bhd	Malaysia	51.0 [#]	51.0 [#]	4
Motors – Subsidiaries				
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 Linepipe (L) Ltd	Malaysia	100.0	–	4
UMW M&E Limited	Malaysia	100.0	–	4
UMW Oilfield International (L) Ltd	Malaysia	100.0	–	4

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.
- [#] – liquidation in progress.

52 MATERIAL EVENTS AFTER THE REPORTING PERIOD

- a) On 23 August 2024, the Group entered into a Share Purchase Agreement with Komatsu Ltd. to divest the Group's entire equity interest in the UKHE group. The transaction is expected to be completed in the financial year ending 30 June 2025.
- b) On 24 September 2024, the Group completed the disposal of 1,382.2 acres of land located in the Malaysia Vision Valley area in Labu, Negeri Sembilan to NS Corporation for a cash consideration of RM460 million.

53 APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 26 September 2024.

ANALYSIS OF SHAREHOLDINGS

as at 6 September 2024

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	2,859	8.32	70,296	0.00 ¹
100 to 1,000	9,117	26.54	5,339,348	0.08
1,001 to 10,000	16,695	48.60	62,153,852	0.91
10,001 to 100,000	4,402	12.81	126,214,428	1.85
100,001 to less than 5% of issued capital	1,279	3.72	3,150,211,597	46.22
5% and above of issued capital	3	0.01	3,471,608,056	50.94
Total	34,355	100.00	6,815,597,577	100.00

Note:

¹ less than 0.01%

Classification of Shareholders	No. of Shareholders	%	No. of Shares Held	%
Individuals	25,998	75.67	190,394,167	2.79
Banks/Finance Companies	58	0.17	3,487,428,712	51.17
Investment Trusts/Foundations/Charities	20	0.06	1,821,771	0.03
Industrial and Commercial Companies	576	1.67	89,190,794	1.31
Government Agencies/Institutions	2	0.01	1,365,652	0.02
Nominees	7,699	22.41	3,045,291,206	44.68
Others	2	0.01	105,275	0.00 ¹
Trustee	0	0.00	0	0.00
Total	34,355	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 151, none of the Directors of the Company has any interest, direct or indirect, in the Company and its related corporations.

ANALYSIS OF SHAREHOLDINGS

as at 6 September 2024

30 LARGEST SHAREHOLDERS AS PER THE RECORD OF DEPOSITORS

No.	Name of Shareholder	No. of Shares Held	%
1.	AmanahRaya Trustees Berhad Amanah Saham Bumiputera	2,398,355,300	35.19
2.	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board	666,545,707	9.78
3.	Kumpulan Wang Persaraan (Diperbadankan)	406,707,049	5.97
4.	Permodalan Nasional Berhad	312,862,611	4.59
5.	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (Islamic)	211,857,042	3.11
6.	AmanahRaya Trustees Berhad Amanah Saham Malaysia	92,000,000	1.35
7.	AmanahRaya Trustees Berhad Amanah Saham Malaysia 3	79,596,000	1.17
8.	HSBC Nominees (Asing) Sdn Bhd Morgan Stanley & Co. International Plc (Firm A/C)	72,446,107	1.06
9.	Cartaban Nominees (Asing) Sdn Bhd Exempt AN for State Street Bank & Trust Company (West CLT OD67)	69,066,228	1.01
10.	HSBC Nominees (Asing) Sdn Bhd HSBC BK Plc for Kuwait Investment Office (KIO)	59,870,200	0.88
11.	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (AHAM AM)	56,791,300	0.83
12.	HSBC Nominees (Asing) Sdn Bhd JPMCB NA for Vanguard Total International Stock Index Fund	55,641,174	0.82
13.	HSBC Nominees (Asing) Sdn Bhd JPMCB NA for Vanguard Emerging Markets Stock Index Fund	51,343,136	0.75
14.	Citigroup Nominees (Tempatan) Sdn Bhd Exempt AN for AIA Bhd	49,460,679	0.73
15.	Citigroup Nominees (Tempatan) Sdn Bhd Great Eastern Life Assurance (Malaysia) Berhad (PAR 1)	47,816,649	0.70
16.	AmanahRaya Trustees Berhad Amanah Saham Malaysia 2 – Wawasan	37,000,000	0.54
17.	Cartaban Nominees (Tempatan) Sdn Bhd Prudential Assurance Malaysia Berhad for Prulink Strategic Fund	34,820,400	0.51
18.	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (CGS CIMB)	34,077,000	0.50
19.	Cartaban Nominees (Tempatan) Sdn Bhd PAMB for Prulink Equity Fund	33,521,727	0.49
20.	Citigroup Nominees (Asing) Sdn Bhd UBS AG	29,462,018	0.43
21.	AmanahRaya Trustees Berhad Amanah Saham Bumiputera 3 – Didik	29,064,600	0.43
22.	HSBC Nominees (Asing) Sdn Bhd JPMSE LUX for Andra AP-Fonden	28,243,000	0.41

30 LARGEST SHAREHOLDERS AS PER THE RECORD OF DEPOSITORS (CONTINUED)

No.	Name of Shareholder	No. of Shares Held	%
23.	HSBC Nominees (Asing) Sdn Bhd JPMCB NA for Vanguard Fiduciary Trust Company Institutional Total International Stock Market Index Trust II	27,805,900	0.41
24.	AmanahRaya Trustees Berhad Amanah Saham Bumiputera 2	27,490,000	0.40
25.	Cartaban Nominees (Asing) Sdn Bhd Exempt AN for Barclays Capital Securities Ltd (SBL/PB)	21,635,585	0.32
26.	Cartaban Nominee (Asing) Sdn Bhd BNYM SA/NV for People's Bank of China (SICL ASIA EM)	20,915,248	0.31
27.	Citigroup Nominees (Asing) Sdn Bhd CBNY for Norges Bank (FI 17)	20,167,784	0.30
28.	Citigroup Nominees (Tempatan) Sdn Bhd Great Eastern Life Assurance (Malaysia) Berhad (PAR 3)	19,057,202	0.28
29.	Citigroup Nominees (Asing) Sdn Bhd CB Spore GW for Government of Singapore (GIC C)	18,821,153	0.28
30.	Cartaban Nominees (Tempatan) Sdn Bhd PBTB for Takafulink Dana Equiti	17,138,788	0.25

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	2,397,887,300	35.18	–	–
2.	Employees Provident Fund Board	898,402,749	13.18	150,514,619	2.21
3.	Kumpulan Wang Persaraan (Diperbadankan)	410,374,549	6.02	36,902,900	0.54

PROPERTIES OF THE GROUP

Location	Tenure	Land area (Hectares)	Year of acquisition	Age of building (Years)	Description	Net book value (RM million)
INDUSTRIAL DIVISION						
Malaysia						
Selangor Cyber Valley, Mukim Dengkil, Sepang, Selangor	Leasehold expiring 2122	15	2023	-	Land under development	45
Kompleks Kejuruteraan, Jalan Puchong, Taman Perindustrian Puchong Utama, Puchong, Selangor	Freehold	14	1993	31	Land, commercial office, training centre, workshop and warehouse	37
Jalan Piasau, Miri; Kidurong Light Industrial Estate, Bintulu; Lorong Then Kung Suk, Sibul, Sarawak	Leasehold expiring 2028-2060	4	1982-1986	24-44	Office buildings with detached factory, workshop and warehouse	3
Semambu Industrial Estate, Kuantan, Pahang	Leasehold expiring 2041	3	1982	44	Office building with detached factory, workshop and warehouse	2
Jalan Lahat, Bukit Merah, Ipoh, Perak	Leasehold expiring 2036-2056	3	1982-1996	28-44	Office building, factory, workshop and warehouse	1
Tuaran Road, Kota Kinabalu, Sabah	Leasehold expiring 2025	1	1982	44	Office building, training centres, workshop and warehouse	^
Singapore						
Benoi Sector and Jurong Pier, Singapore	Leasehold expiring 2025-2032	9	1978-2004	16-53	Office building, warehouse and workshop	^
Brunei						
Beribi Industrial Estate, Bandar Seri Begawan	Leasehold expiring 2029	*	2003	21	Office, service centre and warehouse	^
Mainland China						
Longyan Industrial Zone and Shunjiang Juweihui Industrial Park, Shunde, Guangdong	Leasehold expiring 2043-2045	4	1996-2022	13-27	Land, 2 buildings, warehouse and workshops	60
Yifu Garden, Dongguan, Guangdong	Leasehold expiring 2072	-	2014	10	Staff quarters	^
Changsha and Huaihua, Hunan	Leasehold expiring 2063	4	2013-2020	8	Industrial land, office buildings, warehouse and workshop	37
Nanning, Guangxi	Leasehold expiring 2064	3	2014-2019	5	Industrial land, office building with carpark, warehouse and workshop	34
Urumqi, Xinjiang	Leasehold expiring 2060	4	2010-2012	12	Land, office building, warehouse and workshop	20
Ji Mei District, Xiamen, Fujian	Leasehold expiring 2062	1	2012-2015	9	Office buildings, warehouse and workshop	12
Xiao Lan Industrial Park, Nanchang, Jiangxi	Leasehold expiring 2059	1	2009-2023	13	Office building, warehouse and workshop	7

Location	Tenure	Land area (Hectares)	Year of acquisition	Age of building (Years)	Description	Net book value (RM million)
INDUSTRIAL DIVISION						
(continued)						
Hong Kong, China						
Yuen Long Industrial Estate, Yuen Long District	Leasehold expiring 2047	2	1993	-	Land for office building, warehouse and workshop	6
Australia						
Mackay, Queensland	Freehold	45	1992-2013	8-42	Commercial offices, training facilities, workshops and warehouses	381
Brisbane, Queensland	Freehold Leasehold expiring 2037	7 13	1992-2019	14-78	Land, office buildings, warehouse, training facilities and workshops	140
Rockhampton, Queensland	Freehold	35	1992	9-50	Commercial office, workshop, warehouse and training facility	111
Toowoomba, Queensland	Freehold	4	1992-2012	24-52	Single-storey commercial offices, workshop and warehouse	46
Townsville, Queensland	Freehold	2	1992	50	Commercial offices, workshop and warehouse	25
Mt Isa, Queensland	Freehold	2	1992-2011	46	Commercial office, workshop and warehouse	23
Cairns, Queensland	Freehold	1	1992-2008	44	Commercial office, workshop and warehouse	17
Nebo, Queensland	Freehold	5	2021	19-24	Workshops, warehouse and residential house	13
Emerald, Biloela, Moranbah and Weipa, Queensland	Freehold	13	1992-1996	27-50	Commercial offices, workshops and staff hostels	10
Alice Springs, Darwin and Gove, Northern Territory	Freehold	6	1992-2003	18-57	Office buildings, warehouse and workshops	23
Gepps Cross and Wingfield, Adelaide, South Australia	Freehold	9	2023	3-21	Land, commercial office, warehouses and service centre	196
Whyalla, Roxby Downs and Mt Gambier, South Australia and Broken Hill, New South Wales	Freehold	12	2023	14-60	Land, warehouses and residential houses	11
New Zealand						
Severn Street, Napier, Hawke's Bay	Freehold	1	2022	11	Commercial office, workshop and warehouse	20
Te Ngae Road, Rotorua, Rotorua Lakes	Freehold	1	2019	45	Land, commercial office, workshop and warehouse	19
Branston Street, Christchurch, Canterbury	Freehold	*	2019	12	Land, commercial office, workshop and warehouse	17

PROPERTIES OF THE GROUP

Location	Tenure	Land area (Hectares)	Year of acquisition	Age of building (Years)	Description	Net book value (RM million)
INDUSTRIAL DIVISION						
(continued)						
New Caledonia						
Lotissement ZICO II, Païta	Freehold	4	2010, 2023	10	Land, administrative facility, warehouse and workshop	62
Noumea and Kouaoua	Freehold	2	2000-2004	30	Commercial offices, workshops, warehouses and residential dwellings	1
Papua New Guinea						
Port Moresby, Lae and Tabubil	Leasehold expiring 2038-2094	16	1992-2017	28-72	Land, office buildings, sales, services and parts facilities and staff hostels	24
Solomon Islands						
Honiara Facility, Guadalcanal Island; Panatina Village, Honiara	Leasehold expiring 2091	2	1992	40	Office, industrial building, workshop, warehouse and staff hostels	^
Total Industrial Division						1,403
MOTORS DIVISION						
Malaysia						
Sime Darby Motors City, Ara Damansara, Selangor	Freehold	12	2014-2017	5	Office buildings, showrooms and workshops	434
Kajang, Balakong, Selangor	Freehold	1	2018	4	Land and showrooms of a BMW 4S centre	47
Temasya Industrial Park, Shah Alam, Selangor	Freehold	1	2006	19	Office buildings and showrooms	11
Bandar Bukit Raja, Klang, Selangor	Freehold	10	2008	-	Land held for development of a pre-delivery inspection centre	9
Jalan Tun Razak, Kuala Lumpur	Freehold	*	2010	14	BMW 4S service centre and workshop	47
Jalan Klang Lama, Kuala Lumpur	Leasehold expiring 2026	*	2015	10	Office building, showroom and workshop	1
Padang Meha, Kulim, Kedah	Freehold	78	2004	25	Assembly plant	89
Tebrau, Johor	Leasehold expiring 2027-2029	1	2020	4	Showroom and workshop	10
Singapore						
303 & 305 Alexandra Road, Singapore	Leasehold expiring 2047-2057	9	2002-2005	16-18	4S centres	218
Ubi Road 4, Singapore	Leasehold expiring 2041	*	2022	32	3S centre and offices	73
Kampung Arang Road, Singapore	Leasehold expiring 2034	*	1982	55	Service centre and workshop	8

Location	Tenure	Land area (Hectares)	Year of acquisition	Age of building (Years)	Description	Net book value (RM million)
MOTORS DIVISION						
(continued)						
Thailand						
Paradise Road, Bangkok	Freehold	*	2013-2016	8-11	Land, showrooms, workshops and offices	45
Ratchapruk, Nonthaburi	Leasehold expiring 2042	2	2021	3	Showrooms, workshops and offices	23
Ayutthaya, Ayutthaya Province	Leasehold expiring 2044	1	2023	2	Showrooms, workshops and office	15
Viphavadee, Bangkok	Leasehold expiring 2049	*	2019	4	Showrooms, workshops and offices for BMW	14
Pattaya, Chonburi	Leasehold expiring 2042	5	2022	-	Motors facilities under construction	12
Charansanitwong Road, Bangkok	Leasehold expiring 2028	*	2014	9	3S showroom, workshop and office	1
Mainland China						
Jin Niu District, Chengdu, Sichuan	Leasehold expiring 2052	1	2008-2011	13-16	BMW 4S centre	63
Pidu District, Chengdu, Sichuan	Leasehold expiring 2059	2	2021	3	BMW 4S centre	54
Nanzhuang City, Chancheng, Foshan, Guangdong	Leasehold expiring 2036	1	2021	3	BMW 4S centre	50
Yingbin Road, Panyu, Guangzhou, Guangdong	Leasehold expiring 2032	1	1999	26	BMW 4S centre	20
Shen Nan Road, Nanshan District, Shenzhen, Guangdong	Leasehold expiring 2042	1	1994	32	BMW 4S centre	13
North Jinxing Road, Changsha, Hunan	Leasehold expiring 2052	1	2019	9	BMW 4S centre	38
Jinkai Avenue, Chongqing	Leasehold expiring 2031	2	2016	9	BMW 4S centre	23
Hai Yu Zhong Xian Road and Nanhai Road, Haikou District, Hainan	Leasehold expiring 2059-2070	2	2000-2004	18-29	BMW 4S centre and service centre	20
Qilin Central Business District, Qujing, Yunnan	Leasehold expiring 2038	*	2019	11	BMW 4S centre	16
Hongqiao land, East 3rd Ring, Yunnan	Leasehold expiring 2027	2	2010	14	BMW 4S centre	5

PROPERTIES OF THE GROUP

Location	Tenure	Land area (Hectares)	Year of acquisition	Age of building (Years)	Description	Net book value (RM million)
MOTORS DIVISION						
(continued)						
Hong Kong, China and Macau, China						
Fanling, New Territories	Leasehold expiring 2047	1	2015	-	Land held for development	61
3 & 4 Floor, Topsail Plaza, 11 on Sum Street, Shatin	Leasehold expiring 2047	-	1992	29	2 floors of a 16-storey office building and service centre	49
2-4 Floor, Kailey Industrial Centre, Fung Yip Street, Chai Wan	Leasehold expiring 2047	-	1989	34	3 floors of a 20-storey office building and service centre	20
Matauwei Road, Tokwawan, Kowloon	Leasehold expiring 2035	*	1978	61	Service centre, showroom and petrol filling station	12
Castle Peak Road, Tsuen Wan, New Territories	Leasehold expiring 2047	*	1972	52	BMW 4S centre	6
120-158 Rua dos Pescadores, Macau	Leasehold expiring 2026	*	1977	48	Industrial building with BMW showrooms and service centre	^
Australia						
Church Street, Granville, Sydney, New South Wales	Freehold	1	2015-2019	15-25	Offices, showrooms and workshops	309
Newcastle, New South Wales	Freehold	*	2019	59	Land and building	7
Brisbane, Queensland	Freehold	1	2014	16-44	Offices, showrooms and workshops	182
New Zealand						
Wairau Road, Wairau Valley, Auckland	Freehold	1	2014	4	BMW 3S centre	101
Malden Street, Palmerston North	Freehold Leasehold expiring 2123	3 2	2005, 2023	21-55	Land, workshop, office and parts warehouse	46
Newmarket and Takapuna, Auckland	Freehold Leasehold expiring 2025-2050	2 9	1998-2022	8-59	Showrooms, offices, workshops and warehouses	38
Crowley Place, Albany, Auckland	Leasehold expiring 2025	*	2019	6	Workshop	6
Total Motors Division						2,196

Location	Tenure	Land area (Hectares)	Year of acquisition	Age of building (Years)	Description	Net book value (RM million)
UMW						
Malaysia						
Kawasan Perindustrian Bukit Raja, Klang, Selangor	Freehold	67	2023	7-12	Office and factory buildings	1,276
Serendah, Selangor	Leasehold expiring 2094-2121	144	2023	3	Office buildings, vacant land, training facilities and workshop	314
Persiaran Selangor, Shah Alam, Selangor	Leasehold expiring 2070	13	2023	54-57	Industrial land-Office and factory buildings	215
Lion Industrial Park, Shah Alam, Selangor	Freehold	7	2023	22-33	Office and factory buildings	158
Persiaran Raja Muda, Shah Alam, Selangor	Leasehold expiring 2067-2070	4	2023	14-19	Office and factory buildings	113
Mutiara Damansara and Subang Jaya, Selangor	Freehold	2	2023	17-18	Showrooms and service centres	107
Telok Panglima Garang, Kuala Langat, Selangor	Leasehold expiring 2103	6	2023	6-27	Office and factory buildings	88
Jalan Utarid, Shah Alam, Selangor	Leasehold expiring 2096	3	2023	22	Office buildings and warehouse	64
Section 19, Petaling Jaya, Selangor	Leasehold expiring 2061	2	2023	19	Showroom and service centre	47
Pulau Indah Industrial Park, Klang, Selangor	Leasehold expiring 2116	3	2023	1	Industrial land – Office buildings, warehouse and factory	41
Jalan Penchala, Petaling Jaya, Selangor	Leasehold expiring 2068	1	2023	20	Office buildings and used car centre	36
Kota Kemuning, Shah Alam, Selangor	Freehold	*	2023	12	Office buildings and warehouse	20
Jalan Cheras, Kuala Lumpur	Freehold	1	2023	18	Showroom and service centre	46
Units in Plaza Sentral, Kuala Lumpur	Freehold	–	2023	21	Office buildings	27
Batu Pahat, Johor	Freehold	1	2023	17	Showroom and service centre	32
Kawasan Perindustrian Larkin, Johor Bahru, Johor	Leasehold expiring 2025-2028	3	2023	20	Office buildings, warehouse, factory and storage house, Body & Paint, parts and service centre	11
Jalan Tun Abdul Razak, Johor Bahru, Johor	Leasehold expiring 2037	*	2023	18	Showroom	11
Georgetown, Pulau Pinang	Freehold	1	2023	17	Showroom and service centre	42
Industrial Park, Butterworth, Pulau Pinang	Leasehold expiring 2058	3	2023	28	Office warehouse and workshop buildings	27
Properties in Melaka	Freehold	*	2023	18-32	Showroom, office and factory building	8
	Leasehold expiring 2091	*				

PROPERTIES OF THE GROUP

Location	Tenure	Land area (Hectares)	Year of acquisition	Age of building (Years)	Description	Net book value (RM million)
UMW (continued)						
Malaysia (continued)						
Mergong and Sungai Petani, Kedah	Freehold	1	2023	12-49	Shophouse, office building, showroom and service centre	15
	Leasehold expiring 2033	*				
Temerloh, Pahang	Freehold	1	2023	8-40	Office building, showroom and service centre	36
Tanjong Malim, Perak	Freehold	1	2023	20	Office and factory buildings	3
Kota Bharu, Kelantan	Leasehold expiring 2072	1	2023	17	Showroom and service centre	19
Chukai, Terengganu	Freehold	2	2023	-	Vacant land	6
Kota Kinabalu, Sabah	Leasehold expiring 2025-2066	4	2023	17	Stockyard and central parts depo	34
Kuching, Sarawak	Leasehold expiring 2044	1	2023	15	Central parts depo	4
Singapore						
International Road, Singapore	Leasehold expiring 2049	2	2023	35	Office, warehouse and workshop buildings	56
Vietnam						
Properties in Binh Duong, Bach Ninh, Nghe An, Quang Ngai and Hanoi	Leasehold expiring 2046-2082	3	2023	4-25	Office and workshop buildings	17
Total UMW						2,873
OTHERS						
Malaysia						
Labu, Negeri Sembilan	Freehold	1,728	1978-1991	-	Malaysia Vision Valley land	4
Ara Damansara, Selangor	Freehold	2	2017-2018	6-7	Office towers	269
Jalan Tandang, Petaling Jaya, Selangor	Leasehold expiring 2065-2066	15	1985-1994	31-61	Industrial land and building	33
Apartments and holiday bungalows in Malaysia	Freehold	*	1982-1999	33-95	Apartments/holiday bungalows	1
	Leasehold expiring 2026					
Total Others						307
TOTAL GROUP PROPERTIES						6,779

Notes: – The list excludes capitalised lease payments and properties under inventories, disposal groups or assets held for sale

* Less than 0.5 hectare

^ Less than RM1 million

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Eighteenth Annual General Meeting (AGM) of Sime Darby Berhad (Sime Darby or Company) will be held virtually through live streaming from the broadcast venue at Function Room, Ground Floor, Menara Sime Darby, Oasis Corporate Park, Jalan PJU 1A/2, Ara Damansara, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia on Thursday, 14 November 2024 at 10.00 a.m. for the following businesses:

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 30 June 2024 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 RM4,600,000 from the Eighteenth 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 Eighteenth AGM until the next AGM of the Company. **(Resolution 2)**
Refer to Explanatory Note 2
4. To elect Professor Datuk Ts. Ir. Dr. Siti Hamisah Tapsir, who retires pursuant to Rule 82.2 of the Constitution of the Company and who being eligible, offer herself for election. **(Resolution 3)**
Refer to Explanatory Note 3
5. To re-elect the following Directors who retire pursuant to Rule 103 of the Constitution of the Company and who being eligible, offer themselves for re-election:

(i) Tan Sri Samsudin Osman	(Resolution 4)
(ii) Dato' Lee Cheow Hock Lawrence	(Resolution 5)
(iii) Moy Pui Yee	(Resolution 6)
(iv) Mohamad Idros Mosin	(Resolution 7)

Refer to Explanatory Note 3
6. To re-appoint Messrs PricewaterhouseCoopers PLT as Auditors of the Company for the financial year ending 30 June 2025 and to authorise the Directors to determine their remuneration. **(Resolution 8)**
Refer to Explanatory Note 4

NOTICE OF ANNUAL GENERAL MEETING

AS SPECIAL BUSINESS

7. To consider and, if thought fit, pass the following Ordinary Resolutions:

(i) **Proposed Shareholders' Ratification and Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature with Related Parties Involving the Interest of the following parties:**

- (a) Toyota Motor Corporation
- (b) Toyota Tsusho Corporation
- (c) KYB Corporation, Japan
- (d) Toyota Industries Corporation

(Resolution 9)
(Resolution 10)
(Resolution 11)
(Resolution 12)

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 9 to 12, as set out in Section 2.3(i) of the Circular to Shareholders dated 16 October 2024, which are necessary for the day-to-day operations in the ordinary course of business of the Company and/or its subsidiary companies 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 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;

THAT the recurrent related party transactions entered or to be entered into by the Company and/or its subsidiaries with related parties involving the interest of the abovementioned parties from 19 February 2024, being the delisting date of UMW Holdings Berhad, until the date of the Eighteenth AGM the Company, particulars which are set out in Section 2.3(i) of the Circular to Shareholders dated 16 October 2024, be and are hereby approved, confirmed and ratified;

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 they may consider expedient or necessary to give effect to the Mandate.

Refer to Explanatory Note 5

(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 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, as set out in Sections 2.3(ii)(b) and 2.3(iii) of the Circular to Shareholders dated 16 October 2024, which are necessary for the day-to-day operations in the ordinary course of business of the Company and/or its subsidiary companies 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 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 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 they may consider expedient or necessary to give effect to the Mandate.

(Resolution 13)

Refer to Explanatory Note 5

8. 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



Dato' Jeffri Salim Davidson
Director

Selangor Darul Ehsan, Malaysia
16 October 2024

NOTICE OF ANNUAL GENERAL MEETING

NOTES:

1. It is our pleasure to invite you to our Eighteenth AGM of the Company which will be held virtually through live streaming from the broadcast venue. Members and proxies are advised to participate and vote remotely at this AGM using the Remote Participation and Voting (RPV) facilities provided by the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd (Tricor) through its TIIH Online website at <https://tiih.online>. Members are advised to read the Administrative Guide carefully and follow the procedures in the Administrative Guide for this AGM in order to participate remotely.
2. For the purpose of determining who shall be entitled to attend this AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Rule 64 of the Company's Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act 1991 (SICDA), to issue to the Company, a Record of Depositors as at 7 November 2024. Only a Member whose name appears on this Record of Depositors as at 7 November 2024 shall be entitled to attend this AGM or appoint a proxy to attend, participate, speak and vote on his/her behalf.
3. A Member entitled to attend and vote at this 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 this AGM on his/her behalf. Where a Member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportion 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. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Listing Requirements), all resolutions set out in the Notice of the Eighteenth AGM of the Company shall be put to vote by way of a poll.
5. 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.
6. 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.
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.
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 Tricor not less than 24 hours before the time appointed for the taking of the poll or no later than Wednesday, 13 November 2024 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 Tricor'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, at Tricor's Customer Services Centre 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: The Form of Proxy can be lodged electronically via Tricor's TIIH Online website at <https://tiih.online>. Please follow the procedures for electronic lodgement of Form of Proxy in the Administrative Guide for this AGM.
9. A Member who has appointed a proxy to participate in this AGM must request his/her proxy to register himself/herself for the RPV at Tricor's TIIH Online website at <https://tiih.online>. Please follow the procedures in the Administrative Guide for this AGM.
10. The Administrative Guide on the conduct of a virtual AGM of the Company is available at the Company's website at <https://www.simedarby.com/investor/agmegm>.

EXPLANATORY NOTES

1. Audited Financial Statements for the financial year ended 30 June 2024

The Audited Financial Statements are laid in accordance with Section 340(1)(a) of the Act. There is no requirement to seek shareholders' approval and hence, this agenda item is meant for discussion only and will not be put forward for voting.

2. Resolutions 1 and 2 – Directors' Fees and Benefits

Section 230(1) of the Act provides that the fees of the Directors and any benefits payable to the Directors of a listed company and its subsidiaries shall be approved at a general meeting.

The shareholders' approvals are hereby sought for the payment of Directors' fees and benefits up to an amount of RM4,600,000 and RM1,500,000 respectively, to the NEDs with effect from the Eighteenth AGM until the next AGM of the Company.

(i) The payment of Directors' fees for the NEDs is based on the fee structure below:

Board/Board Committees	NED Fees (RM/Year)	
	Chairman	Member
Board	560,000	240,000 ¹ 380,000 ²
<ul style="list-style-type: none"> • Governance & Audit Committee • Risk Management & Sustainability Committee 	80,000	50,000
<ul style="list-style-type: none"> • Nomination & Remuneration Committee • Investment Committee 	70,000	40,000

Notes:

¹ Fee for Resident Director

² Fee for Non-Resident Director

(ii) The benefits payable for the NEDs comprising the following:

- (a) Company car, petrol and driver for the Non-Executive Chairman
- (b) Telecommunication devices/facilities
- (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

In determining the estimated total amount of Directors' fees and benefits payable for the NEDs, the Board has considered various factors including the number of scheduled and special meetings for the Board and Board Committees, based on the current number of NEDs including a provisional sum as a contingency for future appointment of NEDs on the Board and Board Committees.

The proposed Resolutions 1 and 2, if passed, will give authority to the Company to pay the Directors' fees and benefits on a monthly basis and/or as and when incurred. The Board is of the view that it is just and equitable for the NEDs to be paid the Directors' fees and benefits on a monthly basis and/or as and when they are incurred, particularly after the Directors have discharged their responsibilities and rendered their services to the Company.

Any NEDs who are shareholders of the Company will abstain from voting on Resolutions 1 and 2 concerning the Directors' fees and benefits of the NEDs at the Eighteenth AGM.

The remuneration of each Director for the financial year ended 30 June 2024 is set out on page 124 of the Annual Report 2024.

3. Resolutions 3 to 7 – Election and 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 election but shall not be taken into account in determining the Directors who are to retire by rotation at that meeting.

Professor Datuk Ts. Ir. Dr. Siti Hamisah Tapsir was appointed during the year, is standing for election as Director and has consented to be elected as Director of the Company.

NOTICE OF ANNUAL GENERAL MEETING

- (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.

The Directors who are subject to re-election at the Eighteenth AGM of the Company are Tan Sri Samsudin Osman, Dato' Lee Cheow Hock Lawrence, Moy Pui Yee and Mohamad Idros Mosin. All of them, being eligible, have offered themselves for re-election at the Eighteenth AGM pursuant to Rule 104 of the Constitution of the Company.

For the purpose of determining the eligibility of the Directors to stand for election and re-election at the Eighteenth AGM, the Board through its Nomination & Remuneration Committee (NRC), had assessed each of the retiring Directors and considered the following:

- (a) Performance and contributions based on 2024 Board Effectiveness Assessment results;
- (b) Level of contributions to the Board deliberations through their skills, experience, strength in qualities and commitment;
- (c) Character, integrity, experience and competence, as well as fit and properness in discharging their roles effectively; and
- (d) Level of independence demonstrated by the Independent Directors and their ability to act in the best interest of the Company in decision making.

Based on the aforesaid assessment, the Board and the NRC are satisfied that the retiring Directors met the performance criteria required of an effective and high-performance Board and the Board's expectations by continuously discharging their duties diligently.

4. Resolution 8 – Re-appointment of Auditors

The Governance & Audit Committee (GAC) at its meeting held on 19 September 2024 undertook the annual assessment of the suitability and effectiveness of the external audit process and the performance, suitability and independence of the external auditors, PricewaterhouseCoopers PLT (PwC). The following factors were taken into consideration:

- (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 strategy and current developments in relation to accounting and auditing standards relevant to the Group's 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 meetings with the GAC without management presence;
- (iv) Competency in the coordination of resources and technical knowledge and expertise in managing its engagement; and
- (v) Reasonableness of the audit fees charged.

The GAC was satisfied with the suitability of PwC based on the quality of audit, performance, competency and sufficiency of resources that the external audit team had provided to the Sime Darby Group as prescribed under Paragraph 15.21 of the Listing Requirements.

The Board at its meeting held on 26 September 2024 approved the GAC's recommendation that the shareholders' approval be sought at the Eighteenth AGM on the re-appointment of PwC as external auditors of the Company for the financial year ending 30 June 2025, under Resolution 8. The present external auditors, PwC, have indicated their willingness to continue their services for the next financial year.

EXPLANATORY NOTES ON SPECIAL BUSINESS

5. Resolutions 9 to 13 – Proposed Shareholders' Ratification and Proposed Shareholders' Mandate

The proposed Resolutions 9 to 13, if passed, will ratify the recurrent related party transactions entered into or to be entered into by the Company and/or its subsidiaries with related parties for the period from 19 February 2024 until the Eighteenth AGM and renew the existing shareholders' mandate and 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 and are on normal commercial terms and are not detrimental to the minority shareholders of the Company.

Detailed information on the Proposed Shareholders' Ratification and Proposed Shareholders' Mandate is set out in Section 2.3 of the Circular to Shareholders dated 16 October 2024.

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 election and re-election (as per Resolutions 3 to 7 as stated above) at the Eighteenth AGM of Sime Darby are set out in the "Board of Directors" section on pages 94 to 101 of the Company's Annual Report 2024.

The details of any interest in securities held by the said Directors are set out in the "Directors' Report" section on pages 149 to 152 of the Company's Annual Report 2024.

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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)

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 _____ (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 Eighteenth Annual General Meeting ("AGM") of Sime Darby Berhad ("Company") to be held virtually through live streaming from the broadcast venue at Function Room, Ground Floor, Menara Sime Darby, Oasis Corporate Park, Jalan PJU 1A/2, Ara Damansara, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia on Thursday, 14 November 2024 at 10.00 a.m. and at any adjournment thereof.

No.	Resolutions	Resolution	For	Against
1.	Audited Financial Statements for the financial year ended 30 June 2024 together with the Reports of the Directors and the Auditors thereon			
Ordinary Business				
2.	Payment of fees to the Non-Executive Directors up to an amount of RM4,600,000 from the Eighteenth AGM until the next AGM of the Company	1		
3.	Payment of benefits to the Non-Executive Directors up to an amount of RM1,500,000 from the Eighteenth AGM until the next AGM of the Company	2		
4(i).	Election of Professor Datuk Ts. Ir. Dr. Siti Hamisah Tapsir pursuant to Rule 82.2 of the Constitution of the Company	3		
4(ii).	Re-election of Tan Sri Samsudin Osman pursuant to Rule 103 of the Constitution of the Company	4		
4(iii).	Re-election of Dato' Lee Cheow Hock Lawrence pursuant to Rule 103 of the Constitution of the Company	5		
4(iv).	Re-election of Moy Pui Yee pursuant to Rule 103 of the Constitution of the Company	6		
4(v).	Re-election of Mohamad Idros Mosin pursuant to Rule 103 of the Constitution of the Company	7		
5.	Re-appointment of PricewaterhouseCoopers PLT as Auditors of the Company for the financial year ending 30 June 2025 and to authorise the Directors to determine their remuneration	8		

No.	Resolutions	Resolution	For	Against
Special Business				
6(i).	Proposed Shareholders' Ratification 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	9		
6(ii).	Proposed Shareholders' Ratification 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	10		
6(iii).	Proposed Shareholders' Ratification 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	11		
6(iv).	Proposed Shareholders' Ratification 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	12		
6(v).	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 Bermaz Auto Berhad	13		

My/Our proxy is to vote on the resolutions as indicated by an "X" in the appropriate space above. If no indication is given, my/our proxy shall vote or abstain from voting as he/she thinks fit.

For appointment of two (2) proxies, percentage of shareholdings to be represented by the proxies 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 Notice to Shareholders under the Personal Data Protection Act 2010 (PDPA Notice) published in the Company's corporate website concerning 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 PDPA Notice.

In disclosing the proxy's personal data, you as a shareholder, warrant that the proxy(ies) has/have given his/her/their explicit consent for his/her/their personal data being disclosed and processed in accordance with the Notice to Proxies under the PDPA Notice.

Dated this _____ day of _____ 2024

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(ies) you wish to appoint in the blank space(s) provided.

Notes:

1. It is our pleasure to invite you to our Eighteenth AGM of the Company which will be held virtually through live streaming from the broadcast venue. Members and proxies are advised to participate and vote remotely at this AGM using the Remote Participation and Voting (RPV) facilities provided by the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd (Tricor) through its TIIH Online website at <https://tiih.online>. Members are advised to read the Administrative Guide carefully and follow the procedures in the Administrative Guide for this AGM in order to participate remotely.
2. For the purpose of determining who shall be entitled to attend this AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Rule 64 of the Company's Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act 1991 (SICDA), to issue to the Company, a Record of Depositors as at 7 November 2024. Only a Member whose name appears on this Record of Depositors as at 7 November 2024 shall be entitled to attend this AGM or appoint a proxy to attend, participate, speak and vote on his/her behalf.
3. A Member entitled to attend and vote at this 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 this AGM on his/her behalf. Where a Member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportion 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. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Listing Requirements), all resolutions set out in the Notice of the Eighteenth AGM of the Company shall be put to vote by way of a poll.
5. 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.
6. 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.
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.
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 Tricor not less than 24 hours before the time appointed for the taking of the poll or no later than Wednesday, 13 November 2024 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 Tricor'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, at Tricor's Customer Services Centre 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:

The Form of Proxy can be lodged electronically via Tricor's TIIH Online website at <https://tiih.online>. Please follow the procedures for electronic lodgement of Form of Proxy in the Administrative Guide for this AGM.
9. A Member who has appointed a proxy to participate in this AGM must request his/her proxy to register himself/herself for the RPV at Tricor's TIIH Online website at <https://tiih.online>. Please follow the procedures in the Administrative Guide for this AGM.
10. The Administrative Guide on the conduct of a virtual AGM of the Company is available at the Company's website at <http://www.simedarby.com/investor/agmeqm>.

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AFFIX
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STAMP

THE SHARE REGISTRAR

SIME DARBY BERHAD (200601032645 (752404-U))

c/o Tricor Investor & Issuing House Services Sdn Bhd (11324-H)
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Malaysia

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SIME DARBY BERHAD

Company No. 200601032645 (752404-U)

Level 9, Menara Sime Darby, Oasis Corporate Park
Jalan PJU 1A/2, Ara Damansara, 47301 Petaling Jaya
Selangor Darul Ehsan, Malaysia

Phone: (603) 7623 2000 Fax: (603) 7623 2100

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