DRB-HICOM

PAVING FUTURE RUNWAYS

INTEGRATED ANNUAL REPORT 2025

INSIDE THIS REPORT

Cover Rationale

The cover visual reflects DRB-HICOM's role in enabling Malaysia's essential industries, from mobility and banking to logistics, services and properties. The sweeping arc, inspired by a runway, symbolises movement, connectivity and the Group's integrated value chain across its core segments.

The transition from warm to cool gradients represents the balance between growth and stability, while subtle light streaks convey continuous progress across its diverse businesses. Together, the design captures DRB-HICOM's commitment to driving sustainable value and supporting the nation's economic development.

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Scan this QR code to view the 36th Annual General Meeting page online or visit https://www.drb-hicom.com/investors/agm-36/

36th Annual General Meeting

Glenmarie Ballroom,
Hilton Shah Alam Glenmarie,
(formerly known as Glenmarie Hotel & Golf Resort)
No. 1, Jalan Usahawan U1/8,
Seksyen U1,
40250 Shah Alam, Selangor Darul Ehsan.

26 May 2026 (Tuesday)

10.00 a.m.

If you require a printed copy of the Integrated Annual Report 2025, you may request for this through the Boardroom Smart Investor Portal at: http://investor.boardroomlimited.com

Alternatively, requests may be directed to DRB-HICOM's share registrars via:
+603 7890 4700

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DEFINING WHO WE ARE

4 Basis of This Report

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16 Group's 5-Year Financial Highlights

> The best way to predict the future is to create it.
>
> — Peter Drucker
> Management Consultant and Author

18 Performance Highlights

20 Awards and Achievements

BASIS OF THIS REPORT

INTEGRATED REPORTING APPROACH

DRB-HICOM Berhad ("DRB-HICOM" or "the Group") is pleased to present its third Integrated Annual Report ("IAR 2025" or "Report"). The Report has been prepared with reference to the Guiding Principles and Content Elements of the Integrated Reporting Framework ("<IR> Framework"), which is maintained by the International Financial Reporting Standards ("IFRS") Foundation.

For the first time, the Group has prepared its ISSB Sustainability Statement 2025 presented in Section 4 of this Report, in accordance with the IFRS Sustainability Disclosure Standards as adopted by the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"). These disclosures apply the IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures Standard.

The IFRS Sustainability Disclosure Standards provide transition reliefs for the first annual reporting period in which an entity applies the standards. The MMLR provide Additional Transition Reliefs ("ATR") for issuers listed on the Main Market of Bursa Securities. The Group has applied the relief to disclose information only on climate-related risks and opportunities (in accordance with IFRS S2) and consequently applied the requirements of IFRS S1 only insofar as they relate to such disclosures.

The IAR 2025 brings together the Group's financial and sustainability-related information to show how its strategy, business model, governance, performance, risks and opportunities and use of the capitals are interconnected. The Report is intended to provide stakeholders with a clear, balanced and holistic understanding of how the Group creates value over the short, medium and long term.

Unless otherwise stated, references to "DRB-HICOM" and "the Group" refer to the DRB-HICOM Group of Companies.

REPORTING SCOPE AND BOUNDARY

The IAR 2025 covers the reporting period from 1 January 2025 to 31 December 2025, which is consistent with the reporting period for the Group's sustainability disclosures.

The Report provides an overview of the Group's principal business segments operating in Malaysia. Sustainability-related disclosures and performance data cover operating subsidiaries in Malaysia that are under the Group's direct management and operational control. Operations outside Malaysia, as well as the Group's joint ventures and associates, are excluded from the sustainability reporting boundary unless otherwise stated. The Group continues to strengthen its data governance processes to improve the accuracy, consistency and comparability of sustainability-related information across the organisation.

Financial information presented in this Report is prepared in line with the reporting boundary adopted in the Group's audited consolidated financial statements. Accordingly, references to the Group's financial performance relate to DRB-HICOM and its subsidiaries, with interests in joint ventures and associates recognised in accordance with the applicable financial reporting standards. In contrast, sustainability-related performance data relates to the Group's subsidiaries and excludes the performance of joint ventures and associates unless otherwise stated.

Where applicable, three-year comparative data is provided to support trend analysis and performance assessment.

MATERIALITY

The IAR 2025 reflects the Group's management of its material sustainability matters, identified via periodic materiality assessments that take into account the Group's strategic priorities, principal risks and opportunities and evolving stakeholder expectations. The disclosures in this Report focus on matters and operations over which the Group exercises control or significant influence.

In 2024, the Group refreshed its materiality assessment in light of evolving stakeholder expectations and the changing business landscape. In 2025, the Group continued to monitor the relevance of the material matters identified through that assessment, all of which remained relevant to the Group and its stakeholders.

The Group is currently undertaking a further refresh of its materiality assessment to align with the IFRS Sustainability Disclosure Standards. This exercise is expected to refine the scope, prioritisation and categorisation of material matters, including the identification of sustainability-related risks and opportunities that could reasonably be expected to have financial effects on the Group over the short, medium and long term. The material matters reflected in this Report are presented on pages 82-91.

FORWARD-LOOKING STATEMENTS

This Report contains forward-looking statements relating to the Group's targets, plans, strategies, growth opportunities and expected performance. These statements are based on current assumptions, expectations and information available at the date of publication, and are therefore subject to risks, uncertainties and other factors, some of which may be beyond the Group's control. Actual results may differ materially from those expressed or implied in these statements.

Reporting Suite

Scan the QR code to access this document online.

DRB-HICOM Berhad's IAR 2025 may also be accessed through the Group's website at www.drb-hicom.com

REPORTING FRAMEWORK

The IAR 2025 serves as DRB-HICOM's primary report for communicating with stakeholders. In preparing this Report, the Group has considered the following frameworks, standards and guidelines:

Integrated Annual Report 2025

- MMLR of Bursa Securities
- Global Reporting Initiative ("GRI") Universal Standards 2021
- IFRS Sustainability Disclosure Standards, including the IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures
- Greenhouse Gas ("GHG") Protocol Corporate Accounting and Reporting Standard
- <IR> Framework
- FTSE4Good Bursa Malaysia Index Environmental, Social and Governance indicators
- United Nations Sustainable Development Goals ("UN SDGs")
- United Nations Global Compact ("UNGC") Ten Principles
- ISO 31000:2018 Risk Management — Guidelines

Corporate Governance Report

- MMLR of Bursa Securities
- Companies Act 2016
- Malaysian Code on Corporate Governance 2021 ("MCCG 2021")

Financial Statements 2025

- IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards")
- Malaysian Financial Reporting Standards ("MFRS") as issued by the Malaysian Accounting Standards Board ("MASB")
- Value Reporting Framework — Principles-based Framework

ASSURANCE

The Group's Financial Statements for the financial year ended 31 December 2025 have been audited by KPMG PLT. Selected sustainability disclosures were subject to internal review by the Group Internal Audit and Integrity Division to strengthen the accuracy and reliability of the reported information. Please refer to the Statement of Assurance on page 490.

FEEDBACK

Feedback or enquiries regarding this Report may be directed to:

Chief Communication Officer at gsc@drb-hicom.com
Chief Risk & Sustainability Officer at sustainability@drb-hicom.com

Navigation Icons

The following icons have been used to improve interconnectivity between narratives presented in the IAR 2025, enabling readers to smoothly navigate and identify key sections of this Report.

Capitals

F	Financial
M	Manufactured
N	Natural
I	Intellectual
S	Social and Relationship
H	Human

Material Matters

MM1	Occupational Safety and Health
MM2	Governance and Ethics
MM3	Data Privacy and Security
MM4	Customer Experience
MM5	Talent Development and Employee Engagement
MM6	Supply Chain Management
MM7	Product and Services Innovation
MM8	Climate Change
MM9	Energy Management
MM10	Human Rights
MM11	Strategic Alliances
MM12	Waste Management
MM13	Diversity and Inclusivity
MM14	Water Management
MM15	Biodiversity
MM16	Community Investment

Stakeholders

BOD	Board of Directors
SMT	Senior Management Team
E	Employees
M	Media
G&R	Government and Regulators
S&IC	Shareholders and Investor Community
LC&NGO	Local Community and NGOs
DP	Debt Providers
CUS	Customers
S&C	Suppliers and Contractors
BP	Business Partners

Risks

SIR	Strategic Investment Risks
GR	Geopolitical Risks
MDR	Market Dynamics Risks
SCR	Supply Chain Risks
SHR	Safety and Health Risks
CCR	Climate Change Risks
CRR	Compliance and Regulatory Risks
FR	Financial Risks
CR	Cybersecurity Risks
PR	People Risks

DRB-HICOM AT A GLANCE

DRB-HICOM is one of Malaysia's largest and most diversified group of companies operating across the Mobility, Banking, Postal, Services and Properties segments.

The Group was formed in 1996, following the merger of Diversified Resources Berhad and HICOM Holdings Berhad. Since its formation, DRB-HICOM has and continues to play a key role in supporting the nation's industrial and socioeconomic aspirations, particularly in the development of domestic manufacturing, automotive and strategic services sectors.

Over the years, DRB-HICOM has actively evolved and transformed its portfolio in response to changing market conditions and national priorities. The Group continues to strengthen end-to-end value chains across its core businesses through strategic investments, operational integration and rationalisation initiatives aimed at enhancing efficiency, driving growth and profitability, and ensuring long-term sustainability. These efforts underpin the Group's commitment to creating sustainable value for its shareholders, customers, employees and wider stakeholder community.

Strategic Pillars

- Raise the Game
- Reshape for Tomorrow
- Re-emphasise Trust

Our Purpose Statement

We are passionate about building trust to connect lives and businesses for a better tomorrow

Success Beliefs

MEMBERSHIPS AND ASSOCIATIONS

DRB-HICOM is actively involved in nationally-recognised associations. Examples include, but are not limited to:

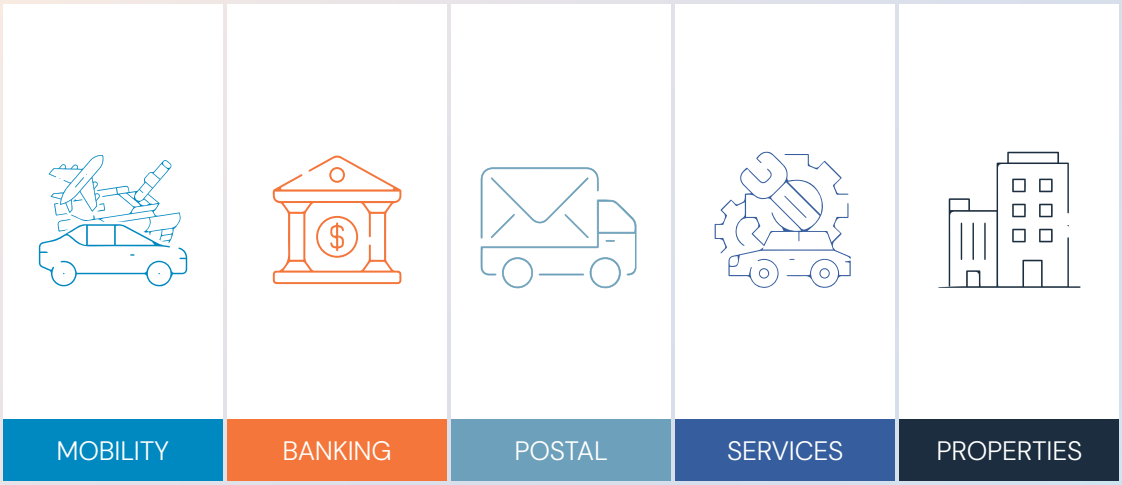
- Malaysian Industry-Government Group for High Technology
- Federation of Malaysian Manufacturers
- Malaysian Institute of Economic Research
- Malaysian Employers Federation
- Malaysian Institute of Corporate Governance
- Malaysian Automotive Association
- The Institute of Internal Auditors Malaysia
- Malaysian Auxiliary Police Association
- Institute of Corporate Directors Malaysia
- United Nations Global Compact

EXCELLENCE ON ALL FRONTS

The Group's operations and business practices, implemented across its five core segments, are aligned with the 17 UN SDGs. The UN SDGs guide the Group in meeting and exceeding stakeholder expectations, supporting long-term success while embedding sustainable practices across its business ecosystem.

DRB-HICOM'S 5 CORE SEGMENTS ARE ALIGNED WITH THE 17 UN SDGS

5 Core Segments



17 UN SDGs

DRB-HICOM stands as one of Malaysia's most diversified group of companies which has played a pivotal role in shaping the nation's industrial and technological landscape. The Group's operations are anchored in five strategic business segments, each driving innovation and sustainable value creation within their respective industries.

Mobility Segment

The Mobility segment is the largest contributor to DRB-HICOM's portfolio, spanning the entire automotive value chain from vehicle assembly and component manufacturing to retail, financing and after-sales services, as well as businesses in air and defence mobility.

With renowned national and global brands, such as Proton, Honda, Mitsubishi, Volkswagen and Isuzu, as well as Modenas and Kawasaki, DRB-HICOM delivers integrated automotive solutions that support the transition to sustainable mobility, including electric and hybrid vehicles.

Beyond automotive, the Group has a strong presence in the Aerospace and Defence subsegments. Through CTRM, the Group is a Tier 1 supplier of aerospace structures to global aircraft manufacturers Airbus and Boeing, as well as other original equipment manufacturers. CTRM is also a trusted manufacturer of advanced composite components for aerospace and non-aerospace applications and operates as a regional centre for training, testing and calibration services.

In the Defence subsegment, DEFTECH provides cutting-edge defence and security solutions, including armoured vehicles and unmanned aerial vehicle systems, contributing to the strengthening of Malaysia's security and technological resilience.

Banking Segment

Represented by Bank Muamalat, DRB-HICOM's Banking segment drives the Group's presence in Islamic finance, offering a comprehensive range of Shariah-compliant banking solutions.

As a member of the Global Alliance for Banking on Values, Bank Muamalat champions ethical and sustainable financial practices while advancing digital banking capabilities to enhance customer experience. In 2025, Bank Muamalat further strengthened its digital proposition with the launch of ATLAS, a fully digital Islamic bank designed to deliver seamless, customer-centric banking solutions.

Postal Segment

Pos Malaysia anchors DRB-HICOM's Postal segment as the national postal and parcel service provider.

Through its subsidiaries Pos Aviation, Pos Logistics, Pos Digicert, Datapos and Pos Ar-Rahnu, Pos Malaysia delivers logistics solutions, aviation ground and cargo handling, in-flight catering and digital and Islamic financial services.

The segment is further strengthened by Pos Fulfill and Redly, which enhances cross-border shipping, e-commerce ecosystem growth and last-mile delivery, enabling business to expand globally.

Services Segment

DRB-HICOM's Services segment comprises PUSPAKOM Sdn. Bhd. ("PUSPAKOM"), Malaysia's first licensed vehicle inspection company, and DRB-HICOM University of Automotive Malaysia ("DHU").

PUSPAKOM supports road safety and regulatory compliance through reliable and efficient vehicle inspection services, contributing to a safer and more accountable automotive ecosystem.

DHU develops future-ready talent for the industry through technical and vocational education, research and industry-aligned academic programmes.

Properties Segment

The Properties segment focuses on property development, asset management and concession projects.

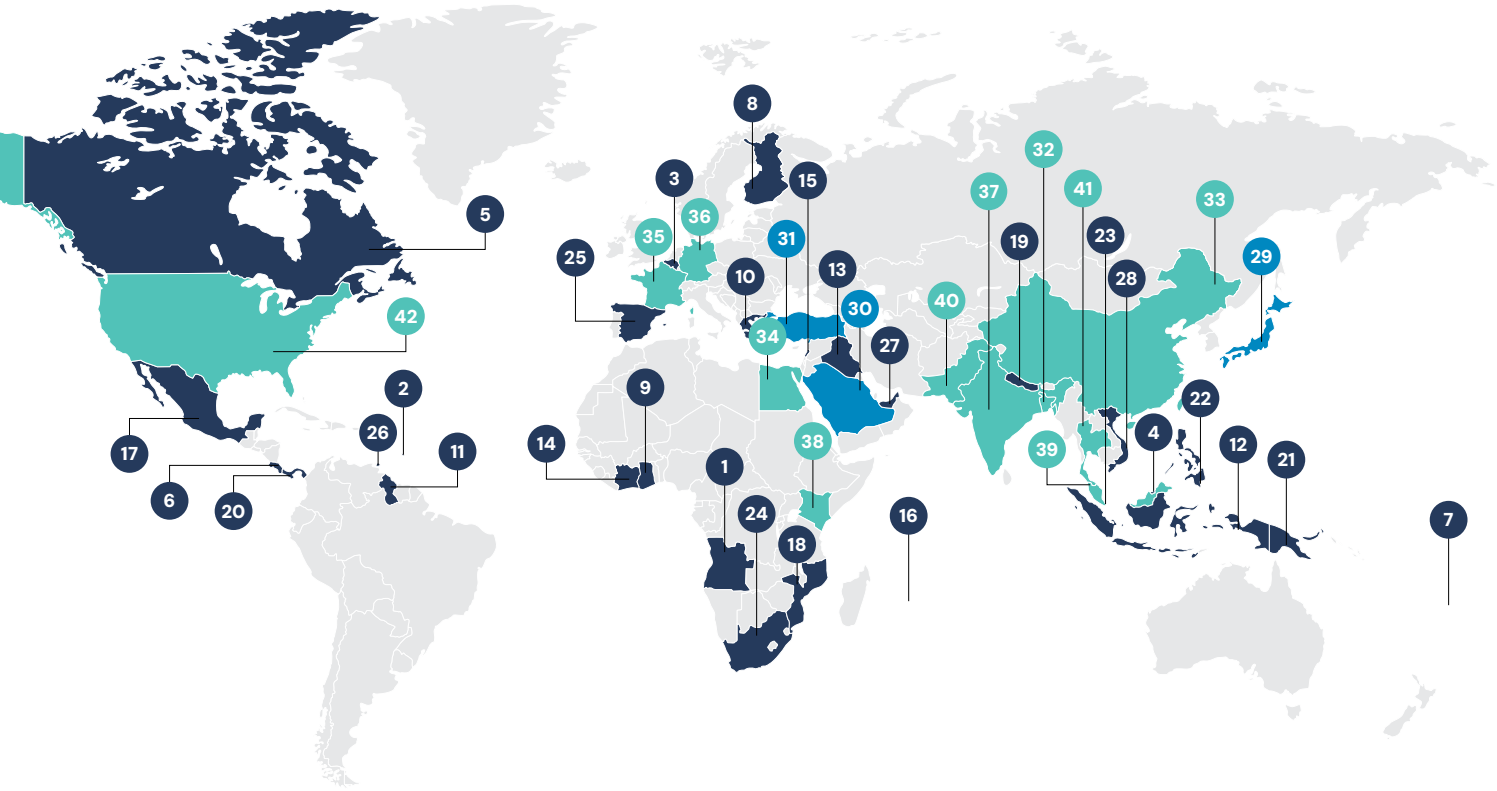
Key initiatives include the Automotive Hi-Tech Valley ("AHTV") in Tanjong Malim, Perak, which is envisioned as a hub for next-generation vehicles and energy-efficient technologies. The segment includes the Group's industrial and residential property development arm, while also managing national assets such as the Bukit Kayu Hitam Immigration, Customs, Quarantine and Security Complex and Angkasapuri Kota Media, reinforcing DRB-HICOM's role in supporting Malaysia's industrial and technological development.

LOCAL PRESENCE

Number of Operating Companies
93

Total Workforce
42,700

GLOBAL PRESENCE



Customer Base			
1	Angola	15	Lebanon
2	Barbados	16	Mauritius
3	Belgium	17	Mexico
4	Brunei	18	Mozambique
5	Canada	19	Nepal
6	Costa Rica	20	Panama
7	Fiji	21	Papua New Guinea
8	Finland	22	Philippines
9	Ghana	23	Singapore
10	Greece	24	South Africa
11	Guyana	25	Spain
12	Indonesia	26	Trinidad and Tobago
13	Iraq	27	UAE
14	Ivory Coast	28	Vietnam

Business Partners	
29	Japan
30	Saudi Arabia
31	Turkiye

Customer Base & Business Partners	
32	Bangladesh
33	China
34	Egypt
35	France
36	Germany
37	India
38	Kenya
39	Malaysia
40	Pakistan
41	Thailand
42	USA

OPERATING LANDSCAPE

With a broad domestic presence supported by strong, well-established brands across essential industrial sectors, DRB-HICOM continues to play a meaningful role in Malaysia's industrial and economic landscape. The Group operated in broadly steady domestic conditions, supported by firm employment and resilient consumption, while facing heightened global uncertainty stemming from geopolitical developments in the Middle East, including the recent Iran conflict, with spillovers into energy markets, logistics and financial conditions.

Amid this backdrop, the Group's diversified structure across five core segments continued to provide stability and balance.

DRB-HICOM's Competitive Edge

Diversified Market Portfolio

- DRB-HICOM's resilient business model is evidenced by its responsive adaptation to market fluctuations and global economic downturns. Its diversified portfolio repeatedly demonstrates its strength across multiple industrial sectors.
- The Group holds a prominent position within the Malaysian automotive industry with comprehensive involvement across the entire automotive value chain, from research and development as well as design, to assembly, distribution, retail, repair and component manufacturing.
- CTRM's acquisition of Spirit Malaysia, now known as CTRM AeroSystems Sdn. Bhd., has elevated the Group to become a Tier 1 supplier of aerostructures to global aircraft giants Airbus and Boeing, broadening DRB-HICOM's presence in the aerospace value chain.
- Ownership of well-known companies such as PROTON, MODENAS, Pos Malaysia and Bank Muamalat, coupled with its presence in property, defence and services, provides a strong base for the Group's diverse expertise, which has enabled sustained resilience and market differentiation in the current operating environment.

Strong Foundation of Strategic Partnerships

- DRB-HICOM has expanded its international reach through strategic alliances with renowned brands both domestically and globally.
- Strategic partnerships have broadened the Group's market base regionally and globally, maximised synergies and driven innovation, particularly in the automotive segment, through shared resources and expertise.
- Collaborations with leading global automotive manufacturers in China, Germany and Japan have accelerated DRB-HICOM's competitive advantage through the large-scale production, and distribution of passenger and commercial vehicles as well as motorcycles.
- The Group is collaborating with Zhejiang Geely Holding Group Co., Ltd. to develop the AHTV in Tanjong Malim, Perak, as an international automotive hub for multi-brand new energy vehicles and next-generation vehicles.

CTRM's acquisition of Spirit Malaysia, now known as CTRM AeroSystems Sdn. Bhd., has elevated the company to become a Tier 1 supplier of aerostructures to Airbus and Boeing.

Strong Financial Standing and Business Growth

- The Group recorded revenue of RM17.31 billion in FY2025 (FY2024: RM16.19 billion), supported by stable contributions across all operating segments.
- Profit before taxation increased to RM653.88 million (FY2024: RM247.39 million), while net profit rose to RM588.76 million (FY2024: RM105.77 million).
- The Mobility segment remained the key driver, contributing RM12.79 billion in revenue.

Leadership Team Driving Excellence

- The Board comprises individuals with diverse expertise and industry experience, ensuring comprehensive oversight.
- The Directors, of whom 33% are women, continue to strengthen their knowledge of corporate governance, sustainability and market trends through structured training and industry engagements.
- DRB-HICOM's Management Team brings extensive leadership experience from prominent organisations, supporting transformation, operational excellence and technology adoption across the Group.

Transition Towards Electrification

- DRB-HICOM continues to ramp up its electrification push across the Group, supported by national policies and strong consumer interest in electric vehicles ("EV").
- The Group expanded its EV offerings and readiness through more models, including the introduction of the Proton e.MAS 7, Proton e.MAS 5 and new Honda and Audi EV models, alongside growing localisation of EV-related capabilities.
- AHTV continued progressing to support scalable EV and next-generation vehicle production.
- New Energy Asia Sdn. Bhd., a joint venture between HICOM Engineering Sdn. Bhd. and Hangzhou Flash Charging New Energy Co., Limited, advanced the deployment of high-speed EV charging solutions, as the official distributor of Lotus-branded DC fast chargers, supporting Malaysia's growing EV ecosystem.
- Pos Malaysia continued with the electrification of its last-mile delivery network, with over 1,200 e-bikes and 200 e-vans.

A joint venture between DRB-HICOM and Geely, AHTV in Tanjong Malim, Perak, continues progressing towards becoming a hub to support the new energy vehicle and next-generation vehicle ecosystem.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Tan Sri Wan Zulkiflee Wan Ariffin
Chairman/Independent Non-Executive Director

Dato' Ibrahim Taib
Senior Independent Non-Executive Director

Tang Saw Hua
Independent Non-Executive Director

Tan Sri Syed Faisal Albar Syed A.R Albar
Group Managing Director

Uji Sherina Abdullah
Independent Non-Executive Director

Dato' Adnan Hisham Pawanteh
Independent Non-Executive Director

Board Audit Committee
Chairman : **Tang Saw Hua**
Members : **Dato' Ibrahim Taib**
: **Uji Sherina Abdullah**

Board Nomination and Remuneration Committee
Chairman : **Tan Sri Wan Zulkiflee Wan Ariffin**
Member : **Uji Sherina Abdullah**
: **Dato' Adnan Hisham Pawanteh**

Board Risk and Sustainability Committee
Chairman : **Dato' Ibrahim Taib**
Members : **Tang Saw Hua**
: **Dato' Adnan Hisham Pawanteh**

Company Secretary
Sabarina Laila Mohd Hashim
(LS0004324)
SSM PC No. 201908001661
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Fax : +603 2052 7696
Email : sabarina@drb-hicom.com

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Malaysia
Tel : +603 2052 8000
Fax : +603 2052 8099
Email : secretarial@drb-hicom.com

Company Website
www.drb-hicom.com

Internal Audit and Integrity
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Chief Internal Audit and Integrity Officer
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Email : hafni.mohdsaid@drb-hicom.com

Investor Relations
Norli Dollah
Senior Manager, Investor Relations
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Fax : +603 2052 8228
Email : invest@drb-hicom.com

Share Registrar
Boardroom Share Registrars Sdn. Bhd.
Registration No: 199601006647
(378993-D)
11th Floor, Menara Symphony
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Selangor Darul Ehsan
Malaysia
Tel : +603 7890 4700
Fax : +603 7890 4670
Email : BSR.Helpdesk@boardroomlimited.com

Auditors
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(Firm No: LLP0010081-LCA & AF 0758)
Chartered Accountants
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No. 8, First Avenue
Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan
Malaysia
Tel : +603 7721 3388
Fax : +603 7721 3399

Principal Bankers
Bank Muamalat Malaysia Berhad
Malayan Banking Berhad
AmBank (M) Berhad
RHB Bank Berhad
CIMB Bank Berhad

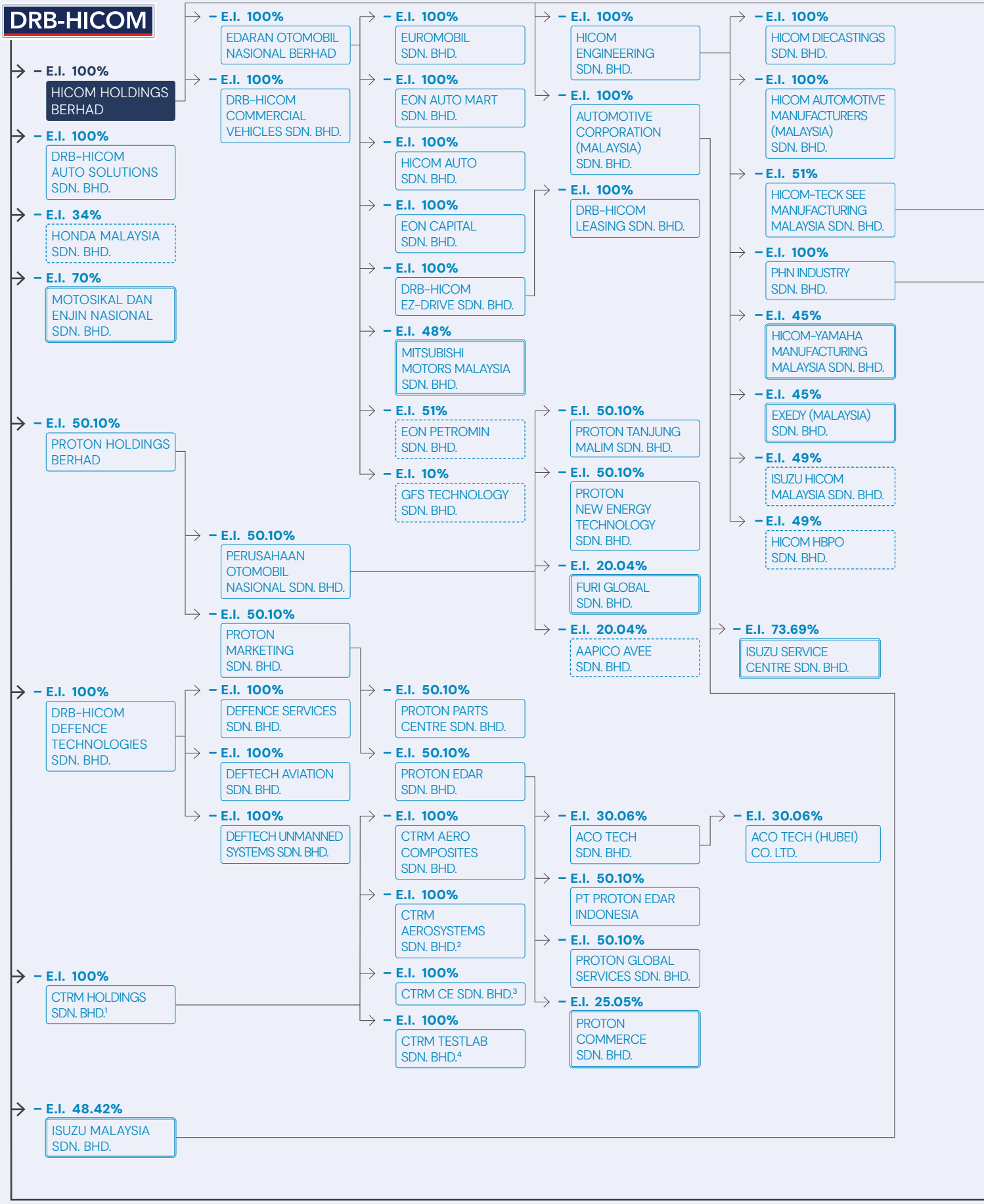
Principal Solicitors
Hisham, Sobri & Kadir
Lee Hishammuddin Allen & Gledhill
Kadir Andri & Partners

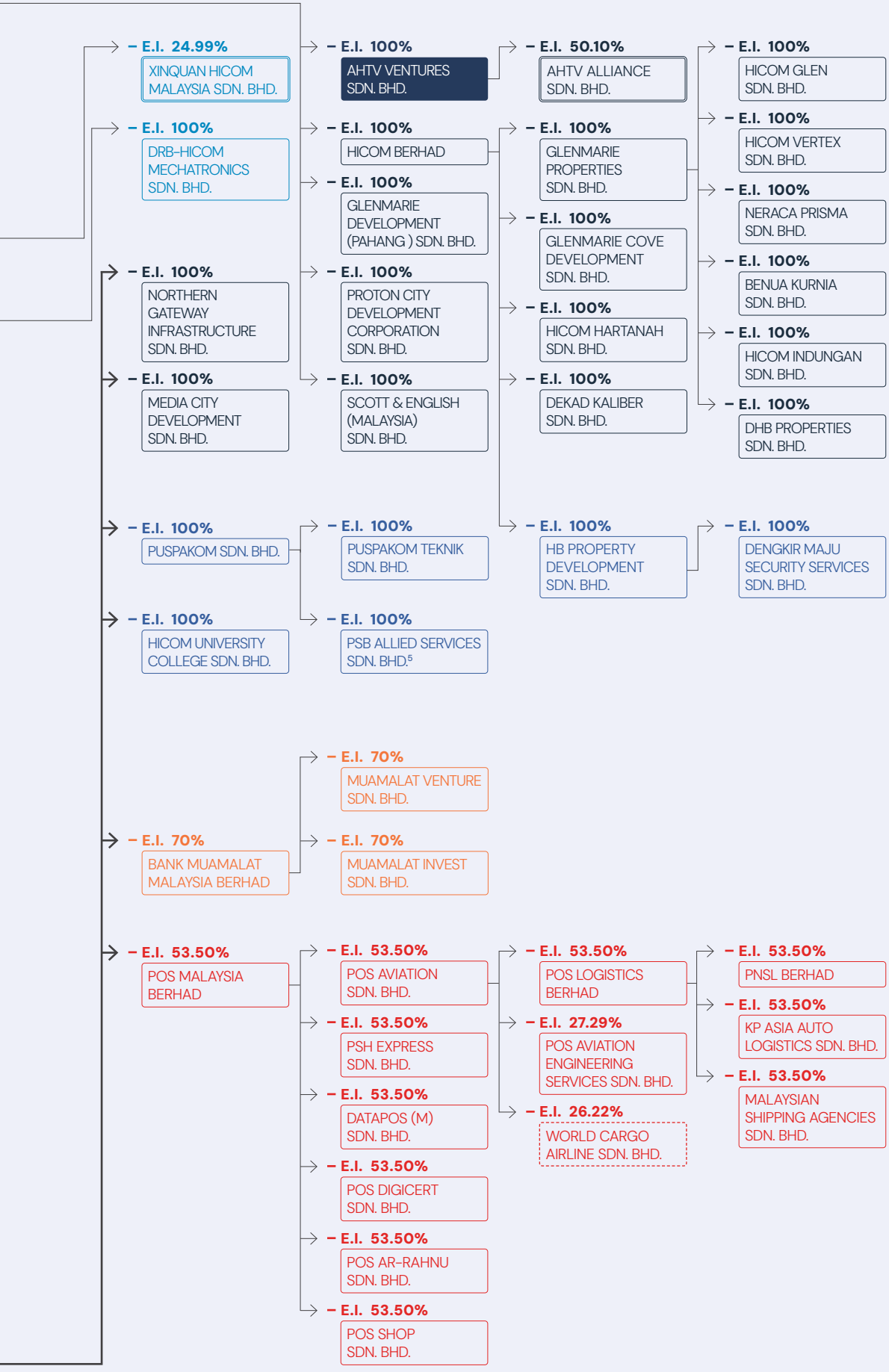
Stock Exchange Listing
Listed on the Main Market of
Bursa Malaysia Securities Berhad
Listing Date : 4 September 1992
Stock Name : DRBHCOM
Stock Code : 1619

AGM Helpdesk
Tel : +603 2052 8935

GROUP CORPORATE STRUCTURE

OPERATING COMPANIES AS AT 31 DECEMBER 2025





LEGEND

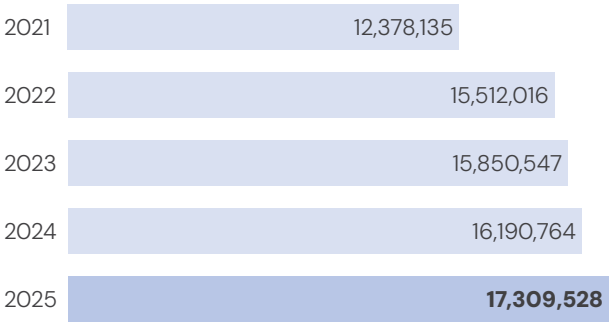
- Mobility
- Banking
- Postal
- Services
- Properties
- Holding Company
- Joint Venture
- Associate
- E.I. Effective Interest

1 *formerly known as Composites Technology Research Malaysia Sdn. Bhd.*
2 *formerly known as Spirit AeroSystems Malaysia Sdn. Bhd.*
3 *formerly known as CTRM Composites Engineering Sdn. Bhd.*
4 *formerly known as CTRM Testing Laboratory Sdn. Bhd.*
5 *formerly known as Flora Areana Sdn. Bhd.*

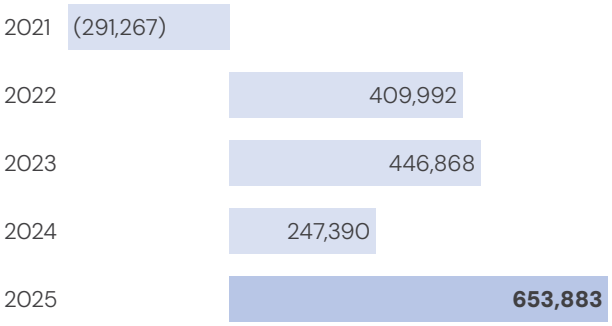
GROUP'S 5-YEAR FINANCIAL HIGHLIGHTS

	December 2021	December 2022	December 2023	December 2024	December 2025
Operating Revenue (RM'000)	12,378,135	15,512,016	15,850,547	16,190,764	**17,309,528**
Profit/(Loss) Before Taxation (RM'000)	(291,267)	409,992	446,868	247,390	**653,883**
Basic and Diluted Earnings/ (Loss) per Share (sen)	(15.33)	9.71	12.36	1.17	**20.59**
Dividend per Share[1] (sen)	2.00	2.00	2.50	2.50	**2.50**
Total Assets (RM'000)	47,118,651	51,489,188	58,589,334	62,263,898	**65,769,329**
Total Equity (RM'000)	9,097,826	9,688,401	10,617,079	10,287,204	**10,824,175**
Net Assets per Share[2] (RM)	3.73	3.81	3.93	3.83	**4.04**
Total Borrowings (RM'000)	8,039,065	7,947,079	7,199,579	7,279,793	**8,349,290**
Gross Gearing Ratio (Times)	0.88	0.82	0.68	0.71	**0.77**

Operating Revenue *RM'000*

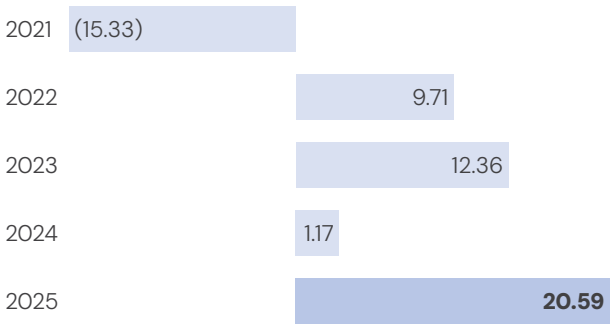


Profit/(Loss) Before Taxation *RM'000*

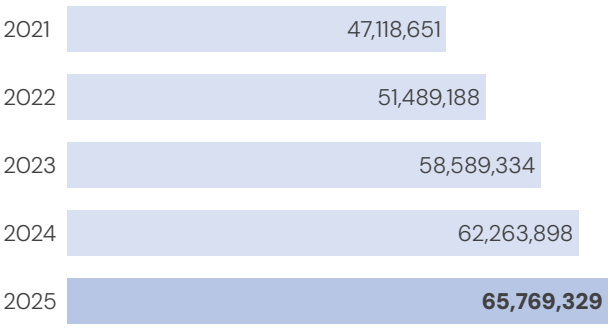


[1] *Dividend per share (gross) consists of final dividend declared and proposed for the designated financial year.*
[2] *Based on 1,933,237,051 ordinary shares in issue.*

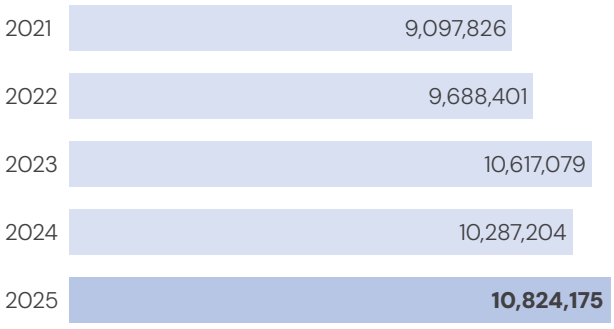
Basic and Diluted Earnings/(Loss) per Share *Sen*



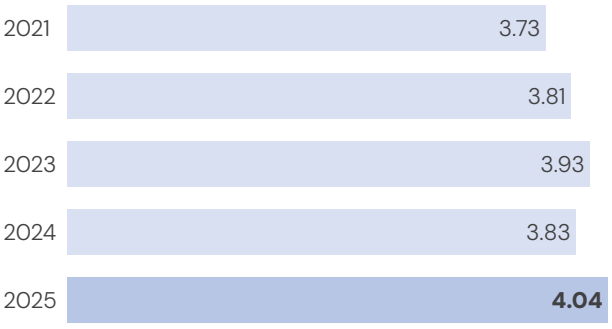
Total Assets *RM'000*



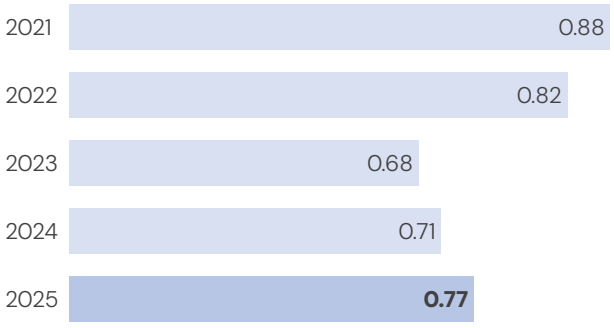
Total Equity *RM'000*



Net Assets per Share *RM*



Gross Gearing Ratio *Times*



PERFORMANCE HIGHLIGHTS

ECONOMIC

Launch of the all-new
Proton Saga
built on the homegrown
AMA platform

Over
13,000
units of xEV[3] sold by PROTON

The Proton e.MAS 7 was the best-selling EV model in Malaysia in 2025.

CTRM acquires Spirit Malaysia,
becomes Malaysia's most prominent
Tier 1 aerostructure supplier
to Airbus and Boeing, as well as other global aircraft manufacturers

HICOM Engineering and Hangzhou Flash Charging form a joint venture to distribute
Lotus EV charging equipment
in Malaysia and ASEAN

ENVIRONMENT

Generated
129,758 GJ
of solar energy, an 11% increase from 2024, and achieved
10.9%
renewable energy in electricity mix

HICOM-Teck See's new solar photovoltaic initiative at its Tanjong Malim plant will contribute towards increasing renewable energy in the company's electricity mix.

Embarked on the
IFRS Sustainability reporting journey

1,044 megalitres
of water treated and reused since 2015

317 metric tonnes
of wastewater sludge repurposed into alternative raw material, supporting a circular economy

428 vulnerable plant species
in the IUCN Red List planted across property segments

[3] *"xEV" includes all types of electrified vehicles, such as hybrids ("HEV"), plug-in hybrids ("PHEV"), and battery EVs ("BEV").*

SOCIAL

Achieved a Lost Time Injury Frequency Rate of
1.19
a 12% reduction compared to the previous year

Average of
25.32 hours
of training per employee recorded across the Group

Achieved
35%
female representation at managerial level across the Group

RM24.7 million
invested in employee training and development to strengthen workforce capabilities

More than
90,000 individuals
benefitted from community development initiatives

Launched the
Supplier Capacity Building Programme
involving critical vendors in the Manufacturing and Engineering subsegment

93%
local vendors, representing 72% of total procurement spend

GOVERNANCE

Training for anti-bribery and anti-corruption included all levels of employees, from the top management to all staff.

851 hours
of Anti-Bribery and Anti-Corruption training completed

Zero

- confirmed incidents of corruption
- fines, penalties or settlements related to corruption
- identified leaks, theft or losses of customer data
- substantiated complaints concerning breaches of customer privacy

AWARDS AND ACHIEVEMENTS

DRB-HICOM

- Gold (Class I) Award at the 43rd Malaysian Society for Occupational Safety and Health (MSOSH) Awards 2025
- Overall Excellence Award — Malaysia Top 50 at the National Corporate Governance & Sustainability Awards (NACGSA) 2025, ranking 24th position
- UNGCMYB ESG Select List 2025 — 2-Star Lister for ESG Trailblazer and ESG Breakthrough Innovation

Mobility Segment

National Brands

PROTON Holdings Berhad

- Carlist.my & WapCar.my People's Choice Awards 2025:
  - Best Compact SUV — X50
  - Best Compact EV — e.MAS 7
- Kancil Awards 2025 — Merit: Brand Partnerships, Sponsorship and Collaboration ("Ready, Set, Roar!" — Proton X50, VML)
- Media's Choice Booth Award at Malaysia Autoshow 2025
- Silver, Automotive Brand Award — Putra Brand Awards 2025
- Malaysia Car of the Year (MCOTY) 2025:
  - Crossover ICE of the Year: Below RM120,000 — Proton X50 1.5TD Flagship
  - People's Choice Award — Proton X50 1.5TD Flagship
  - Best Entry Level xEV of the Year — Proton e.MAS 5 Premium
  - Sedan of the Year: Below RM150,000 — Proton Saga 1.5 Premium
  - Best ICE Car of the Year — Proton Saga 1.5 Premium CVT

Motosikal Dan Enjin Nasional Sdn. Bhd.

- Energy Efficient Vehicle (EEV) Label — MARii
- ISO 39001:2012 Road Traffic Safety Management System Certification — NIOSH
- MyMAP Motorcycle Safety Rating— MARii & MIROS

Automotive Distribution

Honda Malaysia Sdn. Bhd.

- Carlist.my & WapCar.my People's Choice Awards 2025:
  - Best Compact Sedan — Honda Civic
  - Best Affordable Hybrid — Honda City e:HEV RS
  - Best Mid-Range Hybrid — Honda CR-V e:HEV RS
- Carlist.my & WapCar.my Editors' Choice Award 2025:
  - Best Compact Sedan — Honda Civic e:HEV RS

Mitsubishi Motors Malaysia Sdn. Bhd.

- Gold Award-Putra Aria Brand Awards 2025
- Overall Champion, Team Mitsubishi Ralliart-Asia Cross Country Rally (AXCR) 2025
- Pick-Up Truck Of The Year, Mitsubishi Triton Athlete-WapCar Editor's Choice Awards 2025 & Allianz DSF.my Vehicle of the Year Awards 2025

DRB-HICOM Auto Solutions Sdn. Bhd.

- Port Klang Free Zone (PKFZ) 20th Anniversary Gala Dinner & Awards:
  - Honorary Excellence Award
  - Longstanding Partnership Award
- Top 20 Swiss Innovation Challenge (SIC) 2025

Edaran Otomobil Nasional Berhad

- Sustainability & CSR Malaysia Awards 2025:
  - Company of the Year (Automotive Distribution) — Environmental & Community Stewardship Award
  - Asia Sustainability Personality Award (Automotive Industry) — ESG Leadership
- HRD Awards 2025 — Excellence in Talent Management & Leadership (Large Employer)

Automotive Corporation (Malaysia) Sdn. Bhd.

- Top Medium Duty Sales Award 2025 (Commercial Vehicles) by Isuzu Malaysia Sdn. Bhd. (IMSB)
- 8th place at the Isuzu World Technical Competition I-1GP 2025 by Isuzu Motors Ltd., representing Team Malaysia

Manufacturing and Engineering

ISUZU HICOM Malaysia Sdn. Bhd.

- Human Capital Development Partner Award by Federation of Malaysian Manufacturing (FMM)

HICOM Diecastings Sdn. Bhd.

- Gold Award — Sustainability Shared Prosperity Organisation Assessment (SSPOA) by the Malaysia Productivity Corporation
- Level 3 — Supplier Competitiveness Level (SCL) by MARii

PHN Industry Sdn. Bhd.

- Gold Award — MPC Sustainability Shared Prosperity Assessment 2025, by Malaysia Productivity Corporation
- GreeNOVATION Award — 2025 Malaysia Global Sustainability Awards at Malaysia Global Sustainability Awards (MGSA)
- Champion — OpeEx SynerQuest 2025, by SynerQuest Operational Excellence Programme
- Runner-Up — ICC/KIK Malaysia Convention 2025, by Konvensyen ICC/KIK Malaysia
- 1st Place, NHC Convention 2025

HICOM Automotive Manufacturers (Malaysia) Sdn. Bhd.

- Best Practice Adoption for The CKD Best Practice League

HICOM Teck-See Manufacturing Malaysia Sdn. Bhd.

- Commercial Appreciation by Mitsubishi Motors Malaysia Sdn. Bhd.
- Collaborative Supplier Award by PROTON Holdings Berhad

HICOM HBPO Sdn. Bhd.

- ASEAN-OSHNET Excellence Award at the 6th ASEAN-OSHNET Award Ceremony

Aerospace

CTRM Holdings Sdn. Bhd.

- Outstanding Supplier Performance Award 2025 by Collins Aerospace I Pratt & Whitney I Raytheon Technologies
- Malaysia Aerospace Industry Association (MAIA) President's Award 2025:
  - Leadership Competencies and Development Award, Corporate Category
  - Aero Digital Excellence Award, Corporate Category
- Bronze, Aero Excellence Awards 2025 by Collins Aerospace
- Top 100 SME100 Malaysia: Fast Moving Companies Recognition at SME Corporation Malaysia

Banking Segment

Bank Muamalat Malaysia Berhad

- Fastest Growing Digital Transformation Islamic Bank (Malaysia) — International Finance Awards 2025
- Anugerah Prestasi Terbaik 2024 — Keseluruhan Skim Jaminan Kerajaan, kategori Institusi-institusi Kewangan by Syarikat Jaminan Kredit Perumahan Berhad (SJKP)
- ASNB Starz Awards 2025:
  - Top Branch, Highest Number of ASNB Transactions — Bank Muamalat Port Dickson
  - Top Branch, Highest Sales of All ASNB Fixed Price Fund — Bank Muamalat Kuching
- Malaysia Best Employer Brand Awards 2025 by World HRD Congress
- Employer Excellence, Top Employer Excellence Award 2025 — by KSI Strategic Institute for Asia Pacific
- Cyber Security Project of the Year Award at Malaysia Cyber Security Awards 2025
- NCOSH Excellence Award in Financial Institution Category 2025 by National Council for Occupational Safety and Health
- Islamic Retail Banking Awards (IRBA):
  - Best Islamic Retail Bank for Social Finance Initiatives in Malaysia 2025
  - RBA Excellence Award for Islamic Retail Banking in Malaysia 2025

Postal Segment

Pos Malaysia Berhad

- UNGCMYB ESG Select List 2025
  - 4-Star Lister for ESG Breakthrough Innovation, ESG Trailblazer, Future-Fit & Responsible Workforce and The North Star ESG Target Setting
- FemForward Award 2025
  - Women Excellence in Sustainability Land Transport
- Universal Postal Union (UPU)
  - Gold, International Express Mail Service (EMS) Award
- Eureka Award at Energy Asia Awards 2025
- World Post & Parcel Awards 2025 — Industry Leadership Award
- Sustainability & CSR Malaysia Awards 2025:
  - Company of the Year (Postal Services) — Community Empowerment & Care Award
  - Company of the Year — Long-Standing Excellence Award Winner
- Services Innovation & Sustainability Award at MIHAS Services Innovation & Sustainability Award 2025
- National Energy Awards 2025 by Ministry of Natural Resources, Environment and Climate Change
  - Winner — Small & Medium Building Category
  - 1st Runner-Up — Large Building Category
  - Merit — Small & Medium Building Category
- Gold, Transportation & Logistics (based on FTSE Russell rating) — The Edge ESG Awards 2025
- ASEAN Energy Awards (AEA) 2025:
  - Winner, Small & Medium Building
  - 1st Runner-Up, Large Building Category
- 43rd MSOSH Award 2025:
  - Gold Merit
  - Gold Class 1
  - Silver Class Awards
  - MSOSH President Award
- Anugerah Sokongan Keselamatan Perjalanan Selamat: Majikan Terbaik at Transport Expo Asia (TXA) 2025
- Innovation Awards 2025 by Asian-Pacific Postal Union

Pos Logistics Berhad

- Occupational Health and Safety Management System (ISO 45001:2018) Certification by Infinity Cert International

Pos Digicert Sdn. Bhd.

- Konvensyen ICC/KIK Malaysia 2025
  - Anugerah Penarafan Bintang: Penarafan Projek Tertinggi (3 Bintang)
  - Anugerah Kumpulan Berpotensi

Services Segment

DRB-HICOM University of Automotive Malaysia

- The World University Ranking for Innovation 2025 (WURI):
  - Ranked 278th in the Global Top 400
  - Ranked 28th in the Empowerment-Based Management Top 100
  - Ranked 13th in the ESG Trend Top 100
  - Ranked 17th in the Cost-Effectiveness Management Top 100

PUSPAKOM Sdn. Bhd.

- Platinum Rating for Public Complaints Management Inspection 2025 by the Ministry of Transport Malaysia for the inspection period from 1 to 31 July 2025

Properties Segment

Northern Gateway Infrastructure Sdn. Bhd.

- ISO 9001:2015 Certification — Quality Management System by Kiwa International Certifications (M) Sdn. Bhd.

Media City Development Sdn. Bhd.

- PAM Awards 2025 — Pertubuhan Arkitek Malaysia (PAM)
  - Building of the Year
  - Gold, PAM Awards 2025
- Anugerah Pencahayaan Bangunan (Cemerlang) - Dewan Bandaraya Kuala Lumpur DBKL 2025

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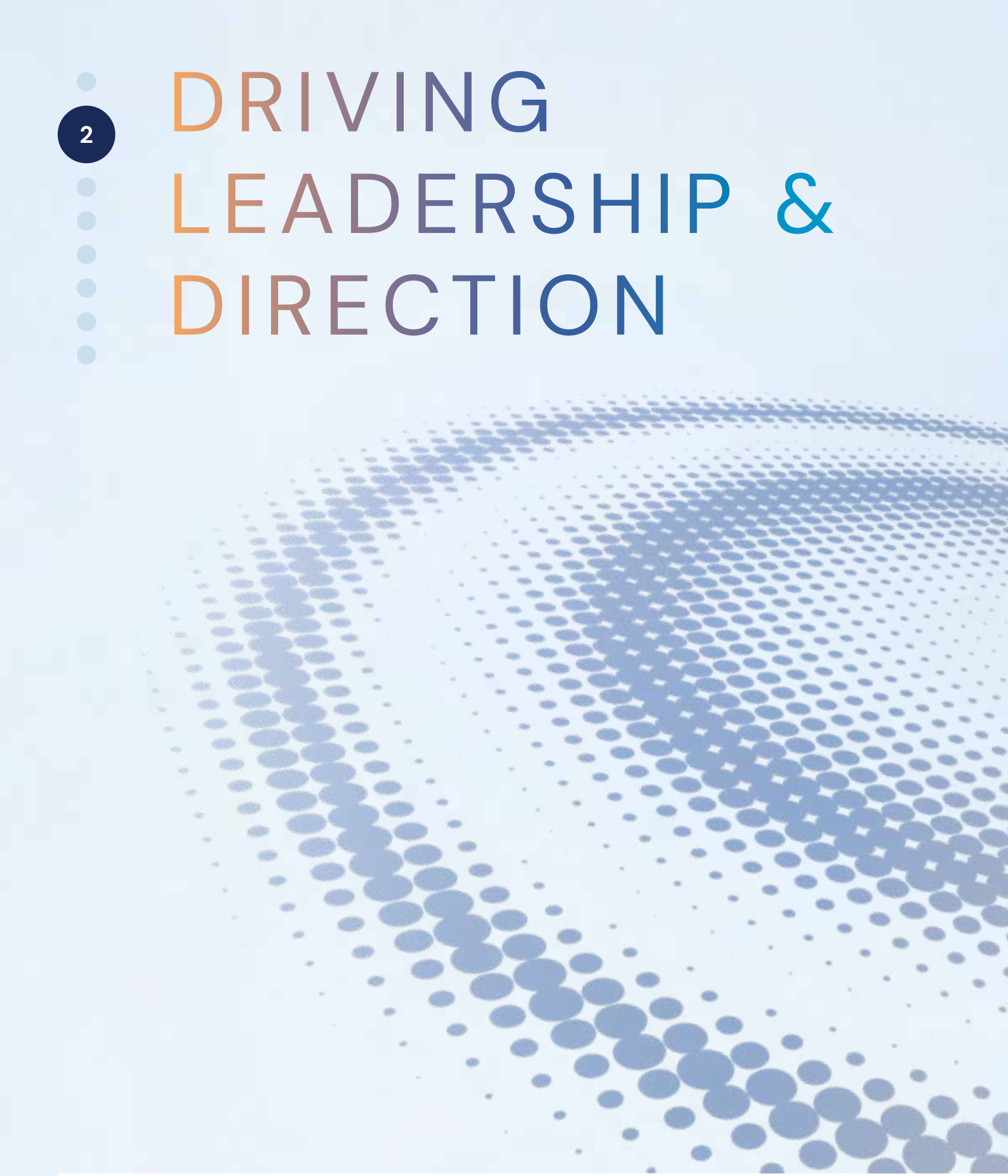
DRIVING LEADERSHIP & DIRECTION



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34 Review of the Group's Segmental Contributions

72 Investor Relations

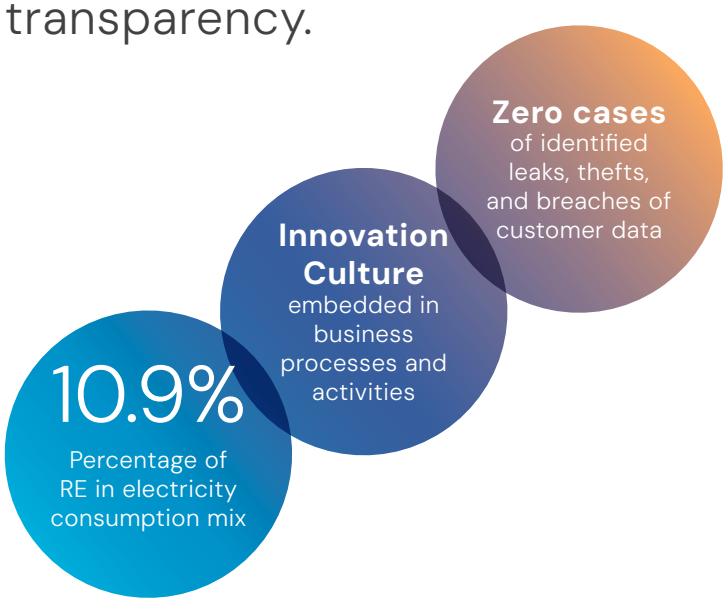
“Innovation distinguishes between a leader and a follower.”

— Steve Jobs
Co-founder of Apple

CHAIRMAN'S STATEMENT

RAISE THE GAME, RESHAPE FOR TOMORROW, AND RE-EMPHASISE TRUST

DRB-HICOM has continued its focus on strengthening its core businesses, harnessing data-driven technologies and adopting automation to elevate efficiency, agility and transparency.



Dear Valued Shareholders,

I am pleased to present DRB-HICOM's Integrated Annual Report 2025. It has been a defining year for DRB-HICOM as the Group pushed ahead with its strategic priorities and deepened its commitment to long-term value creation. Amid an evolving operating landscape, the Group remained focused on supporting stakeholders while navigating market shifts with agility.

Disciplined execution, strong portfolio contributions and sustained transformation traction have enabled the Group to deliver sustainable value to its shareholders.

OPERATING LANDSCAPE

Global developments, including shifts in major trade policies, higher US tariffs, oil price volatility and currency movements, continued to shape the business environment during the year under review. Against this backdrop, global Gross Domestic Product ("GDP") growth for 2025 stood at 3.2% while Malaysia's growth was 5.2% supported by resilient domestic demand and exports.

Domestic demand remained stable, driven by steady employment and the effects of a lower Overnight Policy Rate ("OPR") which helped to ease borrowing costs and sustain household spending.

Against this operating backdrop and guided by the Group's three strategic pillars - Raise the Game, Reshape for Tomorrow and Re-emphasise Trust - DRB-HICOM has continued its focus on strengthening its core businesses, harnessing data-driven technologies and adopting automation to elevate efficiency, agility and transparency, aptly encapsulated by the theme for this Integrated Annual Report "Paving Future Runways".

2025 FINANCIAL PERFORMANCE

Malaysia's economic resilience has remained an anchor for DRB-HICOM's performance. The Group has recorded a revenue of RM17.31 billion and a profit before tax of RM653.88 million. These results have once again demonstrated the strength of the Group's diversified portfolio, the progress made in its transformation and the depth of its talent pool. It has also reaffirmed the progress in raising performance, reshaping businesses and sustaining stakeholder confidence.

Disciplined execution, strong portfolio contributions and sustained transformation traction have enabled the Group to deliver sustainable value to its shareholders.

Building on this strong financial foundation, the Group has advanced strategic priorities across all segments, ensuring each business contributes towards the Group's long-term vision and Malaysia's national aspirations.

STRENGTHENING MOMENTUM

Throughout the year, DRB-HICOM has continued to strengthen its position as a catalyst for Malaysia's industrial advancement. Its businesses have pursued strategic priorities that enhanced competitiveness, widened growth pathways and helped push forward national ambitions especially for the mobility, aerospace and defence sectors.

In line with its focus on next-generation vehicles, PROTON has made further inroads in the electric vehicle ("EV") industry with the launch of the e.MAS 7, PROTON's first EV, followed by the e.MAS 5, both of which have been very well received by Malaysians. And not forgetting the more recently launched Plug-In Hybrid Proton e.MAS 7. PROTON's EV push has also contributed to making 2025 its best year for exports since 2012, with a 26% increase from the year 2024 to 6,000 registrations of various models. PROTON has also deepened its transformation through manufacturing consolidation at the Automotive Hi-Tech Valley ("AHTV") in Tanjong Malim, Perak, integrating key operations to improve scale and readiness for electric mobility with the opening of the country's first dedicated EV assembly plant.

The Group's electrification focus naturally extends across other operating companies. MODENAS has launched the MEV-1 and MEV-2 electric motorcycle models, which were previously deployed for fleet usage by Pos Malaysia but has now been expanded to include the business-to-customer market. Meanwhile, EON has expanded the Proton e.MAS retail network while also promoting EV models from other marques under its stable.

The acquisition of Spirit Malaysia by CTRM strengthens the Group's high-value capacity within the global aerospace sector.

As the Group widened its growth potential, DRB-HICOM's aerospace business scored a major milestone with CTRM's acquisition of Spirit Malaysia, now known as CTRM AeroSystems Sdn. Bhd. This has resulted in CTRM strengthening its high-value capacity, elevating it to Tier 1 status as Malaysia's most prominent direct supplier of aerostructures to global airplane manufacturers Boeing and Airbus, in addition to other aircraft manufacturers. In the Defence subsegment, DEFTECH advanced the development of unmanned aerial vehicles for both military and non-military applications, reinforcing its position in Malaysia's defence ecosystem and beyond.

To learn more about DRB-HICOM's Mobility segment, see pages 34-49.

Pos Malaysia has continued to improve its service reliability and redoubled its efforts to reduce costs and improve efficiencies through its transformation plan. Within this business segment, Pos Aviation has further modernised ground support equipment and broadened airline partnerships while Pos Logistics leveraged opportunities in warehousing, freight forwarding and distribution to support growth in EV ecosystems and commodity flows. Pos Malaysia has also embraced a new aspect in automation through a proof-of-concept study for autonomous vehicles, with a view towards rolling this out across its facilities nationwide.

To learn more about the Postal segment, see pages 54-61.

Technology adoption has also remained central to delivering better outcomes in the Banking segment as Bank Muamalat advanced its digital reach through ATLAS, Malaysia's first Islamic digital-only bank. At the same time, the bank continued its focus on rolling out system upgrades and automation which enabled more efficient straight through processing as well as tighter fraud prevention.

To know more about the initiatives in the Banking segment, see pages 50-53.

Lastly, in the Services segment, PUSPAKOM has enhanced efficiency, transparency and accessibility with new inspection tools, some incorporating the use of Artificial Intelligence, and an expanded branch and mobile network. Meanwhile, DRB-HICOM University of Automotive Malaysia has continued to strengthen Malaysia's TVET ecosystem by upgrading learning infrastructure and contributing to national curriculum development through the Government-Industry TVET Coordination Panel.

To know more about the initiatives by the Group's Services segment, see pages 62-65.

DRIVING RESPONSIBLE GROWTH

DRB-HICOM remains committed to embedding sustainability across the Group, guided by clear long-term targets to support the nation's move towards a low-carbon economy. This includes reducing greenhouse gas emissions by 35% by 2035 compared with 2018 levels, and increasing renewable energy to 20% of the energy mix by 2035. As an integral contributor to Malaysia's economic landscape, DRB-HICOM continuously weaves climate considerations into its strategy, governance and operations.

PROTON's Tanjong Malim solar power initiative includes the largest parking lot bi-facial solar panel facility in Malaysia.

During the year, the Group's on-site solar PV systems have generated more than 129,000 GJ of renewable energy. As a whole, renewable energy accounted for 10.9% of the total energy mix, indicating sustained momentum towards its 2035 target and

the Group has also achieved a GHG emissions (Scope 1 and 2) reduction of 4.5% in 2025 compared with the previous year. These are among the key milestones earning DRB-HICOM a reputable spot in the Malaysia Top 50 Overall Excellence Award, at the coveted National Corporate Governance & Sustainability Awards 2025.

At the same time, the UN Global Compact Network Malaysia & Brunei has listed DRB-HICOM in the ESG Trailblazer category for PROTON's Tanjong Malim Bi-Facial Solar Park as the largest parking-lot bi-facial solar facility – where the solar PV panels are able to capture both direct as well as reflected sunlight - in Malaysia. Similarly, CTRM was listed in the ESG Breakthrough Innovation category for its advanced composite manufacturing and environmental performance, setting a new national benchmark for industrial excellence and which had previously earned it the Prime Minister's Award at the prestigious Industry Excellence Awards the year prior.

The Group has also deepened the social dimension of sustainability, strengthening diversity, equity and inclusion across the Group, in line with United Nations Sustainable Development Goals. In 2025, DRB-HICOM achieved 33% female representation on the Board and 35% in managerial roles, reinforcing its progress in cultivating a more diverse and inclusive workforce. Simultaneously, the Group focused on improving well-being by promoting physical and mental health, safety awareness and workplace resilience. These initiatives contributed to improved engagement levels across the Group. From a community standpoint, the Group's corporate responsibility programmes have benefitted over 90,000 people, strengthening efforts to build more inclusive, resilient and sustainable communities.

DRB-HICOM continues to uphold a strong governance culture anchored on accountability and integrity, recognising that robust oversight and ethical conduct are central to long-term value creation. The T.R.U.S.T. Principles - Top-level commitment, Risk assessment Undertaking control measures, Systematic review, Training and communication - remain central to the Group's approach, supporting rigorous risk management and clear lines of responsibility.

In the year under review, DRB-HICOM was awarded the MS ISO 37001:2016 Anti-Bribery Management Systems ("ABMS") certification, reaffirming its commitment to integrity, transparency and ethical conduct across the Group.

From a digital perspective, DRB-HICOM has also strengthened its digital governance foundations by deepening focus on cybersecurity, data privacy and regulatory compliance. In line with Malaysia's Cyber Security Act 2024, the Group has reinforced oversight structures, improved system integrity and tightened Group-wide protocols to safeguard data and maintain operational resilience. It has also embedded stronger enterprise risk management practices to foster a safer and more reliable operating environment.

OUTLOOK IN 2026

Prior to the escalation of geopolitical tensions in the Middle East, heightened by the Iran conflict, global growth was expected to hold steady at around 3.1% in 2026. Malaysia's economy is now projected to expand between 4% and 5%, supported by moderate inflation, stable employment, a strong export sector and targeted fiscal measures that will help sustain resilient domestic demand.

The latest developments have heightened global uncertainty particularly across the energy, logistics and financial markets. A prolonged or escalated conflict could lead to higher input costs, supply chain disruptions, currency volatility and softer demand in certain markets.

Nonetheless, the country is moving forward with its national development agenda, guided by the 13th Malaysia Plan, the extension of the New Industrial Master Plan 2030 and targeted incentives to attract high-value investments. The focus on advanced manufacturing, EV development and workforce upskilling will continue to shape the nation's economic direction. In addition, Budget 2026 allocations for the automotive, TVET and property sectors are expected to reinforce the shift towards a higher-income and higher-skilled workforce.

The Group continues to monitor the latest geopolitical developments closely and has put in place mitigating measures where appropriate. This move has better positioned it to contribute to national priorities by leveraging its diversified portfolio, technology capabilities and strong industry ecosystem. The Group will deepen its role in the EV ecosystem, enhance customer experience through digital solutions and strategic partnerships to deliver even better services as well as expand renewable energy adoption to strengthen long-term resilience and support national priorities.

ACKNOWLEDGEMENTS

I would like to extend my appreciation to my fellow Board members for their tireless dedication, wisdom and guidance in steering DRB-HICOM forward.

I would also like to take this opportunity to honour the late Datuk Idris Bin Abdullah @ Das Murthy for his invaluable contributions and dedication during his eight-year tenure as Independent Non-Executive Director. His guidance and counsel have left a lasting impact on the Group, and we remain deeply grateful for his service.

It is also with great pleasure that I welcome Dato' Adnan Hisham Pawanteh as a new Independent Non-Executive Director. I believe his expertise and fresh perspectives will help propel the Group forward.

On behalf of the Board, I would also like to extend our sincere appreciation to all relevant government authorities, agencies and regulators for their support.

And to our shareholders, partners, vendors, customers and employees, thank you for your continued belief in our efforts and loyalty towards the Group.

United by our shared ambition, DRB-HICOM will continue to progress, embracing innovation and transformation as we pave future runways with confidence.

Thank you.

Wan Zul
Chairman

GROUP MANAGING DIRECTOR'S REVIEW

Dear Valued Shareholders,

The operating landscape in 2025 was shaped by shifting global trade dynamics, evolving geopolitical currents and a more cautious economic outlook. These factors influenced demand patterns, cost structures and competitiveness across industries, underscoring the need for disciplined execution, strategic clarity and operational resilience.

Against this backdrop, DRB-HICOM remained guided by its three strategic pillars – *Raise the Game, Reshape for Tomorrow* and *Re-emphasise Trust*. These pillars continued to anchor the Group as it sharpened its competitive edge, scaled its business portfolio and deepened the use of digitalisation and cutting-edge technologies across operations.

Equally important, the Group focused on cultivating talent, empowering innovation and contributing meaningfully to national development, strengthening its performance while maintaining stakeholder confidence in a changing environment.

Revenue

RM17.31 billion ▲6.9%

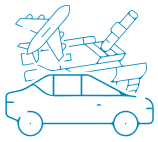
Profit Before Tax

RM653.88 million ▲164.3%

SHARPENING STRATEGIC ADVANTAGE

During the year under review, the Group reorganised its business units, including consolidating the Automotive and Aerospace & Defence segments into a single Mobility segment. This reflects the Group's shift from traditional automotive businesses to a broader, innovation-led mobility ecosystem covering new-energy vehicles, air mobility, connected platforms and integrated mobility services.

DRB-HICOM's Core Segments



Mobility

Banking

Postal

Services

Properties

PROTON's dedicated EV plant in Tanjong Malim, Perak, will further expand access to electric mobility in Malaysia.

In 2025, the Group recorded a 6.9% increase in revenue to RM17.31 billion, while profit before tax rose significantly to RM653.88 million.

The reorganised Mobility segment contributed RM12.79 billion, or 73.9% of total revenue, reaffirming DRB-HICOM's central role in Malaysia's evolving mobility landscape. Stronger cohesion across the segment reflected a Group-wide focus on innovation and scale, supporting the nation's broader automotive transition, technological advancement and sustained economic performance.

The segment's Automotive businesses remained the main driver of growth, led by PROTON sales of 157,976 units, a 3.3% increase from 2024. This performance was supported by the brand's leadership in electrification, with the Proton e.MAS 7 – Malaysia's first EV – emerging as the nation's best-selling EV in 2025 with over 8,000 units sold. The launch of Malaysia's first affordable EV, the Proton e.MAS 5, which has sold over 6,700 units in the first quarter of 2026, together with the e.MAS 7 PHEV, the first dual-powered model by e.MAS, will further expand access to electrified mobility and strengthen market confidence in the brand. These milestones also underscore PROTON's contribution to Malaysia's Low Carbon Mobility Blueprint and the New Energy Transition Roadmap.

The Group also advanced the nation's EV ecosystem with the launch of Malaysia's first dedicated EV assembly facility at the Automotive Hi-Tech Valley ("AHTV") in Tanjong Malim, Perak. This facility provides PROTON with a scalable manufacturing base for next-generation vehicles, strengthening domestic EV capabilities and export readiness while further positioning AHTV as a strategic national hub for advanced automotive technology and manufacturing.

Another major achievement was the launch of the all-new Proton Saga, built on the Advanced Modular Architecture ("AMA") platform, for which PROTON holds full intellectual property rights. This platform enhances PROTON's engineering depth and localisation potential for future models. Meanwhile, Geely, PROTON's strategic partner, will also introduce its own models built on the AMA platform for selected overseas markets.

PROTON's international presence now spans 18 markets across Asia, the Middle East and North Africa, with over 6,000 vehicle registrations in 2025. This marks PROTON's highest export volume since 2012 and a 25.9% increase from 2024, led by the Saga, X50 and e.MAS 7. Key markets such as Egypt continue to play an important role, with its assembly facility near Cairo positioning PROTON to tap into the lucrative North African left-hand drive market.

A significant new development during the year was PROTON's commencement of producing Geely models for export, starting with left hand drive units for the Vietnam market. More than 1,300 units of the Geely Coolray have already been exported, with other models under consideration. This initiative not only increases Malaysia's automotive export value but, more importantly, strengthens economies of scale for the national supply chain. It also marks a historic first for the country, with a national carmaker producing vehicles for a global automotive brand to be sold in overseas markets.

MODENAS continued to expand its international footprint, exporting over 17,000 units across ASEAN, the Middle East and Europe during the year under review. The launch of its homegrown 150cc Z15GT supermoped marked a major milestone. This Malaysian developed and produced model achieves 78% localisation and blends Kawasaki's DNA with local design and engineering capabilities, gaining strong market acceptance. The Gurun manufacturing facility remains a strategic anchor, supporting production of this and various other models and reinforcing MODENAS' position as a credible regional two-wheel manufacturer.

EON has been enhancing the experience of its customers by continuously upgrading its showrooms and services.

Across the retail and financing network, EON continued to grow its multi-brand automotive dealerships, representing a diverse portfolio of local and global passenger vehicle marques. Its leadership as the primary dealer for the Proton e.MAS and "smart" EV brands positions EON as a key customer touchpoint in driving Malaysia's electrification agenda. The launch of Tras, Malaysia's first integrated digital automotive financing platform, further broadened customer access to credit facilities while strengthening the Group's mobility value chain.

Within the Manufacturing and Engineering subsegment, the Group deepened its participation in the EV value chain through New Energy Asia, a joint venture between HICOM Engineering and Hangzhou Flash Charging to manufacture Lotus-branded advanced chargers. This partnership brings established EV charging technology to Malaysia and ASEAN, expands DRB-HICOM's role in regional charging infrastructure and creates a pathway for future localised charger manufacturing.

The Mobility segment's Aerospace business continued to elevate Malaysia's standing in the global aerospace supply chain. CTRM's acquisition of Spirit Malaysia, now known as CTRM AeroSystems, has positioned it as the nation's most prominent Tier 1 aerostructure supplier to global aircraft original equipment manufacturers ("OEM") Airbus and Boeing, among others. The acquisition further strengthens the Group's engineering capabilities and supports national industrial aspirations. Even prior to this acquisition, CTRM was well recognised with an orderbook of RM8.8 billion through to 2040 and the recipient of various industry accolades, including the Outstanding Supplier Performance Award from Collins Aerospace.

DEFTECH continued to deliver on key contracts for transport and logistics vehicles, while its unmanned systems subsidiary expanded drone applications across palm oil, forestry and gas infrastructure operations.

The Group's Banking segment maintained steady performance with revenue of RM2.21 billion. Bank Muamalat advanced its digital expansion with the launch of ATLAS, Malaysia's first Islamic digital-only bank. Powered by an AI-driven platform, ATLAS expands access to Shariah-compliant financial services, enhances customer engagement and further diversifies the Bank's portfolio mix.

In the Postal segment, Pos Malaysia continued its transformation agenda amid challenging market conditions. Its proof-of-concept initiatives focused on improving efficiency without compromising service quality, including the streamlining of delivery routes, the introduction of alternate-day mail delivery and the rationalisation of post office operations. In addition, the establishment of the RM50 million Postal Service Fund by the government now supports the continuation of Pos Malaysia's universal service obligations, particularly in rural and underserved areas. Pos Malaysia also strengthened its cross border services through Redly, enhancing reliability and expanding market reach. The segment further benefitted from Pos Aviation's strong performance, driven by increased airline ground-handling and in-flight catering services. Overall, the Postal segment recorded revenue of RM1.80 billion.

In the Properties segment, development at AHTV continued to reinforce Malaysia's ambition to become a regional hub for next-generation vehicles across multiple automotive brands. The signing of a Memorandum of Understanding between AHTV, Keretapi Tanah Melayu Berhad and the Railway Assets Corporation to explore potential rail connectivity within the area is expected to further enhance AHTV's accessibility and competitive edge.

In the Concession Development and Construction subsegment, the Group maintains two concessions to develop and manage

key government infrastructure assets: Angkasapuri Kota Media, which includes the future development of surrounding areas, and the Bukit Kayu Hitam Immigration, Customs, Quarantine and Security ("ICQS") Complex. At the ICQS, the Group is delivering a new access road linking the Malaysian and new Thai checkpoints, improving cross-border connectivity. The segment recorded revenue of RM299.21 million.

The Services segment continued to play a key role in national capacity building. PUSPAKOM completed its first full year under the liberalised licensing framework, deploying additional mobile inspection fleets, integrating automation and expanding related service offerings to enhance operational efficiency and customer experience. These initiatives reinforced its role in promoting road safety and ensuring compliance with environmental and regulatory standards.

Within the education subsegment, DRB-HICOM University ("DHU") continued to strengthen its technical and vocational education and training ("TVET") programmes and flexible learning pathways to develop a future-ready workforce. Through nationally accredited, industry-aligned programmes and active policy engagement, DHU contributes to Malaysia's TVET agenda by supporting upskilling efforts, improving graduate employability and advancing the nation's long-term growth objectives. The segment recorded revenue of RM214.29 million.

These advancements reflect a Group united in purpose, better positioning itself for the next chapter of Malaysia's mobility and industrial evolution. The progress achieved in 2025 strengthens the foundation for broader participation in high-value segments, deeper technological capabilities and more effective contributions to national development.

More information on each segment's performance is available in the Review of the Group's Segmental Contribution section on pages 34-71.

DRIVING OPERATIONAL EXCELLENCE

Operational excellence remained a core priority for the Group, with business units leveraging digitalisation, automation and process optimisation to strengthen efficiency and operational stability. Group-level initiatives such as Key Operational Indicator monitoring and the Cost Reduction and Optimisation Programme ("CROP"), together with efforts by the Group Operating Companies, have accelerated the adoption of data-driven systems, integrated digital platforms and workflow enhancements. These measures have improved visibility, reduced manual intervention and enabled faster decision-making across operations.

In the Mobility segment, operational improvements focused on customer experience, compliance and productivity. Selected regional flagship dealerships under EON, including Isuzu and Mitsubishi, were refreshed, while dedicated Proton e.MAS showrooms were established with modern formats featuring digital interfaces, EV-ready facilities, dedicated delivery bays and enhanced processes. Meanwhile, DHAS strengthened logistics coordination through vehicle-tracking systems, automated yard solutions and expanded in-house logistics assets. DHAS and other EON service entities also applied Kaizen-driven refinements to streamline workflows and shorten turnaround times. Collectively, these initiatives have strengthened efficiency and delivery across the Group's automotive value chain.

The segment's Manufacturing and Engineering businesses maintained a strong focus on production efficiency and manufacturing agility. Across subsidiaries, advanced automation, robotic systems and digital work-order platforms have enhanced equipment utilisation and supported model-localisation programmes for EV related production. Process optimisation and cost-management measures across multiple facilities have further strengthened operational stability, improved safety indicators and enhanced resource utilisation.

In the Banking segment, Bank Muamalat accelerated system upgrades and automation to enable higher straight-through processing, tighter fraud controls and a more seamless digital experience. Similarly, in the Postal segment, Pos Malaysia and its subsidiaries advanced their operational transformation initiatives through end-to-end systems integration and automation, as well as the adoption of autonomous vehicles, to improve trackability, accuracy and throughput.

In the Services segment, PUSPAKOM increased the use of AI-enabled inspection systems and digital customer touchpoints, resulting in shorter turnaround times and more consistent service delivery.

More information on the Group's customer-centric focus is available in the Creating Customer Value section on pages 127-142.

CTRM deploys advanced machinery and well-trained staff to ensure accuracy and precision in its manufacturing.

ACCELERATING THE SUSTAINABILITY JOURNEY

Sustainability continued to guide how the Group operates, innovates and grows. In 2025, the Group advanced its decarbonisation pathway through wider renewable energy integration and improved resource efficiency. Phase 3 of the Solar Project, involving seven subsidiaries, expanded clean energy adoption across the Group's operations. Complementing these efforts, manufacturing and automotive facilities implemented energy efficiency measures through optimisation programmes, upgraded equipment and facility-wide system enhancements, contributing to lower operational emissions and stronger cost discipline.

Cross business collaborations continued to support the Group's sustainability initiatives. EON enhanced digital customer engagement through partnership-driven digital solutions, while PRO-NET refined EV battery transport and end-of-life processes, contributing to national circular-economy goals.

The Group continued to play a key role in Malaysia's green mobility transition. Across automotive operations, efficient machinery and production processes were adopted. HICOM Diecastings commenced manufacturing new energy vehicle ("NEV") components, strengthening the Group's contributions to the EV and NEV value chain and its alignment with Malaysia's Low Carbon Mobility Blueprint and National Energy Transition Roadmap. Pos Malaysia also expanded its electrified fleet to more than 1,200 electric motorcycles and 200 electric vans, enabling approximately 14 million kilometres of clean last-mile delivery since the initiative began and generating fuel savings of over half a million Ringgit.

Sustainable design principles also guided activities within the Property Development and Asset Management portfolios. At AHTV, which is being developed in line with environmental and social impact assessments, renewable-energy integration and environmentally conscious designs have been incorporated into the creation of a future-ready automotive and mobility hub. Selected managed assets have likewise undertaken energy-efficient retrofits and improvements in environmental performance.

The Group's sustainability efforts also extended to governance and reporting. DRB-HICOM initiated preparations to align with the National Sustainability Reporting Framework and began integrating key IFRS S2-related disclosures into its reporting processes. ESG considerations continued to be embedded into enterprise risk management, improving the quality of forward-looking assessments and decision-making across business units.

Collectively, these actions reflect a consistent approach aligned with national climate priorities and long-term value creation.

More information about the Group's green efforts is available in Section 4 and Section 5 on pages 100-223.

Pos Malaysia has been electrifying its last-mile delivery with e-vans and e-bikes, achieving a total emission-free distance of almost 14 million kilometres.

EMPOWERING OUR PEOPLE

People remain the foundation of DRB-HICOM's resilience and long-term success. Over the year, the Group renewed its focus on building leadership depth, developing future-ready skills, transforming its corporate culture and creating a workplace that supports continuous learning and professional growth.

In this context, the Core and Leadership Competencies Initiative was launched, supported by a comprehensive guidebook that sets out the behaviours and skills required to drive the Group's next phase of growth. Technical competencies, leadership capabilities and digital literacy were strengthened through structured training programmes, customised learning pathways and wider access to digital learning platforms.

Cross company mobility and strategic collaborations with educational institutions and industry partners, particularly in TVET-related fields, were encouraged to broaden experience and support talent progression. At the same time, Individual Development Plans were actively developed and monitored.

Leadership development programmes such as HICOM Holdings Berhad Leadership Efficacy and Development ("HiLEAD"), Building Leadership and Strategic Transformation ("BLAST") and Transformational Coaching for Aspiring Leaders ("TCAL") continued to strengthen leadership capability and reinforce organisational agility. These initiatives reflect the Group's ongoing investment in its people to support sustained performance in a changing operating landscape.

In terms of culture transformation, the ongoing culture programme progressed to the next stage, focusing on embedding the Group's Success Beliefs into employees' daily work routines following the initial phase of awareness building and the introduction of transformation tools. This next stage has been supported through a series of masterclasses rolled out across the Group.

DRB-HICOM places strong emphasis on the health and well-being of its employees. Throughout the year, various initiatives promoting physical and mental wellness – such as the DRB-HICOM WOW (Working on Wellness) Vibrant Living Programme, Kelab Sukan activities and support and counselling services, continued to foster a balanced and healthy workplace environment.

Collectively, these initiatives were well received by employees, contributing to the Group achieving a commendable Employee Engagement Score of 90% for the year under review.

More information on the Group's talent development efforts is available on pages 173-184.

2026 OUTLOOK

The recent geopolitical developments in the Middle East, including the ongoing Iran conflict, have heightened global uncertainty. The global economy is expected to be impacted by higher energy costs, disruption to supply chain, currency volatility and softer demand in certain markets.

Prior to the escalation of tensions in February, global growth was expected to stabilise, while ASEAN economies were projected to expand steadily in 2026. In Malaysia, GDP is now forecasted to grow between 4% and 5%, supported by strong domestic demand, a resilient export sector, moderate inflation and continued investment momentum. The national transition towards energy-efficient mobility, advanced manufacturing and a more sustainable economic structure is also expected to unlock opportunities across the EV value chain from manufacturing and engineering to logistics, financial services and infrastructure development. Policies such as the National Automotive Policy 2020, National Energy Policy 2022–2040 and the Low Carbon Mobility Blueprint 2021–2023 are central to driving this shift.

Recognising the potential impact from the latest conflicts in the Middle East, the Group continues to monitor the development closely and has put in place mitigating measures where appropriate. Notwithstanding that, the Group will continue sharpening its competitive edge across core segments, scaling energy-efficient mobility, driving high-value manufacturing, accelerating digital adoption and improving efficiency across all segments. The Group is also deepening sustainability practices, broadening ecosystem partnerships and investing in future-driven technologies that enhance productivity, resilience and customer experience. Backed by a skilled workforce and a clear strategic direction, DRB-HICOM is well positioned to capture new opportunities and deliver sustained growth in 2026.

ACKNOWLEDGEMENTS

First and foremost, I would like to express my deep gratitude to our Chairman Tan Sri Wan Zulkiflee Wan Ariffin for his steadfast guidance, wise counsel and invaluable experience and knowledge which has been instrumental in helping the Group navigate through challenging periods. I would also like to express my sincere appreciation to the DRB-HICOM Board of Directors for their continued stewardship, support and wisdom. To the Senior Management team, thank you for your leadership in navigating a challenging year. I am also deeply grateful to all our employees whose dedication, hard work, discipline and resilience have continued to anchor the Group's progress.

My deepest gratitude goes to our shareholders, customers, business partners, government ministries and agencies, and all other stakeholders for their trust and continued confidence in the Group. Your support strengthens our resolve to deliver sustainable value as we continue contributing meaningfully to the nation.

Thank you.

Syed Faisal Albar
Group Managing Director

REVIEW OF THE GROUP'S SEGMENTAL CONTRIBUTIONS

MOBILITY SEGMENT

Revenue Contribution
(RM billion)

2023	12.03
2024	11.93
2025	**12.79**

The Group's Mobility segment represents the strategic consolidation of DRB-HICOM's automotive, aerospace and defence interests into a single, comprehensive ecosystem.

This segment encompasses the entire life cycle of the automotive industry, ranging from national car and motorcycle manufacturing, distribution, retail, after-sales servicing, rental and leasing to components engineering and manufacturing. In the aerospace subsegment, the Group is a Tier 1 supplier of aerospace structures, while its defence business provides cutting-edge defence and security solutions, and high technology aerospace components for specialised defence systems.

Competitive Strengths

DRB-HICOM House-Brand Achievements

No. 1 B-segment SUV	No. 1 C-segment SUV	No. 1 non-national passenger vehicle brand
No. 1 C-segment sedan under RM100,000	No. 1 truck segment, No. 1 Light-Duty Truck segment and No. 1 Medium-Duty Truck segment	
No. 1 D-segment SUV	Proton e.MAS 7 No. 1 EV model	No. 1 non-national MPV

PROTON has built a strong position in the

electric vehicle market

through e.MAS, reinforced by dedicated EV assembly infrastructure

MODENAS operates as the

national motorcycle manufacturer

with a product range spanning 110cc to 1100cc displacements and a growing export presence

AVIS Malaysia owns the

largest vehicle rental fleet

in the country

CTRM is Malaysia's most prominent

Tier 1 supplier

of aerostructures to Boeing and Airbus, as well as other aircraft OEMs

DEFTECH is the first Malaysian company certified for

long-range UAVs

strengthening its role as a trusted national defence service provider

Ground Mobility

2025 Market Landscape

The Malaysian automotive industry achieved a second consecutive year of record-breaking Total Industry Volume ("TIV") with a total of 820,752 vehicles sold in 2025, a slight 0.5% increase from the 816,747 units recorded in 2024. This was driven by, among others, the strong order backlogs, the successful launches of new battery EV models, including offerings from the national brands, and the aggressive promotion campaigns by car brands and distributors, especially in the fourth quarter of 2025.

- **Passenger Vehicles:** This vehicle category remained the primary volume anchor, with growth mainly driven by higher demand for SUVs which grew by 13%.
- **Commercial Vehicles:** This vehicle category continued its downward trend for a second year, largely due to the removal of diesel subsidy in June 2024, resulting in sales falling by 11% from 2024.
- **Motorcycles:** Malaysia's motorcycle market saw a robust recovery, with sales rising by 7.5% to 704,626 units, after a sharp contraction in 2024. While marginal in absolute terms, electric two-wheeler sales rose by 61.6%, indicating growing consumer interest and the early stages of a structural transition.
- **Rental, Leasing and Logistics:** This business subsegment capitalised on the rebound in international tourism and e-commerce growth, although profit margins were increasingly strained by labour shortages and higher fuel expenses.

Strengthening Strategy

Raise the Game

Moving from domestic focus to becoming **regional and international market players** for national brands

Focusing on the expansion of **dealership network, brands, models, sales and after-sales services and product offerings** to increase reach and choice for customers

Solidifying **domestic leadership** and venturing into new **non-automotive high-growth sectors** in manufacturing and engineering

Reshape for Tomorrow

Moving from **internal combustion to high-technology vehicles** encompassing electric, new-energy and next-generation vehicles

Leveraging technology for **customer relationship management** to analyse, manage and improve interactions with potential and existing customers in order to improve business relationships, increase retention and drive sales growth

Embracing **Industry 4.0, including digitalisation, AI and robotics**, to stay ahead in manufacturing and engineering innovation

Re-emphasise Trust

Strengthening **local vendor programmes through aggressive component localisation** to expand economic opportunities and develop resilient supply chains, while generating domestic employment

Emphasising **customer education and awareness, especially for new products such as EVs**, as part of overall customer experience to build longer-term trust and loyalty

Demonstrating commitment to **environmental and social responsibility** across various operations within the Manufacturing and Engineering subsegment

Outlook

Following two consecutive years of record-breaking performance, Malaysia's automotive industry is expected to enter a period of normalisation in 2026. TIV is projected to moderate to around 790,000 units. Despite this moderation, passenger vehicle demand is expected to remain, supported by continued consumer preference for SUVs, ongoing product refresh cycles and the expanding availability of electrified models. This outlook is tempered by heightening tensions in the Middle East, including the outbreak of the Iran war, which are anticipated to drive volatility in global energy prices and may necessitate strategic adjustments to manage potential spikes in the cost of petroleum-based raw materials and mitigate delays in the import of critical components.

Across other mobility segments, commercial vehicle demand is expected to remain selective as operators continue adjusting to higher operating costs following the removal of diesel subsidies. The motorcycle market is anticipated to remain steady, supported by its role as an affordable and practical mobility solution, while early growth in electric two-wheelers signals the gradual emergence of new mobility technologies. Meanwhile, the rental, leasing and logistics segment is expected to benefit from sustained tourism activity and the continued expansion of e-commerce, although operators will continue managing margin pressures arising from higher fuel, labour and fleet maintenance costs.

Looking ahead, the industry's longer-term direction will increasingly be shaped by electrification, digitalisation and evolving mobility solutions. The growing adoption of EVs, expansion of charging infrastructure and development of EV-related supply chains will continue to reshape the competitive landscape.

PROTON HOLDINGS BERHAD

PROTON Holdings Berhad ("PROTON") is Malaysia's national carmaker and core contributor to DRB-HICOM's automotive ecosystem. It also plays a central role in advancing the nation's industrial and technological capabilities.

Energising New Possibilities

PROTON delivered a resilient performance in 2025, outperforming a cooling automotive market to record total Group sales of 157,976 units, representing growth of 3.3% year-on-year. Sales momentum was driven by sustained model performance across key segments. The Saga recorded its highest sales since 2011, while the X50, X70 and X90 continued to lead their respective categories.

In the electrified segment, the Proton e.MAS 7 emerged as Malaysia's best-selling EV for 2025, holding the top position for five consecutive months. Complementing this, the e.MAS 5 further expanded PROTON's electrified portfolio during the year. PROTON will also launch a plug-in hybrid model in 2026 to broaden its electrified offerings.

Export performance reached a new milestone with 6,000 units recorded year to date, the highest level since 2012. Key markets included Egypt, Vietnam, Singapore and other emerging destinations. PROTON's official re-entry into Singapore in September 2025 represented a strategic step in its international expansion, led by its EV portfolio. During the year, PROTON also expanded its domestic footprint to 190 Proton Edar outlets and 48 dedicated e.MAS dealerships.

Operationally, PROTON completed the full relocation of its manufacturing and R&D operations to the AHTV, ending 40 years of production in Shah Alam. The transition centralised manufacturing, vendor networks and research functions, enhancing scale and operating efficiency. In September 2025, Malaysia's first dedicated EV assembly plant was officially launched at the AHTV, commencing operations with an initial annual capacity of 20,000 units.

Innovation remained a key differentiator. PROTON Technology Week 2025 served as a platform for the company to highlight its future technology direction across electrification, intelligent connectivity and software-led innovation, including its world's first Bahasa Melayu voice recognition system. Together, these innovations reflect PROTON's commitment to making advanced mobility technologies more accessible, relevant and meaningful for Malaysian consumers. In parallel, investment in talent development also progressed through the Proton Young Talent ("PYT") programme, which has trained approximately 400 young talent across technical and business functions to date.

In support of national industry development, PROTON spent RM3.2 billion on local auto parts, strengthening the domestic supply chain as vendors transition to EV component manufacturing. A strategic collaboration with MARii was also formalised to establish the National Automotive Test Centre, further reinforcing Malaysia's automotive testing and R&D capabilities.

Driving Sustainability

- Establishing a dedicated EV assembly plant at the AHTV designed to incorporate 12 MWp of solar capacity, supplying up to 25% of its energy requirements while supporting PROTON's decarbonisation agenda
- Expanding local vendor participation and technical upskilling across the EV value chain, reinforcing Malaysia's green mobility ambitions and the resilience of the national automotive ecosystem
- Launching the PROTON Xchange Programme, a RM4.8 million pilot initiative to retire unroadworthy vehicles aged 15 years and above

MOTOSIKAL DAN ENJIN NASIONAL SDN. BHD.

As Malaysia's national motorcycle manufacturer, Motosikal dan Enjin Nasional Sdn. Bhd. ("MODENAS") serves as a market leader by producing a diverse range of motorcycle models, from 110cc to 1100cc engine displacements for both domestic and export markets. The company plays a vital role in the national economy through local manufacturing excellence and the advancement of a robust automotive ecosystem.

Energising New Possibilities

In 2025, MODENAS demonstrated sustained growth momentum and successfully expanded its international footprint. During the year under review, the company achieved a combined sales volume of more than 45,000 units. Export operations have been robust, contributing over 17,000 units across key markets, including the Philippines, China, the Middle East and Thailand for motorcycles and ATVs.

MODENAS's visibility and brand presence was further elevated through participation in major industry events, most notably the Malaysia Auto Show 2025 where several new models were unveiled. Strategic collaborations with Kawasaki and Kymco continued to facilitate enhanced market penetration and a broader product portfolio.

2025 also featured a historic milestone as the company celebrated its 30th anniversary with the launch of its latest premium scooter, the ELIT 150S. Other key product launches focused on diversifying the line-up across multiple segments.

The Z15GT emerged as a key highlight, making it the first fully Malaysian-developed supermoped and further strengthening

MODENAS's product development capabilities. Engineered by a Malaysian team, it was certified as an Energy Efficient Vehicle ("EEV") with a 78% localisation rate. The Z15GT aligns with the National Automotive Policy 2020 and contributes to the New Industrial Master Plan 2030, demonstrating Malaysia's motorcycle engineering capabilities.

Additional launches broadened the portfolio, including the Modenas Kriss 125Fi and the Kymco DTX 250 scooter. The Kawasaki range has also been significantly strengthened with the debut of the Ninja 500, Z500, Ninja H2 SX SE and the 2025 editions of the Versys 1100 and Ninja 1100. In line with the nation's shift towards sustainable mobility, MODENAS also introduced the MEV series electric scooters.

Safety has remained a core priority, evidenced by 12 models receiving a five-star rating under the Malaysian Motorcycle Assessment Programme by the Malaysian Institute of Road Safety. This recognition reinforces the company's commitment to delivering product excellence and ensuring high standards of rider safety.

Driving Sustainability

- Maintaining and supporting the ISO 39001-certified Road Traffic Safety System through safe commuting programmes for employees within a 10-km radius
- Rolling out the Go-Modenas Workplace Health Programme, including screening, blood donations and health talks to promote staff well-being
- Implementing Kaizen-driven waste reduction and process optimisation initiatives (Go-Kaizen Plus), aligned with lean manufacturing principles and customer value creation
- Strengthening waste segregation and recycling practices in partnership with licensed recovery partners
- Expanding the EV motorcycle assembly line, reinforcing MODENAS's contribution to low-carbon mobility

The Z15GT is MODENAS's first fully Malaysian-developed supermoped.

Automotive Distribution

HONDA
The Power of Dreams

HONDA MALAYSIA SDN. BHD.

Honda Malaysia Sdn. Bhd. ("Honda Malaysia") is a key contributor to the Group's passenger vehicle segment. The company plays an important role in local vehicle assembly and supports Malaysia's transition to hybrid and electric mobility.

Energising New Possibilities

In 2025, Honda Malaysia delivered more than 72,300 units of popular models. This enabled it to uphold its position as the best-selling non-national passenger vehicle brand for the 12th consecutive year, despite the challenging market environment which affected revenue performance. The year also represented a major milestone with the launch of Honda's first Battery Electric Vehicle ("BEV") in Malaysia, the all-new e:N1, while also offering the largest line-up of hybrid models.

The company celebrated its 25th anniversary with nationwide initiatives and incentives to strengthen brand loyalty and reaffirm customer trust. Efforts also focused on managing the fuel pump recall in June 2025 in a transparent and efficient manner, reflecting Honda Malaysia's continued commitment to customer safety and service excellence.

Driving Sustainability

- Launching the all-new e:N1 BEV, a key milestone in Honda Malaysia's electrification journey, while sustaining hybrid e:HEV offerings to support the nation's low-carbon mobility direction

The launch of the all-new e:N1 BEV marked a key milestone in Honda Malaysia's electrification journey.

MITSUBISHI MOTORS MALAYSIA SDN. BHD.

Mitsubishi Motors Malaysia Sdn. Bhd. ("Mitsubishi Motors Malaysia") is a joint venture of the Group with a long-standing presence in Malaysia's automotive landscape. With over 230,000 Mitsubishi vehicles sold since its inception two decades ago, the brand continues to resonate strongly with consumers. Notably, the Mitsubishi Xpander has maintained its position as the No. 1 non-national multi-purpose vehicle brand for five consecutive years since its introduction, underscoring its leadership and popularity in the segment.

Energising New Possibilities

In 2025, Mitsubishi Motors Malaysia recorded total sales of more than 13,800 units, comprising over 9,000 Xpander units and over 4,700 Triton units. The Xpander achieved a new milestone of 52,600 units sold since its 2020 debut, celebrated through the Xpander Step Up to Your Dream campaign in appreciation of Malaysian customers for their strong support. As the company celebrated its 20th anniversary, Mitsubishi Motors Malaysia introduced the enhanced Triton Athlete in June 2025, featuring refreshed aesthetics, upgraded styling and a tougher, sportier look. With its bold new design and commanding presence, the Triton Athlete inspires drivers to get behind the wheel.

Mitsubishi's brand visibility has been further strengthened through nationwide campaigns. The Live the Drive event across Peninsular Malaysia allowed participants to experience Mitsubishi vehicles in simulated off-road conditions, while the Red Peak Challenge in East Malaysia showcased the brand's rugged DNA and all-terrain capabilities.

Looking ahead, the focus will be on reinforcing Triton's market positioning to expand its customer base, while sustaining Xpander's momentum in a competitive market environment.

Driving Sustainability

- Transitioning body and paint operations to a water-based paint system, significantly reducing volatile organic compounds by 70% to 90% compared with solvent-based paint
- Collaborating with the Triton Tuners Club Malaysia and six government agencies on a humanitarian mission to an *Orang Asli* settlement with items and aid comprising essential food, medical supplies, clothing, construction of bathrooms and solar equipment

ISUZU MALAYSIA SDN. BHD.

A joint venture company under the Group, Isuzu Malaysia Sdn. Bhd. ("Isuzu Malaysia") continues to solidify its position in the commercial vehicle market. In 2025, the company retained its No. 1 position in the Truck as well as the Light-Duty and Medium-Duty Truck segments, while rising to No. 2 in the Pick-Up segment.

Energising New Possibilities

Isuzu Malaysia has upheld its competitive standing despite headwinds by maximising current model sales and focusing on after-sales partnerships to reduce customer downtime. In addition, a new 2.2L engine variant for the D-Max has been announced for launch in 2026 to sharpen Isuzu's position against 2.4L competitor models. In 2025, sales stood at more than 6,800 units of trucks, which represent 59% of market share, and more than 6,700 units of pick-ups, making up 15% of market share.

Operationally, Isuzu Malaysia aims to develop a new dealer management system for greater efficiency and productivity and revamp dealer showrooms to enhance customer experience.

Driving Sustainability

- Continuing to advance sustainability through online training and wellness activities for employees, migration to cloud systems and the adoption of e-documentation to reduce paper usage
- Promoting environmental responsibility among clients via eco-drive initiatives aimed at improving fuel efficiency and reducing carbon emissions

DHAS

DRB-HICOM AUTO SOLUTIONS SDN. BHD.

DRB-HICOM Auto Solutions Sdn. Bhd. ("DHAS") provides end-to-end logistics solutions, such as the importation of completely built-up vehicles and completely knocked-down kits, forwarding and clearance, vehicle yard and warehouse management, pre-delivery inspection, vehicle preparation and final delivery to dealer networks.

Energising New Possibilities

DHAS strengthened its logistics and delivery operations through the expansion of its customer base and the enhancement of operational efficiency. The company secured new contracts with both Group-affiliated and external clients, which saw DHAS facilitating outbound deliveries to car dealers as well as yard management services.

Enhanced operational efficiency was driven by deploying in-house car and motorcycle carriers, trade plate drivers and accessory installers. These initiatives reduced reliance on external providers, thus improving cost management. Efficiency gains were further supported by the DHAS Vehicle Tracking System ("DVTS"), automated car washing at its yard and a mobile office at Port Klang to streamline coordination and reduce travel time. Process optimisation through Kaizen initiatives and the reallocation of non-core motor pool services enhanced productivity and service turnaround.

Moving forward, DHAS will focus on expanding its clientele beyond the Group, diversifying its business geographically and modernising operations through digitalisation. Operationally, DHAS will continue strengthening process efficiency, automation and system integration to enhance service standards and productivity.

Driving Sustainability

- Reducing fuel and electricity use and lowering emissions by 3% annually via the replacement of petrol-powered ferry cars and company vehicles with electric alternatives
- Installing solar-powered yard lighting and deploying an electric buggy for internal transportation
- Reducing freshwater consumption by 75% with automated car wash and water recycling systems

DHAS's 33-acre yard at the Port Klang Free Zone in Selangor can accommodate 3,800 cars.

Companies and marques under the EON Group

EON | Euromobil | EON Auto Mart | HICOM Auto | DRB-HICOM EZ-Drive | EON Capital | EON Autospa | EON Petromin

EDARAN OTOMOBIL NASIONAL BERHAD

Edaran Otomobil Nasional Berhad ("EON") is one of Malaysia's leading and largest multi-brand retailer, selling Proton, Audi, Mitsubishi and Volkswagen directly or through its subsidiaries Euromobil Sdn. Bhd., EON Auto Mart Sdn. Bhd. and HICOM Auto Sdn. Bhd. It also retails PRO-NET's "smart" brand of EVs and the Proton e.MAS, Malaysia's first EV brand, reinforcing its role in accelerating EV adoption nationwide.

EON operates the largest network of Proton and Mitsubishi outlets, while holding the largest market share for Audi, Mitsubishi and the "smart" EVs. It also offers a comprehensive suite of mobility services, including after-sales support such as servicing, maintenance, repairs, parts supply, detailing and accessorisation, as well as used car sales, trade-ins, financing, and vehicle leasing and rental.

EON's refurbished Proton showroom along the Damansara-Puchong Expressway in Kuala Lumpur features the full range of models, including the Proton e.MAS.

Energising New Possibilities

In 2025, EON achieved RM1.28 billion in total sales, driven by consistent demand across its portfolio and rising interest in EV models. Sales-focused events, such as the EON & Sahabat Autofest and the EON Year-End CAR-nival, attracted strong customer traffic.

At the same time, customer experience was enhanced via the continuous upgrading of digital tools and EV education programmes. Most significant was the launch of Tras, EON's digital financing platform which provides the avenue for vehicle financing applications to multiple financial institutions via a single app.

Moving forward, EON will continue to raise operational efficiency, broaden sales channels and deepen customer engagement. On the digital front, Tras is expected to extend its product offerings and strengthen strategic partnerships, while after-sales performance will be driven via EON Autospa as well as body and paint centres to capture downstream revenue opportunities.

The corporate segment will be further developed to drive sustainable growth and long-term value creation, ensuring that EON remains resilient and competitive in a rapidly evolving mobility landscape.

Driving Sustainability

In line with DRB-HICOM's sustainability targets, EON has been advancing its contribution to cleaner mobility and more efficient operations through targeted awareness initiatives:

- Expanding its EV portfolio with new electric models and strengthening its position as a key EV retailer to help accelerate EV adoption nationwide
- Accelerating digitalisation across sales and operational workflows by increasing the use of digital documentation and customer communication tools
- Deepening customer awareness through participation in roadshows and education programmes to promote sustainable mobility in line with Malaysia's Green Mobility goals

EON CAPITAL SDN. BHD.

Operated by EON Capital Sdn. Bhd., Tras was launched in September 2025 as the Group's digital automotive financing platform. It is de-signed to simplify and create a transparent financing ecosystem by connecting buyers, dealers and financial institutions through a single digital platform.

Energising New Possibilities

The platform enables customers to apply for car financing, compare options and complete documentation online, reducing transaction complexity and turnaround time. Tras also supports partnerships with banks to broaden access to competitive financing solutions, enhancing transparency and customer experience, while contributing to digital transformation in automotive retail finance.

Since its official launch, Tras has grown its market share within the EON ecosystem significantly, driven by digital convenience, product innovation and ecosystem partnerships. The year under review also marked an expansion of Tras's offerings beyond conventional car loans to include extended warranty products. The platform is integrated with EON's dealer booking system to offer seamless digital application journeys, further enhanced through its CarCulator tool which empowers customers to calculate financing options securely online.

Driving Sustainability

- Enabling digital loan applications to reduce the need for physical showroom visits, contributing to lower emissions and improved accessibility

DRB-HICOM EZ-DRIVE SDN. BHD.

DRB-HICOM EZ-Drive Sdn. Bhd. ("AVIS Malaysia") continues to deliver strong performance across rental and leasing (corporate and commercial), with ongoing efforts to digitalise operations and expand market presence.

Energising New Possibilities

In 2025, AVIS Malaysia scaled up its commercial leasing strategy by expanding its mobility offerings to include EV bikes, buses and ambulances. The company also initiated plans to diversify into non-mobility solutions, such as Battery Energy Storage Systems ("BESS"), and industrial equipment, strengthening its position as an integrated mobility and asset solutions provider.

Growth during the year was driven by sustained customer engagement and the acquisition of new corporate contracts. These initiatives contributed to higher fleet utilisation, expanded service coverage and improved performance across both passenger and commercial leasing segments.

AVIS Malaysia has also improved operational efficiency via fleet optimisation measures and digital service enhancements, while continuing to advance its commitment to sustainable mobility solutions.

AVIS Malaysia has the largest fleet of vehicles for rental and leasing, including multiple brands of EVs.

Driving Sustainability

- Expanding the EV leasing programme to include e-bikes and commercial vehicles to support the nation's transition to a low-carbon economy

EON PETROMIN SDN. BHD.

EON Petromin Sdn. Bhd. ("EON Petromin") continues to enhance its market positioning, following rapid growth since inception in 2023. The company provides post-warranty servicing across outlets in Glenmarie, Selangor, and the newly opened flagship workshop in Setapak, Kuala Lumpur.

Energising New Possibilities

In 2025, EON Petromin diversified its fleet-dependent portfolio by onboarding new business-to-business clients, in addition to its partnership with AVIS Malaysia. The year also saw intensified digital marketing efforts aimed at lead generation, customer engagement and brand visibility. Operational improvements included the implementation of a new front-end software to enhance efficiency.

Driving Sustainability

- Implementing new front-end software which reduced paper usage by minimising manual documentation

AUTOMOTIVE CORPORATION (MALAYSIA) SDN. BHD.

Automotive Corporation (Malaysia) Sdn. Bhd. ("ACM") continues to play a key role as the premier dealer in supporting Isuzu Malaysia's commercial vehicle performance.

Energising New Possibilities

With a network of six showrooms nationwide, ACM registered more than 1,100 units, which accounted for 8.5% of Isuzu's total market share as well as 14% share of the commercial vehicle trucks segment, enabling it to maintain the No. 1 Commercial Vehicle Truck dealer position. ACM also saw a significant increase in medium-duty truck sales with 329 units registered, driven by aggressive fleet and retail sales strategies. This was an increase of 213% compared with the previous year, reinforcing ACM's competitiveness within the Isuzu brand.

ACM is actively elevating its market presence by aligning its physical infrastructure with Isuzu's latest global brand identity. This modernisation effort involves significant upgrades to showrooms in Juru in Pulau Pinang, Kuantan in Pahang, and Johor Bahru, Johor. With advanced operational systems in these facilities, ACM aims to create a seamless, premium environment that strengthens customer trust and enhances the overall brand experience.

A core pillar of ACM's strategy is a robust commitment to Digital Transformation. By migrating toward integrated digital ecosystems, the company is bridging the gap between back-end operational efficiency and front-end customer satisfaction.

On the after-sales front, ACM is driving growth and safety through two key programmes:
- Speed Limitation Compliance where ACM ensures all vehicles meet Jabat standards via expert technician training and rigorous documentation.
- Parts Specialist Initiative: Optimising inventory to expand the programme's reach and capture a larger share of the maintenance market.

Looking ahead, ACM's sales and after-sales strategies remain focused on driving improved performance.

Driving Sustainability

- Promoting carpooling practices and supporting vendor adoption of solar PV solutions
- Conducting SHE x HCA Day, ergonomics talks, and safe driving/riding training to promote health and safety awareness

The ACM showroom in Juru, Pulau Pinang, is one of three showrooms that have been recently refurbished, featuring immersive product displays.

DRB-HICOM COMMERCIAL VEHICLES SDN. BHD.

DRB-HICOM Commercial Vehicles Sdn. Bhd. ("DHCV") is an authorised dealer for Daihatsu, specialising in the sales and servicing of its range of light commercial vehicles, and the distribution of spare parts. It serves commercial and fleet customers with reliable, practical and cost-efficient vehicle solutions, especially for small- and medium-sized enterprises ("SME").

Energising New Possibilities

DHCV has strengthened its market position by consolidating operations and completing its transition from the Tata brand to a fully Daihatsu-focused business. The relocation of its operations to the ACM Batu Caves facility and the adoption of shared services have enhanced cost efficiency and operational agility. The company has also intensified its retail engagement through digital marketing, roadshows and participation in events such as the EON & Sahabat Autofest 2025, reinforcing Daihatsu's visibility and brand strength. DHCV continues to build up its momentum, with vehicle sales in 2025 increasing by 16% from the previous year.

Moving forward, DHCV will sharpen its focus on key customer segments such as SMEs, contractors and retail operators that require dependable and fuel-efficient vehicles. The company will continue leveraging Daihatsu's product strengths such as the Daihatsu Gran Max, expand fleet sales through ACM's established network and develop special-purpose vehicle variants to capture niche market opportunities.

Driving Sustainability

- Streamlining its workforce and integrating shared services with ACM to optimise resources, enhance operational efficiency and reduce overhead costs, ensuring long-term business sustainability

Companies of the HICOM Engineering Group

HICOM ENGINEERING SDN. BHD.

HICOM Engineering Sdn. Bhd. ("HESB") serves as DRB-HICOM's manufacturing and engineering arm, consolidating key subsidiaries to deliver integrated component production, vehicle assembly, and advanced engineering solution.

HESB and its subsidiaries delivered resilient performance against a flat-to-soft automotive market backdrop, supported by sustained demand within the mobility ecosystem. The market remained anchored by the continued strength of national brands and motorcycles, reflecting consumer preference for cost-effective solutions. The replacement market provided much needed support, as consumers and fleet operators extended vehicle lifecycles, sustaining demand for essential wear-and-tear components.

The HESB Group further strengthened its position as a trusted Tier 1 and Tier 2 supplier, underpinned by consistent demand across passenger, commercial, and two-wheel segments. Revenue growth was supported by higher export volumes (especially in the replacement market), demonstrating the HESB Group's ability to capture opportunities beyond the domestic market. The HESB Group also strengthened its role within the broader mobility ecosystem by entering the new energy segment through a joint venture, establishing New Energy Asia Sdn. Bhd. as a dedicated entity to distribute EV chargers across Malaysia, Thailand, and Indonesia.

Domestic revenue was strengthened through component supply and vehicle assembly programmes for both local and international marques, while initial steps were taken to enter the export market by participating in global requests for quotations. Although EV adoption continued to progress via locally assembled models, margin pressures persisted, reflecting ongoing cost dynamics, with continued focus on operational efficiency and disciplined cost management to sustain profitability.

Looking ahead, the HESB Group will pursue strategic diversification aligned with its long-term direction, with greater emphasis on strengthening its role within the EV supply chain, expanding non-automotive revenue streams, and advancing engineering services capabilities to support sustainable growth.

New Energy Asia, which was launched by the Deputy Prime Minister who is also Minister of Energy Transition and Water Transformation, distributes EV chargers across Malaysia, Thailand and Indonesia.

ISUZU HICOM MALAYSIA SDN. BHD.

ISUZU HICOM Malaysia Sdn. Bhd. ("IHM") continues to build on its performance as the manufacturer of Isuzu trucks in Malaysia. Production increased during the year under review due to sustained demand for N-series models and the introduction of the new light-duty truck, which started production in May 2025.

Operationally, IHM has been advancing automation and digitalisation initiatives, including the use of Automated Guided Vehicles, sealant conveyor automation and Power BI dashboards to enhance productivity and decision-making. Continuous Kaizen activities have improved efficiency and product quality, while the transition to Euro 5 engine standards has brought significant progress towards cleaner emissions.

Complemented by energy-saving and diesel reduction measures, IHM has reinforced its commitment to sustainable manufacturing and alignment with Malaysia's green mobility direction.

HICOM-TECK SEE MANUFACTURING MALAYSIA SDN. BHD.

HICOM-Teck See Manufacturing Malaysia Sdn. Bhd. ("HTS") specialises in precision plastic injection moulding, painting, chroming and module assembly for both automotive and non-automotive applications.

In 2025, the company further solidified its market position by securing multiple new projects across major OEMs, including producing components for the Proton X50 FL, all-new Proton Saga and Mitsubishi models. It has also expanded into EV-related development, manufacturing plastic parts for EV brands, EV battery covers, and oil filter caps for export markets.

HTS's operational footprint has expanded with the establishment of a new Melaka plant, featuring advanced robotic painting facilities to better support customers in the southern region. Internally, efforts to enhance productivity and safety have led to improved overall equipment effectiveness, zero fatalities and a reduction in the Lost Time Injury Frequency Rate.

The company has sustained its strategic momentum through the renewal of its plastic electroplating technical assistance agreement with an established Japanese technical partner as well as the successful joint development with a local automotive company of a film hot-stamping process for future model applications. HTS has continued to advance its ESG agenda by installing rainwater harvesting tanks and a new solar PV system at its Tanjong Malim plant. HTS now produces more than 2,000 MWh of renewable energy.

HICOM DIECASTINGS SDN. BHD.

HICOM Diecastings Sdn. Bhd. ("HDSB") continues its growth trajectory as a precision aluminium diecasting specialist, strengthening its position in both domestic and global markets.

Building on the momentum of its Go Global strategy, the company has expanded its export footprint through new projects with a range of multinational companies for engine components as well as products for medical and industrial applications.

HDSB has also established a dedicated pillar for NEV, enabling sharper focus and resource alignment to capture opportunities across the EV component value chain, including battery trays, e-drive housings and structural parts.

During the year under review, HDSB has enhanced operational efficiency and manufacturing flexibility through process optimisation and the adoption of high-pressure diecasting techniques, including for EV components. Collaborations with global technical advisors have further strengthened manufacturing and technical capabilities to meet evolving global customer requirements. These improvements, combined with increased interest from international OEMs and Tier 1 suppliers have driven a marked rise in export revenue and solidified HDSB's standing as a reliable regional manufacturing partner.

HDSB's transition into NEV component production also reinforces its contribution to sustainable mobility, delivering lightweight, high-efficiency aluminium components that reduce vehicle emissions and support the shift towards cleaner transportation solutions.

The Die Casting Machine line is equipped for high-volume production, featuring automated handling systems and systematic workflow for consistent quality output.

HICOM HBPO SDN. BHD.

HICOM HBPO Sdn. Bhd. ("HHBPO"), an associate of the Group, has maintained stable revenue performance in 2025 despite broader market challenges. Specialising in front-end module assembly, HHBPO integrates bumpers, lighting, cooling systems, and electronics, supporting national and premium OEMs.

HHBPO's competitive edge is underpinned by global modular design expertise via the HBPO Group and proximity-enabled, just-in-time delivery from facilities in Shah Alam, Selangor; Tanjong Malim, Perak; Pekan, Pahang; and Kulim in Kedah.

In addition, HHBPO has upheld robust international standards, including IATF 16949, ISO 9001, ISO 14001, and ISO 45001. In 2025, localisation efforts for national OEMs and the continued fulfilment of premium programmes have helped sustain volume, while operational efficiency initiatives have mitigated rising costs.

HHBPO has also remained aligned with sustainability trends, focusing on lightweight materials and modular innovations in support of hybrid and EV models.

HHBPO specialises in front-end module assembly, integrating bumpers with lighting, cooling systems and electronics.

PHN INDUSTRY SDN. BHD.

PHN Industry Sdn. Bhd. ("PHN") has reinforced its position as a key player within DRB-HICOM's Manufacturing & Engineering sub-segment, continuing its role as a Tier 1 supplier of metal-based components, modules and tooling for Malaysia's major automotive marques, capturing a 21% share of the domestic automotive metal components market.

The company has continued its diversification agenda, advancing its strategic entry into the NEV sector with a focus on supporting the needs of manufacturers in the industry and its wider ecosystem. This transition aligns with the Group's push for electrification. Internally, PHN has focused on enhancing its R&D capabilities to support in-house product development and parts design based on OEM envelope drawings.

Concurrently, the company has participated in new-model localisation programmes with OEMs such as Perodua, Toyota, and Mitsubishi, further strengthening its role in Malaysia's automotive manufacturing ecosystem.

PHN is a Tier 1 supplier of metal-based components, modules and tooling for major automotive marques.

HICOM AUTOMOTIVE MANUFACTURERS (MALAYSIA) SDN. BHD.

HICOM Automotive Manufacturers (Malaysia) Sdn. Bhd. ("HAMM"), the assembler of passenger and commercial vehicles at the DRB-HICOM Pekan Automotive Complex in Pekan, Pahang, remains a key contributor to the Group's automotive manufacturing operations.

As a certified IATF16949, ISO14001, ISO45001 and ISO39001 facility, HAMM has continued to serve global partners including Mercedes-Benz, Volkswagen, Mitsubishi, and Hap Seng Trucks Distribution (Mercedes-Benz Trucks and Mitsubishi Fuso). In 2025, the company commenced assembly of several new models, including the Mercedes-Benz GLE400e, the Audi Q7, and the Mitsubishi XForce.

Operationally, HAMM has implemented several efficiency and cost-optimisation initiatives, including a thinner recycling process, alternate production runs at its paint shop, proactive tank care maintenance and in-house refurbishment projects. These efforts have reduced waste and improved equipment utilisation across production lines. The company has also been advancing digitalisation through the expansion of in-house systems, improving process visibility and cross-plant integration.

HAMM has continued to demonstrate its commitment to sustainability, completing Phase 2 of its solar project, expanding its recycling programmes and its enhancing rainwater harvesting systems.

The Mercedes-Benz GLC is among the international brand models assembled by HAMM.

HICOM-YAMAHA MANUFACTURING MALAYSIA SDN. BHD.

HICOM-Yamaha Manufacturing Malaysia Sdn. Bhd. ("HYMM") remains the sole manufacturer of Yamaha motorcycle engines in Malaysia, with a stronghold in the moped and scooter segments, producing over 290,000 units in 2025.

HYMM has continuously strengthened its core operations by improving operational efficiency, localisation and human capital development.

Building on previous efforts, HYMM has embarked on a carbon neutrality programme in collaboration with its technical partner, Yamaha Motor Co., Ltd. of Japan. The company has also established a dedicated sustainability task force to integrate ESG principles into Enterprise Risk Management, quantify impacts in financial terms and align its disclosure with the IFRS Sustainability Disclosure Standards.

Assembly lines at HYMM produced over 290,000 units of Yamaha motorcycle engines for mopeds and scooters in 2025.

CTRM

CTRM Holdings Sdn. Bhd. ("CTRM") is Malaysia's most prominent Tier 1 supplier of aerostructures to global aircraft manufacturers, Airbus and Boeing, as well as other aircraft OEMs, supporting the nation's goal of becoming a regional aerospace hub. It also supplies advanced composite components for single-aisle, widebody and regional aircraft.

2025 Market Landscape

Global passenger traffic continued to stabilise in 2025, with an expected year-on-year growth of 5.8%, reflecting the normalisation of post-pandemic recovery trends. The global aircraft backlog stood at approximately 17,000 units, providing solid long-term demand visibility for aerostructures and related services. Overall industry fundamentals remained constructive, driven by sustained fleet renewal requirements and growing air travel demand, despite facing supply chain constraints which moderated the pace of production ramp-up.

Domestically, the industry navigated rising labour and energy costs, including minimum wage adjustments and fluctuations in electricity surcharges. Nonetheless, Malaysia's established aerospace ecosystem, skilled talent base and continued participation in global programmes supported sector resilience and sustainable medium-term growth.

CTRM is a Tier 1 supplier of aerostructures for global aircraft giants Boeing and Airbus, including the Airbus A220, A320 and A350, as well as Boeing's B737 and B787 programmes.

Energising New Possibilities

CTRM successfully acquired Spirit Malaysia, the Malaysian operations of global aerostructure manufacturer Spirit AeroSystems Inc, for a total sum of US$110.62 million towards the end of 2025. With the acquisition, CTRM is now a Tier 1 supplier of aerostructures for global aircraft giants Boeing and Airbus, specifically for the Airbus A220, A320, A350, and Boeing's B737 and B787 programmes. The acquisition provides a strategic opportunity to enhance CTRM's aerostructures expertise, broaden its presence across the aerospace value chain and strengthen engagement with global OEMs. It also positions the company for long-term growth and improved cost competitiveness. Beyond commercial benefits, the transaction aligns with national objectives under the New Industrial Master Plan 2030 and the Malaysian Aerospace Blueprint 2030. On 7 April 2026, the final purchase price for the acquisition was determined at US$111.22 million.

CTRM has also continued to deliver on its commitments, marking a major milestone in January with the first delivery of A220 flap outboard components, including the aircraft winglet. The delivery formed part of a contract worth over RM800 million awarded in 2022. The milestone has showcased upgraded composite capabilities, supported by a robotic handling system that lifts up to 1.7 tonnes with a 4.68 metre reach. CTRM has also introduced a locally co-developed autonomous guided vehicle to safely transport tools measuring 7.5 metres and weighing 3.5 tonnes for the A220 flap line.

During the year under review, CTRM also added to its order book the supply of Airbus A220 vertical tail plane worth over RM132 million, to be realised between 2026 and 2030.

Strengthening Strategy

Raise the Game

Strengthening **self-reliance and in-house capabilities** in tool repair, maintenance and technical expertise

Expanding **global supplier network through the One Team Partner Programme** and collaborations with Türkiye, India, Indonesia and China

Achieving **measurable cost and productivity gains** through integrated digital solutions

Reshape for Tomorrow

Accelerating **digital transformation** with Robotic Process Automation, IoT dashboards and digitalised supplier and project management systems

Enhancing **automation** through dual-robot A220 flap line, precision machining tools and IoT-based predictive maintenance systems

Stepping up **operational sustainability** with the in-house Nitrogen Generation Farm, Solar PV Phase 3 and expanded Virtual Energy Management system

Re-emphasise Trust

Deepening **supply chain engagement** under the Delivery, Digitalisation and Decarbonisation theme

Introducing an **e-Procurement system** and hosted supplier knowledge-sharing sessions

Increase **local and regional sourcing** to cut carbon footprint and improve resilience

Maintaining **strong safety, health and environment performance**, upholding ISO 45001 and ISO 14001 standards in line with DRB-HICOM's Zero Harm philosophy

CTRM's state-of-the-art robotic handling system at its Batu Berendam plant in Melaka is capable of high-precision handling and lifting up to 1.7 tonnes with a 4.68-metre reach.

Driving Sustainability

- Advancing environmental stewardship through the Nitrogen Generation Farm, integration of Solar PV Phase 3 and expansion of the Virtual Energy Management system
- Launching seven electric motorcycles in March 2025 to promote sustainable mobility
- Organising the Turtle Conservation Programme "From Shell to Sea" at Padang Kemunting, Melaka, involving 30 volunteers in marine conservation efforts
- Strengthening ESG governance via a new ESG Dashboard and cross-functional ESG Committee, alongside enhanced supply chain transparency through Source-to-Contract and Procure-to-Pay systems, as well as real-time supplier dashboards

Outlook

The acquisition of Spirit Malaysia, now known as CTRM AeroSystems, is set to be a game changer for CTRM, positioning the company to move up the value chain from a component manufacturer to become a direct Tier 1 supplier of aerostructures. This transition enables CTRM to leverage its expanded capabilities as a single-source direct supplier to Airbus and Boeing.

This acquisition will also enable CTRM to focus on strengthening its partnerships with the two global aerospace giants by supplying components for their flagship programmes, in alignment with CTRM's Strategic Initiatives 2025–2027.

While maintaining a strong order book, the escalation of Middle Eastern conflicts poses an indirect risk to the global aerospace supply chain's reliability, potentially resulting in longer lead times for raw materials and increased freight costs if logistics routes require extensive rerouting.

The company also aims to capitalise on its regional advantages in material sourcing, skilled labour and scalable manufacturing through its Subang facility, located within the Malaysian International Aerospace Centre, to drive competitiveness and future growth.

DEFTECH

As a key service provider in Malaysia's military land systems and defence solutions industry, DRB-HICOM Defence Technologies Sdn. Bhd. ("DEFTECH") supports the Ministry of Defence and other agencies through the design, manufacture, integration and maintenance of defence and logistics vehicles. The company also advances technology capabilities through subsidiaries specialising in aviation, optronics and unmanned systems, reinforcing its role in both national security and non-military industries.

2025 Market Landscape

The defence landscape remains stable, underpinned by the 2025 national budget allocation of RM21 billion and the strategic priorities of the National Defence White Paper. Geopolitical tensions in Europe and the Middle East have redirected global priorities towards military aircraft, surveillance and drone technologies. In Malaysia, the focus continues to be on developing indigenous capabilities and enhancing the operational readiness of the Malaysian Armed Forces through specialised maintenance, repair and overhaul services.

The AV8 Gempita is the first locally designed and manufactured armoured vehicle by DEFTECH for the Malaysian Army.

Energising New Possibilities

In 2025, DEFTECH fulfilled key contracts for transport and logistics vehicles, supporting Malaysia's defence and security ecosystem. Its unmanned systems subsidiary has expanded civil applications through projects with the Malaysian Palm Oil Board, Sabah Forestry Department and PETRONAS Gas Berhad, demonstrating diversification beyond defence.

The company has maintained operational stability through ongoing cost optimisation and efficiency initiatives, although revenue declined following the completion of major programmes.

Digitalisation has remained a central focus, with the implementation of the Monitor G5 enterprise resource planning system, digital requisition and maintenance platforms, enhancing operational transparency, control and responsiveness.

Strengthening Strategy

Raise the Game	**Delivering proof of concept** for the ACV-300 Adnan Life Extension Programme and advanced R&D for unmanned systems to enhance operational readiness
Reshape for Tomorrow	Pursuing **smart partnerships and technology collaborations** to build technical expertise and broaden participation in emerging sectors such as agricultural mechanisation and surveillance solutions
Re-emphasise Trust	Continuing **engagement with defence stakeholders** to reinforce trust and reliability record, and focused on maintaining a zero-accident record across all operations

Driving Sustainability

- Installing solar systems across its Shah Alam, Selangor; Nilai, Negeri Sembilan and Pekan, Pahang facilities with a total capacity of 1.04 MWp
- Expanding in-house repair and upcycling initiatives for electronic and mechanical components, lowering external procurement and environmental impact

Outlook

Malaysia's defence industry is driven by the government's commitment to strengthening national security capabilities. The defence budget announced in Budget 2026 increased by 2.9% to RM21.74 billion, with RM14.11 billion allocated to operating expenditure and RM7.63 billion dedicated to development expenditure. Procurement will focus on air defence, naval defence and AI technologies.

The heightened tensions in the Middle East may create uncertainty about shipments and inflation in spare parts if the conflict is prolonged. DEFTECH is already taking proactive steps to mitigate such risks, while continuing to pursue business opportunities in the Malaysian defence and national security sectors.

DEFTECH is also placing greater emphasis on technology-enabled solutions, including AI applications across both commercial and defence sectors while strengthening its capabilities in defence mobility and support services.

BANKING SEGMENT

Revenue Contribution
(RM billion)

DRB-HICOM's presence in the banking industry is embodied by Bank Muamalat Malaysia Berhad ("Bank Muamalat"), a fully-fledged Islamic bank offering a complete range of Shariah-compliant financial solutions.

Its services encompass retail, commercial and corporate banking, transaction and investment banking, wealth management, treasury operations, trade finance and social finance. All of these offerings are structured in accordance with Islamic principles.

Competitive Strengths

One of three fully-fledged Islamic banking institutions in Malaysia with **26 years** of experience

Service excellence recognition — 2025's customer satisfaction survey recorded a level exceeding

95%

Solid asset quality — healthy financing portfolio with low gross non-performing financing ratio of

1.43%

outperforming the industry average

Robust financing growth — consistent

double-digit

financing growth

Community and social finance leadership —

strong participation

in iTEKAD and Waqf programmes

2025 Market Landscape

In the year under review, Malaysia's banking segment operated against steady domestic growth and rising global uncertainties. The Malaysian economy expanded by 5.2% year-on-year in 2025 from 5.1% in 2024, supported by resilient household spending, ongoing infrastructure investments and a still-positive but moderating external sector. Bank Negara Malaysia acted proactively by reducing the OPR in July to mitigate the threats of slower global demand arising from higher US tariffs. Globally, supply chain disruptions, trade protectionism and geopolitical tensions created headwinds for exporters and increased risks across financial markets.

The digital banking and regulatory landscape continued to evolve. All five licensed digital banks are now fully operational, widening access for underserved retail and SME segments. Regional integration advanced with the George Town Accord, strengthening cross-border QR payment linkages among ASEAN member states. Domestically, the Consumer Credit Act 2025 and tighter electronic Know Your Customer ("e-KYC") requirements raised compliance obligations, prompting banks to upgrade systems while fintechs scaled regulatory technology solutions.

National priorities under the 13th Malaysia Plan and the National Industrial Master Plan 2030 drove investments in renewable energy, electric mobility and digital infrastructure. These high-growth, high-value sectors have unlocked new opportunities in green finance, sustainable sukuk and fintech-led financing models. In addition, the growing involvement of the Third Sector, comprising cooperatives, non-governmental organisations and zakat and waqf institutions, is expected to play an important role in driving inclusive and equitable development.

Strengthening Strategy

Raise the Game

- Targeting expansion of **high-yielding portfolios**
- **Leveraging group synergies** for strategic alliances
- Re-engineering deposit mix towards **low-cost funding**

Reshape for Tomorrow

- Enhancing **digital accessibility**
- Driving productivity through **process modernisation and automation**
- Diversifying income streams via **new growth engines**

Re-emphasise Trust

- Elevating **service excellence**
- Broadening **social finance reach** through strategic partnerships
- Strengthening **cybersecurity and data privacy**

Energising New Possibilities

Amid a stable policy environment and intensifying market competition, Bank Muamalat expanded its retail and SME portfolios, deepened digital engagement and grew ancillary income via new advisory and instalment-based services. At the same time, the bank continued to align its digital bank proposition more closely with customers' day-to-day financial needs within a Shariah-compliant framework, anchored on compliance, convenience and security, supported by differentiated features and competitive returns. Digitalisation continued across customer and operational channels, including the adoption of AI-powered inspection systems, rollout of e-payment solutions and enhancement of mobile and branch accessibility. These efforts were further supported by disciplined cost management, improved process turnaround, and a commitment to strengthening customer trust, data security and financial inclusion.

Retail Banking	• Achieved retail deposit growth of RM1 billion through new products and services. • Launched the new Term Investment Account ("TIA") in May 2025, with outstanding balance reaching RM936 million by year end. • The Save 2 Win Deposit Campaign, launched in January 2025, contributed RM274 million in new deposits. • The Bonus Booster FTA Deposit Rate Campaign, launched in January 2025, generated RM637 million in new deposits. • Introduced the Sound Box Terminal to 3,500 retailers and hawkers under Bazaar Ramadan x DBKL, facilitating transactions amounting to RM13.5 million. • Launched **ATLAS**, Malaysia's first Islamic digital-only bank with RM27.8 million in deposits and 15,793 customers onboarded year-to-date (66% new to bank). • Approved 29,318 credit cards in 2025, representing 162% growth against 11,170 approved credit cards in 2024, with a 31.6% activation rate. • Ar-Rahnu assets reached RM970 million, growing by RM418.4 million or 75.9% compared to RM551.6 million in 2024. • Auto financing recorded total disbursements of RM1.25 billion, compared to RM978 million in 2024, while the used car segment contributed RM33.25 million. • The new Personal Financing Product, PF3, launched in November 2024, saw new disbursements reaching RM600 million in 2025. • Total Retail Investment Income reached RM45.92 million, up 113%, partly supported by the gold income segment. Advisory income for FY2025 rose to RM29.30 million, while gold income contributed RM22.31 million. The bank also introduced the First Islamic Cyber Theft Takaful Protection Plan, with 5,000 subscriptions to date.
Commercial Banking	• Total assets increased to RM2.46 billion, with impairments below industry average. • Commercial portfolio grew to RM1.85 billion (2024: RM1.68 billion), while the SME portfolio expanded to RM566 million from RM484 million in 2024. • Deposits more than doubled to RM5.92 billion from RM2.87 billion. • Launched the TERAJU BSTEP Financing Programme, a RM50 million fund designed to support Bumiputera Mid-Sized Companies that serve as second-level suppliers within key industry supply chains, strengthening their growth, resilience and participation in broader business ecosystems.
Corporate Banking	• Disbursed RM552 million financing to clients. • Organised two Economic Outlook Seminars for Klang Valley and Southern region business clients to strengthen client relationships.
Transaction Banking	• Launched the new Muamalat Corporate Transaction Banking platform, a one-stop digital channel for Corporate and SME customers. • Enabled eToken for Corporate Mobile Banking for real-time approvals and reduced the onboarding time of new clients. • Current account balances recorded impressive growth, increasing to RM10.36 million from RM8.81 million in 2024, driven by new products and onboarding of key institutional clients. • Average deposits rose to RM8.90 million from RM8.24 million in 2024 as a result of a surge in registered users. • In 2025, transaction volume rose to 286,236 with a total value of RM3.23 billion, compared to 8,850 transactions amounting to RM838.9 million in 2024.
Investment Banking	• The Capital Markets & Advisory of the Investment Banking Division successfully managed a series of subsequent sukuk issuances during 2025 for Malaysia's largest local development financial institution and the national mortgage corporation. • Muamalat Venture completed its first ever venture capital fund disbursement with a RM40 million investment in a Shariah-compliant pawnbroking company. • Established the Equity Capital Markets unit in 2025 to undertake equity underwriting and placement activities.

Operational Enhancements

Bank Muamalat continued to strengthen its operational backbone through digitalisation, automation and process improvements to boost efficiency, support scalability and reinforce system security.

Initiative	Outcome
iBiz Enhancements	• Enabled paperless iBiz applications via the Muamalat Application Platform • Automated transaction posting for iBiz payments through gateway integration
VISA Direct Settlement	• Enabled real-time domestic and cross-border fund transfers to Visa debit, credit or prepaid cards
Cross-Border DuitNow QR Payments	• Activated cross-border QR payments through DuitNow QR for participating regional markets
AI-Enabled Contact Centre	• Adopted AI to assist call agents, monitor quality and manage omnichannel communication
East Malaysia Credit Administration Department Hub	• Established a centralised Credit Administration Department in East Malaysia to speed up processing, standardise documentation and support regional growth with improved oversight

Enhanced Fraud Countermeasures	• Implemented stronger security features:
	  • Introduced SMS TAC authentication for multifactor security
	  • Implemented i-MSecure for first-party and favourite account transfers
	  • Enforced a 12-hour cooling-off period for high-risk actions
	  • Added a kill switch for immediate account suspension during fraud incidents

Scholarship Payment Automation	• Automated MARA and Jabatan Perkhidmatan Awam scholarship disbursements for timely, accurate crediting

Driving Sustainability

- Migrating the ESG Scorecard from a manual process to a system-based assessment, enabling more accurate Climate Change Principle-based Taxonomy classifications and supporting improved reporting practices
- Conducting the Climate Risk Stress Testing and strengthening the Climate Risk Management and Scenario Analysis, in line with Bank Negara Malaysia requirements
- Promoting employee awareness through the VBI and Sustainability 101 e-learning module, The Green Way Forward newsletter and the Projek Mangkuk Tingkat waste-reduction campaign
- Participating in industry engagements and working groups, including the Joint Committee on Climate Change, to support national sustainability priorities and strengthen alignment with regulatory expectations

Outlook

Bank Muamalat anticipates a stable policy environment in 2026, supporting retail and SME financing growth in high-potential sectors like halal and healthcare. Rising competition from digital banks and fintechs will accelerate digitalisation and hybrid branch models.

Bank Muamalat will scale its digital ecosystem through open banking, data-driven platforms and cloud-based infrastructure while reinforcing cybersecurity and operational resilience. A skills-first workforce strategy will address talent needs in AI and digital capabilities, ensuring long-term transformation.

Within transaction banking, Bank Muamalat will accelerate SME acquisition and migrate customers from legacy iBiz to Muamalat Corporate Transaction Banking to build a unified, scalable platform. The focus will be on expanding mobile-first cash management capabilities and the DuitNow suite. Concurrently, digital onboarding will be streamlined via straight-through processing and enhanced Know Your Customer and Know Your Business automation. These priorities are expected to drive deposit growth, higher fee income and leadership in digital transaction banking.

Looking ahead, Bank Muamalat will broaden the ATLAS product suite to include card offerings, microfinancing for emerging income segments, as well as expanded savings and investment solutions, supported by targeted ecosystem partnerships.

POSTAL SEGMENT

Revenue Contribution
(RM billion)

DRB-HICOM's Postal segment is anchored by Pos Malaysia Berhad ("Pos Malaysia"), which has transformed from a legacy postal operator with a history spanning two centuries into a digitally powered, diversified solutions provider.

Transitioning from being a mail company that also delivers parcels, to being a parcels delivery company that also delivers mail, Pos Malaysia has expanded and digitalised its courier services, launched dedicated business-to-business and business-to-customer fulfilment, initiated an asset-light cross-border business and diversified its retail solutions.

Through its subsidiaries, the company also operates across aviation services, logistics, cross-border shipping solutions, as well as Shariah-compliant pawnbroking and a range of digital solutions to meet the evolving needs of customers.

Competitive Strengths

POS MALAYSIA

Operates over
3,500 touchpoints
nationwide under the Universal Service Obligation

More than
200 years
of building trust to connect lives and businesses for a better tomorrow

Enabling
e-commerce participation
for all Malaysians

Delivering a greener future with
1,252 e-bikes, 279 e-vans and **18 buildings with solar panels**
nationwide

A key distribution channel
for government services, financial and related services

POS Aviation

Provides four core
aviation services
— ground handling, cargo, in-flight catering and aircraft maintenance and engineering

Managing approximately
60% share
of ground handling

28 years
of uninterrupted ground handling services as the only independent ground handling company in Malaysia

POS Logistics

Tailored end-to-end
automotive logistics solutions

Commodity-specific logistics
with value-added quality control and time-sensitive deliveries

Specialist in
bespoke logistics
for heavily regulated sectors

Pos Digicert

Over
90% market share
in digital signing, encryption and digital trust infrastructure

Pos ArRahnu

Transparent, interest-free
Tawarruq
structure with clear charges

69 branches
nationwide with insurance protection on pawned items

DataPos

24% market share
in the bulk-mailing business in Malaysia

Redly
Pos Malaysia International

International courier service delivering to
200+ destinations
with speed and affordable prices

2025 Market Landscape

Postal
- Parcel volumes remained strong, driven by e-commerce growth, but gains were somewhat offset by a continued challenging, competitive environment that remains largely unregulated
- Traditional mail volumes and retail footfall continued to decline on the back of digitalisation
- Continued and increasing cost to deliver the Universal Service Obligation is necessitating government and regulator intervention and policy review

Aviation
- Continued post-COVID recovery in both passenger and cargo is driving an increased demand for airport and ground-handling services

Logistics
- Continued growth of the Automotive sector
- Specific and one-time impact of maintenance for the shipping business unit

Islamic Pawnbroking
- Strong demand continued for pawnbroking solutions
- Demand for Shariah-compliant microfinancing rose

Public Key Infrastructure Ecosystem
- Digital identity, e-invoicing and cybersecurity regulations drove adoption of digital signatures and encryption
- Cross-border transactions and interoperability increased demand for stronger authentication and data protection

Bulk Mail and Digital Solutions
- Institutional demand sustained print volumes, supported by strong supplier access and in-house printing capabilities, with cost efficiencies
- Declining demand on the back of continued digitalisation

Outlook

In 2026, Malaysia's postal and logistics landscape is expected to continue to evolve as customer expectations shift, e-commerce grows and digital adoption accelerates. Pos Malaysia will leverage its nationwide network to strengthen competitiveness, while scaling its digital adoption, specifically in AI, robotics and automation, to build a more efficient, customer-centric and agile organisation.

Protracted geopolitical instability will likely lead to cost increases, both in terms of energy and assets, requiring even more rigorous cost and yield management.

As Pos Malaysia enters the next phase of its transformation agenda, the focus will be on driving innovation and enhancing operational efficiencies to respond effectively to changing market dynamics and better serve Malaysians.

Pos Malaysia is the national post and parcel service provider, holding the sole mandate to deliver services under the Universal Service Obligation ("USO"). With the most comprehensive network of over 3,500 touchpoints across the nation, Pos Malaysia serves more than 11 million addresses nationwide.

Energising New Possibilities

Pos Malaysia continued to diversify from traditional mail and parcel services into end-to-end logistics and digital solutions. As part of this shift, the Group pivoted towards diversifying its products and services while continuing to fulfil its postal obligations, with key growth platforms strengthened to extend customer reach and enhance cross-border capabilities.

In 2025, Pos Malaysia began piloting three proof-of-concept initiatives under its transformation agenda to enable cost savings and improve efficiency. The first initiative merged mail and parcel networks into a single delivery system, increasing capacity and improving resource utilisation. It has since achieved 45% integration with completion targeted for 2028.

The second initiative introduced alternate-day mail delivery to align delivery frequency with lower mail volumes, easing congestion and lowering emissions. Concurrently, the third initiative forms part of the Group's retail transformation, transitioning selected post offices to agent-run pick-up and drop-off ("PUDO") points. Eight post offices have been succeeded by 13 PUDO points, improving accessibility and cost efficiency as well as strengthening collaboration with commercial partners.

On the innovation front, Pos Fulfill continued to grow as an integrated fulfilment and e-commerce logistics offering that extends Pos Malaysia's core mail and parcel portfolio. This service supports business-to-business and business-to-consumer customers across warehousing, order fulfilment, real-time inventory management and last-mile delivery. In 2025, revenue reached RM9.2 million, a 39% increase from 2024, and RM1.3 million was generated in additional last-mile delivery revenue from fulfilment customers. Operations spanned eight fulfilment sites across Peninsular Malaysia, covering 170,000 square feet with an average occupancy rate of 65% throughout 2025.

Retail partnerships expanded service channels and improved community reach. Campaigns such as "e.Mas or EMAS" and "MyDebit Cash Out" were conducted at selected outlets, generating an average of 200 additional customers per month and reinforcing public accessibility.

Looking ahead, key opportunities in 2026 include:

- Continuing with testing new business models aimed at reducing the end-to-end cost of delivering, enhancing customer experience and providing a differentiated service for our customers
- Leveraging rapidly changing technology that is becoming commercially available, specifically AI, robotics and automation
- Delivering on the necessary changes that will ensure a sustainble future for Pos Malaysia and Malaysians.

Strengthening Strategy

Raise the Game	**Transforming the core** through cultural change, operational excellence, restructured customer journeys, digitalisation, growth and quality
Reshape for Tomorrow	**Positioning as a parcel-led company** while continuing mail delivery
	Prioritising talent, superior service and enhanced customer experience, supported by a renewed business model
Re-emphasise Trust	**Strengthening foundations** by focusing on staff well-being, customer satisfaction and environmental stewardship

Driving Sustainability

- Expanding Malaysia's largest EV logistics fleet to reduce last-mile delivery emissions, avoiding 579.63 tonnes of CO_2e
- Increasing renewable energy adoption with solar installations across 18 buildings, which generated 3,595.91 MWh; introducing recycling programmes that diverted 290.25 tonnes from landfill; and ensuring 100% of its polymailer products contain recycled content
- Mandating the top 100 suppliers to disclose sustainability data under the Greening the Value Chain initiative
- Training over 17,000 employees through the We Deliver Sustainably programme, improving ESG FTSE4Good ratings; higher audit readiness for sustainability indicators; and stronger cross-department collaboration, which enhanced overall sustainability performance across the business

Pos Aviation

Pos Aviation Sdn. Bhd. ("Pos Aviation") is one of Malaysia's leading integrated aviation service providers, supporting airlines across nine strategic airports nationwide. Its portfolio spans ground handling, cargo handling, in-flight catering and aircraft maintenance and engineering.

Energising New Possibilities

In 2025, Pos Aviation strengthened its market presence by securing new airline customers and expanding service coverage. It was also entrusted with ground handling for high-profile VIP flights, including those carrying the Presidents of Türkiye and Uzbekistan, as well as the Prime Minister of Japan. The company also managed ground-handling operations for the ASEAN Summit in Malaysia.

Pos Aviation introduced the Cargo Sales Agent business, onboarding six airlines and handling 1,768 tonnes of cargo, enabling downstream diversification, enhancing cargo throughput at the Pos Aviation terminal and strengthening overall cargo yield performance. To enhance efficiency, reliability and safety, the company invested RM26.5 million in new ground service equipment across its operations.

Further digitalisation initiatives included a new contracts and billing system to streamline commercial processes, resulting in improved accuracy and transparency. In parallel, a Training Management System was implemented to digitise training records and certifications, improving compliance, audit readiness and workforce development.

Pos Aviation's in-flight catering has benefited from the global increase in air travel.

Key opportunities in 2026 include:

- Leveraging rising passenger traffic and steady air-cargo demand
- Strengthening competitiveness through efficient, safe and cost-effective operations
- Accelerating digitalisation and automation for faster turnaround speed and workforce productivity.

Strengthening Strategy

Raise the Game

Sustaining leadership in the foreign airline carrier market through retention strategies and broader service offerings

Modernising and reinvesting in the upkeep of ground support equipment to enhance operations

Reshape for Tomorrow

Expanding catering services by diversifying the portfolio and acquiring new airline partners

Expanding aircraft maintenance capabilities via strategic partnerships

Developing ancillary businesses to **broaden revenue stream**

Re-emphasise Trust

Building talent and future leaders through full certification under the WIRA Foundation Programme and WIRA F.I.T. Programme

Engaging in high-profile events to attract new clients and partnerships

Driving Sustainability

- Installing solar panels at the Headquarters, In-flight Catering Building and Cargo Warehouse to reduce energy dependency and operating costs

Pos Logistics

Pos Logistics Berhad ("Pos Logistics") enhances the Group's logistics capabilities through integrated warehousing, freight forwarding and distribution services.

Energising New Possibilities

In 2025, Pos Logistics established a new logistics route via Kuantan Port to cater to the Sabah and Sarawak markets, focusing on automotive movements ahead of the commencement of the East Coast Rail Link operations. The company engaged key automotive, port and shipping stakeholders as well as other ancillary service providers to develop an integrated end-to-end logistics solution.

Pos Logistics strengthened its operational standards by achieving ISO 45001:2018 in certification in 2025, reinforcing its commitment to occupational health and safety.

The company continued its digital transformation to create value, improve customer experience and strengthen competitiveness. Key initiatives included automation for monitoring and customer interfaces, integrated systems for visibility and tracking, and portals for customers and vendors.

Key opportunities in 2026 include:

- Expanding automotive logistics by developing new business opportunities with leading automotive manufacturers in Malaysia and China
- Piloting containerised vehicle shipments to Sabah and Sarawak via Kuantan Port through new shipping partnerships and shared infrastructure
- Strengthening cross-border logistics with Thailand and Singapore for high-value shipments
- Scaling aerospace logistics and maintenance, repair and overhaul opportunities at the Kuala Lumpur International Airport and within government segments
- Reviving ship agency operations and expanding to additional ports nationwide.

Strengthening Strategy

Raise the Game

Driving operational improvement by monetising unused spaces, maximising idle assets, renegotiating or exiting loss-making businesses and **advancing digital transformation** to automate processes

Specialising in automotive logistics by delivering tailored solutions for OEMs, Tier 1 and 2 suppliers and dealerships

Reshape for Tomorrow

Developing presence in heavily regulated industries and **secure** frequent one-off project logistics shipments

Re-emphasise Trust

Establishing **leadership in bespoke logistics** for heavily regulated industries

Driving Sustainability

- Transitioning from legacy asset ownership to an outsourced operating model, reducing carbon footprint and improving resource efficiency

Besides providing the full spectrum of land, sea and air logistics, Pos Logistics also offers logistics services for specialised, oversized and highly regulated cargo.

Redly Pos Malaysia International

Redly Pos Malaysia International ("Redly") is Pos Malaysia's international logistics business, operating on an asset-light hybrid postal-commercial model that connects Malaysia to more than 220 destinations across ASEAN, China, the Middle East, United Kingdom and the European Union, improving access for Malaysian consumers and merchants.

Energising New Possibilities

In 2025, Redly strengthened its international corridor by integrating international, commercial and trans-shipment businesses into a single unit, streamlining pricing structures and improving product governance. Redly also expanded its global partner ecosystem and introduced a refreshed product suite to meet evolving customer needs. A new back-end platform was deployed to improve labelling, tracking and customs data flows, enhancing connectivity across regional and global markets.

Key opportunities in 2026 include:

- Scaling priority international lanes across Australia, United Kingdom, Singapore, China, Thailand and Middle East routes
- Deploying an integrated customer dashboard to provide tracking, billing, analytics, onboarding, returns and customs documentation
- Expanding the partner, agent and franchise network across Thailand, Indonesia, Japan and South Korea to generate volume and support international SMEs.

Strengthening Strategy

Raise the Game	**Scaling hybrid lanes** and **expanding** air freight hubs across priority routes
Reshape for Tomorrow	**Strengthening network capacity** through collaborative arrangements with co-loaders, integrators and postal alliances
Re-emphasise Trust	**Improving service reliability** via partner scorecards, operational audits and exception management

Driving Sustainability

Redly supported the Group's sustainability commitments by:

- Reducing carbon footprint through hybrid lane optimisation and shared uplift solutions, utilising passenger flights or airlines that offer green aviation fuel
- Increasing EV utilisation for first- and last-mile deliveries via Pos Malaysia's network
- Promoting paperless operations through digital labelling, digital contracts and automated customs data
- Aligning partner scorecards with green metrics such as recyclable packaging alignment and fuel-efficient uplift choices

Redly operates on an asset-light hybrid postal-commercial model with more than 220 destinations worldwide.

Pos Ar-Rahnu

Pos Ar-Rahnu Sdn. Bhd. ("Pos Ar-Rahnu") offers Shariah-compliant pawnbroking services through Pos Malaysia post offices and dedicated centres, providing short-term financing with eligible collateral and flexible payment options.

Energising New Possibilities

In 2025, Pos Ar-Rahnu continued to build customer trust through transparent transactions and reliable Shariah-compliant pawning-profit or *Tawarruq* services. It maintained affordable pawning profit rates between 0.50% and 0.80% of gold market value, attracting new customers and strengthening loyalty among returning borrowers. Trained employees ensured accurate collateral assessment and high customer satisfaction, providing greater convenience for Malaysians seeking short-term, Shariah-compliant financing.

Key opportunities in 2026 include:

- Expanding online pawning to enhance customer convenience
- Collaborating with fintech platforms, cooperatives and Islamic banks to expand market reach
- Expanding collateral options beyond gold to include other valuables.

Strengthening Strategy

Raise the Game

Tapping the growing demand for **halal financing alternatives**

Reshape for Tomorrow

Widening service channels to deliver greater convenience and availability

Re-emphasise Trust

Building trust through improved delivery times and responsive customer support

Strengthening Ar-Rahnu's role as a trusted, Shariah-compliant microfinancing option

Pos Ar-Rahnu provides access to Shariah-compliant pawnbroking services through its 69 branches.

DataPOS

Datapos (M) Sdn. Bhd. ("Datapos") provides integrated mailing and digital communication solutions, adopting digital innovations to enable secure and cost-efficient delivery.

Energising New Possibilities

In 2025, Datapos strengthened its market position through multiple Variable Data Printing and e-Presentment projects for institutional customers.

The business expanded its portfolio within the banking industry and supported public sector projects. Digital offerings increased through e-billing platforms to enhance payment collection processes. Cost management initiatives improved via close collaboration with suppliers while surplus materials were distributed to external vendors.

Key opportunities in 2026 include:

- Regaining and expanding Variable Data Printing clients in the financial, healthcare and government sectors
- Expanding digital services, particularly WhatsApp and e-billing for clients
- Exploring security printing opportunities for government and education sectors.

Strengthening Strategy

Raise the Game	Introducing **new value-added digital services** to meet evolving customer demands
Reshape for Tomorrow	Focusing on **higher-yield digital services** and security printing offerings
Re-emphasise Trust	Continuously building trust as a reliable partner in **hybrid mail** and **Variable Data Printing**

POS Digicert

Pos Digicert Sdn. Bhd. ("Pos Digicert") is Malaysia's premier Certification Authority and Digital Trust solutions provider, offering secure digital signing, credential management, encryption and Public Key Infrastructure ("PKI") services. With over 90% market share and complete ISO 9001, ISO 27001 and WebTrust accreditations, Pos Digicert enables secure, compliant digital transactions across Malaysia's public and private sectors.

Energising New Possibilities

In 2025, Pos Digicert accelerated innovation and expanded regional deployments for secure, paperless transactions across businesses and government agencies. It strengthened international engagements through multi-year digital signing initiatives in Uganda and the Philippines. Domestically, partnerships increased with the nationwide adoption of the Electronic Pharmacy Exchange System, while collaboration with public-sector partners enabled faster approvals and delivered substantial savings. It further reinforced Malaysia's leadership in Digital Trust by hosting Asia's first Post-Quantum Cryptography Conference Kuala Lumpur 2025 and secured long-term national digitalisation projects, while obtaining grants from Malaysian cryptography and cybersecurity agencies.

Key opportunities in 2026 include:

- Integrating AI-driven credential management and post-quantum PKI frameworks
- Strengthening customer experience through automation and cloud delivery models.

Strengthening Strategy

Raise the Game	Deploying automation, cloud-based PKI and integrated system upgrades to **improve operating efficiency**
Reshape for Tomorrow	Forming **strategic partnerships** to expand organisational capability and **strengthening post-quantum readiness**
Re-emphasise Trust	Sustain stakeholder confidence through **transparent assurance governance**

SERVICES SEGMENT

Revenue Contribution
(RM Million)

The Group's Services segment encompasses vehicle inspection and education which aligns closely with Malaysia's automotive ecosystem.

This segment, which also includes other businesses such as security and insurance services, provides the Group with a broader platform to drive safety standards, nurture specialised expertise, strengthen technical competencies and deepen collaboration across industry stakeholders.

Competitive Strengths

PUSPAKOM

Operates Malaysia's
first licensed vehicle inspection network
with 53 branches and 50 mobile inspection units nationwide

Provides consistent
ISO-certified inspection quality,
aligned with road-safety regulations and transport requirements

DRB-HICOM UNIVERSITY OF AUTOMOTIVE MALAYSIA

Malaysia's only
automotive-focused university
with strong industry linkages, enhancing student employability

Strong emphasis on
TVET
programmes, supported by recognised professional certifications

2025 Market Landscape

Vehicle Inspection

- Vehicle inspections remained high at 4.22 million, a 2.9% increase from 2024, supported by resilient demand from commercial fleets, and the Government's promotion of EVs
- Industry liberalisation introduced new competitive pressures, creating opportunities for service differentiation

Education

- Regional programme customisation and industry partnerships were critical in aligning curriculum with evolving technical requirements and local industrial needs
- Digital capability and flexible learning models gained importance, supported by policy and funding shifts towards employability, micro-credentials and hybrid delivery
- Demand for future-ready, specialised TVET graduates with strong automotive and technical competencies increased, driven by Industry 4.0 and digitalisation across industries

DRB-HICOM University of Automotive Malaysia ("DHU") continues to play a strategic role in Malaysia's automotive and technical education sectors, aligning its academic and talent development programmes with the needs of the Group, the industry and the nation. Its close integration with the Group allows for enriched academic-industry linkages and demand-driven programme design, especially in TVET.

Energising New Possibilities

In 2025, DHU intensified its focus on brand visibility, market expansion and academic-industry alignment.

To support enrolment growth, DHU has carried out various initiatives, including expanding its introducer network and partnership base, as well as participating in outbound and inbound programmes, education fairs and school roadshows. These have been further supported by scholarship sourced from state-linked foundations and private entities.

In reinforcing its strategic direction, DHU has launched new industry-relevant programmes in Aircraft Ground Handling Technology and the Diploma in Cargo Management.

The University has also continued to strengthen its international footprint, partnering with renowned universities and institutes in, amongst others, China and Indonesia to drive student mobility, global classrooms and collaborative research. Locally, new collaborations were established with various organisations.

To further strengthen its TVET ecosystem, DHU implemented several initiatives aligned with national standards and industry needs, such as obtaining accreditation to offer Sijil Kemahiran Malaysia Level 3 Accounting, revising the curriculum and upgrading facilities to enhance hands-on training, and participating in government-industry TVET panels.

DRB-HICOM University's close integration with the DRB-HICOM Group allows for enriched academic-industry linkages and demand-driven programme design.

Strengthening Strategy

Raise the Game	Intensifying **targeted marketing** to improve brand visibility, recognition and trust Focusing efforts on expanding into **new markets and customer** segments
Reshape for Tomorrow	**Expanding delivery** via Open and Distance Learning ("ODL"), Accreditation of Prior Experiential Learning ("APEL"), micro-credentials, TVET, offshore/franchise models and international student enrolment
Re-emphasise Trust	Integrating **sustainable practices** into business operations in support of the Group's ESG priorities, such as rooftop solar PV installation and rainwater harvesting initiatives, to reduce energy and water consumption

Driving Sustainability

- Installing a solar PV system on its campus rooftop, with an estimated electricity savings of close to RM80,000 per year, over the next 25 years
- Implementing a rainwater harvesting system on campus as part of promoting green practices and to reduce treated water consumption

Outlook

DRB-HICOM's education arm is entering a new phase of integration, bringing together its four entities — the university, TVET academy, corporate training division and the Port Dickson training centre – into a unified ecosystem, operating under shared standards and aligned strategies with the aim of strengthening industry collaboration, enhancing market relevance and delivering greater value across the Group.

Looking ahead, the focus will be on deepening industry linkages, advancing Malaysia's TVET agenda and positioning the corporate training division as a human capital solutions partner of choice. These efforts will support long-term sustainability, build organisational capability and drive DRB-HICOM education contribution to national and industry transformation.

PUSPAKOM

PUSPAKOM Sdn. Bhd. ("PUSPAKOM") plays a strategic role in promoting road safety and compliance through licensed vehicle inspections across Malaysia. Operating a network of 53 branches and 50 mobile units nationwide, the company provides end-to-end services, including inspections, road tax renewals and insurance services for both private and commercial vehicles.

Energising New Possibilities

In 2025, PUSPAKOM clocked a record 4.22 million inspections in the first full year of operations under the new licensing framework, which was about 3% above its target for the year. This was driven by the steady demand for commercial vehicle inspections, although this was partly offset by the softening of private vehicle inspections.

PUSPAKOM has advanced its digitalisation and diversification agenda through a range of strategic initiatives. New ancillary services such as vehicle consultancy and star rating inspections were introduced to broaden revenue streams, while a partnership with a solutions provider has enabled instalment payments for insurance premiums. Collaborations with government agencies have facilitated the rollout of its online digital road tax and vehicle ownership transfer services, enhancing customer convenience and enriching the service portfolio.

Operationally, PUSPAKOM has expanded its reach with the launch of a new branch in Langkawi, while the mobile inspection fleet logged nearly 260,000 inspections. To drive greater efficiency, the company has selectively deployed AI-powered undercarriage inspection systems at high-volume branches and mobile units, significantly reducing inspection times and enhancing accuracy. This will be rolled out progressively across the network.

These gains were complemented by the expansion of e-payment, e-receipt and e-invoicing capabilities across both MyPUSPAKOM and the Computerised Automated Vehicles Inspection System ("CAVIS"), PUSPAKOM's core inspection system that covers registration, payment, inspection processes and results transmission to the Road Transport Department, alongside contract optimisation and proactive maintenance scheduling for mobile units. Customer engagement has been strengthened through the launch of a centralised digital customer relationship management platform, integrating telephony and live chat support, with service requests addressed within defined turnaround times.

Strengthening Strategy

Raise the Game

Enhancing productivity through **automation and technology adoption**, reducing process cycle time by 31% and increasing inspection capacity by 33%

Strengthening performance by **raising process efficiencies** and **faster inspection turnaround time**, reinforcing service reliability

Reshape for Tomorrow

Diversifying service offerings via ancillary businesses such as Express Lane, Tint Check, Consultancy and Star Rating inspection

Expanding the mobile inspection fleet with two new units and enlarging the network at key business centres

Initiating groundwork for **future diversification in non-vehicle inspection services** under the oversight of regulatory authorities

Re-emphasise Trust

Strengthening inspection transparency and accuracy through **digital and AI solutions**, reducing human error

Sustaining **ISO and ESG compliance**

Continuing **employee development** through training programmes focused on AI systems, supported by wage realignment

Driving Sustainability

- Strengthening ESG efforts by upgrading to energy-efficient equipment across inspection centres and digitalising documentation to reduce paper usage
- Introducing Integrity & Compliance Framework 2.0 and broadened employee ethics training, reinforcing a strong culture of accountability and integrity
- Maintaining certifications under six ISO management systems, covering quality, environment, safety, information security, testing and calibration and road traffic safety

PUSPAKOM conducted 4.22 million inspections in its first full year of operations under the new licensing framework for vehicle inspection.

Outlook

PUSPAKOM aims to strengthen business resilience through a continued focus on digitalisation, service expansion and diversification. Key priorities include:

- Full rollout of AI inspection systems across high-volume branches
- Expansion of online insurance and road tax transactions
- Ongoing feasibility studies on non-vehicle inspections, which are now under regulatory review
- Enhancement of ancillary services and asset monetisation initiatives, unlocking value from accumulated physical, digital and intellectual assets developed over more than three decades

The geopolitical tensions in the Middle East may result in uncertainties over costs and the timely supply of inspection machine replacement parts, while any softening of the transport and logistics sector will indirectly impact commercial vehicle inspection volumes.

Notwithstanding this, PUSPAKOM is taking the necessary steps to mitigate the potential impacts while also reinforcing its position as the market leader by setting industry benchmarks through scaled AI-enabled inspection automation, integrated digital systems and nationwide network coverage, safeguarding competitiveness and regulatory confidence.

PROPERTIES SEGMENT

Revenue Contribution
(RM Million)

DRB-HICOM's Properties Segment spans a wide range of real estate services, including the development of industrial, residential, and commercial properties, as well as asset and lease management, property concession development, and construction.

The Group's diversified Properties portfolio provides stable recurring income while creating value from its strategic landbanks, long-term concessions and industrial growth corridors.

Competitive Strengths

Over
35 years
of experience in property development

Asset management portfolio valued at over
RM1.4 billion

Master developer of
Automotive Hi-Tech Valley

Operator of the
Angkasapuri Kota Media
concession

Concession holder for the
Bukit Kayu Hitam ICQS Complex
under a long-term arrangement

2025 Market Landscape

Property Development

- Malaysia's property market conditions remained stable, with transaction values rising marginally year-on-year, although overall growth moderated
- While Budget 2025 initiatives supported first-time home ownership, residential launches and sales softened amid affordability challenges, rising material and labour costs and unsold stock in less desirable locations
- Industrial properties continued to be the bright spot, driven by localised manufacturing, logistics and data centre demand as well as cross-border investments, particularly in Johor and Penang
- Sustainability considerations increasingly influenced investment and consumer preferences, including demand for green-certified projects

Asset Management

- Transition towards EVs and sustainable operations prompted continued facility optimisation and energy-efficiency upgrades
- Stable occupancy was maintained through tenant engagement and targeted asset enhancement, although Sales and Service Tax expansion widened cost exposures

Concession Development and Construction

- Malaysia's construction sector experienced strong momentum in 2025, driven by public infrastructure investments and sustained private-sector participation
- Rising material costs, skilled labour shortages, supply chain pressures, regulatory compliance requirements and global uncertainties continued to impact costs, procurement planning and project rollout timelines

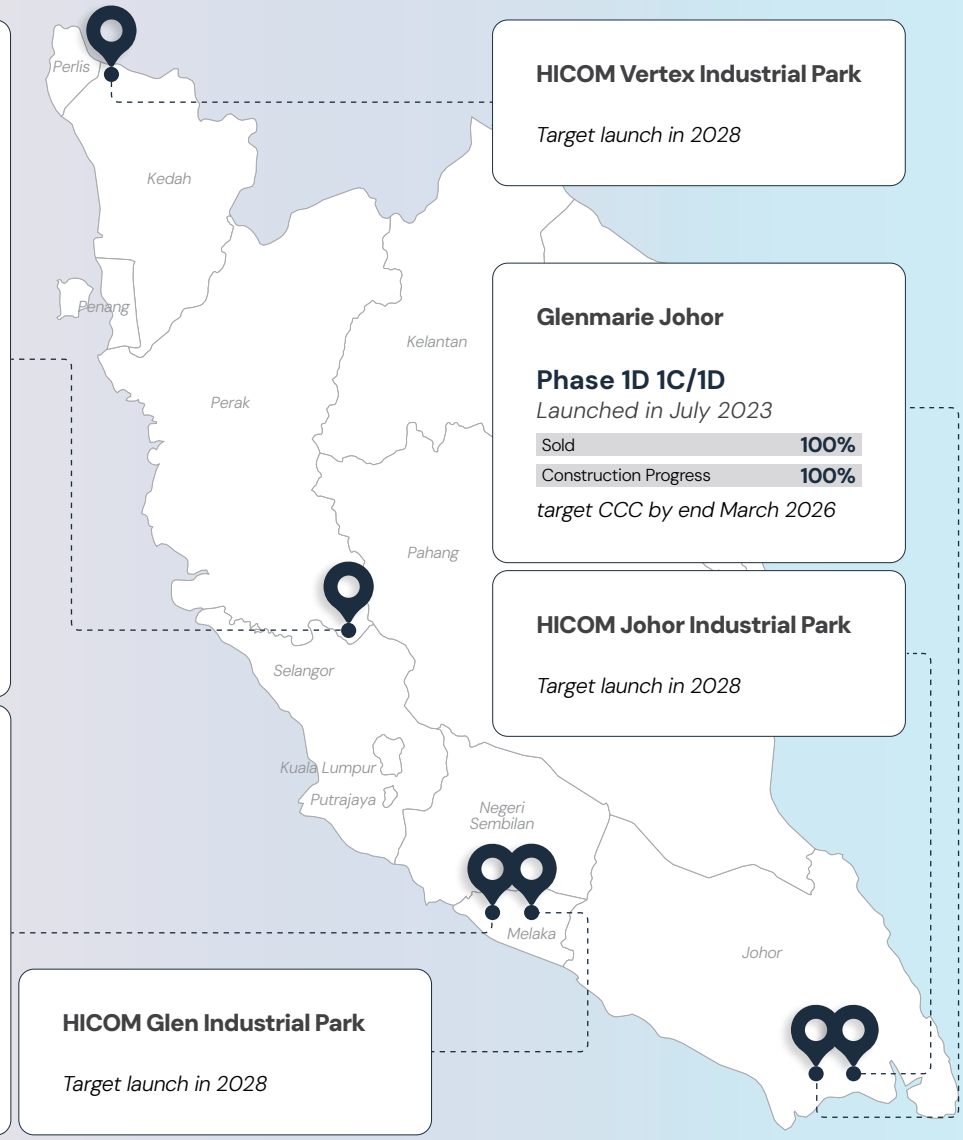
PROPERTY DEVELOPMENT

With more than 35 years of experience, the Group's property development arm has built a strong reputation for delivering quality projects anchored on reliability and sustainable growth.

Backed by deep industry knowledge and a strategic landbank of over 2,800 acres, as well as being the master developer of the Automotive Hi-Tech Valley ("AHTV") in Tanjong Malim, Perak, the Group remains well-positioned to meet evolving market needs and capture new opportunities. The company's strong brand, proven execution track record and commitment to sustainable development continue to underpin long-term expansion efforts.

Energising New Possibilities

The year has seen meaningful progress across multiple fronts, including stronger collaboration with marketing agents, which has contributed to robust sales in Proton City, Glenmarie Johor and the HICOM Pegoh Industrial Park. At the project level, close supervision of contractors has ensured that delivery remained on track, including the handover of the Iriz 1 in Proton City, with a commendable QLASSIC score of 83%.



Proton City

Parcel 18A-2
(Iriz 2)
Launched: July 2024

Sold	100%
Construction Progress	96.7%

Parcel 20A
(Bungalow Lots)
Launched: September 2024

Sold	86.2%
Construction Progress	78.7%

Parcel 5
(Industrial lots)
Launched: January 2024

Sold	73.0%
Construction Progress	87.9%

HICOM Pegoh Industrial Park

Phase 2C-1
Launched: April 2023

Sold	85.2%
Construction Progress	Completed

Phase 2C-2
Launched: April 2023

Sold	36.5%
Construction Progress	92.35%

HICOM Vertex Industrial Park

Target launch in 2028

Glenmarie Johor

Phase 1D 1C/1D
Launched in July 2023

Sold	100%
Construction Progress	100%

target CCC by end March 2026

HICOM Johor Industrial Park

Target launch in 2028

HICOM Glen Industrial Park

Target launch in 2028

CCC: The Certificate of Completion and Compliance

Automotive Hi-Tech Valley

During the year under review, AHTV remained steadfast in advancing its long-term vision to become Malaysia's global high-technology automotive hub, focusing particularly on NEV manufacturing. Identified as one of five key high-impact national projects under the 13th Malaysia Plan, AHTV continues to play a strategic role in Malaysia's industrialisation agenda.

AHTV's development is guided by its medium- to long-term targets, with annual vehicle production to reach 500,000 units by 2030, and component output of one million units with 50% targeted for export markets.

To support its next phase of development, AHTV introduced a New Master Plan Layout in 2025 following the approval from local and state authorities. The new layout provides dedicated zoning for heavy industry, medium and light industrial activities, commercial developments, public amenities and recreational spaces, enabling efficient land use while supporting long-term growth, workforce needs and infrastructure readiness.

AHTV in Tanjong Malim, Perak, has been identified as a key high-impact project under the 13th Malaysia Plan.

Key developments

During the period under review, AHTV recorded several milestone events reflecting its continued progress and growing stakeholder engagement.

In September 2025, the Prime Minister chaired a high-level AHTV Development Progress Meeting, underscoring strong government support for the project. The meeting coincided with the launch of PROTON's NEV plant, Malaysia's first dedicated NEV assembly plant, which the Prime Minister officiated.

During the event, the exchange of a Memorandum of Understanding ("MoU") with Keretapi Tanah Melayu Berhad ("KTMB") and the Railway Assets Corporation ("RAC") took place for the proposed railway spur line study linking the national rail network to AHTV. The main purpose is to bring improved logistics connectivity, and to reduce road traffic and carbon emissions.

Numerous investment promotion activities were conducted with key vendors, reinforcing supply-chain alignment within the automotive ecosystem in AHTV.

PROTON also successfully completed its relocation from Shah Alam to its Tanjong Malim plant, consolidating core manufacturing activities within AHTV. The national car company also advanced several expansion initiatives, including the development of a centralised warehouse, stamping shop and R&D testing laboratory, in addition to the new NEV plant. The vendor community in AHTV had also grown in recent years in anticipation of PROTON's full relocation as well as to achieve logistic cost optimisation.

Infrastructure enablement also progressed, with the commencement of a direct natural gas pipeline, 5G network readiness for Industrial real-time production needs and high-speed internet connectivity.

These advancements collectively strengthened AHTV's value proposition and positioned the development for sustained growth beyond 2025.

Strengthening Strategy

Raise the Game

Prioritising the construction of **readily available industrial plots**

Intensifying strategic marketing to **targeted customers**

Reshape for Tomorrow

Launching developments with sustainable features such as **rainwater harvesting systems, eco-friendly designs** and **smart infrastructure**

Re-emphasise Trust

Collaborating with marketing agents to **expand reach and engagement**

Driving Sustainability

- Integrating eco-friendly infrastructure, such as rainwater harvesting and green landscaping
- PROTON's solar PV system success at AHTV led to wider adoption by other vendors, while sustainability safeguards were embedded into the revised AHTV Master Plan via Environmental Impact Assessments

Outlook

Looking ahead, the business will introduce new components to uplift its existing developments. These include a commercial hub in Proton City and centralised labour quarters at both Proton City and HICOM Pegoh Industrial Park. Plans are also in motion for high-rise developments at key sites, including Angkasapuri Kota Media and Chan Sow Lin in Kuala Lumpur, and Prai in Pulau Pinang. The development landscape for 2026 remains sensitive to global geopolitical shocks, as the ongoing Iran-related conflict may dampen foreign investor appetite and exert upward pressure on the cost of energy-intensive construction materials like steel and cement. At the same time, the Group will continue to focus on developing affordable housing in Proton City to meet ongoing market demand.

ASSET MANAGEMENT

The Group's Asset Management arm continues to leverage its extensive experience in managing a diverse portfolio of industrial, commercial and residential properties across key regions in Malaysia, with a total value of RM1.4 billion.

Its core strengths include strong tenant relationships and effective lease management, leading to high occupancy rates. This is further supported by disciplined cost control and ongoing efforts to optimise property yields, which have enabled the business to remain competitive and resilient.

The PROTON main plant in Shah Alam is a prime piece of property owned by DRB-HICOM's Asset Management arm.

Energising New Possibilities

In 2025, Asset Management's stable revenue flow has been supported by consistent lease renewals and solid yield performance. The quick turnaround for a major vacant asset in Shah Alam, Selangor, which has been secured by an established tenant, is expected to contribute more than RM4.2 million per annum beginning 2026. Major refurbishment works have been undertaken in key industrial parks and commercial facilities to modernise and reposition selected assets, while smart-building features such as energy management systems, Air Conditioning and Mechanical Ventilation ("ACMV") with Chiller Plant Optimisation System ("CPOS") modules have been piloted across selected properties.

Operationally, the business has maintained near-full occupancy across its portfolio. Tenant engagement has been strengthened through satisfaction surveys, yielding a significantly higher average score, led by improvements in service responsiveness.

Strengthening Strategy

Raise the Game

Accelerating proactive asset enhancement programmes, including **targeted refurbishments, preventive maintenance** and **smart building modules** to support tenant retention

Strengthening **rental renewal strategy** through early engagement and aligned incentives

Implementing **digital monitoring through smart building modules** to improve operational efficiency for selected buildings

Reshape for Tomorrow

Piloting **adaptive reuse** or **redevelopment** of underutilised assets to meet evolving tenant requirements

Introducing **modular space design** to provide flexibility for varied tenant layouts

Re-emphasise Trust

Deepening **relationship management** through regular feedback sessions, service-level commitments and improved maintenance responsiveness

Driving Sustainability

- Upgrading with energy-efficient systems such as ACMV with CPOS, across selected assets
- Replacing legacy water systems with more water-efficient alternatives
- Deploying rooftop solar PV panels at high-potential properties.

Outlook

The division will continue focusing on selective acquisitions or joint ventures to expand its portfolio with high-potential growth assets. It also plans to diversify its offerings by expanding flexible and hybrid spaces tailored for external tenants, including R&D, and light-assembly manufacturing. To strengthen internal decision-making and external stakeholder trust, the business will enhance its data analytics capabilities to forecast maintenance needs, assess lease renewal risks and optimise capital deployment.

CONCESSION DEVELOPMENT & CONSTRUCTION

The Group's Concession Development and Construction business comprises two key entities: Northern Gateway Infrastructure Sdn. Bhd. ("Northern Gateway") and Media City Development Sdn. Bhd. ("Media City Development"). Both operate long-term concessions, delivering secure and recurring revenue streams while supporting Malaysia's infrastructure and media development agendas.

Northern Gateway holds a 28-year concession for the construction and maintenance of the Immigration, Customs, Quarantine and Security ("ICQS") Complex in Bukit Kayu Hitam, Kedah. The year saw the award of a RM141.57 million New Access Road Project, which includes a new six-lane dual carriageway, service road and supporting infrastructure aimed at improving traffic flow, border security and cross-border connectivity with Thailand's Sadao Customs, Immigration, and Quarantine complex.

Media City Development manages the Angkasapuri Kota Media complex, Malaysia's principal broadcasting hub that houses the headquarters of Radio Televisyen Malaysia ("RTM"), under a concession from the Ministry of Communications. Beyond operating this strategic national asset, Media City Development also provides integrated facilities management services for RTM, ensuring operational efficiency and long-term asset resilience.

Energising New Possibilities

Northern Gateway

In 2025, Northern Gateway scored a major milestone with the award of the New Access Road Project. As a key growth driver, the project is expected to provide a stable revenue stream moving forward. The project team has maintained strict management discipline to keep the project on schedule despite external challenges. By year-end, construction of the project had been completed.

To improve cost efficiency, Northern Gateway has successfully renegotiated lower maintenance rates with its appointed integrated facilities management, resulting in meaningful long-term savings.

The new road project by Northern Gateway will improve access between the Bukit Kayu Hitam ICQS Checkpoint and the Sadao checkpoint in Thailand.

Media City Development

Media City Development has advanced the Angkasapuri Kota Media Redevelopment Project, completing the integration of digital studios, news production facilities and upgraded broadcast infrastructure. Media City Development has also launched a Network Management System to optimise technical support and maintenance services, with completion targeted for 2026. Operationally, the company has enhanced its concession delivery framework by strengthening vendor and contractor management, with a sharper focus on quality assurance, safety compliance and timely execution.

Media City Development has redeveloped Angkasapuri Kota Media, completing the integration of digital studios, news production facilities and upgraded broadcast infrastructure.

Strengthening Strategy

Raise the Game

Implementing **energy-efficiency measures** at the Bukit Kayu Hitam ICQS Complex, supported by monthly performance monitoring and annual audits to track improvement against baseline targets

Advancing remaining works under the Angkasapuri Kota Media redevelopment scope, ensuring all facilities **meet broadcasting, safety and sustainability standards**

Reshape for Tomorrow

Integrating Green Building Index-certified **green design features, prioritising local sourcing** and adopting **energy-efficient systems** to reinforce operational reliability and sustainability performance at Angkasapuri Kota Media

Enhancing project monitoring through **digital tracking tools**, **optimised contractor coordination** and **strengthened compliance** with government specifications to ensure timely delivery and cost efficiency at Angkasapuri Kota Media

Re-emphasise Trust

Sustaining Northern Gateway's ISO 9001 certification and **progressing towards ISO 14001 and ISO 45001** to strengthen environmental and workplace safety standards

Engaging government stakeholders for **periodic review of maintenance charges** to ensure alignment with current operating conditions and requirements of the Bukit Kayu Hitam ICQS Complex

The tower building is one of several new structures built as part of Angkasapuri Kota Media's rejuvenation project by Media City Development.

Driving Sustainability

Northern Gateway

- Progressing efforts to obtain ISO 14001 Environmental Management and ISO 45001 Occupational Health & Safety certifications

Media City Development

- Adopting greener procurement and vendor coordination practices to reduce operational emissions
- Reducing building energy and water intensity while improving RTM's asset uptime and resilience

Outlook

In 2026, Northern Gateway will focus on leveraging its enhanced operational framework and expects to operate the new road between Bukit Kayu Hitam and Sadao. The company is therefore positioned to initiate discussions with the government on a review of maintenance rates, reflecting the expanded asset scope and improved value.

For Media City Development, the year ahead will be shaped by Malaysia's accelerated digital broadcasting agenda and the government's emphasis on AI-enabled media services under RTM's modernisation strategy. Media City Development plans to deepen its role in supporting Internet Protocol-based broadcasting infrastructure, AI-driven content production and the next phase of commercial developments at Angkasapuri Kota Media. The company also intends to expand technical partnerships and roll out broadcast technology training.

INVESTOR RELATIONS

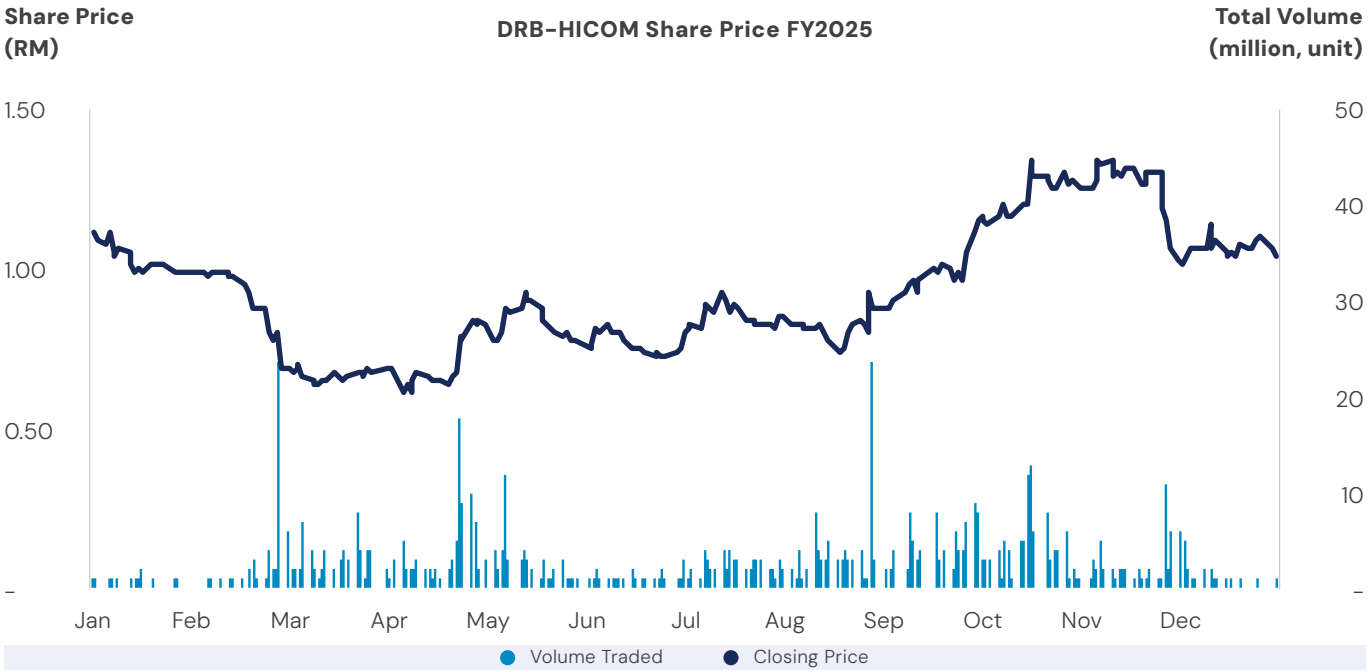
Investor Engagement Initiatives

Analyst Briefing / Quarterly Financial Results *50–80 pax Quarterly*

1Q	ended 31 Mar 2025	**22 May 2025**
2Q	ended 30 Jun 2025	**27 Aug 2025**
3Q	ended 30 Sep 2025	**25 Nov 2025**
4Q	ended 31 Dec 2025	**26 Feb 2026**

Dialogue with Institutional Shareholders / Statutory Bodies *10–40 pax* *Throughout the year*	One-on-one meetings, fund managers, etc. *10–15 pax* *Throughout the year*	Credit Ratings / Shariah Compliance Review *5–10 pax* *Annually*	Annual General Meeting / Extraordinary General Meeting *> 500 pax* *Annually / As and when*

Share Price Performance



Credit Ratings

Sukuk Wakalah
Programme of up to RM3.5 billion
AA–IS
Stable Outlook

Perpetual Sukuk Musharakah
Programme of up to RM2.0 billion
AIS
Stable Outlook

MARC
Malaysian Rating Corporation Berhad

MARC Ratings has affirmed its ratings on DRB-HICOM Berhad's **RM3.5 billion** Sukuk Wakalah and **RM2.0 billion** Perpetual Sukuk Musharakah Programmes at **AA–$_{IS}$** and **A$_{IS}$**. The ratings outlook is **stable**, which reflects the sustainability in DRB-HICOM's credit profile, driven by the continued strong performance of its automotive segment.

Annual General Meeting / Extraordinary General Meeting

35th Annual General Meeting

29 April 2025
Notice of Annual General Meeting

28 May 2025
Physical Annual General Meeting convened, Glenmarie Hotel & Golf Resort, Shah Alam

Extraordinary General Meeting

30 October 2025
Notice of Extraordinary General Meeting

14 November 2025
Physical Extraordinary General Meeting convened, Glenmarie Hotel & Golf Resort, Shah Alam

- Proposed acquisition of 100% equity interest in Spirit AeroSystems Malaysia Sdn. Bhd. by Composites Technology Research Malaysia Sdn. Bhd., a wholly-owned subsidiary of DRB-HICOM Berhad.
- The Ordinary Resolution was voted on by poll and was duly passed by the shareholders of the Company at the Extraordinary General Meeting.

Return to Shareholders

Final dividend per share **2.5 sen**

Ex-date	Entitlement date	Payment date
14 Apr 2025	15 Apr 2025	30 Apr 2025

DRB-HICOM reiterates its dividend commitment through the dividend policy statement as approved by the Board of Directors as follows:

Dividend Policy

It is the Group's intention to create value for shareholders through a sustainable dividend policy. In line with this, the Board acknowledges the importance of rewarding shareholders with a stable dividend and to sustainably grow dividend over time.

The dividend payout target will be between 20% and 30% of the operational net profit. However, in determining the annual dividend level, the Board will take into consideration the availability of cash, retained earnings, operating cash flow requirements, business prospects, future capital expenditure, investment plan and financing requirements. The Board will ensure good balance sheet management, with gearing kept at a manageable level.

Capital Market Feedback

On matters pertaining specifically to shareholding, shareholders are invited to contact the Company's Share Registrar. Other queries, feedback and suggestions can be directed to the Investor Relations at invest@drb-hicom.com.

3

CREATING SUSTAINABLE VALUE

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94 Navigating Risks & Opportunities

> The great thing in this world is not so much where we stand as in what direction we are moving.
>
> — Oliver Wendell Holmes Sr.
> Physician and Author

OUR MARKET LANDSCAPE

In 2025, the global economy experienced heightened complexity. The United States' ("US") expanded tariff regime added a fresh layer of uncertainty to trade flows, slowing investment and prompting supply chain realignments across multiple regions. At the same time, entrenched geopolitical conflicts in Eastern Europe and the Middle East continued to disrupt energy markets and logistics channels.

Meanwhile, the US dollar weakened towards the second half of 2025 as the Federal Reserve signalled its dovish stance by cutting interest rates in October and again in December, a move that improved global liquidity but raised inflation risks in emerging economies. Concurrently, Chinese automakers have increased their presence in ASEAN markets in the automotive segment, rapidly localising production and intensifying competition.

Navigating the evolving global landscape in 2025, DRB-HICOM sharpened its focus on operational optimisation and building greater adaptability across its diverse businesses. Under its Raise the Game and Reshape for Tomorrow pillars, the Group accelerated innovation through the deployment of advanced technologies, including data-driven tools and digital platforms, to enhance agility, efficiency, and profitability. Sustainability remained a core focus, with ongoing integration of green practices into manufacturing and logistics to support national and Group-level net-zero ambitions. At the same time, the Group pursued new business models and strategic collaborations that reflected changing market trends and consumer behaviour, particularly in high-growth and future-focused sectors. These efforts were underpinned by a strong culture of trust, inclusivity and performance, in line with the Group's commitment to building a future-ready workforce and cultivating lasting partnerships with stakeholders.

Economic/ Market Trends	Key Developments in 2025	Strategic Impacts	Moving Forward
Evolving Macroeconomic and Geopolitical Risks	• The US reintroduced and expanded tariffs, intensifying global trade tensions and policy uncertainty. • Oil prices declined due to softening global demand, OPEC restraint and heightened instability in the Middle East. • China's economic recovery slowed to about 4.9% as export demand weakened and domestic consumption became its growth focus. • The US dollar weakened due to anticipated Federal Reserve rate cuts, while the ringgit strengthened. • Geopolitical conflicts in Eastern Europe and the Middle East continued to disrupt energy flows and regional investment confidence.	• Malaysia achieved higher GDP growth of 5.2% in 2025 against a forecast of 4.0%–4.8%, despite tariff and trade uncertainties. • The Automotive segment faced stronger competition from Chinese original equipment manufacturers ("OEM") entering Malaysia, exerting pressure on market share, pricing strategies and localisation efforts. • Geopolitical and trade uncertainties delayed investment decisions and increased the need for flexibility.	• Strengthen supply chain resilience through higher localisation and diversified sourcing. • Leverage Industry 4.0 technologies to enhance operational efficiency and cost agility. • Deepen market adaptability across non-automotive segments to address shifting demands and cost structures. • Monitor currency trends to manage foreign exchange and trade policy risks. • Maintain strategic agility across all business lines to respond swiftly to global disruptions and regional policy shifts.

Economic/ Market Trends	Key Developments in 2025	Strategic Impacts	Moving Forward
Journey Towards Net Zero and Green Energy Transition	• Rationalisation of RON95 fuel subsidy by the government.	• While the subsidy supports vehicle affordability and ownership, it may hinder progress towards the national net-zero target by prolonging dependence on fossil fuels and slowing the transition to low-emission vehicles. • Slower growth in electric vehicle ("EV") adoption due to lower effective fuel prices.	• Strengthen hybrid and EV readiness by focusing on expanding hybrid offerings as a practical transition option and maintaining a diverse product portfolio, after-sales capabilities and consumer education to build long-term confidence and readiness for low-emission mobility.
	• ASEAN EV Ecosystem Development: ASEAN leaders adopted the Declaration on Developing Regional EV Ecosystem (2023, continued implementation through 2025), strengthening cross-border EV supply chains, charging infrastructure and harmonised standards. • Expansion of regional EV manufacturing, battery hubs and policy incentives.	• Supports the adoption of low-carbon mobility and strengthens ESG credibility for transport-intensive operations. With domestic EV adoption still in its early stages, growth is expected to remain robust. Concurrently, the development of a long-term regional ecosystem will strengthen supply chain resilience, reduce emissions, and support alignment with net-zero objectives.	• Build on existing EV initiatives and fleet electrification efforts across the Group. • Strategically expand participation in the ASEAN EV ecosystem, including supplier capability development for low-carbon components and cross-border opportunities. • Integrate EV adoption and fleet transition into Group-wide net-zero targets, addressing both Scope 1 and Scope 3 emissions. • Support enabling mechanisms, such as green financing and infrastructure alignment to accelerate low-carbon mobility adoption.
	• Energy Efficiency and Conservation Act ("EECA") 2024 which began in 2025, requiring designated facilities exceeding 21,000 GJ annual energy use to implement energy management systems and reporting mechanisms.	• The EECA introduces mandatory energy efficiency compliance, making energy management a core ESG obligation. For DRB-HICOM, this provides a structured approach to track and reduce emissions, strengthens climate governance and improves alignment with climate disclosure requirements. Non-compliance may result in fines and reputational impact, especially as energy efficiency becomes a material ESG metric.	• Conduct energy audits, implement Energy Management Systems, optimise facility and equipment efficiency, integrate renewable energy ("RE") where feasible and centralise energy data for carbon reporting and high-impact reduction identification.

Economic/ Market Trends	Key Developments in 2025	Strategic Impacts	Moving Forward
Journey Towards Net Zero and Green Energy Transition (continued)	Other climate-related legislation: • The Carbon Capture, Utilisation and Storage ("CCUS") Act 2025 which was gazetted in 2025, establishing a national framework for carbon capture, transport and storage. • The National Climate Change Bill, which aims to institutionalise climate governance, climate reporting obligations and national carbon targets, is expected to be tabled after Budget 2026.	• These policy shifts reinforce Malaysia's transition to regulated carbon management, embedding legal accountability for carbon management and ESG disclosure. They strengthen national climate-risk governance, elevate investor expectations for transparency and may increase compliance costs and downstream energy prices, impacting industry operations.	• Strengthen climate governance, risk assessment and disclosures by aligning operational strategies and climate-related Key Performance Indicators ("KPI") with national emissions reduction pathways. • Monitor exposure to energy price volatility and supply chain risks arising from upstream decarbonisation.
Rising Costs: Malaysian Economy in Transition	• Electricity tariffs under Regulatory Period 4 increased by approximately 13.6% from 1 July 2025 for industrial and commercial users, alongside the introduction of an automatic fuel adjustment mechanism. • The national minimum wage was raised, with the floor increased to RM1,700 per month. • The Sales and Service Tax ("SST") scope was expanded from 1 July 2025 to cover additional goods (including luxury imports) and more than 30 new service categories (e.g. logistics, warehousing, software, professional services,, and education), taxed at 6%–8%. • A mandatory 2% EPF contribution for non-Malaysian workers took effect from October 2025 for valid work-pass holders. • The rollout of a carbon tax was announced for 2026, beginning with selected sectors such as iron, steel and energy.	• The automotive manufacturing arm faced higher energy costs per unit, while the logistics and property divisions experienced an escalation in utility expenses. • Labour-intensive operations incurred higher payroll costs. • A higher wage base reduced flexibility in variable labour usage and increased overtime and spill over costs. • DRB-HICOM's services and vehicle distribution businesses incurred higher indirect input costs or were required to pass additional taxes on to customers. • Margins were reduced as some input suppliers charged SST. • EPF for non-Malaysian workers became an incremental cost for DRB-HICOM operations employing foreign labour. • Potentially higher input costs in 2026 for automotive and property business units because of the carbon tax, particularly for energy and raw materials.	• Accelerate energy efficiency programmes across plants by conducting energy audits, implementing an Energy Management System, optimising equipment runtime, deploying LED lighting, installing on-site solar PV panels and centralising energy data for carbon reporting. • Review workforce planning by increasing multi-skilling to reduce headcount, investing in automation for repetitive tasks in assembly and logistics, and linking wage growth to productivity improvements. • Assess whether price increases are feasible and communicate changes clearly to customers. • Negotiate with suppliers and conduct selective sourcing to mitigate input cost inflation from SST. • Evaluate whether substituting certain foreign labour segments with local or multi-skilled labour will reduce cost risks in the long term. • Proactively engage suppliers to assess carbon tax pass-through cost exposure and secure more transparent carbon disclosures.

Economic/ Market Trends	Key Developments in 2025	Strategic Impacts	Moving Forward
Malaysia's New Multi-Sectoral Action Plans to Spur Economic Growth	• Malaysia advanced the 13th Malaysia Plan, highlighting high-growth, high-value sectors such as aerospace and automotive, supported by increased Technical and Vocational Education and Training ("TVET") investment. • The New Industrial Master Plan (NIMP) continued with targeted sectoral transformation, particularly in manufacturing and green growth. • Budget 2026 provided for additional allocations for the automotive and high-value sectors and digital transformation incentives for MSMEs.	• Heightened demand for skilled technical labour, driven by industrial upgrading and new OEM setups, led to wage increases as well as increased urgency to improve productivity. • Evolving policies around EV localisation and R&D investment reshaped the competitive landscape for OEMs and tier suppliers. • Growing emphasis on education-to-employment linkages aligned with DRB-HICOM's university and vocational training institutions. • Government stimulus and sectoral incentives improved market sentiment in the automotive and property sectors.	• Expand engagement with policy-makers to optimise incentives and capitalise on industrial localisation strategies. • Strengthen talent pipeline through deeper alignment of the TVET curriculum with industry needs. • Leverage DRB-HICOM's integrated business model to support national economic agendas. • Position subsidiaries to benefit from grants, tax exemptions and green transition financing linked to Budget and NIMP targets.
Evolving Financial Landscape for a Digital, Sustainable and Resilient Economy	• Bank Negara Malaysia cut the OPR to 2.75%, the first reduction after many years, to support credit expansion and domestic demand. • Green and sustainable finance gained traction, with banks launching new ESG-linked offerings and expanding Islamic green financing. • As of 2025, all of Malaysia's five licensed digital banks have been operationalised, adding further competition into the banking industry.	• Lower rates stimulated financing demand and improved repayment capacity, reducing credit risk across sectors. • Bank Muamalat's Eco Green offerings and ESG strategy aligned with rising demand for ethical, climate-conscious financing. • The emergence of digital banks raised customer expectations, creating urgency for digital-first experiences and service modernisation.	• Continue targeted financing growth in resilient, value-based sectors (e.g., EVs, halal SMEs, sustainable housing). • Accelerate digital transformation via AI, cloud-based banking and personalisation through Bank Muamalat's fully digital bank ATLAS. • Scale up ESG offerings, deepen Islamic green finance and pursue partnerships for RE-linked financing. • Embrace inclusive banking through omnichannel delivery and Shariah-compliant digital innovation.

OUR VALUE CREATION MODEL

DRB-HICOM

DRB-HICOM's Value Creation Model is integrated with the Group's sustainability goals, underpinned by its three Strategic Pillars and six Success Beliefs, as well as aligned with the United Nations Sustainable Development Goals ("UN SDGs"). To ensure business longevity and resilience, DRB-HICOM prioritises sustainable value creation that extends beyond economic and financial gains, encompassing environmental stewardship, social responsibility, and long-term stakeholder value.

STRATEGIC PILLARS

- Raise the Game
- Reshape for Tomorrow
- Re-emphasise Trust

OUR PURPOSE STATEMENT

We are passionate about building trust to connect lives and businesses for a better tomorrow

SUCCESS BELIEFS

SDG FOCUS

Capital Inputs

F Financial Capital
Managed monetary resources, and focused on efficient allocation and maintaining strong financial health.
- Shareholder equity: RM7.81 billion
- Share capital: RM1.74 billion

M Manufactured Capital
Assets including infrastructure, equipment and machinery.
- Number of factories: 27 factories across the Mobility segment

N Natural Capital
Renewable and non-renewable environmental resources, conserved through waste and emission reduction initiatives.
- Total water usage: 2,561 ML
- Total energy usage: 2.23 million GJ
- Total investment in RE projects: RM18.28 million[1]

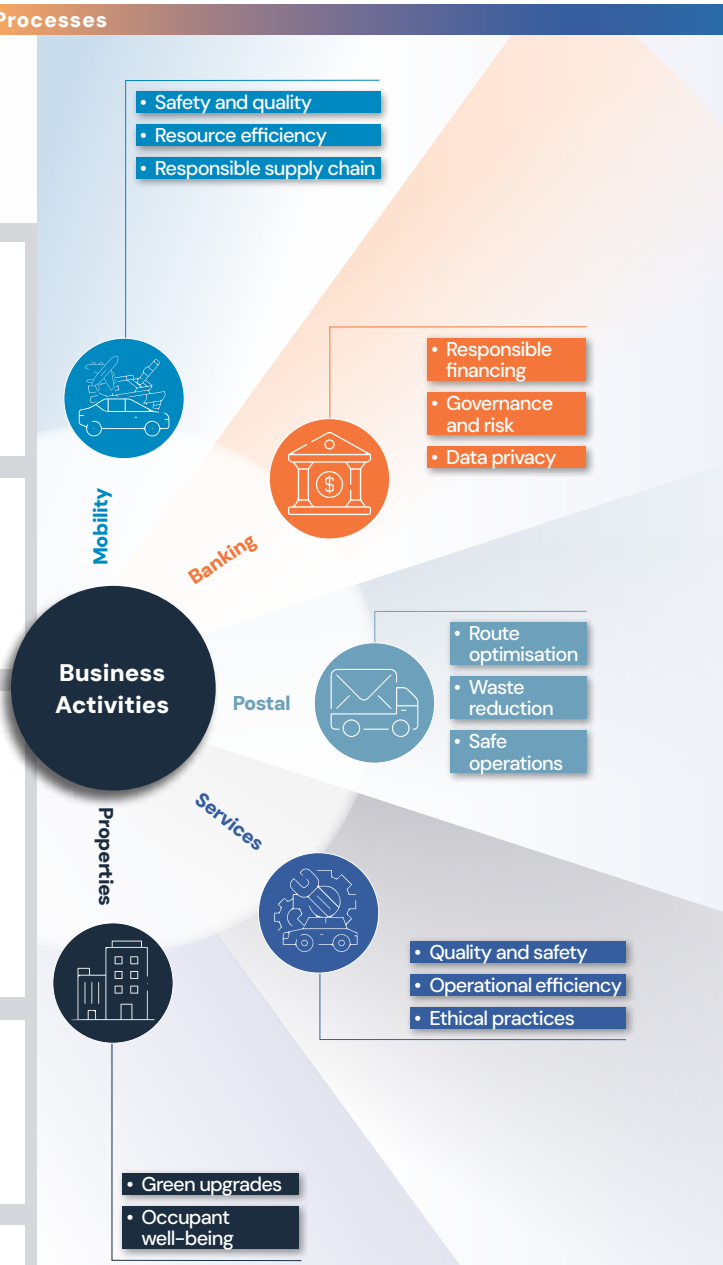
I Intellectual Capital
Patents, proprietary knowledge, brand reputation, systems, and processes that drive competitive advantage and innovation.

S Social and Relationship Capital
Strong stakeholder relationships fostered through regular engagement.
- Total investment in social impact programmes: RM2.69 million

H Human Capital
A skilled and adaptable workforce, developed through continuous learning and training programmes.
- Total diversified workforce of 37,616 employees
- Total investment in training and development programmes: RM24.70 million

[1] *The figure is at net book value as at 31 December 2025.*

Processes



Sustainability Targets

Championing Climate Action
- Navigating towards net zero by 2050
- Achieving 20% RE in the electricity consumption mix by 2035

Promoting Diversity, Equality and Inclusivity
- At least 30% female representation at managerial levels

Fostering a Safety-Conscious Culture
- Zero fatalities and a reduction in accident cases

Upholding Integrity and Transparency
- Zero cases of non-compliance with the Anti-Bribery and Anti-Corruption ("ABAC") Policy

Value Created for the Group's Stakeholders

Material Matters	Outputs	Outcomes and Stakeholders	Trade-Offs
Theme 1 ***Creating Customer Value*** • Customer Experience • Products and Services Innovation • Strategic Alliances	**F ▸ Financial** **Group Revenue** RM17.31 billion **Profit Before Tax** RM653.88 million **Market Capitalisation** RM2.01 billion **Net Assets Per Share** RM4.04	Sustained Group-wide success and profitability, as well as delivered long-term value for stakeholders. BOD · SMT · E · S&IC · DP	**Financial** Financial Capital is essential for DRB-HICOM's value generation. While strategically investing financial capital in other capitals may reduce it in the short term, these investments are crucial for long-term growth, resilience, and ultimately, higher financial returns. DRB-HICOM carefully balances these short-term trade-offs for sustainable long-term value creation.
Theme 2 ***Protecting the Environment*** • Climate Change • Energy Management • Water Management • Waste Management • Biodiversity	**M ▸ Manufactured** **Total Assets** RM65.77 billion **Property, Plant and Equipment Assets** RM5.24 billion **Banking-related Assets** RM36.80 billion **Automotive Sales Volume** 251,315 units **Automotive Market Share** 30.6% of TIV Malaysia	Disciplined maintenance and upkeep led to enhanced customer experience, strengthening the Group's competitive positioning. SMT · CUS	**Manufactured** Manufactured Capital development and maintenance, such as of manufacturing plants, require funding to improve operational efficiency, enhance product quality, and boost cost competitiveness.
	N ▸ Natural **Group-wide Solar PV Capacity** 33.1 MWp **Solar Generation** 129,758 GJ **Progress Towards a Circular Economy** 98% scheduled waste diverted from disposal	Carbon emission reductions supported national commitments while driving cost and resource optimisation across the Group. BOD · SMT · M · LC&NGO · CUS · BP	**Natural** DRB-HICOM prioritises preservation and conservation of Natural Capital for sustainability. Financial capital is invested in energy-efficient technologies and the expansion of RE initiatives, reinforcing the Group's commitment to environmental stewardship.
Theme 3 ***Enriching People and Communities*** • Diversity and Inclusivity • Talent Development and Employee Engagement • Occupational Safety and Health • Human Rights • Supply Chain Management • Community Investment	**I ▸ Intellectual** Zero cases of identified leaks, thefts, and breaches of customer data Innovation culture embedded within business processes and activities Strong cybersecurity measures and frameworks implemented to protect sensitive data and mitigate cyber threats effectively	Investments in cutting-edge technology drove innovation and efficiency, while industry collaborations facilitated knowledge sharing and expertise exchange. SMT · E · M · CUS · BP	**Intellectual** Investments in the Group's Intellectual Capital is fundamental to the development of innovative products and services. This enhances DRB-HICOM's adaptability to industry trends, further supporting revenue stream diversification.
	S ▸ Social and Relationship **Local Vendors Spending Composition** 72% of total procurement expenditure **Local Vendors Composition** 93% of total active suppliers **Beneficiaries Impacted Through Outreach Programmes** More than 90,000	Strengthening relationships with stakeholders across the value chain ensured mutual benefits. E · M · G&R · S&IC · LC&NGO	**Social and Relationship** While initially decreasing financial capital, building and maintaining relationships with stakeholders is crucial for reputation, market position, and long-term business performance.
Theme 4 ***Upholding Business Integrity*** • Data Privacy and Security • Governance and Ethics	**H ▸ Human** **Female Representation at Managerial Level** 35% **Employee Engagement Index** 90% **Talents Identified Across the Group** 1,302 **Employee Retention Rate** 88% **Average Training Hours per Employee** 25.32	Developing a workforce equipped with the skills, knowledge, and cultural awareness needed to thrive in today's dynamic world. BOD · SMT · E	**Human** Developing a robust workforce and sustainable talent pool aligns with the Group's objectives, support a national aspirations, and strengthens other capitals in the long run.

WHAT MATTERS TO OUR STAKEHOLDERS

Stakeholder engagement and materiality assessments are vital for identifying sustainability issues that are of greatest significance to the Group and its stakeholders. They provide insights into how economic, environmental, social and governance ("EESG") impacts arising from the Group's operations are perceived throughout DRB-HICOM's value chain. Regular engagement ensures stakeholders' views are continuously heard as priorities evolve. This process empowers the Group to recognise key concerns, respond to those impacts effectively and more accurately align its operations with stakeholders' expectations.

APPROACH AND METHODOLOGY

DRB-HICOM performs a formal stakeholder engagement and materiality assessment biennially to continuously enhance its understanding of how the Group's activities, products and services impact the external environment and broader stakeholder ecosystem. The process adopts an inside-out perspective, consistent with the principle of impact materiality guided by Bursa Malaysia's Sustainability Reporting Guide Toolkits (3rd Edition) and the Global Reporting Initiative's ("GRI") GRI 3: Material Topics 2021, aligning with industry best practices.

In 2024, DRB-HICOM undertook a refresh of its materiality assessment to reassess the Group's sustainability priorities with evolving stakeholder expectations and the changing business landscape. Through this rigorous assessment, DRB-HICOM identified and prioritised the EESG issues that are most critical to its stakeholders and business. The outcome of this assessment underpins the Group's sustainability reporting and guides the allocation of internal resources for effective impact management.

In 2025, the Group continued to build upon the existing material matters, with the 16 topics considered to remain relevant to both the Group and its stakeholders. The Group is currently undertaking a refresh of its materiality assessment process in alignment with the IFRS Sustainability Disclosure Standards. Consequently, the Group anticipates a refinement in the scope, prioritisation and categorisation of material matters, to better reflect the financial implications of sustainability-related risks and opportunities. This ensures that the Group's material matters remain relevant, balanced and responsive to evolving stakeholder expectations and reporting standards. The revised Materiality Matrix will be disclosed in the upcoming IAR 2026.

Materiality Assessment Process

1. **Review Existing Material Sustainability Matters**
To ensure that the Group's existing material sustainability matters are still relevant, DRB-HICOM continues to consider both internal and external factors such as business strategies, business risks, stakeholder expectations, and other emerging issues relevant to the industry and international standards. The 16 identified material matters continue to guide the Group's sustainability focus and strategy.

2. **Sustainability Impact Assessment**
The Group leverages its existing Enterprise Risk Management ("ERM") assessment parameters to assess the likelihood and impact of each of its sustainability matters. This is to ensure that the parameters used to assess its sustainability impacts are consistent with those applied in risk assessment.

3. **Identify Local and Global Trends, Perform Comparative Assessment**
This step involves the following:
- Conduct media search and solicit subject matter experts' inputs to identify relevant local and global sustainability trends
- Conduct comparative analysis against peers and best-in-class
- Align material topics identified against Bursa requirements, GRI standards and SDGs

4. **Stakeholder Engagement**
DRB-HICOM actively engages with both internal and external stakeholders to solicit feedback on sustainability matters. Including their views is essential for maintaining a balanced approach in prioritising the Group's sustainability matters. Stakeholders are identified and prioritised based on their level of influence and dependence, their relationship with the Group's operations, and their relevance to the Group's sustainability focus areas. Stakeholder engagements are carried out through various channels to ensure broader and inclusive viewpoints are considered.

5. **Management Discussion**
Management meetings and focus group discussions are conducted to streamline and prioritise material sustainability matters against business and sustainability priorities. This step results in the development of the Group's Materiality Matrix.

6. **Validate**
The following is conducted to validate the outcome of the previous steps:
- Validation and alignment of the Materiality Matrix with the Group's sustainability strategies
- Tabling the Materiality Matrix to the Board Risk and Sustainability Committee ("BRSC") for deliberation and endorsement

DRB-HICOM's Stakeholder Perspectives and Management Actions

The following table summarises stakeholder perspectives and corresponding management actions, reflecting the Group's approach to integrating stakeholder views into sustainability priorities.

Engagement Frequency

C Continuous | M Monthly | Q Quarterly | A Annually | AN As Needed

Board of Directors

Why We Engage

The Board of Directors sets principal policies, oversees the Group's strategic direction and approves significant decisions, giving it a high level of influence over the Group's sustainability priorities.

How We Engage

- Q Strategic reviews/meetings
- Q Financial results announcements
- A Annual General Meetings
- A Integrated Annual Report
- AN Board meetings

Concerns and Expectations

- Economic value generated and distributed
- Customer satisfaction and experience
- Product and services innovation
- Talent development, compensation and employee well-being support
- Occupational safety and health
- Corporate governance and ethical business practices
- EESG strategies and risk management

Management Response

- Engage regularly through quarterly meetings for updates, strategy and key decisions
- Provide comprehensive and timely reports, operational updates, and KPIs
- Provide timely alerts and seek guidance on events affecting business operations

Related SDGs *Impacted Capitals* F S H *Material Matters* MM1 MM2 MM4 MM5 MM7

Senior Management Team

Why We Engage

Senior Management are key decision-makers in implementing the Group's strategies, allocating resources and overseeing stakeholder engagement. Their role gives them significant influence over the Group's sustainability direction and outcomes.

How We Engage

- M Management meetings
- Q Strategic reviews

Concerns and Expectations

- Economic value generated and distributed
- Customer satisfaction and experience
- Talent management and employee engagement
- Products and services innovation
- Corporate governance and ethical business practices
- EESG strategy and risk management
- Community development

Management Response

- Ongoing engagement through meetings and transparent discussions
- Provide consistent updates and seek input on strategy and operations
- Promote intra-group collaboration
- Transparent communication with relevant data and insights

Related SDGs *Impacted Capitals* F S H *Material Matters* MM1 MM4 MM5 MM7 MM16

Employees

Why We Engage

Employees drive the Group's daily operations and have a high level of dependence on the organisation, both financially and non-financially. Their engagement and well-being directly influence the Group's performance and sustainability outcomes.

How We Engage

- C — Internal communications and feedback
- M — Safety, Health and Environment ("SHE") campaigns and dialogues
- A — SHE Pledge
- Q — Dialogues with national and in-house unions
- A — Employee performance reviews
- A — Employee engagement surveys and programmes

Concerns and Expectations

- Direct economic value generated and distributed
- Employee well-being support
- Professional and personal development and compensation
- Occupational safety and health
- Corporate governance and ethical business practices
- EESG strategy and risk management

Management Response

- Promote and sustain desired culture
- Implement well-being and mental health initiatives
- Provide a safe working environment with stringent SHE procedures
- Invest in training and development programmes

Related SDGs *Impacted Capitals* F S H *Material Matters* MM1 MM2 MM5 MM13

Media

Why We Engage

The media have significant influence over the Group's reputation and public perception, shaping how stakeholders view DRB-HICOM's performance and sustainability efforts.

How We Engage

- C — Press releases, statements, and announcements
- AN — Media interviews
- C — Social media
- AN — Corporate announcements

Concerns and Expectations

- Operational and financial performance
- EESG agenda and initiatives
- Corporate governance and ethical business practices

Management Response

- Sustain good relationships across platforms
- Encourage open and transparent communication
- Prompt responses to inquiries
- Relationship-building activities

Related SDGs *Impacted Capitals* F S *Material Matters* MM2 MM7

Government and Regulators

Why We Engage

The government and regulators provide the legal mandate for the Group's businesses and operations, and set governing standards, including those related to sustainability. Their policies and requirements directly influence the Group's compliance obligations and long-term strategic direction.

How We Engage

- A — Workshops and seminars with regulatory agencies
- AN — Consultations on compliance programmes
- Q — Regulatory and legal compliance reporting
- AN — Regulatory inspections and examinations

Concerns and Expectations

- Corporate governance and ethical business practices
- Regulatory and legal compliance
- Environmental compliance
- Social development
- Sustainable economic development

Management Response

- Build mutually beneficial relations
- Promote transparent communication
- Partner with agencies
- Schedule regular engagement sessions

Related SDGs *Impacted Capitals* N S *Material Matters* MM3 MM6 MM8 MM9 MM12 MM14 MM16

Shareholders and Investor Community

Why We Engage

Shareholders and the investor community influence the Group's ability to raise capital, attract new investors and access financial resources. They also have direct and indirect financial dependence on the Group's performance.

How We Engage

- C In-person and group meetings
- Q Dialogues or teleconferences with investors
- C Announcements via corporate website
- Q Financial results announcements
- A Annual General Meetings
- A Engagement with credit rating agencies and Shariah reviews
- A Integrated Annual Report

Concerns and Expectations

- Economic value generated and distributed
- Business insights
- Financial performance and shareholder returns
- Corporate governance and ethical business practices
- EESG strategy and risk management

Management Response

- Facilitate access to Board and Senior Management
- Frequent communication
- Transparent and timely disclosures
- Ease of access to information

Related SDGs *Impacted Capitals* F S *Material Matters* MM2

Local Community and NGOs

Why We Engage

The local community and NGOs can influence the Group's reputation and public perception, while also being directly affected by the Group's operations. Their concerns and feedback help the Group identify social and environmental priorities and enhance sustainable practices.

How We Engage

- AN Community service events
- AN Social and environmental programmes
- AN NGO programmes on aligned causes
- AN Human rights assessments

Concerns and Expectations

- Indirect economic impacts
- Community development
- Climate change
- Socioeconomic issues
- Corporate governance and ethical business practices

Management Response

- Adopt responsible operational practices
- Evaluate environmental impacts
- Monitor air and water quality
- Support local vendor development
- Social impact programmes

Related SDGs *Impacted Capitals* F N S *Material Matters* MM2 MM6 MM10 MM13 MM16

Debt Providers

Why We Engage

Debt providers play a crucial role in shaping the Group's financial health, strategic direction and access to financial resources for business expansion and growth.

How We Engage

- C In-person and virtual meetings
- Q Financial results announcements
- A Integrated Annual Report

Concerns and Expectations

- Financial performance
- Borrowing costs and interest rates
- Brand reputation and credit rating

Management Response

- Provide regular financial updates
- Meetings on debt agreements
- Transparent communication on financial health and strategies

Related SDGs *Impacted Capitals* F S *Material Matters* MM2

Customers

Why We Engage

As the principal source of the Group's revenue, customers determine its business longevity and prosperity, while their perception of the Group holds significant influence over DRB-HICOM's image and reputation.

How We Engage

- C Corporate website
- C Social media platforms
- A Customer satisfaction surveys
- Q Media releases
- AN Events
- C Physical touchpoints

Concerns and Expectations

- Customer satisfaction and experience
- Brand reputation
- Product innovation

Management Response

- Enhance customer experience
- Leverage digitalisation
- Create unique value propositions
- Partner with strategic allies

Related SDGs *Impacted Capitals* F S *Material Matters* MM2 MM4 MM7

Suppliers and Contractors

Why We Engage

DRB-HICOM's suppliers and contractors play an integral role in the Group's operations, ensuring that value chains function seamlessly and efficiently. Their performance and collaboration directly influence the Group's operational effectiveness and sustainability outcomes.

How We Engage

- C DRB-HICOM Group Procurement Policy
- C DRB-HICOM Vendor Code of Conduct ("VCOC")
- C Zycus eProcurement system
- A Supplier sustainability assessments
- Q Performance review meetings
- AN Business negotiations
- AN Vendor capacity building

Concerns and Expectations

- Corporate governance and ethical practices
- Fair procurement
- Vendor development
- Service Level Agreement achievement
- Contract terms and costs
- Operational efficiency
- Sustainability assessment

Management Response

- Build sustainable and resilient supply chain
- Embed ethical practices
- Integrate EESG requirements
- Establish grievance mechanisms

Related SDGs *Impacted Capitals* S *Material Matters* MM2 MM6

Business Partners

Why We Engage

Business partners enhance the Group's market presence and brand visibility by facilitating entry into new markets and providing access to funding and resources for specific projects.

How We Engage

- AN Business negotiations
- AN Category management initiatives
- AN Discussions on opportunities of mutual interest and benefit
- AN Collaboration and partnerships

Concerns and Expectations

- Economic value generated and distributed
- Corporate governance and ethical business practices
- Supply chain optimisation
- Mutual brand leverage
- Business opportunities
- Regulatory compliance
- EESG strategy and risk management

Management Response

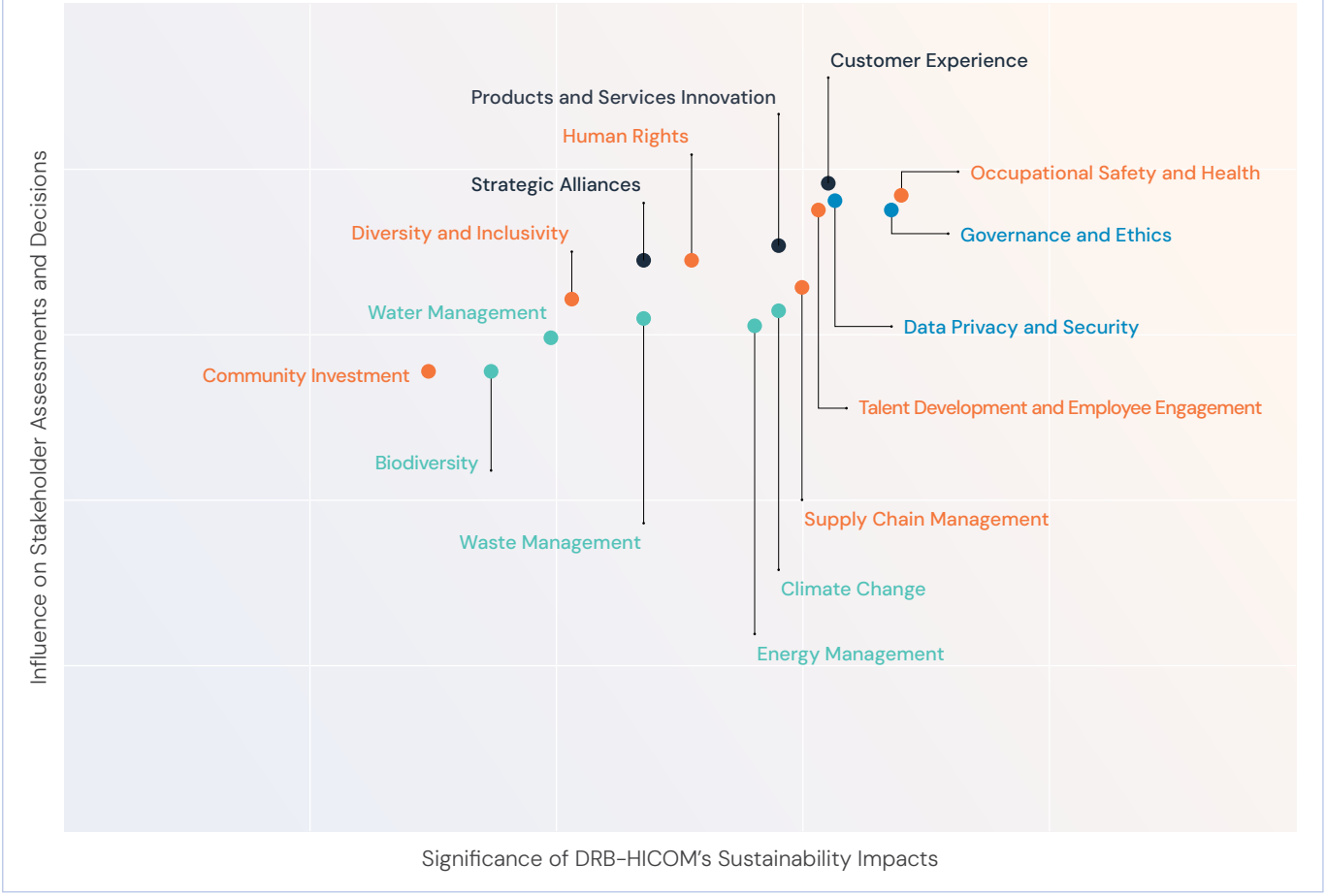
- Explore collaborations, leveraging strengths
- Monitor joint ventures
- Enhance governance and compliance

Related SDGs *Impacted Capitals* F S H *Material Matters* MM2 MM4 MM6 MM7 MM11

DRB-HICOM's Materiality Matrix

The 16 Material Matters continue to guide the Group's priorities in 2025, informing strategic decisions and the management of associated risks and resources, while continuing to reflect stakeholder considerations and evolving sustainability trends.

Materiality Matrix



Legend

ECONOMIC	ENVIRONMENTAL	SOCIAL	GOVERNANCE
• Customer Experience • Products and Services Innovation • Strategic Alliances	• Climate Change • Energy Management • Water Management • Waste Management • Biodiversity	• Diversity and Inclusivity • Talent Development and Employee Engagement • Human Rights • Supply Chain Management • Community Investment • Occupational Safety and Health	• Data Privacy and Security • Governance and Ethics

For 2025, Occupational Safety and Health, Governance and Ethics, as well as Data Privacy and Security remained as the top three priorities, reflecting the Group's sustainability objectives and aspirations.

Similar to 2024, Occupational Safety and Health remains a core focus, as employee well-being is crucial for maintaining operational continuity, enhancing productivity, ensuring legal compliance and safeguarding reputation, while Governance and Ethics is imperative for reinforcing the Group's commitment to transparency and accountability, and to safeguard its assets and interests. With cyber threats becoming increasingly complex, governance of data and the Group's IT infrastructure, including the protection of customer information and critical business applications, are vital to secure business resilience and operational integrity.

Material Matters

The 16 Material Matters in 2025 are as follows:

1	Occupational Safety and Health	Promoting the health, safety and well-being of employees is fundamental to maintaining a safe and conducive workplace. This includes identifying and preventing hazards, providing training and education, and implementing measures that support compliance with legal and best practice requirements to safeguard long-term business continuity.
	Impacted Capitals H	***Relevant SDGs*** ***Relevant Risks*** SHR
2	Governance and Ethics	Transparent, ethical and responsible governance supports the Group's ability to operate with integrity. It requires adherence to ethical principles, guidelines and regulatory obligations to maintain trust and accountability across the organisation.
	Impacted Capitals S	***Relevant SDGs*** ***Relevant Risks*** CRR
3	Data Privacy and Security	The expansion of digitalisation and IT applications increases the need to secure the Group's IT infrastructure and data. Protecting information assets is essential to ensure smooth and uninterrupted business operations.
	Impacted Capitals F I H	***Relevant SDGs*** ***Relevant Risks*** CR
4	Customer Experience	Delivering strong customer satisfaction through enhanced service quality and customer value is important for long-term sustainability. Effective customer experience management supports retention, competitiveness and business performance.
	Impacted Capitals F I H	***Relevant SDGs*** ***Relevant Risks*** MDR

5	Talent Development and Employee Engagement	Continuous investment in developing employees' skills ensures they remain relevant in a changing business landscape. Strong engagement practices help build a motivated workforce and support the Group's growth and expansion objectives.

Impacted Capitals I H ***Relevant SDGs*** ***Relevant Risks*** PR

6	Supply Chain Management	Effective supply chain management ensures seamless coordination across procurement, production, transformation and distribution activities. Strengthening these processes supports operational continuity and service delivery.

Impacted Capitals F S ***Relevant SDGs*** ***Relevant Risks*** GR SCR

7	Products and Services Innovation	Innovation enables the Group to remain competitive by developing and implementing new or improved products and services that respond to changing customer needs and market expectations.

Impacted Capitals F M I ***Relevant SDGs*** ***Relevant Risks*** GR MDR

8	Climate Change	Addressing climate change is essential to minimise environmental impacts arising from operations. The Group adopts sustainability practices that support environmental protection and build resilience against climate-related risks.

Impacted Capitals F M N ***Relevant SDGs*** ***Relevant Risks*** CCR

9	Energy Management	Managing energy consumption and increasing the use of renewable energy form key components of the Group's climate actions. These efforts support operational efficiency and contribute to national net-zero commitments.

Impacted Capitals F M N ***Relevant SDGs*** ***Relevant Risks*** CCR CRR

10 **Human Rights**

Upholding fair, equitable and inclusive workplace practices is essential to protect human rights across the Group. Compliance with labour requirements and ethical policies helps maintain a responsible and supportive work environment.

Impacted Capitals S H ***Relevant SDGs*** ***Relevant Risks*** PR

11 **Strategic Alliances**

Strategic alliances provide access to expertise, markets and intellectual capabilities that may not be available internally. These partnerships help strengthen value creation and support the development and upskilling of the Group's workforce.

Impacted Capitals F I H ***Relevant SDGs*** ***Relevant Risks*** SIR MDR PR

12 **Waste Management**

Responsible waste management supports environmental protection and regulatory compliance. Effective management practices also contribute to operational efficiency and help maintain the Group's reputation.

Impacted Capitals F M N ***Relevant SDGs*** ***Relevant Risks*** CCR CRR

13 **Diversity and Inclusivity**

Diversity and inclusivity are essential for cultivating a harmonious and productive workforce. Promoting equitable and collaborative work environments supports organisational performance across the Group.

Impacted Capitals S H ***Relevant SDGs*** ***Relevant Risks*** PR

14	Water Management	Careful management of water consumption and effluents is critical to preserving water quality and ensuring its availability. These efforts help sustain ecosystems that rely on this resource.

Impacted Capitals F M N ***Relevant SDGs*** ***Relevant Risks*** CRR CCR

15	Biodiversity	Planned and systematic conservation and restoration of biodiversity help maintain ecological integrity. These efforts support the continued health of natural habitats and protect them from environmental threats.

Impacted Capitals N ***Relevant SDGs*** ***Relevant Risks*** CCR

16	Community Investment	Community investment reflects the Group's responsibility to support the communities it engages with. This includes contributing resources and assistance to strengthen societal well-being, particularly during times of need.

Impacted Capitals S ***Relevant SDGs***

SHARPENING OUR STRATEGIC FOCUS

DRB-HICOM is guided by its three strategic pillars – Raise the Game, Reshape for Tomorrow and Re-emphasise Trust – part of the Group's purpose of Building Trust to Connect Lives and Businesses for a Better Tomorrow.

Our Strategic Pillars	Achievements in 2025

Raise the Game

- Shifting focus towards efficient resource allocation
- Revitalising core business operations
- Championing innovation, digitalisation and technological advancements to transform and optimise operations across all of the Group's businesses, maximising profitability

Group

- The Mobility segment, specifically Automotive Retail businesses, continued to expand into downstream segments, including the establishment of TRAS, body and paint business and leveraging of digitalisation to improve operational efficiency

Sector

Mobility

- Total sales of the Group's Automotive marques stood at 251,315 units
- The Proton e.Mas 7 was the best-selling BEV at debut year
- The Proton e.Mas 5 was the first EV retailed under RM100,000
- The Proton e.MAS 5 secured 14,642 bookings within three months of launch, demonstrating early market acceptance of the Group's affordable EV
- PROTON launched the all-new Saga as the first model built on the Advanced Modular Architecture ("AMA"), recording strong booking momentum, supported by full IP ownership and clear export potential, including a Geely-branded variant for the Philippines market
- PROTON consolidated all vehicle production, including for the Saga, in AHTV, Tanjong Malim, boosting efficiency and capacity to 250,000 units per year
- PROTON opened a dedicated EV plant with scalable output (20,000 to 45,000 units per year)
- PROTON introduced "Aisyah", the world's first Bahasa Melayu voice-recognition system
- PROTON successfully re-entered Singapore after 11 years
- Honda Malaysia celebrated 25 years in Malaysia and launched its first Battery Electric Vehicle ("BEV"), the all-new e:N1
- Mitsubishi Motors Malaysia ("MMM") celebrated 20 years in Malaysia

Reshape for Tomorrow

- Investing in new business models for a better tomorrow by leveraging technology, convergence, sustainable developments, market trends and consumer preferences
- Integrating sustainable practices into the Group's business ecosystem to align with the goal of achieving net-zero emissions by 2050 while contributing to achieving the nation's 12th Malaysia Plan

Group

- Adoption and installation of RE solar panels with a total capacity of 33.1 MWp
- Established the Group's Net-Zero 2050 Roadmap to guide the Group's decarbonisation journey across the short-, medium- and long-term horizons
- Initiated the Group's transition towards alignment with IFRS Sustainability Disclosure Standards

Sector

Mobility

- PROTON established Malaysia's first dedicated EV assembly plant in AHTV, integrated with a 12 MWp solar facility supplying 25% of the plant's power
- MMM transitioned its Body and Paint operations to water-based paint, cutting harmful emissions and improving air quality
- DHAS enhanced process automation and yard management using electric buggies, replacing petrol vehicles to reduce emissions

Re-emphasise Trust

- Committing to cultivating a culture of trust, inclusivity and accountability that attracts, empowers and reinforces the Group's values among employees, customers, business partners, suppliers and the local community, ensuring a future-ready and agile society
- Prioritising employees' professional growth and personal development, in alignment with the Group's Success Beliefs

Group

- Launched the DRB-HICOM Workplace Hackathon, showcasing the Group's innovative solutions that leverage Power BI in the workplace
- Continued the culture transformation journey with regular communication and activities aligned to the Group's Success Beliefs
- Attained an employee engagement score of 90% and fostered an inclusive and conducive work environment through new hire onboarding programmes and special engagement activities

Sector

Mobility

- PROTON successfully relocated and retrained 1,400 employees from Shah Alam to AHTV, building future-ready technical capability
- PROTON continued talent and leadership development programmes
- PROTON strengthened vendor collaboration and supply chain localisation, reinforcing reliability and community growth
- DHAS began the migration of low-value motorpool tasks to contractors, allowing staff to focus on higher-value activities

The strategic pillars, seamlessly aligned with the Group's Success Beliefs, are central to DRB-HICOM's business ecosystem and help the Group drive profitability, champion digital transformation, and foster a dynamic and agile workforce.

DRB-HICOM's five-year strategy serves as a guiding framework in driving the Group's growth from 2022 to 2026, enabling focus on identified priority areas. The value creation stemming from the Group's strategic endeavours is reflected in significant achievements across each sector.

	Impacted Capitals
• The Mitsubishi Xpander retained its title as No.1 non-national MPV model for the 5th consecutive year • Isuzu Malaysia retained its No.1 position in the Truck Segment year • MODENAS launched the Z15GT in the 150cc segment, strengthening its domestic market position while expanding export destinations to the Philippines, China, the Middle East and Thailand, with potential new markets including Mexico, Türkiye and Greece • DHAS implemented Kaizen-based process improvements, significantly reducing waiting and operation times in vehicle yard and port operations • CTRM successfully acquired Spirit Malaysia, now known as CTRM AeroSystems, solidifying its position as a leading aerostructure provider in the global aerospace industry. • CTRM enhanced smart manufacturing through advanced automation and robotics • DEFTECH delivered proof of concept for the ACV-300 ADNAN Life Extension Programme **Banking** • Launched ATLAS, Malaysia's first Islamic digital bank built on faith-based and lifestyle principles **Postal** • Collaborated with Bank Muamalat and KLT Junior International to expand brand visibility among high-income and expatriate communities, reaching over 10,000 families • Pos Digicert enhanced efficiency through automation, cloud PKI deployment and integration of ELLA (AI assistant) and MyCRS 2.0, alongside the expanded Digital Signing Suite with eCredentia for streamlined enterprise credential management • Pos Digicert introduced Certificate Lifecycle Management solutions and, in partnership with Thales, implemented data encryption and tokenisation services **Services** • PUSPAKOM implemented AI-enabled inspection technology across high-volume branches to improve accuracy and turnaround time, expanded e-payment and e-receipt integration via MyPUSPAKOM, and achieved e-invoicing for both MyPUSPAKOM and CAVIS systems ahead of the national rollout • DHU launched 11 Open Distance Learning ("ODL") programmes across faculties and enhanced academic delivery through the introduction of a Learning Experience Platform ("LXP") and an upgraded Learning Management System	F M I
• HTS completed the installation of Solar PV systems at both Shah Alam and Tanjong Malim plants, collectively generating approximately 2,400 MWh of renewable energy, and installed four rainwater harvesting tanks with a combined capacity of 16,300 litres. **Banking** • Bank Muamalat integrated the ESG Scorecard into credit assessment, aligned with the VBI and CCPT frameworks • Bank Muamalat conducted Climate Risk Stress Testing ("CRST") and Climate-related Scenario Analysis ("CRMSA") to strengthen climate resilience **Postal** • Pos Malaysia continues to operate Malaysia's largest electric vehicle fleet, consisting of 1,252 e-bikes and 279 e-vans, cutting last-mile carbon emissions • Pos Aviation installed a 1.8 MW solar PV system, covering 80% of its 80,000 sq ft warehouse and HQ roof space (Over 3,000 solar panels), advancing cleaner aviation operations • Post Digicert supported clients in avoiding over 1.5 million paper sheets annually, contributing to reduced carbon emissions and operational waste **Services** • PUSPAKOM upgraded to energy-efficient inspection equipment and digitised documentation to cut paper usage	S I H
Banking • Bank Muamalat achieved service excellence by maintaining customer satisfaction levels above 95% **Postal** • Pos Malaysia continued to uphold its Universal Service Obligation ("USO"), ensuring nationwide service coverage including rural and remote areas **Services** • PUSPAKOM strengthened inspection transparency via digital and AI-enabled verification, minimising manual discrepancies	N M

NAVIGATING RISKS AND OPPORTUNITIES

Risk management is applied across all businesses of the DRB-HICOM Group, including car manufacturing and assembly.

DRB-HICOM recognises the importance of a sound and adaptive risk management framework in navigating volatile market conditions, rapid technological advancements and an evolving regulatory landscape. The Group proactively identifies, assesses and mitigates risks, an essential component in executing its strategies and safeguarding its assets and operations. By systematically addressing risks that may affect its strategic goals and business aspirations, DRB-HICOM remains committed to fulfilling stakeholder expectations and advancing its long-term objectives.

GROUP'S KEY RISKS AND OPPORTUNITIES

The Group Risk Management and Sustainability Division performs quarterly risk identification and assessment exercises for corporate divisions and operating companies across the Group. This process includes evaluating existing, new, and emerging risks, guided by defined risk clusters, and considers impacts across financial, legal, regulatory, operational, human capital, and sustainability dimensions.

DRB-HICOM adopts a Group-wide approach to risk management through its Risk Management Framework, described on pages 273-275, which forms part of the Group Risk Management Policy. Together, the policy and framework provide an integrated and holistic structure for effective risk governance. The Group's Risk Management Framework outlines the tools, methodologies and processes for systematically identifying, assessing, managing, and monitoring all categories of risk, including sustainability- and climate-related risks. The designated risk owner is responsible for implementing appropriate risk treatment measures to ensure the residual risk remains within the approved risk appetite.

Key Risks, Mitigation and Opportunities

Investment Risks

Risk Cluster

Strategic

Risk Description

Strategic investment in new businesses and expansion of existing businesses may potentially lead to financial losses or lower than expected financial returns.

Risk Impact

- Underperformance of strategic investments may lead to asset impairments, lower earnings and pressure on cash flows.
- Adverse effect on the Group's financial performance.
- Loss of competitive advantage and reduced stakeholder confidence.

Mitigating Actions

- Conduct comprehensive due diligence for new business ventures, partnerships and joint ventures to ensure alignment with the Group's strategic objectives.
- Strategic investment proposals are reviewed and endorsed by the Group Management Committee ("GMC") with oversight and approval by the Board.
- Promoting collaboration and synergies within the Group to optimise resources and create sustainable value.
- Adopt phased investment strategies to minimise exposure and allow flexibility in capital allocation.

Opportunities

- Expanding into new business areas and markets to diversify revenue streams and enhance business sustainability.
- Fostering synergistic collaboration within and beyond the Group to enhance operational efficiency and create long-term value.
- Leverage existing partnerships and alliances to unlock new business opportunities to expand the Group's revenue streams.
- Develop sustainable business models aligned with ESG principles to attract investors and meet regulatory expectations.

Strategic Pillar

Material Matters MM6 MM11

Geopolitical Risks

Risk Cluster

Strategic

Risk Description

Potential impact of political instability, cross-border tensions, regulatory changes, trade restrictions and global economic uncertainty on the Group's business operations, supply chain and strategic investments.

Risk Impact

- Increased costs of doing business due to trade restrictions, tariffs, or currency volatility.
- Reduced demand or constrained market access in affected regions, especially for export-driven businesses.
- Disruptions to global and regional supply chains, leading to delays in material procurement and production schedules.

Mitigating Actions

- Actively monitor geopolitical changes globally and regionally to swiftly respond with countermeasures, safeguarding the Group's interest.
- Diversifying supply sources and markets to reduce reliance on any single vendor.
- Strengthening business continuity and crisis response plans to safeguard business operations.
- Establish contingency plans and scenario-based risk modelling to prepare for sudden policy shifts or trade restrictions.

Opportunities

- Greater demand for strategic partnerships and joint ventures that seek geopolitical stability for long-term investments.
- Accelerate localisation and vendor development programmes, supporting cost optimisation, faster delivery and greater supply-chain resilience.
- Leverage on incentives and policy support from governments that promote reshoring in response to global uncertainty.

Strategic Pillar

Material Matters MM3 MM4 MM6 MM11

Market Dynamics Risks

Risk Cluster

Market & Business

Risk Description

Ability to secure new businesses and retain existing customers amid evolving customer preferences and intensifying competition from both local and international players.

Risk Impact

- Margin pressure as the Group may need to offer competitive pricing, enhanced features, or additional services to retain customers.
- Reduced sales volumes and revenue.
- Loss of market share impacting brand reputation.

Mitigating Actions

- Strengthen market positioning through continuous enhancement of product and service offerings to meet evolving customer preferences.
- Implement digital transformation initiatives to enhance operational efficiency and customer experience.
- Diversify revenue streams through expansion into new markets, innovative business models and strategic collaborations.
- Optimise cost structures by improving the supply chain efficiencies, streamlining operations and leveraging economies of scale.

Opportunities

- Explore new business models and strategic partnerships to drive growth and competitiveness.
- Position the Group as a leader in sustainable and responsible business practices to enhance long-term competitiveness.
- Foster knowledge sharing between business partners and leverage complementary strengths.
- Invest in emerging technologies such as AI, automation and data analytics to improve efficiency and gain a competitive edge.

Strategic Pillar ***Material Matters*** MM4 MM5 MM6 MM7 MM11

Supply Chain Risks

Risk Cluster

Operational

Risk Description

Potential disruptions that affect the availability, cost and timely delivery of products and services required for the Group's operations.

Risk Impact

- Extended delivery times may affect contractual commitments and expose the Group to late delivery penalties.
- Increased costs of doing business due to supply shortages or tariff changes.
- Potential reputational damage from failure to meet customer expectations.

Mitigating Actions

- Diversifying suppliers and sourcing regions to reduce reliance on single vendors or high-risk geographies.
- Strengthening relationships with key suppliers through long-term contracts, collaborations and joint planning.
- Regular supplier performance assessments to monitor reliability, quality and financial stability.
- Building strategic inventory buffers and safety stock for critical goods to maintain business continuity.

Opportunities

- Diversify service offerings to align with evolving market needs and supply chain trends.
- Strengthen supply chain management by implementing alternative sourcing strategies and enhancing supplier evaluations for sustainability.
- Exploring alternative sourcing strategies, such as dual-sourcing or nearshoring, to reduce disruption risk.

Strategic Pillar ***Material Matters*** MM2 MM4 MM6 MM7

Safety and Health Risks

Risk Cluster

Operational

Risk Description

Workplace incidents, occupational injuries, or health-related issues that may affect employees and business operations across the Group.

Risk Impact

- Operational disruptions due to workplace incidents affecting business operations or project timelines.
- Regulatory penalties or fines arising from non-compliance with occupational health and safety laws.
- Reputational damage impacting employee morale, stakeholder confidence and the Group's public image.

Mitigating Actions

- Regular safety training and awareness programmes for employees, workforce partners and site visitors.
- Conduct workplace inspections and risk assessments to identify hazards and implement corrective actions promptly.
- Enhance safety culture through Behaviour-Based Safety programmes.
- Provide mental health support and well-being programmes to employees.
- Continuous monitoring of safety performance metrics and investigation of incidents to prevent recurrence.

Opportunities

- Promote a culture of continuous improvement in safety practices, compliance and risk awareness.
- Enhance employee well-being and morale by creating a safe, healthy and supportive work environment.
- Develop wellness programmes to enhance employee satisfaction and reduce turnover
- Leverage technology and innovation (e.g., automation, Internet of Things ("IoT"), safety monitoring systems) to reduce workplace hazards.

Strategic Pillar ***Material Matters*** MM1 MM10

Climate Change Risks

Risk Cluster

Operational

Risk Description

Exposure to physical and transition risks from climate change, including extreme weather events, flooding and drought, as well as technological shifts associated with the transition to a low-carbon economy.

Risk Impact

- Damage to assets and facilities leading to financial loss.
- Increased operational cost due to increased energy price arising from anticipated carbon regulation.
- Operational disruptions affecting the delivery of products and services.

Mitigating Actions

- Integrate climate considerations into strategic planning and risk assessments to anticipate potential impacts.
- Enhancing business continuity and disaster recovery plans to ensure operational resilience.
- Conduct climate scenario analysis to assess potential short-, medium- and long-term impacts on assets, operations and investments.
- Adopt energy efficiency measures and low-carbon technologies to reduce emissions and operational costs.

Opportunities

- Develop innovative products with climate-resilient or low carbon features to meet customer demand.
- Leverage green financing, government incentives, or grants for sustainable projects.
- Build long-term resilience in supply chains by collaborating with suppliers to adopt sustainable practices.
- Investing in low-carbon technologies and renewable energy to reduce carbon footprint and lower operating costs.

Strategic Pillar ***Material Matters*** MM1 MM4 MM6 MM7 MM8 MM9 MM11 MM14

Compliance Risks

Risk Cluster

Regulatory

Risk Description

Exposure to breaches of laws, regulations, internal policies and industry standards, which could impact the Group's operations, financial position and reputation.

Risk Impact

- Damage to reputation and erosion of stakeholder trust.
- Operational restrictions or suspension of activities imposed by regulatory authorities.
- Financial penalties and fines resulting from non-compliance with laws, regulations, or contractual obligations.

Mitigating Actions

- Regular engagement with regulators, government agencies and local authorities to stay updated on the latest regulations.
- Conduct regular compliance and operational audits to uphold ethical principles and ensure adherence to industry-specific standards.
- Strengthen internal reporting processes to ensure accuracy, relevance and reliability of data collected.
- Establish whistleblowing channels and grievance mechanisms to encourage transparency and early detection of violations.

Opportunities

- Build trust and increase credibility with key stakeholders through transparent and timely reporting.
- Promote a culture of integrity and accountability, targeting zero breaches of ABAC policies.
- Stay ahead of sustainability and governance regulations, reinforcing long-term business resilience.
- Strengthen compliance and governance frameworks to align with regulatory and operational expectations, improving credibility, trust and operational efficiency.

Strategic Pillar ***Material Matters*** MM1 MM2 MM3 MM4 MM5 MM6 MM9 MM10 MM11 MM12

Financial Risks

Risk Cluster

Financial

Risk Description

Financial losses or impacts on cash flow arising from market fluctuations, credit exposures, liquidity constraints, or financing activities.

Risk Impact

- Cash flow constraint affecting working capital, operational funding, or debt servicing.
- Reduced profitability due to adverse market movements, interest rate changes, or currency fluctuations.
- Increased cost of capital due to changes in borrowing conditions or market perceptions.

Mitigating Actions

- Maintaining prudent liquidity and cash flow management to ensure sufficient working capital for operations and strategic initiatives.
- Venture into creative financial solutions to propel strategic business projects.
- Restructure loans and initiate cash flow management to enhance liquidity.
- Scenario planning and stress testing to evaluate the impact of adverse financial events and prepare contingency measures.
- Hedging of currency to manage market volatility.

Opportunities

- Optimising capital structure to reduce financing costs and improve return on equity.
- Diversifying revenue and improving efficiency to reduce costs, boost cash flow and strengthen investor confidence.
- Leveraging favourable market conditions to refinance debt at lower rates or access growth capital.
- Enhancing asset management strategies, including divesting non-core assets to improve cash flow and optimise resource utilisation.

Strategic Pillar ***Material Matters*** MM3 MM4 MM5 MM6 MM7 MM11 MM16

Cybersecurity Risks

Risk Cluster

Information

Risk Description

Cybersecurity threats from digital vulnerabilities such as unauthorised access, data breaches and cyberattacks may disrupt the Group's operations.

Risk Impact

- Operational disruptions due to system downtime, network outages, or cyber incidents.
- Financial losses from fraud, ransomware attacks, or theft of digital assets.
- Regulatory penalties and legal liabilities resulting from breaches of data protection and cybersecurity laws.
- Reputational damage affecting customer trust, investor confidence and brand perception.

Mitigating Actions

- Implement a robust IT Cybersecurity Framework to steer cybersecurity risk management.
- Conduct regular awareness campaigns to enhance employees' understanding of cyber threats.
- Conduct regular assessments of the cybersecurity posture to drive continuous improvement and enhance overall resilience.
- Deploy advanced cybersecurity technologies, including firewalls, intrusion detection systems and endpoint protection.
- Regularly enhance cybersecurity protocols to align with evolving digital threats.
- Subscribe to a cybersecurity liability insurance programme.

Opportunities

- Building a strong culture of cybersecurity awareness across employees and workforce partners.
- Strengthening regulatory compliance and readiness for evolving data protection and cybersecurity laws.
- Collaborating with technology partners to explore innovative systems and solutions.
- Enhancing stakeholder trust by demonstrating robust cybersecurity measures and resilience.

Strategic Pillar

Material Matters MM3 MM4

People Risks

Risk Cluster

Organisational

Risk Description

Ineffective human capital management resulting in talent shortage, skill gaps or lack of successor readiness.

Risk Impact

- Lack of succession planning could disrupt operations, leading to knowledge gaps and affecting continuity of critical business functions.
- Insufficient availability of skilled talents may pose challenges for the Group's business expansion, potentially affecting its growth plans.

Mitigating Actions

- Implement structured talent management and succession planning to ensure continuity in key roles.
- Conduct workforce planning and competency assessments to identify gaps and future needs.
- Introduce targeted learning and development programmes to upskill employees and enhance capabilities.
- Offer competitive compensation and benefits packages to retain high-performing employees.

Opportunities

- Boost workforce productivity and engagement by investing in talent development and nurturing a positive, empowering work culture.
- Leverage digital HR tools for talent acquisition, performance management and learning & development.
- Create leadership development programmes to build a strong pipeline of future leaders.
- Build employer brand and reputation as a preferred workplace, attracting top talent.

Strategic Pillar

Material Matters MM5 MM13

4

INTERNATIONAL SUSTAINABILITY STANDARD BOARD (ISSB) SUSTAINABILITY STATEMENT

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> People don't buy what you do; they buy why you do it.
>
> — Simon Sinek
> Author and Leadership Expert

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ISSB SUSTAINABILITY STATEMENT

BASIS OF PREPARATION

This report presents the sustainability-related financial disclosures for DRB-HICOM Berhad and its subsidiaries ("The Group"), prepared in accordance with IFRS Sustainability Disclosure Standards as issued by the International Sustainability Standards Board ("ISSB"), as adopted by Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The Group is reporting under the IFRS Sustainability Disclosure Standards for the first time for the annual reporting period ended 31 December 2025. It has applied the following standards for its annual reporting period commencing on 1 January 2025:

- IFRS S1 'General Requirements for Disclosure of Sustainability-related Financial Information'
- IFRS S2 'Climate-related Disclosures'

As of 31 December 2025, there are no other IFRS Sustainability Disclosure Standards issued by the ISSB. Relevant topics and metrics under the Sustainability Accounting Standards Board ("SASB") Standards related to the Automobiles, Auto Parts, Multiline and Specialty Retailers & Distributors, and Aerospace & Defence industries have also been included.

FIRST TIME ADOPTION AND ADDITIONAL TRANSITION RELIEFS

IFRS Sustainability Disclosure Standards provide transition reliefs for the first annual reporting period in which an entity applies the standards. The Bursa Main Market Listing Requirements provide additional transition reliefs ("ATR") for issuers listed on the Main Market of Bursa Malaysia.

The Group has applied the following transition reliefs and ATRs:

- Where it is not required to disclose comparative information in the first annual reporting period
- Permitted to disclose information only on climate-related risks and opportunities (in accordance with IFRS S2 Climate-related Disclosures) and consequently apply the requirements of IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information only insofar as they relate to the disclosure of information on climate-related risks and opportunities for two years
- Permitted to focus on climate related disclosures specifically on the principal business segment for a limited two-year relief period. The Group has identified the Mobility segment as the principal business segment
- Permitted to not disclose Scope 3 greenhouse gas emissions for two (2) years

REPORTING BOUNDARY

Organisational Boundary

The organisational boundary for our climate-related disclosures under IFRS S1 and IFRS S2 is aligned with DRB-HICOM's financial reporting perimeter and encompasses all entities consolidated within the Group's financial statements.

Within this boundary, the scope and depth of climate-related disclosures reflect our assessment of where climate-related risks and opportunities are reasonably expected to emerge and are most likely to influence the Group's financial performance, financial position, and future prospects.

For the financial year ended 31 December 2025, we selectively prioritised climate-related assessments based on primary business segments, asset exposure and operational relevance. The financial impacts incorporate both qualitative and quantitative information, taking into consideration the applicable transition reliefs under the National Sustainability Reporting Framework ("NSRF") and the IFRS Sustainability Disclosure Standards.

The Group expects quantitative disclosures to be progressively expanded in subsequent reporting periods as data availability, methodological robustness, and internal readiness continue to improve.

Operational Boundary

Greenhouse gas ("GHG") emissions data disclosed in this report reflect the Group's principal business segment operations in Malaysia. DRB-HICOM quantifies emissions based on the Operational Control approach in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) ("GHG Protocol") unless otherwise stated in IFRS S2. The GHG Protocol defines that a company has operational control over an operation if the company or one of its subsidiaries has the full authority to introduce and implement its operating policies for the operations, and accounts for 100% of emissions from these operations.

STATEMENT OF ASSURANCE

Sections of this Sustainability Statement have been reviewed internally by the Group Internal Audit and Integrity Division. The sections are: -

- Scope 1 GHG emissions
- Scope 2 GHG emissions
- Number of Battery Electric Vehicles ("BEV") sold
- Number of Mild-Hybrid Electric Vehicles ("MHEV") sold
- Sales-weighted average passenger fleet fuel economy, by region
- Total energy consumed
- Percentage of grid electricity
- Percentage of renewable energy

Please refer to page 492 for the Statement of Assurance on Sustainability Performance Data Disclosures.

JUDGEMENTS, ASSUMPTIONS, UNCERTAINTIES AND PROPORTIONALITY

As provided for in the aforementioned standards, the preparation of this report involved the application of judgements and the use of assumptions subject to uncertainty, which are detailed in the following sections.

Section
5.2 – Financial Effects of Climate-related Risks and Opportunities • Anticipated financial effects – Projection of future scenarios and estimates based on assumptions
7.3 – Methodologies, Inputs and Assumptions • GHG Emissions Calculation – Assumptions for the calculation of GHG emissions due to reliance on activity data and availability of emissions factors

Where applicable, the proportionality mechanisms of the standards were also adopted, allowing companies to use reasonably available information without incurring undue cost or effort, and to apply an approach compatible with their skills, capabilities, and resources.

Governance

Board Oversight

The Board provides oversight and review of climate change as a material matter, focusing on how climate-related risks and opportunities are managed and their implications for the Group's strategy, resilience, and long-term value. The Board's oversight is supported by the Board Risk and Sustainability Committee ("BRSC"), which acts as the primary governance forum for climate-related matters.

The BRSC oversees the development of climate-related policies, strategies, targets, and frameworks, monitors performance against climate commitments, and reviews the management of material climate-related risks and opportunities. Material climate-related risks and opportunities are reported to the BRSC through the Group's sustainability governance processes and, where relevant, elevated to the Board as part of periodic sustainability reporting. These arrangements enable the Board and BRSC to maintain oversight of the Group's climate risk profile, key developments, and management responses, and to guide strategic direction and risk prioritisation.

Climate considerations are increasingly embedded across governance, strategy, risk management and performance measurement, with clearer linkages to financial impacts and regulatory requirements under the NSRF. Climate-related risks and opportunities ("CRROs") are identified and assessed as part of the evaluation process for strategic investments, capital expenditure and major transactions, taking into account the potential short-, medium- and long-term impacts. Where such investments require Board approval, the relevant climate-related considerations are presented as part of the overall proposal for deliberation.

Please see pages 243-244 of the Governing Sustainability in the Corporate Governance Overview Statement for more information on how the Board maintains competencies and skills needed to oversee strategies addressing CRROs.

Management Role

At the management level, the identification, assessment and management of climate-related risks are guided by the Group's Enterprise Risk Management ("ERM") framework. Climate-related risks identified by operating companies and corporate divisions are reviewed on a quarterly basis through established ERM processes, focusing on key exposures, control effectiveness and management action plans. These processes support the consistent monitoring of current and emerging physical and transition risks, and enable the assessment of mitigation and adaptation measures.

Risks assessed as significant are consolidated and tabled to the Risk Management Committee ("RMC"), chaired by the Group Managing Director. The RMC provides oversight of emerging risks and the adequacy of mitigation measures and determines whether matters warrant further escalation to the BRSC.

Climate-related opportunities are identified and driven at both Group and business unit levels. At the Group level, the Corporate Strategy and Business Development Department conducts ongoing market analysis, including opportunities within the climate-related spectrum and engages with operating companies to explore areas for collaboration and value creation.

Opportunities are assessed based on each entity's operational context and strategic priorities. Proposed strategies are discussed through established management forums, including the Group Management Committee, Corporate Performance Steering Committee and Group Business Forum. Prioritised initiatives are subject to management review and, once approved, and embedded into planning, budgeting and capital allocation processes, including the Annual Management Plan. The performance of climate-related opportunities is regularly monitored, with selected initiatives integrated into relevant key performance indicators ("KPI") to support accountability and execution.

Working Group

Implementation and day-to-day coordination of climate-related risks, strategies and initiatives are overseen at the operating company level through designated working committees. Risk coordinators manage climate-related risk identification and mitigation efforts and maintain regular communication with the Risk Management Unit. Climate-related risks, controls and action plans are subject to quarterly digital confirmation and formal sign-off by designated risk and action plan owners, providing assurance over the accuracy, completeness and accountability of information captured within the Group's enterprise risk management system.

Climate-related opportunities, including related strategies and execution progress, are monitored through the Sustainability Working Committee, supported by nominated Sustainability Champions. This working-level structure serves as a cross-functional coordination platform to drive implementation and alignment across the Group. The Corporate Sustainability Unit monitors the implementation and progress of climate-related initiatives and reports updates to the management for deliberation and decision-making where required.

In addition, Group Risk Management and Sustainability Division ("GRMSD") supports targeted training and awareness programmes to strengthen organisational capability in managing climate-related risks and opportunities.

Climate Performance Compensation Incentive-linked

The Board and BRSC also oversee the integration of climate- and sustainability-related considerations into senior management performance objectives, including the alignment of relevant climate-related KPIs with remuneration outcomes.

Since 2023, the Board has linked a KPI relating to the proportion of renewable energy ("RE") in the Group's electricity consumption mix to the remuneration of the Group Managing Director, Group Chief Financial Officer and key Senior Management team. In 2025, the Group enhanced its performance framework by extending GHG emissions-reduction KPIs to selected heads of operating companies, ensuring consistent leadership accountability across the Group's climate commitments. On average, 5% of the 2025 remuneration for selected members of Senior Management was based on climate-related targets.

Strategy

Overall Climate Transition Plan

The Group established a common set of time horizons to support consistent identification and assessment of climate-related risks and opportunities across business segments. These time horizons are aligned with DRB-HICOM's existing budgeting, business planning and strategic cycles:

Short term ▶
1 year
Aligned with annual financial reporting and budgeting

Medium term ▶
2 to 5 years
Aligned with the Group's five-year strategic planning horizon

Long term ▶
Beyond 5 years
capturing longer-dated structural, market and climate-related developments

Using these defined horizons, climate-related risks and opportunities were identified across the short, medium and long term through entity-level engagement sessions, and management workshops. This approach enabled the Group to capture both near-term risks with potential impacts on current financial performance, as well as longer-term considerations that may affect business resilience, asset deployment and capital allocation.

In identifying climate-related risks and opportunities, the Group classified these into three broad categories, reflecting the nature of their potential impacts on the business. This classification provides a consistent basis for assessing how different types of climate-related risks and opportunities may emerge over different time horizons and affect the Group in distinct ways.

Physical Risks

Risks arising from the physical impacts of climate change, including acute events such as floods and other extreme weather conditions, as well as chronic risks stemming from longer-term shifts in climate patterns, such as drought.

Transition Risks

Risks associated with the transition to a low-carbon economy, including changes in policy and regulation, shifts in market dynamics, technological disruptions, and potential reputational impacts.

Opportunities

Potential benefits arising from climate action, including improved resource efficiency, cost savings, access to new markets, innovation, and enhanced operational resilience.

For further information on the management process of the climate-related risks and opportunities, please refer to the Risk Management of Climate-related Risks section on page 110.

During the year, the Group identified and quantified the financial effects of three key climate-related risks: energy management, flooding, and drought. The Group also assessed one climate-related opportunity linked to rising demand for electric vehicles and related components. For the climate-related risks and opportunities identified, the Group assessed both current financial effects and anticipated financial effects over the short-, medium- and long-term. This assessment focused on how climate-related factors may affect DRB-HICOM's financial performance, financial position and cash flows, considering impacts on financial line items such as operating costs, revenues, and assets.

Current financial effects reflect impacts arising during the reporting period, including changes in operating expenditure, costs incurred from physical climate events, investments in mitigation measures and revenues from existing low-carbon products. Anticipated financial effects consider how these risks and opportunities may evolve over time, informed by forward-looking business plans, expected changes in regulatory, market and climate conditions, and management assumptions regarding operational responses and capital investments. Where quantification is not practicable, the nature and direction of the potential financial effects are stated.

The assessment approach integrates entity-level inputs, existing financial data, planning assumptions, and mapping of identified impacts to relevant financial statement line items. This provides a consistent basis for understanding how climate-related risks and opportunities may affect DRB-HICOM under current conditions, prior to evaluating business resilience under different climate scenarios in the subsequent section.

DRB-HICOM applies the principle of proportionality in assessing quantitative climate-related physical risks and opportunities. The current assessment is based on historical data and will be progressively enhanced as analytical capabilities develop, including the incorporation of forward-looking data over time.

Summary of Financial Effects for Climate-related Risks and Opportunities for the Mobility Segment[1]

FLOOD

Category

Physical risk

Nature of Risk / Opportunity

Risk of flooding arising from heavy rainfall, potentially disrupting product or service delivery and affecting asset condition.

Time Horizon

Medium to long term

Current financial effects

No financial impacts have been observed in FY2025. The Group has not incurred significant flood-related production disruptions or asset damage, and insurance coverage remains in place, with limited historical flood losses recorded.

Anticipated financial effects

- Extreme weather events are expected to increase in frequency and severity, which may elevate the risk of production interruptions, asset repair or replacement costs, and stock relocation at flood-prone locations.
- To assess exposure and strengthen operational resilience, the Group will undertake physical climate risk assessments to identify flood-related vulnerabilities across key facilities and inform adaptation and resilience planning. Future impacts will depend on asset location, severity of events, and the effectiveness of mitigation measures implemented.

Management Actions

- Implementation of a structured Flood Mitigation and Disaster Management Plan, incorporating engineering controls such as flood barriers, drainage enhancements, water-flow management systems and protective infrastructure upgrades at vulnerable locations, and adoption across selected operating companies as a precautionary measure in areas where flood events are considered more likely to occur.
- Deployment of integrated monitoring and early warning systems, including water-level indicators and meteorological alerts, to enable timely preventive and response actions.
- Strengthening emergency preparedness and business continuity arrangements through established Emergency Response Teams ("ERT") and flood response protocols.
- The Flood Mitigation Plan encompasses adequate flood insurance coverage, flood control systems, facility relocation and enhancements, critical asset protection, and related training programmes.

[1] *Please refer to The Group Corporate Structure in pages 14-15 for the list of companies or businesses covered under Mobility segment.*

DROUGHT

Category

Physical risk

Nature of Risk / Opportunity
Risk of water scarcity due to drought conditions, potentially disrupting product or service delivery.

Time Horizon
Medium to long term

Current financial effects
Water scarcity has not resulted in financial impacts in FY2025. The Group primarily relies on externally supplied water and has not experienced business interruption or production downtime attributable to drought conditions.

Anticipated financial effects
- Water scarcity is not expected to be material to the Group's operations over the medium to long term, given the availability of multiple municipal water sources and the absence of water-intensive manufacturing processes. Ongoing monitoring will be maintained, but no significant capital expenditure or operational cost impacts related to drought are anticipated.

Management Actions
- Establishment of a task force to monitor municipal reservoir levels during drought seasons and activate predefined contingency measures when required.
- Implementation of contingency water sourcing arrangements, including engagement of external tanker services, to safeguard operational continuity at affected locations.
- Ongoing review of water usage patterns and water efficiency measures to strengthen operational resilience.

ENERGY MANAGEMENT

Category

Transition risk (regulatory)

Nature of Risk / Opportunity
Exposure to rising electricity and fuel tariffs and energy price volatility, leading to higher operating costs across the Group's operations

Time Horizon
Medium to long term

Exposure Profile
The Group's operations are dependent on grid electricity and fuel consumption across manufacturing and operational facilities, resulting in exposure to tariff revisions and energy price volatility. Energy costs represent a recurring operating expense, particularly within energy-intensive manufacturing activities.

Current financial effects
- The Group has participated in Power Purchase Agreements ("PPA"), through which DRB-HICOM secures RE supply, together with operating costs for Group-owned solar photovoltaic ("PV") plants that DRB-HICOM has directly invested in, as well as operating costs for battery energy storage systems ("BESS") and other energy-efficiency measures.
- As at 31 December 2025, the Group's PV plants, BESS assets and other energy-efficiency equipment carried a net book value of RM18.28 million with a corresponding depreciation of RM0.89 million.
- The Group realised actual energy cost savings of RM2.43 million net of tax during the year from the combined PPA, PV, BESS and energy-efficiency initiatives.
- The useful lives applied are 20 years for PV systems and 15 years for BESS.

Anticipated financial effects
- Estimated capital expenditure on energy efficiency and renewable energy initiatives, is RM10.29 million, covering solar PV and BESS.
- DRB-HICOM's existing solar PV assets are expected to deliver benefits over their useful life of 20 years.
- The depreciation related to solar PV plants, BESS assets and other energy-efficiency equipment is anticipated to be in the range of RM1.30 million to RM1.75 million annually over the period of 2026–2030, in line with expanded solar deployment.
- The Group's PPA arrangements have contract periods of 15 or 25 years, providing long-term renewable energy supply stability.
- The Group anticipates annual grid electricity cost savings from solar generation and BESS implementation in the range of RM5 million to RM7 million net of tax and time value effects, subject to electricity tariffs and operational demand from 2026 to 2030.

Management Actions
- Entered into PPAs to secure long-term RE supply for participating companies.
- Invested in on-site solar PV systems as part of the Group's solar energy projects to increase clean energy generation and reduce grid dependence.
- Implemented BESS to improve energy reliability and optimise utilisation of solar-generated electricity.
- Implemented other energy efficiency initiatives, including:
- Appointment of a centralised fuel fleet vendor to strengthen monitoring and achieve cost savings through consolidated procurement and rebate optimisation.
- A Group-wide natural gas tender to secure competitive pricing, optimise volume procurement, and ensure reliable gas supply across participating companies.

XEV[2] ADOPTION

Category

Opportunity

Nature of Risk / Opportunity

Growing demand for electric vehicles, supported by Malaysia's Low Carbon Mobility Blueprint 2021–2030, presents opportunities to expand the Group's low-carbon and xEV product offerings, supporting revenue growth and strategic positioning in the evolving mobility landscape.

Time Horizon

Medium to long term

Current financial effects

- In 2025, the Group had invested RM32.6 million in the Proton EV plant in Tanjong Malim and EV charging infrastructure supporting both mobility needs and the development of new recurring revenue opportunities.
- The Group has recorded sales of xEVs, xEV components and xEV leasing alongside revenue generated from its network of charging stations. In FY2025, xEV sales reached 13,448 units. Combined revenue from xEV, xEV component sales and xEV leasing, along with charging station operations amounted to RM1.47 billion.

Anticipated financial effects

- Over the medium to long term, the Group anticipates further capital expenditure of RM32 million related to xEV facilities development, charging infrastructure, and supporting technologies.
- Anticipated financial effects of xEV sales are not provided due to the commercially sensitive nature of the information.

Management Actions

- Expand the range of xEV models in the market, supported by Completely Knocked Down ("CKD") production and increased use of locally sourced components.

Scenario Analysis

The Group has identified climate-related risks and opportunities through benchmarking against industry peers and data-driven analysis to ensure relevance and comprehensiveness. In line with the risks and opportunities identified across the short, medium and long term through entity-level engagement sessions and management workshops, the insights are further validated by GRMSD, providing a well-rounded assessment.

The time horizons applied are aligned with DRB-HICOM's existing budgeting, business planning and strategic cycles and are defined as follows:

Short Term	*Medium Term*	*Long Term*
1 year	***2 to 5 years***	***Beyond 5 years***

The Group first conducted qualitative scenario analysis in 2023 and refreshed it in 2025 to reflect the climate-related risks and opportunities identified during the year. The assessment is informed by the Shared Socioeconomic Pathways ("SSP") framework developed by the Intergovernmental Panel on Climate Change ("IPCC").

While IFRS S2 does not prescribe a specific number of scenarios, the Group assessed two contrasting climate pathways— a lower-emissions pathway (~1.5°C), broadly aligned with IPCC SSP1-1.9, and a higher-emissions pathway (~4°C), broadly aligned with IPCC SSP5-8.5. These pathways were used to assess the Group's resilience to climate-related risks and to consider potential opportunities arising from the transition to a low-carbon economy.

DRB-HICOM applies the principle of proportionality for quantitative scenario analysis as the Group's scenario assessment is currently qualitative in nature and will be progressively enhanced as analytical capabilities continue to be developed.

IPCC SSP1 – 1.9	IPCC SSP5 – 8.5
This climate scenario projects a very low-emissions pathway aligned with limiting warming to 1.5°C, requiring rapid near-term reductions, net-zero CO^2 around mid-century, and net-negative emissions thereafter.	This climate scenario projects a significant rise in global temperatures (>4°C by 2100) due to rapid GHG emissions growth, resulting in a broad spectrum of environmental impacts.

[2] *The term xEV is a collective industry shorthand used to describe all types of electrified vehicles, including hybrids ("HEV"), plug-in hybrids ("PHEV"), and battery electric vehicles ("BEV").*

Outcome from Scenario Analysis

The outcomes of the climate scenario analysis conducted in 2023 continue to inform the Group's risk management, resilience planning, and value creation strategies in FY2025, supporting alignment with national and global climate objectives. The findings from the 2023 scenario analysis provide the analytical foundation for assessing how climate-related risks and opportunities may affect DRB-HICOM over the short, medium and long term.

Building on these findings, the Group continues to allocate capital and operational expenditure to support the adoption of renewable energy, energy efficiency initiatives and the transition towards lower-carbon mobility solutions. These actions underpin DRB-HICOM's climate adaptation and mitigation efforts, enabling the Group to manage identified risks, capture relevant opportunities and enhance long-term business resilience and sustainability.

For FY2025, the assessment remains qualitative in nature and considers non-financial impacts derived from the 2023 analysis, together with updates to the Group's risk and opportunity profile based on current business conditions and management judgement.

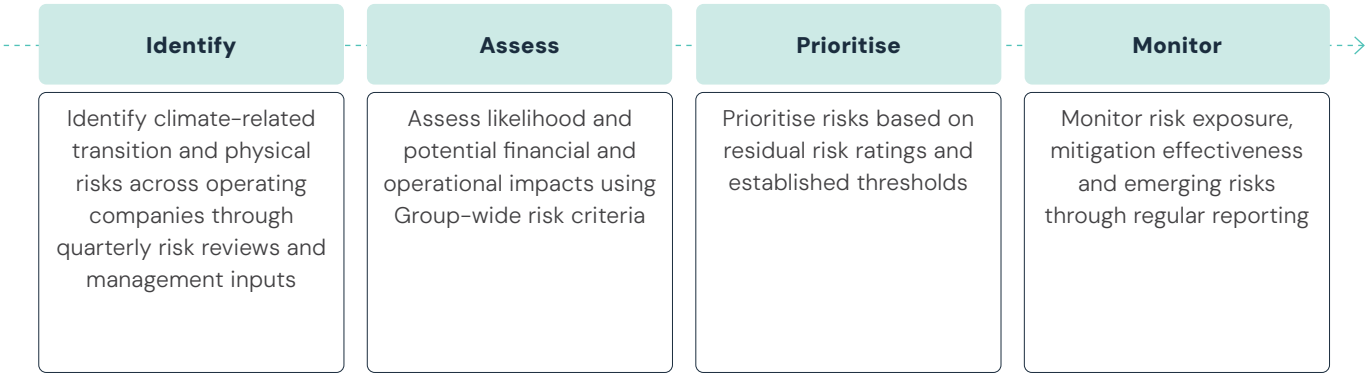
Climate-related risks and opportunities	Implication		Mitigation and Adaptation Strategies
	Low Emissions Scenario (SSP1-1.9/ 1.5°C)	High Emissions Scenario (SSP5-8.5/ 4°C)	
Flood *Physical risk*	**Short term:** Localised flooding events may result in manageable damage to mission-critical equipment or facilities, with operational disruptions addressed through established response procedures. **Medium term:** Risk of operational or supply chain disruptions may increase modestly as extreme rainfall events intensify, though financial impacts are moderated by preventive measures and resilience investments already in place. **Long term:** Flooding risk remains present due to climate inertia; however, its severity is comparatively moderated relative to higher-emissions pathway. Minimal cost impact expected as ongoing mitigation efforts continue strengthening site-level readiness and reducing vulnerability to flood events.	**Short term:** Increased frequency and intensity of heavy rainfall events may elevate the likelihood of operational disruptions. **Medium term:** Greater exposure to prolonged downtime, supply chain disruptions and higher repair and recovery costs. **Long term:** Severe flood events may pose heightened risks to critical assets and financial performance, potentially requiring coordinated corporate-level intervention.	• Implementation of the Flood Mitigation Plan and Flood Disaster Management Plan to strengthen site-level preparedness and business continuity. • Conducted targeted flood risk assessments across facilities, with prioritisation of known flood-prone or high-exposure locations. • Installation of flood barriers, enhancement of drainage and water-flow management systems and elevation or relocation of vulnerable equipment and critical assets. • Strengthen insurance coverage and financial preparedness to reduce residual exposure. • Deployment of early warning mechanisms such as water-level indicators, weather alerts and site-level monitoring to enable timely preventive actions.
Drought *Physical risk*	**Short term:** Minor operational strain due to water availability constraints, manageable through existing rectification processes. **Medium term:** Low risk of supply chain disruption with minimal financial impact as contingency sourcing arrangements remain effective. **Long term:** Drought risk persists but remains comparatively moderate, supported by ongoing monitoring and preparedness measures.	**Short term:** Early increases in electricity and fuel tariffs due to continued fossil fuel dependence and market volatility, increasing operating expenses. **Medium term:** Elevated and sustained operating expenses arising from slower renewable transition and exposure to price fluctuations. **Long term:** Heightened long-term cost uncertainty, potentially requiring accelerated investment in alternative energy solutions to maintain competitiveness and financial resilience.	• Implementation of contingency plans to ensure premises situated in high water-stressed areas are adequately managed. • Temporary water supply arrangements to minimise operational disruption. • Exploration of longer-term alternative water sources, including collaboration with local agencies. • Ongoing monitoring of water usage and stress exposure across facilities.

Climate-related risks and opportunities	Implication		Mitigation and Adaptation Strategies
	Low Emissions Scenario (SSP1-1.9/ 1.5°C)	High Emissions Scenario (SSP5-8.5/ 4°C)	
Increase in energy cost *Transition risk*	**Short term:** Accelerated decarbonisation and energy system adjustments may contribute to upward pressure on electricity and fuel tariffs, alongside capital expenditure for renewable energy adoption. **Medium term:** More stable energy costs as renewable consumption increases and exposure to tariff volatility gradually reduces. **Long term:** Improved predictability of energy expenditure as investments in solar and efficiency measures offset reliance on grid electricity.	**Short term:** Early increases in electricity and fuel tariffs due to continued fossil fuel dependence and market volatility, increasing operating expenses. **Medium term:** Elevated and sustained operating expenses arising from a slower renewable transition and exposure to price fluctuations. **Long term:** Heightened long-term cost uncertainty, potentially requiring accelerated investment in alternative energy solutions to maintain competitiveness and financial resilience.	• Expansion of the RE programme through long-term PPA and on-site solar PV installation. A large-scale solar project is under implementation to meet the Group's RE target of 20% in the electricity consumption mix by 2035. • Deployment of BESS to optimise renewable integration and enhance energy reliability. • Implementation of energy efficiency and optimisation initiatives across high-consumption facilities to reduce electricity demand and mitigate the financial impact of rising tariffs. • Strengthening monitoring of energy consumption, cost and renewable energy contribution to support informed decision-making and alignment with emissions reduction targets.
Changing consumer preference, increasing demand for xEV vehicles *Opportunity*	**Short term:** Stronger policy support and early infrastructure expansion stimulate initial xEV uptake. **Medium term:** Growing consumer adoption accelerates the shift towards electrified models and supports portfolio transition. **Long term:** xEVs become a mainstream mobility solution, enabling sustained market growth and deeper participation across the xEV value chain.	**Short term:** Early signals of reduced competitiveness as preference shifts to lower-emission alternatives. **Medium term:** Accelerated substitution towards lower-emission alternatives and rising obsolescence risks for conventional technologies. **Long term:** Significant impairment risks and loss of market relevance as low-emission mobility becomes dominant.	• Expansion of xEV offerings across key brands, enabling customers to access a wider range of lower-emission mobility options. • Strengthening domestic xEV manufacturing capabilities, including CKD production and the development of Malaysia's first dedicated xEV assembly plant. • Development of the xEV ecosystem through strategic partnerships, including charging infrastructure deployment, technology integration and aftersales readiness. • Beyond manufacturing, the Group explores complementary business models such as xEV leasing, mobility services and component development, enabling broader participation in the xEV value chain.

Risk Management

Climate-related Risk and Opportunity Management Process

Climate-related risks are managed through the Group's established ERM framework using a structured Identify, Assess, Prioritise, and Monitor process, as illustrated below. This approach maintains consistent identification, evaluation, and oversight of climate-related matters across operating companies.



For more information on the Group's ERM framework, please refer to the Statement of Risk Management and Internal Control on pages 273-275.

For climate-related risks, Management is responsible for identifying and assessing exposures across business segments, including the use of climate scenarios where appropriate. Identified risks are assessed and prioritised based on their residual risk ratings, with appropriate mitigation and adaptation measures implemented accordingly. Risk prioritisation is guided by the Group's likelihood–impact criteria and reported through the Group's consolidated risk dashboard under the relevant risk clusters. Where climate-related risks are assessed to be material, they may be elevated as Top Key Risks and subsequently deliberated by the RMC and BRSC.

The RMC reviews the Group's consolidated risk dashboard, which includes climate-related risks reported under the operational risk cluster, as well as the status and closure rate of the corresponding mitigation measures. The Committee monitors the overall risk exposure against the Group's risk appetite and key risk indicators and deliberates on appropriate management actions where necessary. Where climate-related risks are assessed to be material, they will be elevated as Top Key Risks and subsequently deliberated by the RMC and BRSC.

Climate-related opportunities are identified and assessed at the business unit level, taking into account each entity's operational context and strategic priorities. Opportunities are prioritised through management review processes and once approved, are embedded into planning, budgeting, and capital allocation cycles, including the AMP. Progress is monitored through ongoing management reviews, with performance tracked against defined indicators to support effective execution and value realisation. Where relevant, climate-related performance indicators are linked to management accountability, with further indicators expected to be progressively incorporated as the Group advances its climate strategy.

Metrics and Targets

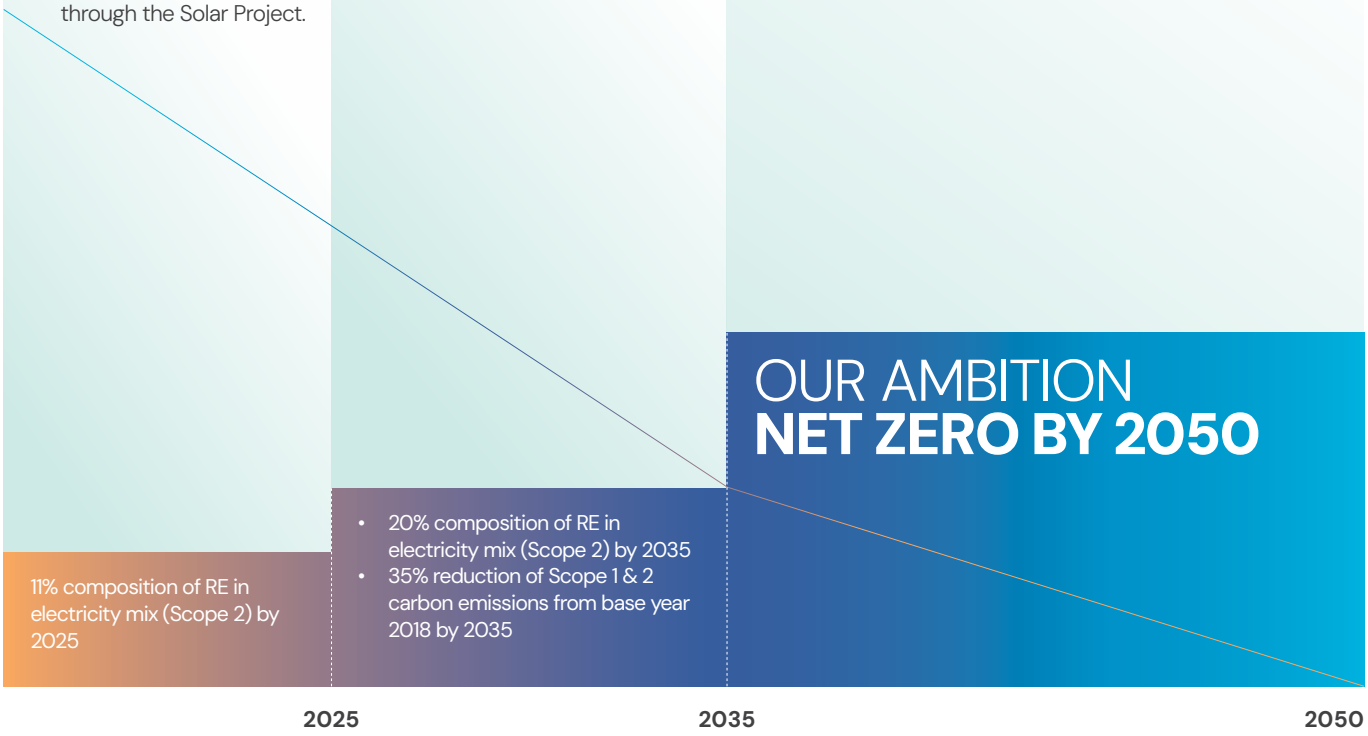
Climate-related Targets

In line with Malaysia's broader transition towards a low-carbon economy and its aspiration to achieve net zero emissions by 2050, DRB-HICOM has aligned its strategic priorities to support this long-term direction. The Group continues to make progress on its Net Zero Roadmap, first introduced in 2023, which guides DRB-HICOM and its operating companies in managing climate-related risks and advancing emissions reduction efforts over the long term. During the year, the Group continued to implement targeted actions and priorities for emissions management, with a focus on key climate-related areas including resource and waste management, adoption of low-carbon and green technologies, supply chain sustainability and sustainable product innovation.

The Net Zero Roadmap sets out the Group's phased approach towards achieving net zero emissions by 2050, translating strategic intent into clear time-bound priorities and targets. Structured across short-, medium- and long-term horizons, the roadmap outlines key initiatives to strengthen operational efficiency, expand renewable energy adoption and progressively decarbonise the Group's operations and value chain, providing a clear pathway to support consistent implementation and progress tracking across the Group.

Navigating towards Net Zero by 2050

- Building operational excellence through the adoption of energy-efficient technologies and processes, as well as the adoption and expansion of digitalisation in operations across both front, and back office and initiating fleet optimisation measures.
- Conducting Energy Audits for energy-intensive companies while expanding the Group's RE Portfolio through the Solar Project.
- Investing in sustainable energy infrastructure and initiatives to power operations and processes whilst advancing green mobility and optimising fleet delivery routes.
- Continuously increasing operating companies' participation in the Group's Solar Project to meet the target of 20% of RE in the electricity mix by 2035.
- Encouraging remote work and carpooling by employees to reduce Scope 3 emissions.
- Conducting a Lifecycle Assessment to evaluate and reduce emissions across the entire product lifecycle.
- Developing an internal price on carbon emissions and prioritising carbon trading, with the aim of incentivising emissions reduction.
- Promoting the adoption of EVs among employees to reduce Scope 3 emissions associated with employee commuting and travel.
- Adoption of Circular Economy principles to minimise waste and promote responsible waste management practices.



The Group's Net Zero Roadmap is developed based on several key assumptions and dependencies. These include the Group's financial capacity and resource availability to support the transition, the progressive adoption of renewable energy solutions, particularly solar PV installations, subject to investment viability and infrastructure availability, and continued improvements in energy efficiency across operations. Additionally, the roadmap assumes continued improvements in energy efficiency across operations, as well as the gradual implementation of low-carbon technologies where feasible. The pace of implementation is expected to depend on factors such as capital allocation priorities, technological readiness, regulatory developments, and operational requirements across the Group's businesses.

Building on the integration of climate considerations into the Group's planning processes, the AMP continues to serve as a key mechanism for translating climate-related risks and opportunities into actionable investment and operational decisions. For AMP 2025, operating companies further strengthened this approach by articulating their respective Net Zero Roadmaps, setting out carbon management actions aligned with the Group's broader climate objectives. This ongoing integration supports alignment between strategic priorities, capital allocation and sustainability commitments as the Group advances its transition towards long-term, sustainable growth.

Metrics of climate-related risks and opportunities

Description	Unit of Measure	2025
Amount of xEV revenue and percentage of xEV revenue over total revenue	RM'000 and %	**1,468,549 (11.5%)**
Capital deployment – the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities[3]	RM'000	**50,910**
Sales-weighted average passenger fleet fuel economy, by region	km/L	**16.97 (Domestic) 16.96 (Export)**
Total energy consumed	GJ	**1,371,506**
Percentage of grid electricity	%	**88%**
Percentage of renewable energy[4]	%	**12%**

For more information on Energy Performance, please refer to the Energy Management section on page 147.

GHG Emissions Performance

DRB-HICOM continued to monitor key environmental indicators throughout 2025, covering Scope 1 and Scope 2 GHG emissions. These metrics are reported quarterly to the Board and Senior Management to track performance and strengthen accountability. To enhance the credibility of its disclosures, the data underwent internal review by the Group Internal Audit and Integrity Division, with plans to pursue third-party assurance in the future to further support transparency and alignment with global climate objectives.

Cross-Industry Climate Metrics	2025
GHG Emissions by Scope (tonnes CO_2e)	
Total GHG Emissions	**219,264**
Total direct GHG emissions (Scope 1)[5]	**27,561**
Total indirect GHG emissions (Scope 2) location-based	**191,703**
Emissions from joint venture and associates (Operational Control)	**Nil**

Green Mobility Performance

DRB-HICOM is advancing green mobility to support Malaysia's Low Carbon Mobility Blueprint, which aims to reduce reliance on fossil-fuel vehicles and accelerate nationwide electrification. This transition positions the Group to contribute to national decarbonisation goals while capturing emerging opportunities in the fast-growing electric vehicle ecosystem.

PROTON New Energy Technology introduced the Proton e.MAS 7, PROTON's first electric vehicle in Malaysia, marking a key milestone in advancing the Group's sustainable business portfolio and supporting Malaysia's transition towards sustainable mobility. Since its launch in December 2024, the e.MAS 7 recorded 10,333 units sold in 2025, positioning it as the No. 1 EV model in Malaysia. Building on this momentum, the Proton e.MAS 5 was launched in October 2025 as Malaysia's first affordable EV, enhancing accessibility to electric mobility with competitive pricing. The model garnered strong market interest, reflecting positive customer feedback on affordability, practicality, and overall driving experience.

Description	2025
Total number of xEV sold	**13,448**
Battery Electric Vehicles ("BEV")[6]	10,727
Mild-hybrid Electric Vehicles ("MHEV")[7]	2,721

[3] *Capital deployment is based on Net Book Value as at 31 December 2025.*
[4] *Percentage of renewable energy represents the proportion of solar energy generated and utilised on-site relative to electricity consumption.*
[5] *Beginning FY2025, the Group expanded the Scope 1 emissions boundary to include fugitive emissions, enhancing the completeness of emissions reporting. FY2025 disclosures therefore reflect the expanded reporting boundary.*
[6] *BEV is grouped under Zero Emission Vehicles.*
[7] *MHEV is categorised as Hybrid Vehicles.*

Methodologies, Inputs and Assumptions

Enterprise Emissions Methodology

The Group's GHG emissions reporting is prepared in accordance with the Greenhouse Gas Protocol: Corporate Accounting and Reporting Standard (2004). Activity data are sourced from internal fuel consumption records, metered readings, utility bills, and other relevant supporting documentation. Emissions are calculated using recognised emission factors issued by the Department for Energy Security and Net Zero, supplemented by appropriate local factors where applicable.

Scope 1	Scope 2
OPERATIONAL BOUNDARY	
• Mobile combustion includes emissions from company-owned vehicles and equipment using petrol or diesel. • Stationary combustion covers fuel-burning equipment such as boilers, furnaces and ovens that run on natural gas or liquefied petroleum gas ("LPG"). • Fugitive emissions arise from the leakage of refrigerants used in company-owned or controlled vehicles and buildings. This includes air-conditioning systems, refrigerators, building chillers, and fire suppression systems.	• Purchased electricity consumed during the reporting period.
ORGANISATIONAL BOUNDARY	
GHG emissions reporting is determined using the operational control approach, where the Group consolidates emissions from operations over which it has full authority to implement policies and operational practices. For FY2025, this boundary covers all subsidiaries and entities under the Mobility segment, operating in Malaysia, where the Group exercises operational control.	
METHODOLOGY	
Scope 1 emissions are calculated using fuel consumption data obtained from utility bills and refrigerant data sourced from equipment records. Fugitive emissions are estimated using a screening method. All emissions are determined by multiplying activity data extracted from supporting documents with the relevant emission factors.	Scope 2 emissions are measured using location-based method and calculated based on electricity consumption data obtained from utility bills. The electricity consumption is multiplied by the grid emission factor to obtain emissions figures.
EMISSIONS FACTOR	
• UK Department for Energy Security and Net Zero • US Environmental Protection Agency	• Suruhanjaya Tenaga announcements on the Grid Emission Factor methodology

Internal Carbon Price and Carbon Credit

DRB-HICOM currently does not have an Internal Carbon Price ("ICP") in place. However, the Group continues to strengthen its climate-related assessment approach to support long-term decision-making, including the potential future application of an ICP.

During the reporting year, the Group did not purchase carbon credits or renewable energy certificates ("RECs"). As part of ongoing efforts to reduce emissions from purchased electricity, the potential use of RECs may be evaluated in the future to complement initiatives aimed at lowering reported Scope 2 emissions.

DRB-HICOM Berhad

IFRS S2

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FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Climate	Total direct GHG emissions (Scope 1)	Metric tonnes of carbon dioxide equivalents (tCO2e)	27,561	35% reduction of Scope 1 and 2 emissions by 2035 (from baseline year of 2018). Net-zero by 2050 (from baseline year of 2018).	Internal	
Climate	Total indirect GHG emissions (Scope 2) location-based	Metric tonnes of carbon dioxide equivalents (tCO2e)	191,703	35% reduction of Scope 1 and 2 emissions by 2035 (from baseline year of 2018). Net-zero by 2050 (from baseline year of 2018).	Internal	
Climate	Emissions from joint venture and associates (Operational Control)	Metric tonnes of carbon dioxide equivalents (tCO2e)	Nil	-	No assurance	
Climate	Amount and percentage of revenues aligned with climate transition opportunities	Amount (RM'000) and percentage (%)	1,468,549 (11.5%)	-	No assurance	
Climate	Capital deployment—the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities	RM'000	50,910	-	No assurance	Capital deployment is based on Net Book Value as at 31 December 2025.
Climate	Percentage of executive management remuneration linked to climate-related considerations	Percentage (%)	5%	-	No assurance	For selected members of Senior Management.
Climate	SASB TR-AU-410a.1 Sales-weighted average passenger fleet fuel economy, by region	Kilometre per litre (km/L)	16.97 (Domestic) 16.96 (Export)	-	Internal	
Climate	SASB TR-AP 130a.1, RT-AE-130a.1, CG-MR-130a.1 (1) Total energy consumed	Gigajoules (GJ)	1,371,506	-	Internal	

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Climate	SASB TR-AP 130a.1, RT-AE-130a.1, CG-MR-130a.1 (2) Percentage of grid electricity	Percentage (%)	88%	-	Internal	
Climate	SASB TR-AP 130a.1, RT-AE-130a.1, CG-MR-130a.1 (3) Percentage of renewable energy	Percentage (%)	12%	20% of renewable energy in electricity mix by 2035.	Internal	
Climate	SASB TR-AU-410a.2 (1) Number of zero emission vehicles (ZEV) sold	Number	10,727	-	Internal	
Climate	SASB TR-AU-410a.2 (2) Number of hybrid vehicles (HEV) sold	Number	2,721	-	Internal	Hybrid vehicles are referring to mild-hybrid model.
Climate	SASB TR-AU-410a.3 Discussion of strategy for managing fleet fuel economy and emissions risks and opportunities	Narratives	To improve fleet fuel economy and reduce use-phase emissions, PROTON improves vehicle efficiency through better platforms, powertrain optimisation and upgraded transmission systems, while expanding electrified vehicles such as battery electric vehicles. These efforts help improve sales-weighted average fleet fuel economy and meet regulatory requirements, including Euro 4/Euro 4M standards. Integrating clean technologies into product development and compliance processes shows readiness for evolving fuel-economy and emissions requirements, while supporting national decarbonisation goals.	-	No assurance	

5

SUSTAINABILITY IN ACTION

118 Approach to Sustainability

127 Sustainability Theme 1: Creating Customer Value

143 Sustainability Theme 2: Protecting the Environment

165 Sustainability Theme 3: Enriching People and Communities

> If you want something you've never had, you must be willing to do something you've never done.
>
> — Thomas Jefferson
> 3rd President of the United States

APPROACH TO SUSTAINABILITY

EVOLUTION OF SUSTAINABILITY EFFORTS

The Group's sustainability efforts have evolved progressively over the years, guided by increasing regulatory requirements, stakeholder expectations and the Group's commitment to responsible business conduct. Early initiatives focused on establishing foundational governance structures, which were subsequently strengthened through formalised frameworks, clearer accountabilities and enhanced data management processes. In recent years, the Group has expanded its sustainability scope to include more structured performance tracking, alignment with emerging reporting standards and deeper integration of sustainability considerations into business planning and operations.

2017

- Published the **first DRB-HICOM Sustainability Report (FY2016)** with a reporting model based on 5 key themes aligned with Bursa Securities and Global Reporting Initiative ("GRI") guidelines:
  1. Safety and Health
  2. Energy Consumption
  3. Waste Management
  4. Human Capital
  5. Corporate Social Responsibility

2018

- Established DRB-HICOM's **Sustainability Vision and Mission**
- Aligned the sustainability reporting with the UN **Sustainable Development Goals ("SDGs")**

2019

- Conducted Sustainability C-Suite Forum for Senior Management across the Group
- Adopted renewable energy via the **Group-wide Solar PV Project**, with Phase 1 involving seven participating companies with a capacity of 25.4 MWp

2020

- Established the **DRB-HICOM Sustainability Policy**
- Assessed and identified key focus SDGs for the Group

- Reassessed and expanded material topics from five to nine material matters:
  1. Carbon Management
  2. Waste Management
  3. Water Management
  4. Safety and Health
  5. Human Capital
  6. Corporate Social Responsibility
  7. Data Privacy and ABAC
  8. Socio-economic
  9. Procurement Practices

2021

- Progressively adopted the Task Force on Climate-Related Financial Disclosures ("TCFD") with the publication of the inaugural climate disclosures guided by the TCFD framework

- Expanded the Group-wide Solar Project with Phase 2 involving seven participating companies with a total capacity of 8.3 MWp
- Established the Group's target on **zero fatality** and **30% female representation at managerial level**

2022

- Became a signatory to the United Nation Global Compact ("UNGC") Ten Principles
- Adopted Bursa's Enhanced Sustainability Reporting Requirements
- Established a Group-wide target to **achieve 20% renewable energy in the electricity consumption mix by 2035**

2023

- Announced the **commitment to Net-Zero 2050**
- Embarked on the journey towards Integrated Reporting

- Conducted qualitative scenario analysis on climate change risks and opportunities guided by IPCC
- Expanded the Group-wide Solar Project - Phase 3
- Advanced the decarbonisation journey by participating in the Corporate Green Power Programme ("CGPP"), securing 29 MWp of renewable energy capacity
- Initiated its green mobility journey through Pos Malaysia's deployment of electric bikes and vans for first- and last-mile delivery operations

- Advanced the low-carbon mobility agenda through PROTON's X90 mild-hybrid and the introduction of the fully electric smart #1

2024

- PROTON launched its first electric vehicle, the e.MAS 7, marking a significant step in its electrification journey

- Published the **inaugural DRB-HICOM Integrated Annual Report FY2023**

- Restructured and recategorised the Group's reporting model into 4 focus themes across 16 Material Matters to integrate business elements:
  1. Creating Customer Value
  2. Protecting the Environment
  3. Enriching People and Communities
  4. Upholding Business Integrity

2025

- Embarked on the **IFRS Sustainability** reporting journey and published **IFRS S2-aligned climate-related disclosures** in accordance with the IFRS Sustainability Standards

- Initiated sustainability-related capacity-building efforts for critical suppliers

SUSTAINABILITY STRATEGY AND FRAMEWORK

DRB-HICOM's approach to sustainability is grounded in its purpose of building long-term value and trust as a responsible corporate group and contributor to Malaysia's economic development. The Group recognises that enduring business resilience is closely linked to how it manages its environmental footprint, supports communities, and safeguards the well-being of its workforce, while continuing to deliver sustainable outcomes for stakeholders.

Sustainability and climate considerations are embedded within the Group's overarching strategy and decision-making processes, enabling these matters to be systematically integrated across operations while remaining responsive to evolving risks, opportunities and stakeholder expectations. This integrated approach supports balanced economic, environmental, social and governance value creation, while allowing the Group's strategies to remain adaptable as the operating landscape continues to change.

Guided by its sustainability model and strategic pillars, DRB-HICOM embeds sustainability and climate considerations across its businesses, aligning with the UN SDGs and the 13th Malaysia Plan while strengthening governance and responsible value creation.

Our Purpose Statement

We are passionate about building trust to connect lives and businesses for a better tomorrow

Strategic Pillars

Raise The Game | **Reshape For Tomorrow** | **Re-emphasise Trust**

Core Business Segments

Mobility

Banking

Postal

Services

Properties

4 Focus Themes

16 key Material Matters into 4 focus themes:

Theme 1 - ECONOMIC

Creating Customer Value
- Customer Experience
- Products and Services Innovation
- Strategic Alliances

Theme 2 - ENVIRONMENTAL

Protecting the Environment
- Climate Change
- Energy Management
- Water Management
- Waste Management
- Biodiversity

Theme 3 - SOCIAL

Enriching People and Communities
- Diversity and Inclusivity
- Talent Development and Employee Engagement
- Human Rights
- Supply Chain Management
- Community Investment
- Occupational Safety and Health

Theme 4 - GOVERNANCE

Upholding Business Integrity
- Data Privacy and Security
- Governance and Ethics

SDG Focus

Success Beliefs

SUSTAINABILITY GUIDING PRINCIPLES

DRB-HICOM's vision and mission for sustainability are centred on clear national alignment and long-term value creation.

Vision

To be a frontrunner in meeting the sustainable standards set by the nation

Mission

To ensure that business activities of core sectors align with the expectation of stakeholders while also enhancing the long-term value of the Company through sustainable initiatives

SUSTAINABILITY POLICY

DRB-HICOM is committed to sustainable development and profitable growth. The Group integrates EESG considerations into its strategy and decision-making processes to drive long-term value creation. Its Sustainability Policy formalises the management of EESG impacts, risks and opportunities, reinforcing a structured and accountable approach across the organisation. Aligned with the Group's sustainability vision and mission, the Policy guides the identification, assessment and management of sustainability-related risks and opportunities in support of responsible business conduct.

The Policy applies across all products, services, subsidiaries, operations and supply chain activities, setting clear expectations for ethical practices and sound governance.

Economic	• Customer value and service excellence • Product innovation and strategic partnerships
Environmental	• Carbon and energy management • Water, waste and biodiversity stewardship
Social	• Diversity and inclusive workplace culture • Talent development and employee well-being • Human rights, labour standards and community support
Governance	• Ethical conduct and strong governance practices • Robust data privacy and cybersecurity protection

Sustainability Policy

◄ *Scan the QR code to access the full policy statement online.*

ALIGNMENT TO NATIONAL COMMITMENT

DRB-HICOM is committed to supporting and contributing to national sustainability efforts, particularly in relation to climate change and carbon management. Accordingly, the Group's sustainability approach is anchored on and aligned with Malaysia's national sustainability targets:

2034	15–30 million tonnes CO_2e	20 million tonnes CO_2e
marks the latest year by which Malaysia aims to peak its national greenhouse gas ("GHG") emissions, with the ambition to peak by 2029	**economy-wide absolute emissions reduction from peak GHG emission values by 2035**	**unconditional reduction with a further 10 million tonnes CO_2e reduction conditional upon the provision of climate finance, technology transfer and capacity building support from international sources**

SUSTAINABILITY TARGETS

DRB-HICOM tracks and discloses its performance on social inclusion and environmental protection through established sustainability KPIs, supporting transparency and accountability. Progress on sustainability-related targets is communicated through the Group's established reporting channels, including its quarterly financial results announcements.

Legend Target not achieved ● ○ ○ In-progress to meet target ○ ● ○ Target achieved ○ ○ ●

Championing Climate Action

Target	DRB-HICOM is committed to achieving net-zero emissions by 2050 and increasing renewable energy ("RE") usage to 20% of total energy consumption by 2035
Key Action Plans	• Adoption and expansion of the Group's RE infrastructure • Energy audit, process improvement, and equipment upgrades to improve energy efficiency and reduce energy use • Progressive electrification of the logistics fleet to support green mobility, reducing Scope 1 emissions through the displacement of fossil fuel-based vehicles • Pursuing large-scale solar opportunities via the CGPP
Progress and Achievements	• In 2025, the Group achieved 10.9%[1] RE in the electricity consumption mix • The Group's RE capacity reached 33.1 MWp up from 27.5 MWp in 2024 ***Progress tracking towards this target in 2025:*** ○ ○ ●

Fostering a Safety-Conscious Culture

Target	DRB-HICOM strives to achieve zero fatalities and reduce workplace accidents
Key Action Plans	• Conduct continuous safety walkabouts led by leaders to monitor operational practices and ensure a safe working environment • Enhance inhouse safety reporting platform, the Unsafe Condition and Unsafe Act ("UCUA"), to help identify and reinforce safe behaviour • Conduct various safety and health campaigns to strengthen awareness and commitment towards safety and health matters while promoting active employee involvement
Progress and Achievements	• In 2025, accident cases decreased, with the Lost Time Injury Frequency Rate ("LTIFR") at 1.19, a 12% reduction compared to the previous year • However, the zero fatalities target was not achieved. The Group recorded one work-related fatality. Corrective actions have been implemented to address the root cause and strengthen preventive controls. Detailed disclosures are included in the Occupational Safety and Health section on pages 183-189 ***Progress tracking towards this target in 2025:*** ● ○ ○

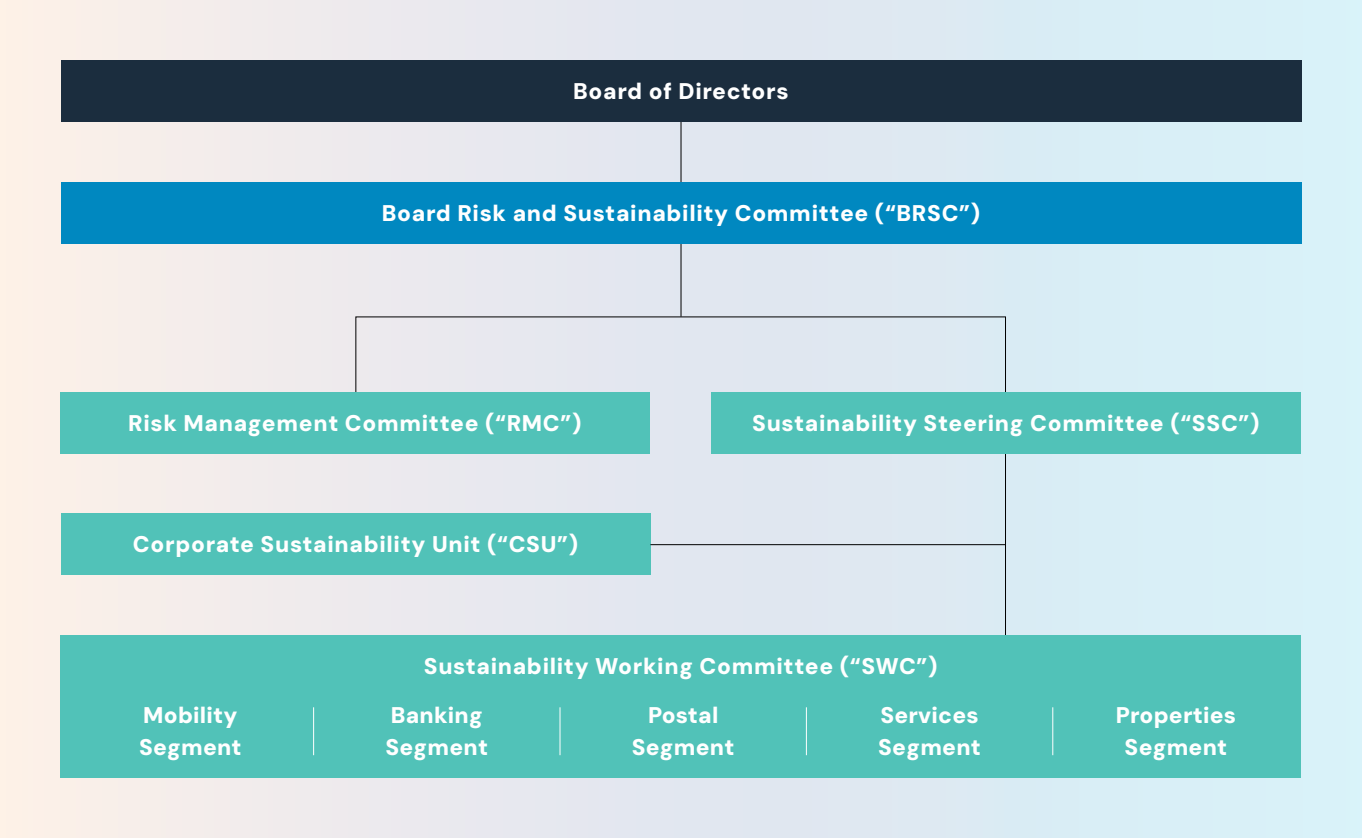
Promoting Diversity, Equity and Inclusion

Target	DRB-HICOM aims to ensure that at least 30% of managerial positions are held by women
Key Action Plans	• Tone from the top – appointment of qualified female candidates to the Board, while maintaining merit-based selection • The recruitment, performance evaluation and promotion processes are designed to provide equal opportunities regardless of their gender, nationality, race, ethnicity, religion, age, marital status, disabilities and culture • Women empowerment initiatives are incorporated within the Group's employee engagement programme • Facilities to support a diverse and inclusive workforce include lactation rooms and designated parking for persons with disabilities and pregnant employees
Progress and Achievements	• In 2025, the female representation at Board level stood at 33% • In 2025, the Group achieved 35% female representation at the managerial level ***Progress tracking towards this target in 2025:*** ○ ○ ●

[1] *The RE mix represents the proportion of solar energy generated and utilised on-site relative to total electricity consumption. This includes renewable energy generated by joint venture and associates, namely Motosikal Dan Enjin Nasional Sdn. Bhd. ("MODENAS") and ISUZU HICOM Malaysia Sdn. Bhd. ("ISUZU HICOM"), in order to reflect the impact of the Group-wide solar PV programme and provide a more holistic representation of renewable energy adoption across entities where the Group has significant influence.*

Upholding Integrity and Transparency	
Target	DRB-HICOM maintains a zero-tolerance approach towards non-compliance with its Anti-Bribery and Anti-Corruption ("ABAC") Policy
Key Action Plans	• Conducted a Group-wide survey to assess employee awareness, perceptions and effectiveness of anti-bribery and anti-corruption controls • Provided targeted training to the Board to strengthen governance oversight and align with applicable anti-bribery and anti-corruption standards • Strengthened internal controls through continuous enhancement of policies and procedures, supported by regular awareness campaigns, briefings and employee communications • Implemented annual integrity pledges and mandatory refresher training to reinforce a culture of zero tolerance towards corruption
Progress and Achievements	• DRB-HICOM Berhad has been certified under the MS ISO 37001:2016 Anti-Bribery Management System ("ABMS"), reflecting its strong commitment to integrity and ethical business practices • In 2025, there were zero confirmed incidents[2] of corruption ***Progress tracking towards this target in 2025:*** ○ ○ ●

SUSTAINABILITY AND CLIMATE GOVERNANCE STRUCTURE



DRB-HICOM's sustainability and climate oversight rests with the Board of Directors, with structured oversight and governance support provided by the BRSC, which serves as the primary forum for sustainability and climate matters and facilitates escalation to the Board for deliberation and decision-making.

At the management level, sustainability and climate governance is operationalised through dedicated sustainability and risk-related committees and functional leadership, in line with the Group's sustainability governance structure. This structure enables coordinated implementation across the Group through clear reporting lines, cross-functional engagement and disciplined follow-through on Board and Committee direction.

[2] *A confirmed incident of corruption refers to any case involving the solicitation, acceptance, offering or giving of gratification; submission of false claims; abuse of power; failure to report bribery or corrupt transactions; collusion; or other corrupt practices, that have been convicted by a court of law, whether in Malaysia or internationally. Incidents that remain under investigation during the reporting period are excluded.*

The roles and responsibilities of the governance bodies, management committees and supporting functions are set out in the table below:

Engagement Frequency

C Continuous | M Monthly | Q Quarterly | A Annually | AN As Needed

Board of Directors

Q AN

Core Responsibilities

- Holds ultimate accountability for sustainability and climate-related matters
- Sets strategic direction and risk appetite
- Approves sustainability policies, targets and disclosures
- Oversees the management of material sustainability risks and opportunities

BRSC

Q AN

Core Responsibilities

- Assists the Board in overseeing sustainability strategy, risk and performance
- Reviews sustainability framework, targets and disclosures prior to Board approval
- Monitors emerging sustainability and climate-related risks

RMC

Q AN

Chair
Group Managing Director

Core Responsibilities

- Reviews sustainability and climate-related performance at Group level
- Monitors progress against approved sustainability targets and KPIs
- Considers sustainability-related matters from a risk and strategic perspective

SSC

Q AN

Chair
Group Chief Financial Officer

Core Responsibilities

- Oversees execution of sustainability strategies and initiatives
- Ensures cross-functional alignment and delivery against approved targets
- Monitors regulatory developments and compliance readiness

SWC

Q AN

Chair
Chief Risk & Sustainability Officer

Core Responsibilities

- Acts as its cross-functional activation arm to operationalise sustainability initiatives
- Drives execution at the operating company level
- Escalates implementation challenges to the SSC

CSU

C

Core Responsibilities

- Facilitates sustainability governance and compliance
- Coordinates sustainability reporting and data management
- Provides technical guidance and support to Sustainability Champions and business functions

BALANCING COMPETING PRIORITIES

Economic and sustainability priorities inevitably compete for DRB-HICOM's finite resources, requiring careful judgement to safeguard that neither is disproportionately prioritised. To manage these trade-offs, the Group maintains a disciplined focus on fair resource allocation and prioritises initiatives that deliver optimal value, whether assessed through quantitative outcomes or qualitative impact.

Striking the right balance between driving economic performance and fulfilling sustainability commitments is inherently complex, especially when certain sustainability efforts may not generate immediate or measurable returns. Nevertheless, DRB-HICOM remains committed to acting in the best interests of all stakeholders by balancing economic and sustainability-related priorities with due and equitable consideration in support of long-term resilience and sustainable growth.

This approach is complemented by the Group's participation in relevant sustainability, governance and industry-related memberships and associations, which provide platforms for engagement, knowledge-sharing and alignment with evolving ESG practices.

ESG Memberships and Associations	
United Nations Global Compact	Through its membership with the United Nations Global Compact Malaysia and Brunei, the Group has undertaken the following key activities: • Collaborated with the organisation on sustainability capacity-building initiatives for suppliers, focusing on climate action and human rights within the supply chain • Participated in training and knowledge-sharing programmes to strengthen internal sustainability capabilities and stay abreast of evolving developments • Maintained ongoing alignment with the Ten Principles of the United Nations Global Compact through yearly Communication on Progress disclosures, demonstrating transparency and accountability
	Material Matters MM2 MM6 MM8 MM10 MM13 MM16
Malaysian Employers Federation	As a member of the Malaysian Employers Federation ("MEF"), the Group advances its labour and human rights agenda by: • Strengthening organisational capability through training in employment law and labour standards • Accessing publications and salary surveys to support benchmarking and fair remuneration practices • Utilising MEF's consultancy and legal advisory services, including Industrial Relations Court representation, to ensure compliance with labour laws
	Material Matters MM5 MM10 MM13
Institute of Internal Auditors Malaysia	Under its affiliation with the Institute of Internal Auditors Malaysia ("IIAM"), the Group strengthens its internal audit function and governance framework by supporting continuous professional development through IIAM training, technical updates and forums to ensure alignment with international standards and emerging risks, while applying insights gained to enhance risk-based auditing, governance, risk management and internal control effectiveness.
	Material Matters MM2 MM3
Institute of Corporate Directors Malaysia	Through its membership with the Institute of Corporate Directors Malaysia ("ICDM"), the Group enhances corporate governance and board effectiveness through director development and governance forums, strengthening oversight and ethical leadership. ICDM also provides support with the appointment of suitably qualified directors and long-term value creation.
	Material Matters MM2
Malaysian Automotive Association	As an associate member of the Malaysian Automotive Association ("MMA"), the Group gains enhanced market insights and industry representation through: • Access to industry reports to support market analysis and strategic planning • Participation in conferences and networking events to strengthen brand visibility and partnerships • Engagement with government agencies and regulators to contribute to industry policy discussions
	Material Matters MM6 MM7 MM11

ESG Memberships and Associations	
Federation of Malaysian Manufacturers	Membership in the Federation of Malaysian Manufacturers ("FMM") enables the Group to deepen industry collaboration and contribute to manufacturing policy and advocacy efforts through: • Industry representation, with FMM serving as a collective voice to advance policies supporting manufacturers and the broader supply chain • Collaboration within a vendor ecosystem to address industry standards and regulatory developments; • Alignment with national economic initiatives, including government stimulus measures, trade agreements and strategic transitions such as New Energy Vehicles and the Automotive Hi-Tech Valley in Tanjong Malim • Active involvement of senior management in FMM-led events, committees and industry dialogues, contributing to the development of Malaysia's manufacturing sector
	Material Matters MM6 MM7 MM11
Malaysia Aerospace Industry Association	Corporate membership with the Malaysia Aerospace Industry Association ("MAIA") strengthens industry engagement and market positioning by: • Participating in a collaborative platform that advances the interests and development of Malaysia's aerospace sector • Engaging with government and industry stakeholders on policy reviews and industry initiatives • Facilitating structured interaction with OEMs and suppliers to align with supply-chain requirements and market expectations
	Material Matters MM11
Malaysian Industry-Government Group for High Technology	Engagement with Malaysian Industry-Government Group for High Technology ("MIGHT") supports strategic collaboration and technology advancement by: • Participating in industry–government initiatives focused on aerospace, advanced manufacturing and national innovation priorities • Accessing strategic insights on industry trends and policy directions to inform long-term capability development and forward planning
	Material Matters MM7 MM11
Aerospace Malaysia Innovation Centre	Strategic partnership with the Aerospace Malaysia Innovation Centre ("AMIC") strengthens applied research and technology ("R&T") development capabilities by: • Participating in advanced aerospace R&T initiatives, including materials, composites and process innovation, to translate research into industrial applications • Enhancing technical expertise and innovation capacity through collaborative, industry-focused research and technology development
	Material Matters MM7 MM11

SUSTAINABILITY THEME 1:
Creating Customer Value

CUSTOMER EXPERIENCE

Capitals

F S H

Stakeholders

BOD SMT E CUS

Key Risks

MDR

UN SDGs

WHY IT MATTERS TO DRB-HICOM

Customer experience is a key driver of trust, loyalty and long-term value creation across organisations. It shapes confidence in products and services, affects repeat engagement and plays a role in how organisations perform over time. Strong customer experience practices also support smoother operations by strengthening customer satisfaction and service consistency, contributing to continued business growth.

For DRB-HICOM, customer experience is fundamental as several of the Group's businesses involve mandatory, compliance-driven services delivered through standardised procedures and repeated customer interactions. Interactions such as scheduling appointments, service delivery, aftersales support, enquiries and complaint management directly shape customer perceptions of the Group's brands. Guided by one of the Group's success beliefs, "Delight Customers", DRB-HICOM focuses on exceeding expectations through innovation, personalised service and seamless engagement. As markets become increasingly competitive, consistent and responsive engagement is important in retaining customers and sustaining loyalty. Effective customer experience management also supports regular and transparent communications, improves service quality and strengthens operational efficiency.

OUR APPROACH

Governance

Oversight of customer experience is undertaken by each operating company within the Group, through its designated management functions which are responsible for customer satisfaction and service performance as part of their core responsibilities. Depending on the nature of the business, these responsibilities are carried out by Customer Service, Sales and Marketing, Programme Management, Quality, Engineering or dedicated customer experience teams. Where required, cross-functional collaboration is applied to address customer issues, maintain service standards and strengthen long-term customer relationships, with accountability residing at the management level.

Customer-related initiatives are planned through the company's Annual Management Plans, and some companies embed customer satisfaction metrics into management KPIs, reinforcing KPIs, reinforcing accountability.

Managing Customer Experience

DRB-HICOM's operating companies adopt a structured and consistent approach to managing customer experience across the Group. This approach is guided by established policies, Customer Service Charters and Standard Operating Procedures that define service commitments and customer interaction protocols. Customer experience performance is monitored through satisfaction surveys, service reviews and formal feedback channels, with enquiries and complaints logged, tracked and escalated through defined procedures supported by customer relationship and case management systems. Management continuously reviews feedback and performance data, implementing corrective actions and improvement measures to address recurring gaps and enhance service quality.

Customer experience management across the Group is anchored on four core components:

- Service Governance and Standards
- Performance Monitoring and Measurement
- Feedback and Issue Management
- Continuous Improvement and Oversight

HOW THE GROUP CREATES VALUE

DRB-HICOM is committed to delivering consistently high service standards to strengthen customer trust and remain a preferred brand. This focus is reinforced through targeted initiatives and enhancements across the Group's customer-facing operations to improve service responsiveness and overall customer experience, including:

AI-Enabled Customer Service and Quality Management

- In 2025, Bank Muamalat and Pos Malaysia progressed their exploration of Artificial Intelligence ("AI") to enhance customer engagement and service efficiency. The initiatives focus on automating routine and high-volume enquiries, enabling faster and more consistent responses while allowing human agents to concentrate on more complex matters.
- At Bank Muamalat, AI applications under consideration include support tools for call agents, speech recognition to convert conversations into text for quality assurance and insight generation, and AI-enabled email management to categorise, translate and prioritise customer feedback.
- Pos Malaysia is exploring AI-powered solutions to manage routine customer interactions across key touchpoints, improving responsiveness and service consistency.
- Collectively, these initiatives are expected to strengthen operational productivity, reduce turnaround times and enhance overall customer satisfaction.

Enhancing Customer Experience Through Integrated Digital Platforms

In 2025, EON and PUSPAKOM strengthened their customer engagement capabilities through enhanced Customer Relationship Management ("CRM") platforms and digital integration initiatives.

- At EON, improvements to its CRM programme consolidated previously fragmented manual processes into an integrated end-to-end platform supporting the vehicle purchase journey. The enhanced system enables structured booking creation, reduces duplication and improves data transparency, resulting in faster response times and more consistent customer handling across branches. EON also expanded its omnichannel capabilities through the Zendesk platform, centralising customer data across social media, sales and service touchpoints into a single view to support more personalised and consistent interactions.
- Meanwhile, PUSPAKOM fully implemented its new CRM platform, integrating voice and digital channels to manage customer interactions more effectively. The system enables timely handling of customer feedback and automated status notifications, keeping customers informed, thereby improving the transparency and the overall customer experience.

Enhancing Aftersales Experience Through Real-Time Monitoring

PROTON and EON enhanced their aftersales operations through digital monitoring tools to improve service visibility, efficiency and customer confidence.

- PROTON implemented Electronic Job Control across all service dealers, providing real-time updates on vehicle status and enabling outlets to better manage workshop performance. This initiative improved One Day Service Delivery from 89% in January 2025 to 93% in November 2025, while achievement of the 90-minute Fast Service target increased by 14%.
- At EON, enhancements to the Workforce Management system improved service status monitoring and workshop coordination. In 2025, customer satisfaction in terms of vehicle service-related complaints decreased from 1.76% in 2024 to 1.55% in 2025.

Strengthening Customer-Centric Capabilities Across the Group

PROTON and CTRM continued to invest in capability development to reinforce a customer-focused culture and improve service quality.

- At PROTON, a Customer Complaint Evolution Workshop was introduced for frontline personnel, particularly at outlets with higher complaint levels, to strengthen resolution skills and improve customer sentiment. Since 2023, customer complaints have reduced by 60%, reflecting the effectiveness of targeted interventions and structured training. Complementing this initiative, PROTON implemented comprehensive customer experience programmes covering service delivery, product knowledge (including xEV expertise), complaint management and the use of digital and customer relationship management tools. Advanced certification programmes for key service roles further supported continuous improvement and leadership development across the dealer network.
- Meanwhile, CTRM strengthened both technical and soft skills capabilities through structured training, quality workshops and cross-functional knowledge-sharing across Programme Management, Production, Engineering, Quality and Supply Chain teams, reinforcing a customer-centric approach and enhancing overall service delivery.

Operational Excellence Supporting Customer Confidence

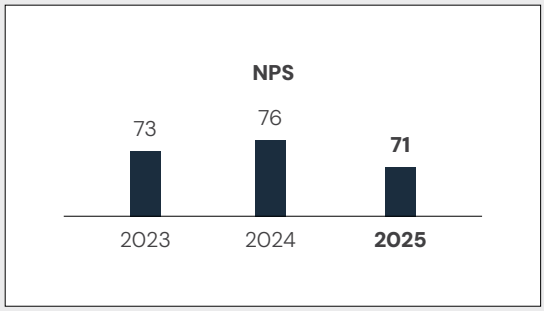
While not directly serving mass-market end customers, CTRM plays a critical role in ensuring customer satisfaction through strong quality controls.

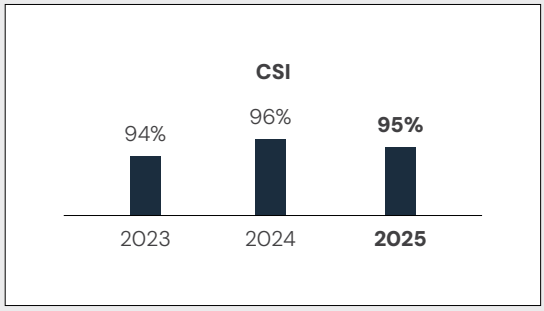
- The Foreign Object Debris ("FOD") campaign was strengthened through formal governance, cross-functional collaboration and greater supply chain involvement. FOD refers to unintended foreign materials in the manufacturing environment that may compromise product integrity and safety, making prevention essential in high-precision aerospace production. By embedding standardised controls and shared accountability across teams and suppliers, CTRM safeguards product quality, reduces the risk of defects and reinforces customer confidence.
- Enhanced customer surveys and KPI monitoring by Programme Management further support continuous improvement and long-term customer relationships.

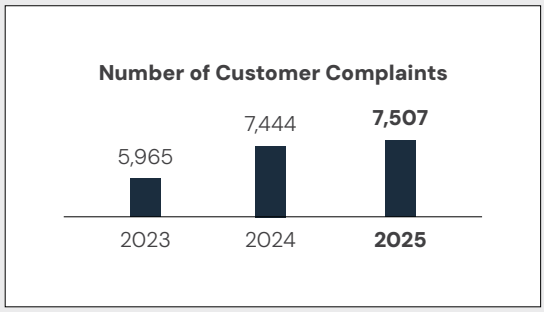
THE GROUP'S PERFORMANCE

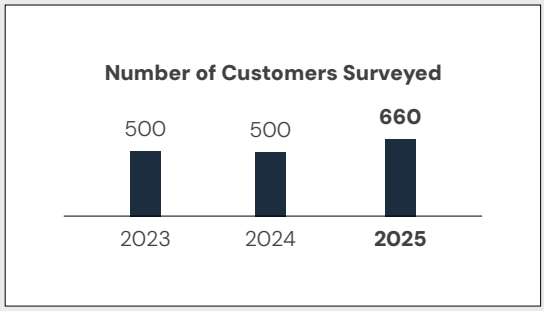
The following indicators present the customer experience performance of the Group's businesses:

During the year, Bank Muamalat also identified opportunities to enhance its customer experience metrics, as its Net Promoter Score ("NPS") and Customer Satisfaction Index ("CSI") trended lower compared to 2024. The softer NPS performance reflects industry-wide shifts where digital banking capabilities have become standard expectations, coupled with rising customer demands and intensifying competition. The decline in the CSI is primarily due to a change in calculation methodology. Despite these movements, Bank Muamalat remains focused on strengthening customer experience and adapting to evolving expectations.



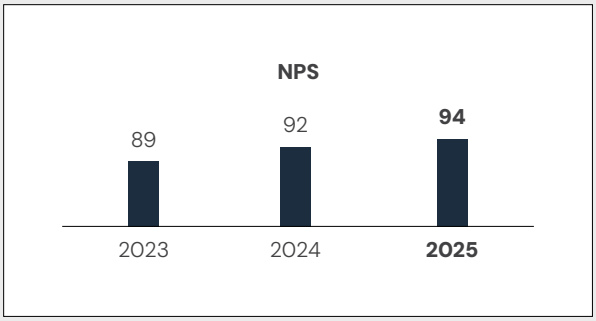


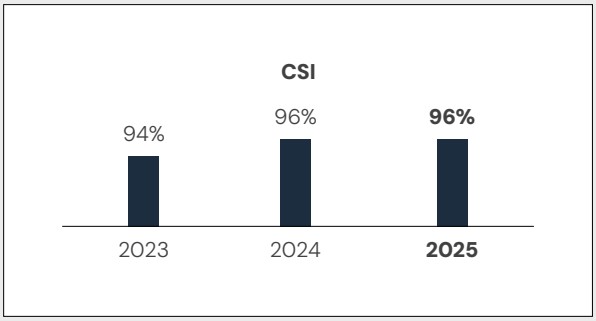


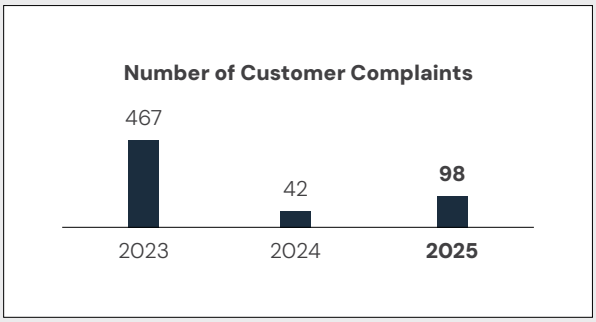


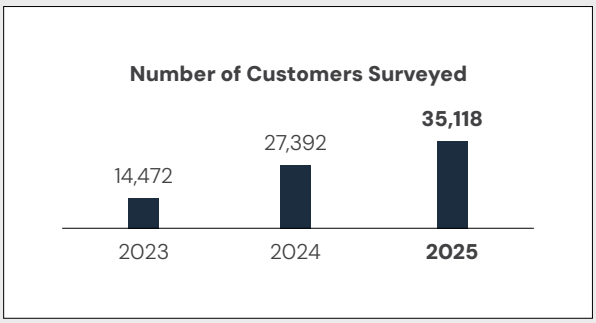
THE GROUP'S PERFORMANCE

EON recorded a steady upward trend in NPS and consistently high CSI over a three-year period, reflecting sustained improvements in branch engagements and incentive programmes. During the same period, survey participation continued to rise, demonstrating stronger customer interaction at the branch level. Customer complaints declined sharply in 2024 before increasing in 2025, consistent with higher customer engagement levels and the continued effectiveness of issue resolution and complaint management processes.

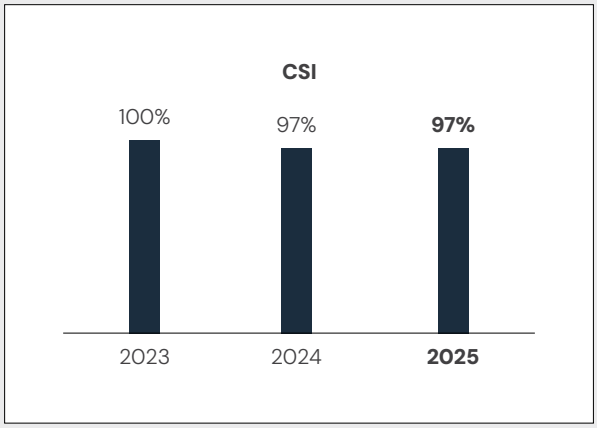


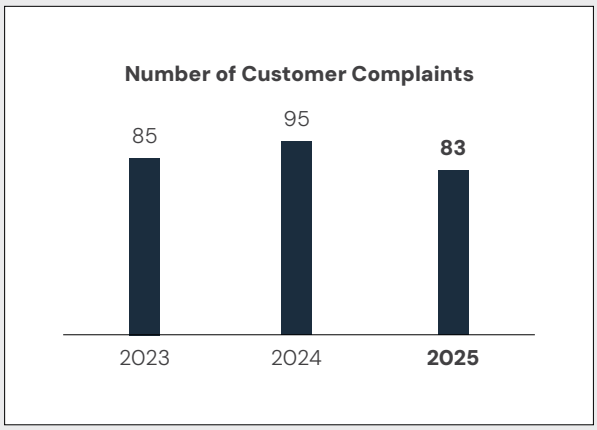


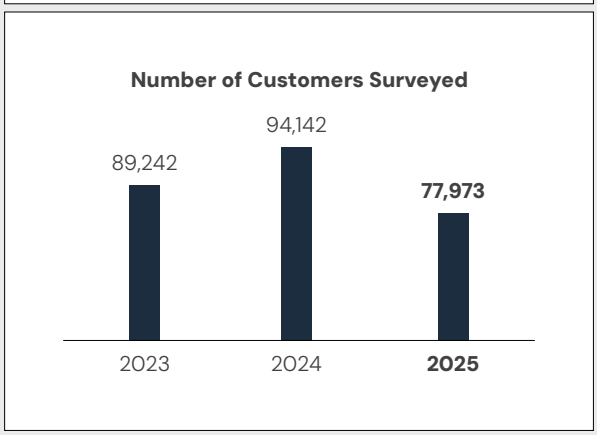




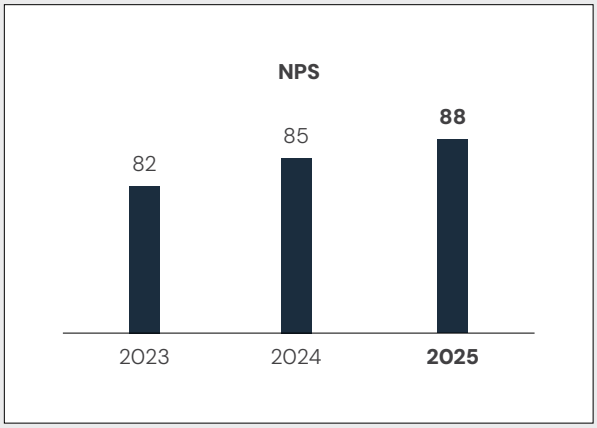
PUSPAKOM recorded a decrease in customer complaints, driven by early issue resolution enabled by proactive resolution and responsive handling. As a result, most concerns were addressed before escalating into formal complaints. Meanwhile, CSI remained strong at 97%, indicating a positive perception of current service quality and customer experience.

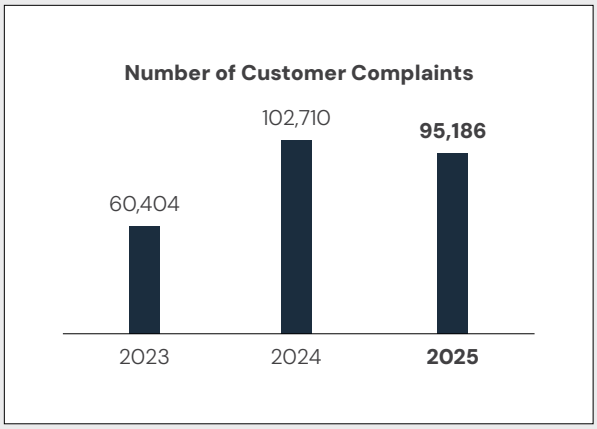


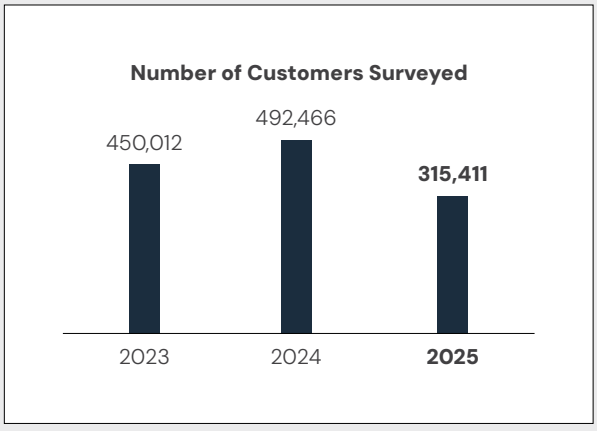




Compared to the previous year, Pos Malaysia saw an increase in its NPS and a reduction in customer complaints. This was driven by enhanced customer service through virtual soft skills training, faster feedback, and stronger service recovery enabling teams to respond quickly and deliver exceptional experiences.







DRB-HICOM'S OUTLOOK

DRB-HICOM will continue to strengthen customer experience across its operations by reinforcing internal controls over customer interactions and feedback management. This includes prioritising consistent, responsive handling across key touchpoints, supported by clearer communication, regular customer engagement practices and closer monitoring of service delivery performance.

The Group also expects to leverage the use of AI, digitalisation, data and automation to support customer experience improvements. Digital tools and customer relationship platforms will be utilised to better understand customer needs, streamline service processes and handle and track feedback more effectively.

Looking ahead, DRB-HICOM will continue to invest in people capabilities, process efficiency and cross-functional collaboration to improve service delivery. This includes strengthening skills and competencies across customer-facing and technical roles, reinforcing service culture and fostering closer collaboration across functions and partnerships. Through these efforts, the Group aims to sustain high service standards, adapt to evolving customer expectations and support long-term business growth.

Pos Malaysia saw an increase in its NPS and a reduction in customer complaints driven by enhanced customer service.

SUSTAINABILITY THEME 1:
Creating Customer Value

PRODUCTS AND SERVICES INNOVATION

Capitals

F M I

Stakeholders

SMT E CUS BP S&C S&IC BOD

Key Risks

MDR

UN SDGs

WHY IT MATTERS TO DRB-HICOM

Innovation shapes DRB-HICOM's strategic direction and competitive advantage. Guided by its Success Belief, "Drive Innovation", the Group integrates innovation across its operations to stay relevant, enhance performance and support long-term growth. Customer-centric innovation is embedded across business activities to maintain competitiveness in a rapidly evolving market. This includes aligning operations with shifting customer expectations, accelerating digital adoption and developing sustainable, future-ready solutions that enhance value and strengthen organisational resilience.

A culture of innovation is reinforced by recognising and rewarding meaningful employee contributions, while continuously understanding customer needs to ensure products and services remain relevant and responsive.

Through innovative products and services, DRB-HICOM aims to expand its market presence, capture new opportunities and deliver lasting impact to customers. These efforts support sustained economic performance and create long-term value for stakeholders.

OUR APPROACH

Digitalisation is a core driver of the Group's innovation agenda and remains a strategic priority. The Group's Digital Steering Committee is led by the Group Chief Operating Officer ("GCOO") of Corporate Services.

Digital Steering Committee

- GCOO of Corporate Services
- Chief Corporate Programme Officer
- Chief Strategy Officer
- Chief Information & Technology Officer
- Chief Corporate Management Officer
- Chief Financial Services Officer

This Committee provides strategic direction, resolves roadblock and oversees implementation efforts to align with organisational objectives.

Alongside oversight arrangements, partnerships and collaborations enable DRB-HICOM to access specialised expertise, strengthen internal capabilities and expand its platform for innovation. These initiatives support the mobility, financial services and logistics segments in improving customer service, integrating new technologies, electrification and operational improvements across the value chain.

To sustain innovation capacity, DRB-HICOM invests continuously in workforce development through structured training, benchmarking and upskilling. This supports technical competencies, enhances readiness for emerging technologies such as automation, digitalisation and AI, and strengthens the Group's overall competitiveness and contribution to economic sustainability.

By fostering collaboration, advancing technology and embedding innovation across all segments, the Group reinforces its value proposition, delivers high-quality products and services, and drives long-term value and industry transformation.

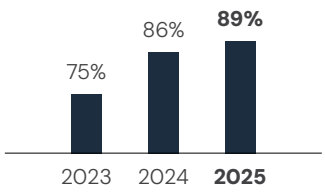
Mobility

PROTON adopts a forward-looking approach to innovation by integrating advanced technical expertise through strategic global partnerships and collaborative R&D initiatives that strengthen its technological capabilities.

Shaped by its commitment to innovation and sustainability, PROTON harnesses technological advancements to drive clean technology and electrification, supports Malaysia's EV ecosystem, and enhances vehicle safety performance.

Through continuous engineering improvements, advanced driver assistance systems ("ADAS") and structural design optimisation, PROTON aims to achieve five-star ratings under the ASEAN New Car Assessment Programme ("NCAP"), reinforcing safety as a core dimension of product innovation and customer value.

Proportion of PROTON vehicles achieving ASEAN NCAP 5-star rating[3]



CTRM, on the other hand, drives innovation by strengthening operational excellence, advancing digitalisation, developing its people and adopting strategic procurement practices. The organisation boosts efficiency through process automation, material optimisation and energy management. It enhances performance through digital integration, cloud services and AI. CTRM builds a future-ready workforce through training, benchmarking, upskilling and collaboration with industry and academia. It also improves supply chain competitiveness through procurement strategy and shipment consolidation. Daily Operations and Strategic Review Meetings help identify and resolve innovation barriers, ensuring alignment with business objectives.

Postal

Pos Malaysia has diversified its business portfolio and integrated sustainability into its operations. Through the International Post Corporation's Sustainability Measurement and Management System, Pos Malaysia is committed to achieving its business aspirations and contributing to a greener and more sustainable future. In addition, Pos Malaysia tracks and monitors the progress of its service innovation through regular dashboard reporting to the management and periodic updates to Pos Malaysia's Board of Directors, ensuring continuous improvement and strategic alignment across the organisation.

[3] *Rating is based on the total number of active vehicle models in production during the assessment year, excluding discontinued models. The percentage is calculated based on tested models only.*

Banking

Bank Muamalat leverages innovative technologies and customer-focused strategies to meet changing market demands, promote financial inclusion, and enhance customer experience. It applies AI and Machine Learning to boost productivity and operational efficiency in credit recovery processes. Since 2022, the bank has also deployed Robotic Process Automation to streamline back-office financing operations, enabling staff to manage routine tasks efficiently and focus on higher-value work.

HOW THE GROUP CREATES VALUE

Driving Sustainable Innovation in Automotive Technology

The Group views electric vehicles ("EVs") not merely as end products, but as catalysts for transforming the mobility ecosystem. This strategic approach enhances customer experience, opens new revenue opportunities and strengthens the Group's contribution to national economic development. It also supports long-term resilience as rising EV adoption—locally and globally—gradually reduces reliance on internal combustion engine vehicles.

PROTON introduced the Intelligent–Green Technology ("i-GT") engine, a locally developed powertrain designed for higher efficiency and enhanced performance. The engine delivers improved fuel economy and smoother drivability compared with the previous engine family, and is featured in the all-new Proton X50 and Proton Saga models.

Key innovation efforts in the Group's automotive business in 2025 included:

Proton e.MAS 5 – Malaysia's First Affordable EV

Launched in October 2025, the Proton e.MAS 5 is positioned as Malaysia's first affordable EV, aimed at widening nationwide EV adoption. As at December 2025, more than 14,000 bookings were recorded. The introduction of the e.MAS models strengthens the Group's EV capabilities by combining its established automotive expertise with a growing portfolio of EVs.

The Proton e.MAS 5 is aimed at widening access to EVs with an affordable price tag.

Dedicated EV Assembly Plant

In February 2025, PROTON commenced construction of Malaysia's first dedicated EV assembly plant within the Automotive Hi-Tech Valley ("AHTV") in Tanjong Malim. Purpose-built for EV manufacturing, the facility began full-scale assembly operations in September 2025. This milestone expands domestic EV production capacity and supports Malaysia's ambition to position itself as a regional EV hub.

PROTON's EV plant in Tanjong Malim, Perak, is the first facility dedicated to assembling EVs in Malaysia.

All-New Proton Saga with i-GT Engine

Launched on 27 November 2025, the all-new Proton Saga features a refreshed design, upgraded safety enhancements and the i-GT engine for greater efficiency and performance. The model received a strong market response, securing 10,000 bookings within five days of launch and surpassing 30,000 bookings by early December 2025.

The all-new Proton Saga uses the the Advanced Modular Architecture ("AMA") platform of which PROTON owns the full intellectual property rights.

PROTON Tech Showcase

At the PROTON Tech Showcase 2025, PROTON underscored its innovation-led transformation by unveiling a suite of next-generation technologies and platforms that will shape its future product portfolio. Highlights included advanced in-vehicle computing systems to power intelligent features and connectivity, the new AMA platform designed to support electrification and enhanced structural safety, as well as a new 1.5 i-GT engine platform with increased local content. The architecture is engineered to accommodate ADAS and target five-star ratings under the ASEAN NCAP. Collectively, the showcase demonstrated how innovation is embedded across engineering, safety, localisation and electrification, reinforcing PROTON's readiness to compete in an increasingly technology-driven automotive landscape.

The PROTON Tech Showcase served as a platform to highlight PROTON's innovative achievements.

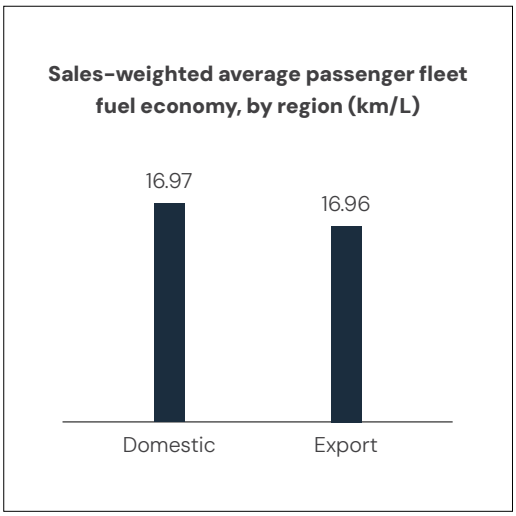
Fuel Economy and Emission Management

PROTON's multi-year fuel economy and emissions management strategy is underpinned by continuous technological innovation and a clear commitment to supporting the transition towards a low-carbon economy. Rather than approaching emissions reduction purely from a compliance perspective, the Group embeds efficiency and decarbonisation considerations directly into product development, platform design and powertrain engineering.

Through advanced vehicle architectures, higher-efficiency powertrains and optimised transmission systems, PROTON progressively enhances fleet-wide fuel economy while reducing use-phase greenhouse gas emissions. The expansion of electrified offerings, including battery electric vehicles ("BEVs") and plug-in hybrid ("PHEV") models, further accelerates this transition by lowering tailpipe emissions and supporting Malaysia's evolving xEV ecosystem. Continuous improvements in sales-weighted average passenger fleet fuel economy demonstrate the measurable impact of these engineering advancements.

By integrating clean technologies, electrification pathways and regulatory readiness into its innovation roadmap, PROTON not only complies with Euro 4, Euro 4M and xEV-specific requirements, but also contributes to Malaysia's broader decarbonisation agenda and the advancement of sustainable mobility.

The chart presents PROTON's 2025 sales-weighted average passenger fleet fuel economy, reflecting the overall fuel efficiency of its passenger vehicle fleet based on the sales mix of its models.



Advancing Digital Customer Experience

Both EON and PROTON have accelerated their digital transformation through integrated online sales platforms that enable customers to browse models, customise specifications, secure financing and place vehicle bookings digitally. This reduces reliance on paper-based documentation, streamlines administrative processes and enhances transparency, while improving customer convenience and accessibility.

In 2025, EON recorded 193 digital bookings via its platform, while PROTON achieved 38,763 as reported through Proton4u. The growing adoption of digital channels reflects evolving customer preferences and enhances operational efficiency through reduced manual processing, shorter turnaround times and improved data analytics for planning purposes. From a sustainability perspective, digital platforms contribute to resource efficiency by minimising paper usage and supporting innovation-led business processes.

Ethical and Sustainable Practices in Islamic Finance

Bank Muamalat continues to uphold Value Based Intermediation ("VBI"), delivering positive economic, social, and environmental outcomes alongside responsible returns, reflected in the steady growth of sustainability-aligned financing. Guided by its RISE26+ strategic plan, Bank Muamalat continues to strengthen its sustainable portfolio through Eco Green Products, SME Programmes, and inclusive initiatives such as the Halal Portfolio Guarantee-i Scheme, Jariah Fund and halal certification support for i-Tekad entrepreneurs, advancing financial inclusion and sustainable development.

In 2025, Bank Muamalat broadened access to ethical financial products across key customer segments through offerings such as the Term Investment Account ("TIA") and Ar-Rahnu Non-Individual. TIA enables customers to invest in Shariah-compliant activities under a *Wakalah bi al-Istithmar* arrangement with defined mandates and robust risk management oversight, promoting responsible capital allocation aligned with the bank's ESG principles. Meanwhile, Ar-Rahnu Non-Individual provides short-term, asset-backed financing to support business liquidity and transparent access to funds.

Together, these solutions reinforce the Bank's commitment to *Maqasid al-Shariah* by protecting wealth, supporting livelihoods, and promoting broader social benefit through responsible Islamic finance.

The launch of ATLAS to the public has reinforced Bank Muamalat's position as a pioneer in digital Islamic banking by introducing Malaysia's first digital bank designed around faith and lifestyle needs. This marks a significant milestone in the bank's digital transformation journey. ATLAS expands access to Islamic banking services through a fully digital platform, promoting financial inclusion among customers who value both technology and ethical finance. By reducing reliance on physical branches, the platform improves operational efficiency and supports sustainable growth objectives. By combining Islamic banking principles with digital innovation, ATLAS enhances long-term stakeholder value and strengthens Bank Muamalat's commitment to responsible finance.

The Value-based Intermediation ("VBI") Performance

ECONOMIC

RM1.35 billion

SME Financing
Financing provided to SMEs that includes government guarantees and Bank Negara funds to boost local economic growth and uplift socio-economic status

RM125 million

Education Financing
Provided funding for the construction of education hubs and universities

ENVIRONMENTAL

RM978 million

Preserving the Natural Environment
Financing projects related to environmental preservation such as water and energy conservation activities and products

SOCIAL

RM3.36 billion

Raising Community Standard of Living
Financing projects that help to raise the community's standard of living

RM235 million

Promoting Healthy Lifestyle
Financing projects that promote society's well-being i.e. home-ownership programmes that lead to better health and stronger community

RM361 million

Hospital and Medical Providers
Financing for pharmaceutical companies, hospitals and clinics

RM11.00 billion

Retail Financing
Financing for value-based products that benefit the B40 and M40 income groups

VBI Financing Assets as a Proportion of Total Financing Assets, amounting to
RM17.41 billion (51.02%)

Sustainable Innovation in Postal Services

Pos Malaysia drives value and innovation through its core strategic pillars of Highly Motivated and Engaged Employees, Delivering Exceptional Services and Exceeding Customer Expectations, and Building a Profitable Network through its core strategic pillars.

Building on these commitments, several additional initiatives were introduced to strengthen service capabilities, expand revenue streams, and enhance operational resilience across the Group.

In 2025, Pos Malaysia officially launched Redly, a unified international logistics brand that consolidates its cross-border mail, parcel and freight services under a single platform. This initiative streamlines global shipping solutions for individuals and businesses, enhances service clarity through structured offerings, and strengthens Pos Malaysia's competitiveness in the international e-commerce and logistics market.

Pos Malaysia also introduced cashless cash-on-delivery payments through DuitNow QR, enabling customers to make secure and contactless payments at the point of delivery. This enhancement improves convenience, reduces reliance on cash transactions, and supports the company's broader digitalisation efforts to deliver a more seamless and efficient customer experience.

The Pos Hijau Carbon Emissions solution help businesses track, measure, and reduce logistics-related carbon footprints.

In 2025, Pos Malaysia continued to scale the adoption of its Pos Hijau Carbon Emissions solution across key customers. The solution provides companies with comprehensive insights and robust tracking capabilities to systematically measure, quantify and manage delivery-related carbon emissions in a transparent, consistent and credible manner. As at December 2025, approximately 29% of total shipments were delivered using electric vehicles.

DRB-HICOM'S OUTLOOK

The Group maintains a strong and strategic focus on innovation as a key driver of long-term resilience and competitiveness. This commitment is reinforced through a structured research and technology roadmap that emphasises process optimisation, digitalisation, and the adoption of new technologies to strengthen future readiness. Strategic partnerships will continue to play a central role, providing access to specialised expertise, accelerating capability development, and ensuring the organisation can respond effectively to evolving customer expectations. Ongoing research and development, supported by targeted training initiatives, further enhances workforce skills and sustains the Group's innovation platform.

The Group's innovation efforts support national development objectives, particularly in the automotive sector by promoting fuel-efficient, electric and hybrid vehicles, and enhancing vehicle technologies, contributing to the government's climate commitments under the Paris Agreement. In parallel, the Group is advancing digital transformation through full-featured digital platforms, community-focused initiatives, and sustainability-driven financing, while expanding AI capabilities for personalisation, cost optimisation, smart lending practices, and dynamic pricing. These efforts support the Group's broader objectives for operational excellence and long-term sustainable growth. Collectively, these innovation-led strategies position the organisation to deliver superior customer experiences, stronger operational performance, and sustained financial improvement.

SUSTAINABILITY THEME 1:
Creating Customer Value

STRATEGIC ALLIANCES

Capitals

F | M | I | S

Stakeholders

SMT | G&R | BP

Key Risks

SIR | MDR

UN SDGs

WHY IT MATTERS TO DRB-HICOM

Strategic alliances are increasingly important in enabling organisations to remain competitive and adaptable amid rapid technological change, evolving customer expectations and rising sustainability pressures. Through strategic partnerships, organisations can access specialised expertise, accelerate innovation, optimise costs and share risks.

Across DRB-HICOM, strategic alliances support the execution of business and sustainability roadmaps by strengthening capabilities across manufacturing, automotive, defence and financial services. Collaborations with original equipment manufacturers ("OEMs") and principals, research centres and other stakeholders provide access to enhanced research and development efforts, diversified revenue streams and improved operational efficiency. Strategic alliances also support the Group's net-zero ambition through the adoption of cleaner technologies and responsible practices. This reinforces competitiveness and alignment with long-term strategic priorities.

OUR APPROACH

Governance

The Group adopts a structured approach to the identification and governance of strategic alliances. Potential strategic partners are identified by management teams at the operating level using established frameworks that assess opportunities across relevant ecosystems.

Collaboration proposals are subject to a comprehensive assessment process before approval. This includes an evaluation of the proposed partnership structure, anticipated benefits and impact, as well as key risks and corresponding mitigation measures.

Proposals are also supported by feasibility and due diligence assessments covering financial and commercial viability, execution considerations, governance standards and legal safeguards. Where appropriate, additional input may be obtained to ensure alignment with internal policies and expectations.

The approval of strategic alliances follows a hierarchical governance structure, progressing from Management to the Board, as applicable. This layered approval process enables rigorous evaluation of proposed alliances and ensures consistency with the Group's overarching objectives and risk appetite.

Following implementation, the performance of strategic alliances is monitored through defined operational and financial KPIs. Progress and effectiveness are reviewed through regular management engagements and reporting mechanisms.

Where strategic alliances do not meet intended objectives, structured reviews are undertaken and corrective or mitigation actions are implemented. Matters requiring further direction are escalated to the Management and the Board. Legal agreements and provisions are established to support issue resolution and safeguard the Group's interests.

HOW THE GROUP CREATES VALUE

Economic and sustainability priorities inevitably compete for DRB-HICOM's finite resources, requiring careful judgement to safeguard that neither is disproportionately emphasised. To manage these trade-offs, the Group maintains a disciplined focus on fair resource allocation and on prioritising initiatives that deliver optimal value, whether assessed through quantitative outcomes or qualitative impact.

Striking the right balance between driving economic performance and fulfilling sustainability commitments is inherently complex, especially when certain sustainability efforts may not generate immediate or measurable returns. Nevertheless, DRB-HICOM remains committed to acting in the best interests of all stakeholders by balancing economic and sustainability-related priorities with due and equitable consideration in support of long-term resilience and sustainable growth.

This approach is complemented by the Group's participation in relevant sustainability, governance and industry-related memberships and associations, which provide platforms for engagement, knowledge-sharing and alignment with evolving ESG practices.

Mobility

Collaboration to Enhance Testing Infrastructure

- CTRM continued its strategic collaboration with Testia, an Airbus company, to strengthen non-destructive testing ("NDT") capabilities and aerospace talent development. The collaboration includes the placement of NDT cadets at Testia facilities in France, Canada and Germany.
- Leveraging its collaboration with Testia, CTRM secured a three-year contract with the National Aerospace Industry Corporation Malaysia ("NAICO") to supply and commission NDT equipment, contributing to the broader establishment of the MyAERO Centre Associate Laboratory at Universiti Teknologi MARA ("UiTM") Shah Alam. The laboratory will serve as a platform to enhance advanced inspection and testing capabilities, while strengthening technical competencies and industry collaboration.

TVET and Higher Education Collaborative Programmes

- CTRM continued its collaborations with higher education institutions, supported by cumulative investments in training, skills development and industry-aligned programmes. These collaborations include internships, apprenticeships and diploma programmes, alongside grants from national agencies to develop and support structured talent development programmes, curriculum alignment, and industry-ready training pathways aligned with national aerospace priorities. Collaborations also involve partnerships with institutions, including the Group's own education institution, DRB-HICOM University of Automotive Malaysia.

Partnership to Strengthen Local Defence Capabilities

- DEFTECH entered into a collaboration agreement with Katmerciler, a leading Turkish defence vehicle manufacturer, to supply armoured vehicles to the Malaysian government. The collaboration covers a one-year supply period and supports the delivery of defence vehicles to meet national security requirements. Beyond supply, the agreement enables technology and knowledge transfer across design, manufacturing and assembly processes, creating opportunities to enhance local technical capabilities and workforce competencies.

Research and Development Grant to Advance Agricultural Automation

- DEFTECH subsidiary, DEFTECH Unmanned Systems Sdn. Bhd. secured an R&D grant for the development of the Ripeness Detection System prototype under the Mechanisation and Automation Research Consortium of Oil Palm ("MARCOP"). The project focuses on advancing automation solutions for agricultural applications, supporting MARCOP's objective of addressing labour shortages in fruit harvesting.

Development Collaboration with Geely

- PROTON continued its strategic development collaboration with Geely to advance new product platforms and powertrain technologies. This includes the Advanced Modular Architecture ("AMA") platform engineering, with the first AMA01 model launched in November 2025 in the all-new Proton Saga model.
- The collaboration also covers the xEV development, with the first Global Modular Architecture ("GMA"), model launched as the e.MAS 7 in December 2024, and the e.MAS 5 in October 2025. Additionally, the collaboration encompasses upgrades to the X-series and the S-series vehicle range. This is done through the integration of improved engines and locally assembled transmissions The new X50 was identified as the first project under this phase and was launched in July 2025.

Strategic Collaboration with MARii – National Automotive Test Centre

- PROTON entered into a five-year strategic collaboration with the Malaysia the Automotive Robotics & IoT Institute ("MARii"), focusing on shared facilities, investment in the National Automotive Test Centre ("NATC"), and the development of 200 PROTON R&D talents. Under the NATC, in addition to developing a new facility, PROTON provides access to its Semi High-Speed Test Track in Shah Alam and R&D test lab in Tanjong Malim. The partnership leverages shared use of existing R&D testing facilities, strengthening national automotive testing and development capabilities.

Collaboration with MOT and Car Medic Sdn. Bhd. – PROTON XChange

- PROTON collaborated with the Ministry of Transport and Car Medic Sdn. Bhd. under the Proton Xchange initiative to remove unroadworthy vehicles aged over 15 years. Through this alliance, PROTON supported vehicle safety and sustainability objectives.

Supporting National Plan for EV Ecosystem

- HESB collaborated with Hangzhou Flash Charging New Energy Co., Limited to form a joint venture New Energy Asia, which will manage the distribution of Lotus EV charging equipment across Malaysia and the ASEAN region. This partnership enables HESB to expand its EV ecosystem while integrating energy-efficient charging solutions into its production facilities and EV supply chains.

Enhancing Customer Financing, Protection and Warranty Solutions

- EON, through its subsidiary EON Capital, strengthened its Tras digital financing platform by onboarding Maybank as a new panel bank and introducing a warranty provider. This gives customers more financing options, clearer comparisons, and transparent guidance, while the Extended Warranty Programme offers optional post-purchase vehicle coverage, improving ownership cost predictability and supporting recurring aftersales revenue. Together, these initiatives enhance the overall customer journey.
- EON enhanced its protection offerings through direct partnerships with Zurich General Takaful Berhad. The collaboration expanded non-motor insurance coverage through the introduction of a Personal Accident Takaful product, supported by Shariah-compliant underwriting and EON's customer ecosystem.

Accelerating Digital Transformation and Sales Enablement

- EON improved its digital capability building through a collaboration with Agytek Digital to co-develop a cloud-based Sales Customer Relation Management system tailored for the Malaysian automotive ecosystem. The system, covering lead management, pipeline tracking, follow-up automation, campaign management, and reporting, strengthens EON's ability to enhance customer experience and build digital capabilities tailored to local needs.

Banking

Digital Partnerships to Improve Banking Service

- Bank Muamalat improved its digital capabilities and processes through a series of digital partnerships across insurance, financing and technology. The bank partnered with Syarikat Takaful Malaysia Berhad to introduce Cyber Theft Protection Coverage, Malaysia's first cyber takaful protection, supporting secure digital banking adoption and customer confidence.
- In partnership with Credit Guarantee Corporation Malaysia Berhad, the bank launched the Muamalat CGC Visa Business Platinum-i, enhancing access to working capital and daily transaction capabilities. At the same time, this reinforced prudent asset quality management through a risk-sharing structure.
- Bank Muamalat partnered with Google Cloud and Backbase to strengthen its digital foundation, supporting cloud-based core banking, data analytics, and the development of a digital Islamic banking ecosystem.

DRB-HICOM'S OUTLOOK

Strategic alliances are a key enabler of DRB-HICOM's long-term strategy, supporting growth, sustainability and innovation across the Group.

Across the Aerospace and Defence sub-segments, CTRM aims to grow its role in OEM outsourcing to capture more future aerospace demand. It plans to expand beyond the commercial aircraft segment into regional, business jet and helicopter markets. Meanwhile, DEFTECH aims to continue the delivery of key defence programmes while strengthening technological capabilities through strategic alliances with reputable partners. It also aims to diversify selectively into non-defence sectors, support national defence self-sufficiency and sustain long-term business resilience.

For PROTON, it aims to continue the expansion of its xEV portfolio through joint development with its OEM partner while strengthening powertrain technology capabilities. These efforts include increasing localisation of advanced engine and transmission components to support future product competitiveness and long-term capability building.

For the Banking segment, Bank Muamalat will continue strengthening partnerships across government, financial institutions, insurers, ecosystem participants and technology providers to support SME and ecosystem-based financing. These partnerships will enhance customer access, internal capabilities and stakeholder value, while enabling scalable models across key business segments. This will also drive growth, product innovation and digital transformation while remaining aligned with Islamic banking principles, risk appetite and sustainability priorities.

SUSTAINABILITY THEME 2:
Protecting the Environment

Capitals

F M N

Stakeholders

BOD SMT E G&R

Key Risks

CCR

UN SDGs

Policy

Sustainability Policy

▶ *Scan to view DRB-HICOM's Policies and Procedures*

WHY IT MATTERS

As energy demand, price volatility and system pressures increase, effective energy management has become critical to sustaining business performance and supporting long-term value creation. Across the Group, energy use is one of the most significant and controllable drivers of greenhouse gas emissions and operating expenditure. Strengthening energy management supports efficiency improvements, reduces reliance on fossil fuels and contributes to the Group's long-term net-zero aspiration, while aligning with Malaysia's clean-energy transition under the National Energy Transition Roadmap.

The Group's energy management approach focuses on expanding renewable energy ("RE") adoption, strengthening energy monitoring, and implementing targeted efficiency initiatives. These actions support progress towards the Group's medium-term targets of increasing RE to 20% of the Scope 2 electricity mix and reducing Scope 1 and Scope 2 emissions by 35% by 2035, while improving cost competitiveness and visibility over energy performance, as national and global efforts, including Malaysia's NETR and Nationally Determined Contributions ("NDC")s, continue to strengthen energy security and reporting transparency, as well as scale renewable energy adoption.

OUR APPROACH

Governance

Oversight of the Group's energy management and sustainability agenda is provided through established governance structures. The RMC and SSC oversee the development and implementation of the Group's energy and sustainability strategies, including related action plans and initiatives. Energy-related risks, opportunities, performance and regulatory requirements, including compliance with the Energy Efficiency and Conservation Act 2024, are reviewed on a quarterly basis, supported by ongoing updates and guidance from the GRMSD.

At the operational level, energy management is embedded within each operating company's processes, with designated teams responsible for monitoring energy consumption, implementing efficiency measures and managing environmental impacts. Energy audits are conducted for energy-intensive operations to identify optimisation opportunities beyond regulatory requirements, while renewable energy adoption, particularly solar power, is progressively expanded. These efforts are reinforced through regular training and awareness programmes, with progress updates shared across the Group to promote consistent energy management practices and improved energy efficiency.

Management Approach

Across the Group, energy management is supported by dedicated energy teams and appointed Energy Managers responsible for monitoring energy consumption and implementing efficiency measures. This approach enables consistent oversight of energy performance while supporting operational continuity across diverse business activities.

The Group's energy use comprises electricity consumption and the use of conventional fuels to support different operational needs. Electricity is sourced from a combination of onsite solar PV generation and grid electricity. In addition, conventional fuels such as natural gas, diesel and petrol are used primarily to support manufacturing processes, machinery, logistics and fleet operations.

To strengthen energy performance, energy audits are undertaken for energy-intensive operations to identify optimisation opportunities and inform targeted efficiency initiatives. These efforts are complemented by technology upgrades and energy-specific monitoring tools, including life cycle-based assessments and real-time energy monitoring systems at selected operating companies, to support data-driven decision-making.

Capability building and continuous improvement in energy management are reinforced through regular training, awareness programmes and internal reviews. Progress on energy initiatives is shared across operating companies to promote consistent practices and ongoing improvements in energy efficiency and emissions performance.

The EECA 2024 awareness session provided DRB-HICOM's operating companies with practical steps to strengthen energy-efficiency initiatives.

Briefing on Energy Efficiency & Conservation Act ("EECA") 2024

In 2025, the Group conducted an EECA 2024 awareness session to enhance understanding of new energy regulations, including mandatory audit and reporting requirements. The programme provided operating companies with practical guidance to strengthen energy-efficiency initiatives while reinforcing the Group's commitment to regulatory compliance and continuous improvement.

The session was attended by 58 sustainability champions and energy-related representatives from the operating companies. Moving forward, each operating company will undertake an assessment to determine its applicability under the regulations and subsequently formulate action plans to ensure timely compliance.

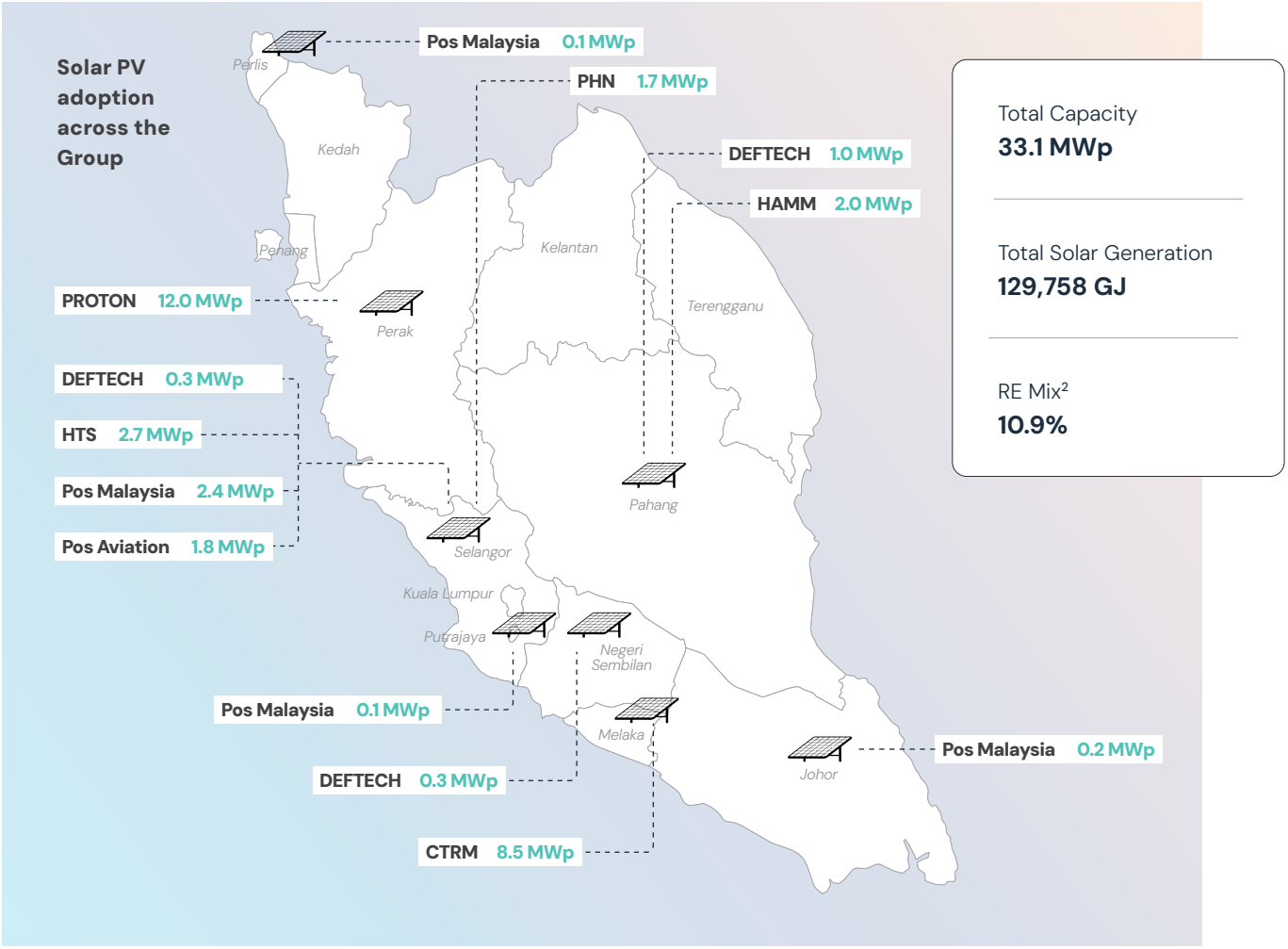
The Group manages energy through a structured approach anchored in recognised best practices and standards, exemplified by PROTON, which has achieved ISO 50001:2018 certification. While other operating companies have not pursued ISO 50001 certification at this stage, the development of their Energy Management Systems continues to be guided by the key principles of the ISO 50001 framework, including continuous improvement, performance monitoring and operational control. Collectively, these efforts strengthen the Group's commitment to efficient energy use, cost optimisation and alignment with its broader decarbonisation goals.

HOW THE GROUP CREATES VALUE

Driving renewable energy through solar photovoltaic adoption

The Group continues to advance RE adoption through a Group-wide Solar Project, which forms a key pillar of its energy transition efforts. This initiative is designed to progressively increase the Group's reliance on RE, with operating companies contributing through site-specific solar installations aligned to the Group's renewable energy targets.

The initial phase of the Group-wide Solar Project with a capacity of 25.4 Megawatt-peak ("MWp"), completed in 2023, successfully delivered on-site solar generation for operational use and generated 111,694 GJ of RE in 2025. Building on this foundation, Phase 2 has reached approximately 80% completion, with several sites with a capacity of 7.7 MWp already commissioned and beginning to harness renewable energy amounting to 18,064 GJ. The remaining sites are in progress and are expected to be completed based on the revised implementation schedule. Both Phase 1 and Phase 2 have involved 26 sites with a total installed capacity of 33.1 MWp.



In 2025, solar generation enabled the Group to achieve a 10.9%[2] RE share of its total electricity consumption, demonstrating steady progress in increasing the use of clean energy across operations. Further advancing this progress, Phase 3 of the solar project rollout has commenced, with several operating companies having advanced to implementation, including ongoing on-site works. Reassessments have also been carried out, resulting in certain sites advancing to subsequent phases. Collectively, these initiatives underscore the continued expansion of RE adoption across the Group and reinforce its commitment to scaling clean energy integration in support of net-zero ambitions.

[2] *The RE mix represents the proportion of solar energy generated and utilised on-site relative to total electricity consumption. This includes renewable energy generated by joint ventures and associates, namely MODENAS and ISUZU HICOM, in order to reflect the impact of the Group-wide solar PV programme and provide a more holistic representation of renewable energy adoption across entities where the Group has significant influence.*

Green Electricity Tariff

In 2025, HICOM Diecastings ("HDSB") subscribed to the Green Electricity Tariff, with a total subscription of 24,000 kWh equivalent to 86 GJ. Through this arrangement, HDSB received Malaysian Renewable Energy Certificates, each representing 1 MWh of RE supplied to the national grid. This initiative supports the Group's efforts to reduce reliance on non-RE and enhance the credibility of its sustainability commitments.

Operational Efficiency

As a result of higher operating costs, operating companies have increased their focus on energy management to enhance operational efficiency, manage costs and improve resource utilisation.

CTRM strengthened operational excellence through initiatives that emphasise improving electricity efficiency. Key measures include the rollout of multiple fan grid systems for Air Handling Units ("AHU"). To date, 11 AHU units have been successfully retrofitted with multiple fan grid systems.

Pos Malaysia continued deploying telematics across its fleet, supporting fleet optimisation. This initiative has improved monitoring of fuel consumption and driver behaviour, enhanced energy efficiency and lowered emissions. As of 31 December 2025, 28% of its fleet is equipped with telematics, including 286 trucks and 739 vans. Additionally, Pos Malaysia proactively initiated energy audits, supported by the Energy Audit Conditional Grant ("EACG"). The audit identified several initiatives which were successfully implemented such as de-lamping, optimisation of AHU and chiller operating hours and temperature setpoints.

HICOM Engineering ("HESB") and its subsidiaries continued to conduct energy audits to identify opportunities to strengthen efficiency and reduce energy consumption across operations. These efforts include audits under the EACG, where site logging has been completed for HICOM-Teck See, with analysis and reporting currently in progress. The audit is intended to identify inefficiencies and support Energy Efficiency and Conservation Authority compliance. Additional audit-led initiatives have also focused on compressed-air efficiency, including a compressed-air leak audit and the installation of a high-efficiency compressor at PHN Industry, with system tuning and leak rectification in progress. These audits aim to reduce compressed-air losses and electricity use.

PROTON expanded its energy efficiency programmes through targeted optimisation at high-energy-use areas. The focus was on utilities, process efficiency and shop-floor upgrades. Key measures included compressed-air improvements through air-leakage detection and system optimisation. At the Painting Shop, PROTON also enhanced cooling efficiency, including replacing older chillers with more efficient units.

Green Logistics

Pos Malaysia continues to strengthen its Green Fleet Management initiatives by transitioning motorcycles and vans to electric vehicles as part of its low-carbon delivery strategy. This initiative supports the reduction of fuel consumption and operational emissions while improving delivery efficiency in last-mile operations. This progress is reflected in the deployment of 1,252 e-bikes and 279 e-vans. As at the year end, green last-mile delivery covered approximately 10,424,873 km for e-bikes and 3,573,368 km for e-vans, demonstrating continued progress towards greener logistics operations alongside productivity improvements.

The initiative is implemented in collaboration with MODENAS as the assembler of the MEV-1 PRO and leasing partner DRB-HICOM EZ-Drive Sdn. Bhd., reinforcing the Group's commitment to cleaner and more sustainable operating practices. This expansion also supports Pos Malaysia's target to fully electrify its first- and last-mile delivery fleet by 2030, in line with its net zero ambition by 2050.

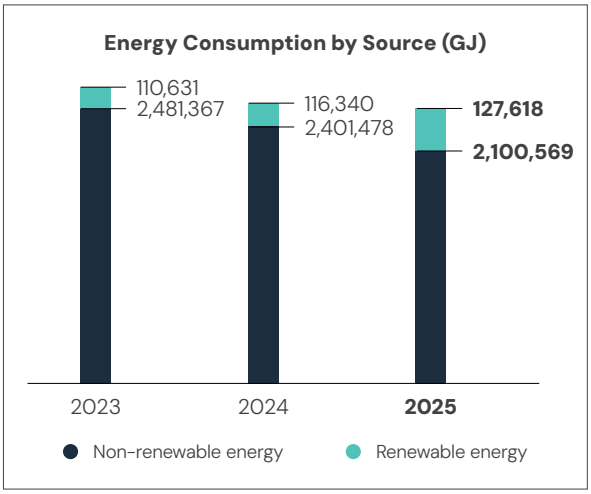
THE GROUP'S PERFORMANCE

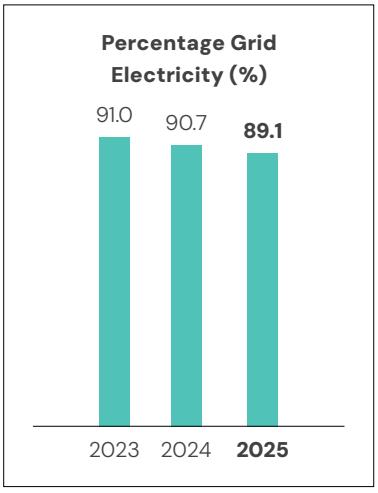
Key Performance Indicators

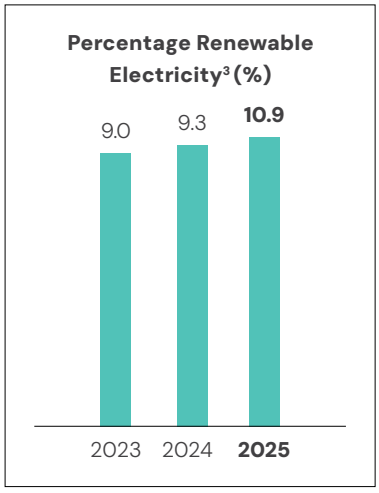
Energy Consumption

The chart illustrates DRB-HICOM's total energy consumption over a three-year period, encompassing both renewable and non-renewable energy sources. In 2025, the Group recorded a total energy consumption of 2,228,187 GJ, reflecting a continued reduction compared to 2024 and 2023.

This downward trend demonstrates the Group's sustained efforts to optimise energy use across its operations. The contribution from solar also increased during the period, indicating growing progress in supporting the Group's broader energy-efficiency goals.







Breakdown of Energy by Source (GJ)

Energy Source	2023	2024	2025
Total Energy Consumption	2,591,998	2,514,455	**2,228,187**
Total Non-RE Consumption	2,481,367	2,401,478	**2,100,569**
Liquefied Petroleum Gas	12,089	24,180	**25,046**
Natural Gas	316,280	424,909	**335,688**
Residual Fuel Oil	365,541	338,441	**188,770**
Diesel	480,942	347,341	**335,613**
Petrol	95,014	92,577	**79,244**
Purchased Electricity	1,211,502	1,174,030	**1,136,207**
Total RE Consumption	110,631	116,340	**127,618**
Solar PV	110,631	112,978	**127,531**
Green Electricity Tariff	-	3,362	**86**

[3] *The RE mix represents the proportion of solar energy generated and utilised on-site relative to total electricity consumption. This includes renewable energy generated by joint venture and associates, namely MODENAS and ISUZU HICOM, to reflect the impact of the Group-wide solar PV programme and provide a more holistic representation of renewable energy adoption across entities where the Group has significant influence.*

DRB-HICOM's Group-wide Solar Project includes the solar PV site at the HICOM-Teck See Shah Alam plant.

GHG Emissions Management

The Group continues to monitor key environmental indicators, including Scope 1, Scope 2 and Scope 3 greenhouse gas ("GHG") emissions, with regular reporting to senior management and the Board, supported by internal review processes. During the year, the Group enhanced its emissions monitoring by expanding the reporting boundary to include Scope 1 fugitive emissions and Scope 3 Category 3 emissions (fuel- and energy-related activities), providing a more comprehensive view of the Group's emissions profile.

Key Performance Indicators			
GHG Emissions by Scope (tonnes CO_2e)	**2023**	**2024**	**2025**
Total GHG Emissions	407,215	407,607	**426,605**
Total direct GHG emissions (Scope 1)	71,745	68,253	**71,234**
Total indirect GHG emissions (Scope 2)	258,651	250,191	**233,001**
Total other indirect GHG emissions (Scope 3)	76,819	89,163	**122,370**
Category 3: Fuel and energy related activities	Nil	Nil	**36,842**
Category 6: Business Travel	8[4]	5,441	**3,369**
Category 7: Employee Commuting	76,811	83,722[5]	**82,159[6]**

[4] *The data consists of HICOM Holdings Berhad.*
[5] *Restated due to changes in calculation methodology from the distance-based to the average-data method.*
[6] *The data was calculated based on the assumption that workforce demographics remained materially consistent between 2024 and 2025.*

Enterprise Emissions Methodology – Scope 3

The Group's GHG emissions reporting is prepared in accordance with the Greenhouse Gas Protocol: Corporate Accounting and Reporting Standard (2004). DRB-HICOM applies a combination of distance-based and average-data methods across relevant emission categories. Emission factors are sourced from internationally recognised databases and technical references and are updated periodically to reflect current guidance.

OPERATIONAL BOUNDARY
• Category 3: Fuel- and Energy-related activities not included in Scope 1 or Scope 2 • Category 6: Business Travel covers emissions from employee travel for work purposes, including air, rail and road transport, calculated based on distance travelled and applicable emission factors • Category 7: Employee Commuting captures emissions from employees travelling between home and the workplace, including private vehicles, motorcycles and public transport, estimated using average commuting distance, number of employees and working days
ORGANISATIONAL BOUNDARY
GHG emissions reporting is determined using the operational control approach, which includes all subsidiaries where the Group holds majority ownership and exercises operational control, covering all Malaysian operations over which the Group has authority to implement policies and management strategies.
METHODOLOGY
Scope 3 emissions for fuel- and energy-related activities are calculated using consumption data from utility bills. Emissions from business travel are calculated using the distance-based methodology. Emissions from employee commuting are calculated using the average-data method, based on commuting information collected through the Group's biennial employee survey. The survey ensures a representative sampling size aligned with GHG Protocol guidance.
EMISSIONS FACTOR
UK Department for Energy Security and Net Zero.

Details of the Enterprise Emissions Methodology for Scope 1 and Scope 2 can be found in Section 4 - ISSB Sustainability Statement on page 113.

DRB-HICOM'S OUTLOOK

The operating companies remain dedicated to reducing energy consumption and expanding the use of RE across their operations, aligning with the Group's target to achieve a 20% energy share of RE in its electricity mix by 2035 and support its broader net-zero ambition by 2050. As part of ongoing sustainability practices, energy audits are undertaken to identify opportunities for further improvements in energy efficiency. In line with regulatory requirements, all operating companies subject to the EECA have also established implementation plans to ensure full compliance. In support of continuous improvement, the Group also maintains an aspiration for operating companies to progressively strengthen their Energy Management Systems, including future readiness to pursue ISO 50001 certification for energy management where applicable.

In supporting this ongoing progress, the operating companies have set short-, medium- and long-term plans that prioritise operational efficiency, adoption of RE and continuous improvement in energy management practices. Regular monitoring and reporting processes are maintained to evaluate the effectiveness of the initiatives and their alignment with the Group's sustainability objectives.

In the short term, this includes the continued conduct of energy audits, implementation of immediate efficiency and behavioural measures, and targeted upgrades such as LED lighting, energy-efficient heating, ventilation and air-conditioning systems and the replacement of outdated equipment. Over the medium term, operating companies aim to expand the deployment of RE, particularly through additional rooftop solar photovoltaic installations, while scaling technology-driven efficiency, automation and digital energy management solutions. Over the longer term, energy-efficiency considerations are expected to be increasingly embedded into procurement and supplier engagement processes, and through collaborative efforts to promote energy-efficient practices across the value chain.

SUSTAINABILITY THEME 2:
Protecting the Environment

WATER MANAGEMENT

Capitals

F M N

Stakeholders

BOD SMT E G&R

Key Risks

CCR

UN SDGs

Policy

Water Management Policy

Sustainability Policy

Safety, Health and Environmental Policy

Scan to view DRB-HICOM's Policies and Procedures

WHY IT MATTERS

Climate change is intensifying pressures on water security by degrading water quality and reducing the availability of safe freshwater, as increasingly irregular rainfall, floods and droughts heighten risks to ecosystems and communities.

Across the Group, water is primarily sourced from municipal suppliers and is used mainly for day-to-day operations, including cleaning, sanitation, cooling, landscaping and office and service centre activities, with higher water demand in manufacturing and industrial operations for process-related applications. Accordingly, safeguarding water resources supports the Group's operational resilience while aligning with its sustainability commitments and stakeholder expectations.

OUR APPROACH

Management Approach

DRB-HICOM is committed to sustainable water management across its operations, in line with the Group's Water Management Policy. The Group adheres to relevant environmental standards and regulations while embedding initiatives to optimise water use, ensure sufficient supply, and manage discharge responsibly. Guided by the principles of reduce, reuse, and recycle, water consumption is closely monitored, and any deviations are reviewed to drive continuous improvement.

DRB-HICOM's water management responsibilities are managed at the subsidiary level by facility departments and designated environmental personnel, with oversight by GSHE across the Group. Group Safety, Health and Environment ("GSHE") provides centralised oversight to comply with applicable environmental requirements, including the Environmental Quality (Industrial Effluent) Regulations 2009 and alignment with ISO 14001:2015 Environmental Management Systems. This includes periodic assessments of water usage, treatment processes and discharge quality.

In line with these requirements, the Group operates seven Industrial Effluent Treatment Systems ("IETS") across five operating companies, with PROTON and HTS operating two systems each. The IETS are managed by qualified environmental professionals and operated in accordance with regulatory requirements and recognised wastewater management practices. Regular inspections are conducted, with detailed performance reports submitted via the Department of Environment's Online Environmental Reporting system. These reports are reviewed by Senior Management to support transparency, accountability and continuous improvement.

The operating companies with IETS in place are indicated below:

Monitoring and Regulatory Compliance

For effective reporting and decision-making, operating companies receive monthly reports from municipal authorities, which are subsequently consolidated and reported through the Integrated Reporting Occupational Safety, Health and Environment ("IROSHE") platform. As a centralised system, IROSHE enables comprehensive monitoring and analysis of water-related data, supporting informed decision-making and facilitating effective water management across the Group.

Wastewater from DRB-HICOM's IETS operations is subject to regular monitoring by independent third parties to verify compliance with regulatory thresholds. Wastewater is treated prior to discharge into nearby streams and waterways, including Sungai Klang, Sungai Pahang, and Sungai Sekiah. The Group's wastewater management system ensures discharge consistently meets Standards A and B under the Environmental Quality (Industrial Effluent) Regulations 2009.

Used water from general operations, including washrooms, kitchens, and office facilities, is managed in compliance with local sewage systems. Plumbing and water infrastructure are regularly inspected and maintained to prevent leaks and contamination. Water-efficient fixtures and equipment are periodically reviewed and upgraded where feasible, and employee awareness initiatives encourage responsible water use across offices, warehouses, and operational hubs.

In addition to these controls, the Group works closely with both internal and external stakeholders. These arrangements support regulatory compliance, transparency, and continuous improvement in water management practices across operating companies.

- PROTON engages with internal and external stakeholders to manage water-related matters through established policies and regulatory interfaces. Internally, engagement involves operational unit management and cafeteria operators in relation to water use. Externally, PROTON works with relevant water authorities, including Lembaga Air Perak and Air Selangor for matters relating to water supply.
- PROTON's approach is guided by its SHE Policy, overseen by the SHE Department, which provides the framework for managing water-related impacts and aligning operational practices with stakeholder and regulatory expectations.

- CTRM integrates its water supply related risks and mitigation measures into the Business Continuity Management framework to strengthen operational resilience and address water scarcity risks.
- Water sourcing, usage and discharge are overseen by CTRM's water management function, supported by monitoring of water quality and environmental impacts, regular inspections, leak assessments, internal audits and environmental monitoring tools.

- HESB manages water-related impacts through regulatory compliance, internal audits, and stakeholder engagement. The company engages stakeholders through routine communication on water quality, water usage, and discharge performance.
- These efforts are guided by the Group's Sustainability and Water Management Policies and are supported by ongoing water-efficiency action plans to manage water-related impacts across operations.

HOW THE GROUP CREATES VALUE

Water Management Practices

Water recycling at PROTON's Tanjong Malim plant.

Water Recycling Initiatives

Since 2015, PROTON's Tanjong Malim Plant has implemented water recycling initiatives to treat and reuse wastewater from manufacturing processes, supporting water conservation and operational efficiency. This initiative generated cumulative cost savings over the same period, reflecting the continued effectiveness of the plant's water recycling efforts.

Total water treated and reused from 2015 to 2025

1,044 ML

Total cost savings from 2015 to 2025

RM1.69 million

Harvested rainwater being used for cleaning floors.

Rainwater Harvesting Initiatives

In 2025, the Group expanded its rainwater harvesting system ("RWHS") across multiple operating companies. This is part of the Group's efforts to improve water efficiency, achieve cost savings and reduce reliance on municipal water supply. The rainwater collected through this initiative is channelled for non-potable uses such as sanitation, irrigation for gardening and landscape maintenance.

Number of companies with RWHS

5

Total rainwater collected in 2025[7]

8 ML

[7] *Value stated is for RWHS installed with meters.*

Sustainable Water Management Measures

Through ongoing process optimisation and water-efficiency initiatives across production and non-production areas, the Group has improved the efficiency of water use across its operations. Measures such as leakage monitoring, refining cleaning schedules, exploration of smart metering and equipment optimisation were implemented group-wide between 2024 and 2025 without major capital expenditure.

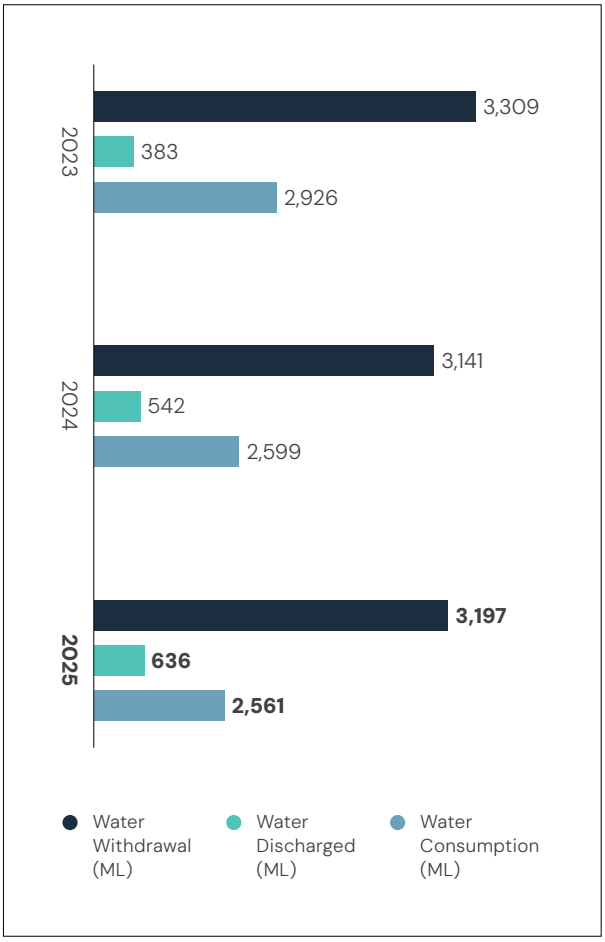
THE GROUP'S PERFORMANCE

In 2025, the total water withdrawal across the Group's operations increased by 28% compared with the 2018 baseline due to the overall increase in business activities, facility upgrades, and maintenance works. The Group's water efficiency initiatives, process optimisation efforts and increased use of alternative water sources, where feasible, help to reduce dependence on municipal water supply.

During the year, the Group recorded zero instances of non-compliance, penalties, or fines. This demonstrates the Group's ongoing commitment to responsible wastewater management, especially in ensuring proper discharge treatment and water quality monitoring.

The chart below illustrates trends in the Group's water withdrawal, consumption and discharge from 2023 to 2025.

Key Performance Indicators



Reported cases of non-compliance with water-regulated laws and regulation

2025 ZERO

Source of Water Withdrawal	Volume (ML) 2023	2024	2025
Surface Water (Rainwater)	0	0	**8**
Third-party Water	3,309	3,141	**3,189**
Total	3,309	3,141	**3,197**

Destination of Water Discharge	Volume (ML) 2023	2024	2025
Total - Surface Water (i.e. streams, rivers)	383	542	**636**

DRB-HICOM'S OUTLOOK

DRB-HICOM will continue to strengthen its approach to sustainable water management by improving water stewardship practices across the Group. This includes promoting responsible water consumption, improving water circularity through recycling and reuse of discharged water, and implementing targeted water efficiency measures. In parallel, the Group will maintain strict compliance with regulatory requirements governing wastewater quality.

At the operating level, specific water reduction and efficiency targets have been established to support the Group's broader sustainability ambitions. The key targets include:

Short term:
Focus on resolving non-revenue water within its operations, primarily addressing leakage, with a target of completion by the end of 2026.
Medium term:
Increase the use of recycled water from 14% to 20% by the end of 2027, supporting more efficient water management across operations.

Short term:
Reduce water consumption through awareness, leak prevention, rainwater harvesting utilisation and strengthening compliance with environmental requirements.
Medium term:
Expand water-efficiency infrastructure including additional RWHS, closed-loop and reuse practices, and improved monitoring to progressively reduce reliance on municipal water.
Long term:
Progress towards sustainable water resource management through life cycle assessments, development of alternative sources and continued reduction in freshwater withdrawal and wastewater discharge.

Short term:
Expand RWHS to reduce reliance on municipal water supply for non-critical uses.
Medium term:
Explore the reuse of condensate water from Air Handling Units to enhance water sustainability and efficiency.
Long term:
Explore new technologies and systems to support more efficient and sustainable water management.

Short term:
- Conduct water use assessments to evaluate water consumption across all operational facilities and identify areas of inefficiency and potential risks.
- Install water-saving devices, such as low-flow faucets and fixtures, at dealer and office facilities.
- Implement awareness campaigns to educate employees on water conservation practices.
- Explore water recycling systems, including the introduction of greywater systems for non-potable uses such as landscaping and cooling.

Long term:
Design dealership facilities with water-efficient infrastructure to improve water management.

SUSTAINABILITY THEME 2:
Protecting The Environment

WASTE MANAGEMENT

Capitals

F M N

Stakeholders

SMT E G&R

Key Risks

CCR

UN SDGs

Policy

Sustainability Policy

Safety, Health and Environment Policy

Group Procurement Policy

Scan to view DRB-HICOM's Policies and Procedures

WHY IT MATTERS

Waste management remains a key environmental consideration for the Group, given the potential impacts associated with both hazardous and non-hazardous waste streams. Effective waste management practices are essential in supporting responsible environmental stewardship, minimising pollution risks and promoting efficient resource utilisation across operations.

For DRB-HICOM, waste management is particularly significant due to the diverse nature of activities undertaken across the Group. Operations spanning automotive maintenance, logistics, manufacturing and equipment servicing generate a broad spectrum of waste types that require systematic handling and control. These include hazardous wastes such as used oils, lubricants, chemical residues and contaminated materials, as well as non-hazardous wastes including packaging materials, metal scrap and general operational waste.

The use and disposal of critical materials including chemicals, plastics and metals further necessitate stringent oversight to prevent environmental contamination and ensure compliance with applicable regulatory requirements. As such, the Group emphasises structured waste handling, proper segregation, storage and disposal practices to mitigate environmental risks and uphold regulatory compliance.

OUR APPROACH

Governance

Monitoring hazardous and non-hazardous waste is managed by each operating company's Safety, Health and Environment ("SHE") department, which manages compliance, tracking, segregation and disposal in line with regulatory requirements. To strengthen Group-wide oversight and reporting, waste data from operating companies is systematically consolidated through the Integrated Reporting Occupational Safety, Health and Environment platform, complemented by routine monthly updates and quarterly reviews. Additionally, audits, as scheduled under the Group SHE Annual Plan are carried out to evaluate SHE performance, reinforce compliance and promote continuous improvement in waste management.

ISO 14001-certified environmental management systems are in place across multiple operating companies and sites within DRB-HICOM. This provides a structured approach to environmental governance and compliance, including chemical and waste management.

Operational sites that were ISO 14001-EMS certified in 2025

100%

of the Group's operational sites are covered, including those under PROTON, the Aerospace and Defence subsegments within the Mobility segment, and Glenmarie Properties Sdn. Bhd. in the Properties segment.

83%

of companies in the Manufacturing and Engineering subsegment of the Mobility segment are represented by three entities: HICOM Automotive, HICOM Teck See and PHN Industry.

Waste Management Controls

The Group implements structured waste management controls to mitigate environmental risks and ensure regulatory compliance across its operations. Scheduled waste is managed through licensed contractors in accordance with applicable regulatory requirements, ensuring proper collection, transportation and disposal. This preventive control measure reduces the risk of environmental contamination and non-compliance.

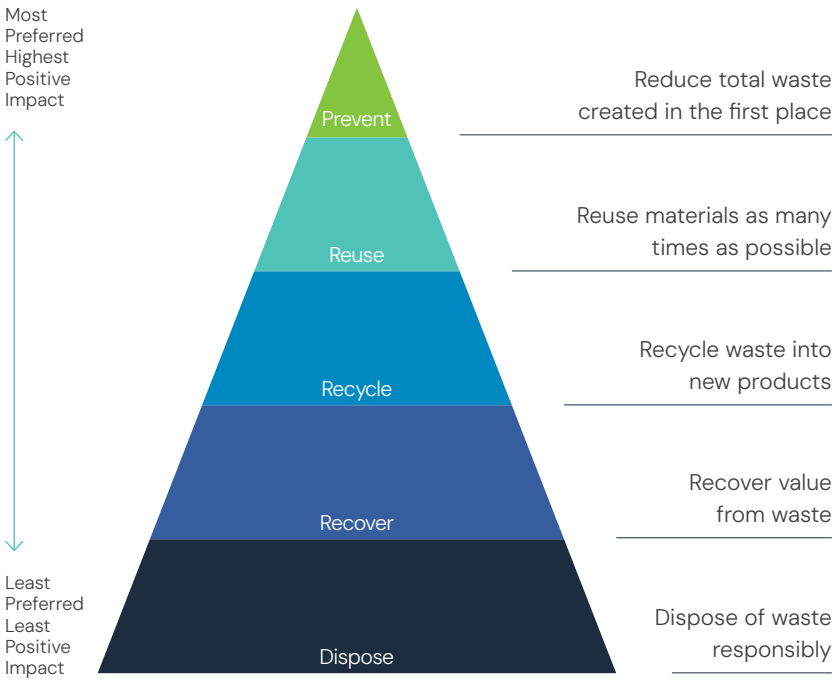
In addition, Emergency Response Plans ("ERP") are established across relevant operations to manage waste management and chemical handling incidents, including spill response and containment measures. The ERPs outline clear procedures for incident management, including clean-up processes, use of Personal Protective Equipment, and timely communication with relevant personnel and authorities.

Trained Emergency Response Teams are in place, supported by periodic drills to test response effectiveness and preparedness. These measures are aligned with ISO 14001 and ISO 45001 requirements to minimise environmental impact and safeguard employee health and safety. Regular training and simulations are conducted to ensure continued readiness and regulatory compliance.

HOW THE GROUP CREATES VALUE

DRB-HICOM adopts a circularity-focused, five-tier waste management hierarchy to improve resource efficiency and minimise environmental impact. The framework emphasises waste prevention, reuse, recycling, recovery and responsible disposal. Given the wide range of materials used in operations, operating companies distinguish between recyclable and non-recyclable waste streams to support proper waste handling and sustainable resource management.

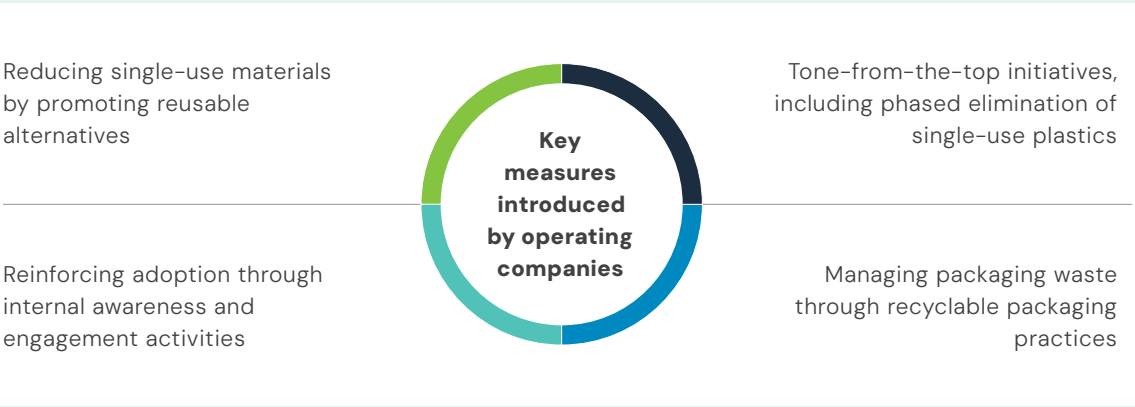
DRB-HICOM Waste Management Hierarchy



Prevent

To strengthen waste prevention across its operating companies, DRB-HICOM prioritises waste reduction at source through practical site-level measures. Initiatives focus on minimising single-use materials such as plastic bottles, polystyrene and PVC film by promoting reusable alternatives and enhancing waste segregation and recycling practices.

The Group also improves material efficiency by optimising the use of chemicals, cutting tools and raw materials, supported by machinery upgrades and process improvements. Recyclable packaging and vendor-managed waste handling are implemented where feasible, with approaches tailored to operational requirements and readiness levels.

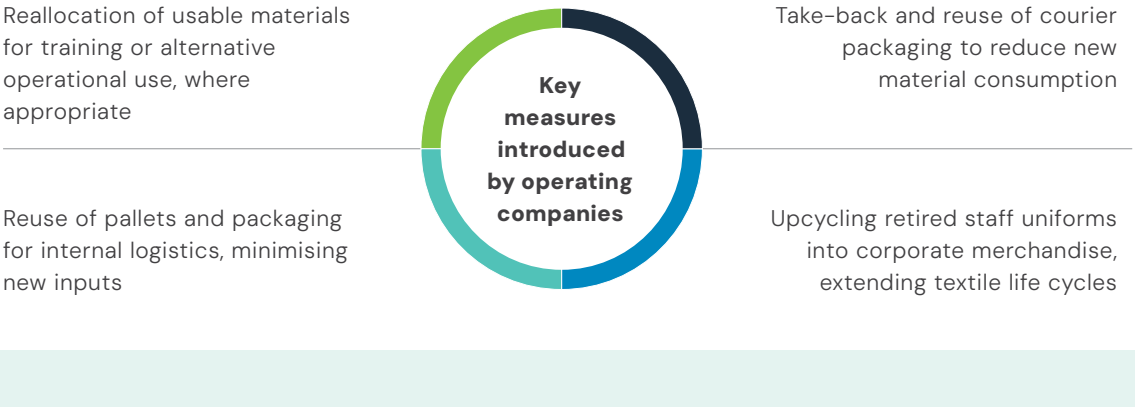


Reuse and Upcycling

The Group's operating companies implement practical reuse and upcycling initiatives to extend material life cycles and minimise waste generation at source. Employees are encouraged to propose and implement innovative reuse solutions, with selected initiatives recognised and rewarded on a project basis to foster a sustainability-oriented culture.

In 2025, Pos Malaysia launched its "Be a Goody, Get a Goodie" take-back programme to collect used courier packaging, including polymailers, bubble wrap and cardboard boxes across 20 post offices nationwide. Where feasible, collected packaging is reused to reduce reliance on new materials.

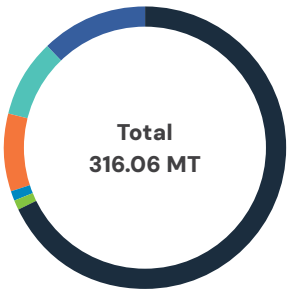
Pos Malaysia also collaborated with Upcycle4Better to repurpose retired staff uniforms into functional corporate merchandise. Through this initiative, collected textiles are cleaned and transformed into items such as bags and pouches, extending textile life cycles and reducing waste.



Recycle

The Group advances recycling initiatives to divert waste from landfill and promote responsible material management across its operations. At Pos Malaysia, structured waste segregation practices are implemented across its office premises to ensure systematic collection and proper channelling of recyclable materials to authorised recycling partners. In addition, Wisma DRB-HICOM conducts a fortnightly recycling initiative that encourages active employee participation. In 2025, approximately 316.06 metric tonnes ("MT") of recyclable waste was collected for recycling across major waste streams, including paper, plastics, metals and e-waste.

Recyclable Waste Collected by Category



- Paper (including newspaper, magazine, card box, tetra pak, etc.) **68%**
- Plastic **9%**
- Cooking oil **1%**
- E-waste **9%**
- Aluminium and other metals **1%**
- Others (including glass, wooden pallets, fabric, etc.) **12%**

Fabric recycling bins are placed at several strategic locations such at schools to enable people to dispose of their clothes in an environmentally friendly way.

Fabric diverted from landfill
123.97 MT

Funds generated for beneficiaries
>RM5,000

Collection points deployed
14 across public and corporate locations

Fabric Recycling Programme

DRB-HICOM continued to advance its sustainability agenda through the Fabric Recycling Programme in collaboration with Kloth Malaysia Sdn. Bhd. The programme aims to reduce textile waste by diverting used fabrics from landfill and supporting circular economy practices. To facilitate this initiative, 14 fabric recycling bins have been placed at selected shopping malls, residential areas and schools as well as participating DRB-HICOM operating companies. Collected textiles are repurposed into over 500 categories of products, including industrial cloth and merchandise, while generating funds for charitable beneficiaries.

Food Composting Programme

The Group strengthens responsible food waste management through structured segregation and composting initiatives across selected operations.

At Wisma DRB-HICOM, food waste bins are placed at pantry areas on every floor to enable collection at source. The organic waste is processed into compost and distributed to employees for personal use, promoting environmental stewardship.

Pos Malaysia utilises a MAEKO food composter at its Pos CODE learning facility to divert cafeteria waste from landfill, while PHN implements composting initiatives under its Bumi Hijau and Rumah Hijau programmes, using compost for landscaping purposes. Where feasible, food waste is channelled for animal feed recovery, with only non-recoverable waste disposed of as general waste.

Food waste diverted from landfill

1.827 MT

Compost produced

0.268 MT

At DRB-HICOM, food waste is collected from office pantries and processed into compost which is then distributed for free to employees.

E-Waste Recycling Programme

The programme promotes responsible e-waste management through structured collection drives at CTRM, encouraging employees to dispose of electronic items in an environmentally sound manner. Conducted three times weekly at the centralised waste collection area, the initiative fosters awareness of proper e-waste handling and supports regulatory compliance.

E-waste diverted from disposal

306 units

end-of-life electronic equipment, including laptops, televisions, mobile devices, cameras and appliances

CTRM's e-waste management includes structured collection drives to encourage responsible disposal of electronic items.

Recover

The Group undertakes recovery initiatives to extract value from residual waste streams that cannot be reused or recycled through conventional channels. Through material substitution and industrial collaboration, waste materials are redirected for productive use, reducing landfill dependency and conserving natural resources.

Sludge Recovery

PROTON actively strengthens the Group's circular waste management practices by repurposing wastewater sludge as a substitute for natural raw materials in cement production. Since 2023, the sludge has been channelled as Alternative Raw Material ("ARM"), supporting resource conservation and reducing reliance on virgin inputs. In 2025, the wastewater sludge continued to be fully repurposed into ARM without any residual waste, eliminating landfill disposal and reducing associated disposal costs.

Wastewater sludge repurposed into ARM

317 MT

PROTON's circular waste management initiative has repurposed wastewater into alternative raw material used for cement production.

Disposal

DRB-HICOM acknowledges the importance of proper waste management in reducing environmental impact. While the Group emphasises waste prevention, reuse, recycling and recovery, certain waste streams such as hazardous waste require specialised treatment and disposal. To manage this, DRB-HICOM implements appropriate segregation of scheduled and general waste and appoints licensed contractors to handle disposal at approved facilities.

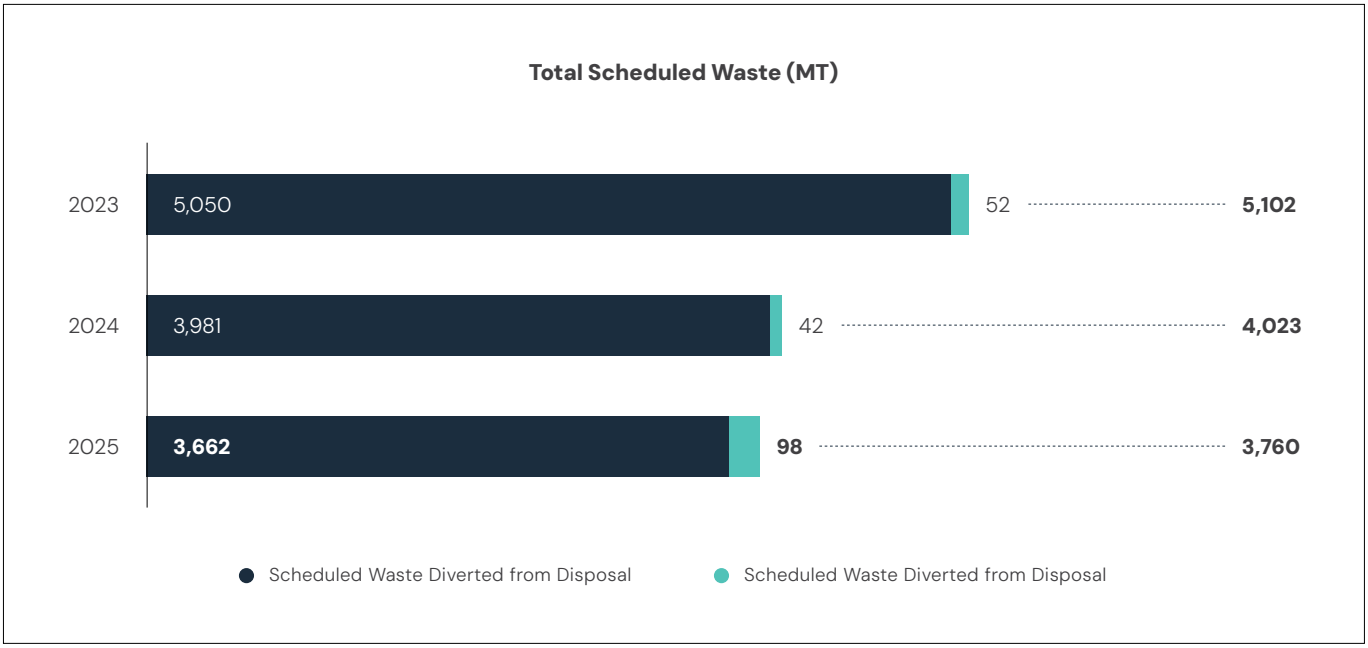
Regular site inspections and audits are conducted by the SHE team to evaluate waste management practices, identify areas for enhancement, and reinforce compliance across operations.

THE GROUP'S PERFORMANCE

In 2025, the Group's collective initiatives resulted in a reduction of 660 MT of scheduled waste, representing a 15% decrease from the 2018 baseline. In addition, the Group diverted 3,662 MT of waste from disposal, resulting in an estimated diversion rate[8] of approximately 98%.

[8] *Diversion rate is derived from documented waste quantities provided by licensed waste contractors and the corresponding treatment pathway undertaken by authorised waste treatment facilities.*

Key Performance Indicators



As part of the Group's commitment to environmental sustainability, effective waste management remains a priority to minimise waste generation and ensure regulatory compliance across operations. Where waste is unavoidable, appropriate controls are implemented to ensure safe handling, storage and disposal, thereby mitigating potential environmental and stakeholder impacts. In 2025, one instance of non-compliance with waste regulations was reported by the Department of Environment ("DOE"), Melaka, involving DEFTECH Aviation Sdn. Bhd. ("DEFTECH Aviation"). The matter related to deficiencies in scheduled waste handling and labelling identified during a regulatory inspection. A fine of RM2,000 was imposed following regulatory review. In response, DEFTECH Aviation carried out a refresher training session for relevant staff to reinforce compliance with guidelines issued by the DOE.

Subsidiaries across the Group have strengthened their waste management controls through improved labelling, and storage procedures, enhanced staff training and carried out regular internal compliance reviews. At the Group level, oversight has been reinforced through strengthened monitoring mechanisms and renewed emphasis on adherence to regulatory requirements.

DRB-HICOM'S OUTLOOK

The Malaysian Circular Economy Blueprint for Solid Waste (2025–2035) reinforces the national direction towards improved waste segregation, recycling and reporting practices. The Group's existing initiatives including material recycling, reuse of drums and pallets, composting programmes, and enhanced digital waste tracking and reporting are aligned with these objectives.

To further strengthen its waste management framework, DRB-HICOM is focusing on three key areas: operational discipline, strengthened oversight, and deeper circular integration.

Operationally, the Group will continue to enhance segregation standards, waste-stream mapping, and labelling controls, while expanding composting initiatives to additional operating companies where feasible.

From an oversight perspective, engagement with appointed waste collectors will be strengthened to improve transparency over downstream disposal and treatment processes, including better visibility of disposal methods to ensure responsible and sustainable waste management.

To embed circular economy principles more systematically, the Group aims to broaden recycling coverage, integrate circular considerations into procurement practices and pursue take-back and remanufacturing opportunities to further reduce hazardous waste generation and landfill dependency.

SUSTAINABILITY THEME 2:
Protecting The Environment

BIODIVERSITY

Capitals

N

Stakeholders

G&R L&NGO S&IC

Key Risks

CCR

UN SDGs

Policy

Sustainability Policy

Scan to view DRB-HICOM's Policies and Procedures

WHY IT MATTERS

DRB-HICOM recognises biodiversity as fundamental to ecological balance, human well-being, and long-term business resilience. Healthy ecosystems support communities and economic activities, making biodiversity protection a strategic priority in the Group's approach to reducing ecological impact and strengthening environmental stewardship.

The Group acknowledges that its activities, particularly those relating to production lines and the development of new facilities, may result in direct and indirect impacts on biodiversity if not properly managed. These impacts may arise from land clearing and development works, which can cause habitat disturbance and disruption to natural drainage and water flow. They may also take the form of air, water and noise pollution, a potential reduction in species abundance and an increased risk of localised flooding, which may adversely affect the biodiversity surrounding development areas. To address these risks, DRB-HICOM is committed to initiatives such as sustainable land-use practices and biodiversity impact assessments.

OUR APPROACH

DRB-HICOM's approach to biodiversity protection and conservation is aligned with Malaysia's National Policy on Biological Diversity 2022–2030, the Kunming–Montreal Global Biodiversity Framework adopted at 15th Conference of Parties of the United Nations Convention on Biological Diversity ("COP 15") under the Convention on Biological Diversity, National Landscape Guidelines, and United Nations Sustainable Development Goals ("SDGs"). These frameworks share four core objectives:

The Frameworks underscore the importance of safeguarding ecosystems, rehabilitating degraded environments and integrating biodiversity considerations into economic and development planning. This is in line with global efforts to halt biodiversity loss by protecting ecosystems that support climate resilience and food security, which are key foundations of sustainable development.

Conserve and restore biodiversity

Advocate sustainable use and management

Ensure fair and equitable benefit-sharing

Secure necessary investments and cooperation for environmental protection and sustainable development

Within DRB-HICOM's property and industrial development activities, biodiversity considerations are embedded into planning and decision-making through established environmental assessment and management processes.

The Group's property development subsidiaries ensure that Environmental Impact Assessments ("EIAs") are undertaken by appointed contractors in accordance with the Environmental Quality Act 1974 and are integrated into land-use planning processes. These assessments identify potential environmental, social and biodiversity impacts and guide the implementation of appropriate mitigation measures.

In addition, all new projects under the Group's property development subsidiaries are subject to biodiversity risk assessments through EIAs and Environmental Management Plans. These assessments guide management decisions and support a balanced approach between development objectives and environmental conservation. In line with regulatory requirements, the Group complies with all relevant forestry and development legislation. While certain projects may be located within Class II and Class III Environmentally Sensitive Areas ("ESAs"), all development activities strictly adhere to the prescribed conditions. The Group does not undertake development in Class I ESAs, High Conservation Value areas or High Carbon Stock zones.

Three recent projects under the Group's properties segment, located at Proton City, HICOM Pegoh Industrial Park, and Glenmarie Johor, have conducted EIAs as part of the development planning process. These assessments support regulatory compliance and guide the management of potential environmental, social and biodiversity impacts.

HOW THE GROUP CREATES VALUE

DRB-HICOM integrates biodiversity considerations into its property development activities through proactive safeguards designed to minimise ecological impact. Development is restricted in protected areas and habitats of endangered species, while site-level measures such as native tree planting, energy-efficient infrastructure and rainwater harvesting systems are implemented to enhance ecological sustainability.

By aligning environmental protection objectives with local conservation priorities, the Group mitigates ecological risks, supports environmental resilience and promotes community well-being. Biodiversity management efforts are embedded across relevant operations to preserve natural habitats and promote responsible land use.

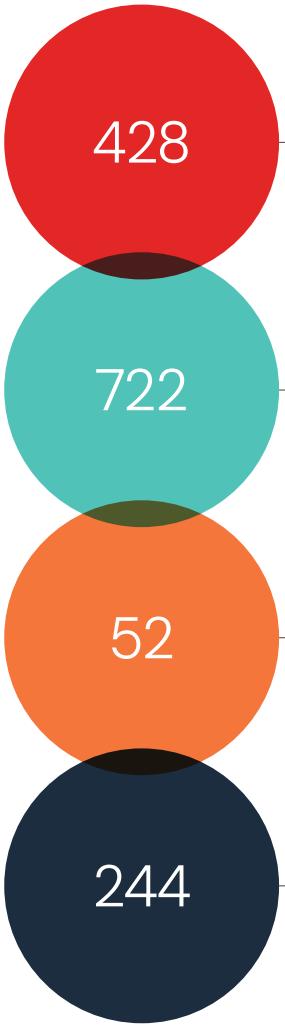
Green Landscape

As part of its biodiversity commitment, DRB-HICOM ensures that new development projects comply with the Town and Country Planning Act 1976 and relevant local authority landscaping requirements. Green infrastructure and sustainable landscaping principles are incorporated at the planning stage to support ecological balance and responsible land use.

Beyond regulatory compliance, the Group undertakes structured tree-planting initiatives to enhance green cover and strengthen biodiversity within development areas. In selecting species, DRB-HICOM considers both International Union for Conservation of Nature ("IUCN") conservation status and native suitability to ensure ecological relevance and long-term resilience. The Group prioritises species that contribute to habitat connectivity and biodiversity enhancement across urban environments.

During the reporting year, planting efforts included several species classified as "Vulnerable" under the IUCN Red List, such as *Dalbergia latifolia*, *Fagraea fragrans*, *Khaya senegalensis* and *Hopea odorata*. These species face elevated extinction risks in the wild due to habitat loss and population decline, underscoring the importance of conservation-oriented planting within the Group's developments.

In 2025, a total of 1,446 trees were planted across selected developments, comprising species categorised under the IUCN Red List[9] as follows:



Vulnerable
Species facing high risk of extinction

Least Concern
Species with low risk of extinction

Data Deficient
Not sufficient data on species to assess risk of extinction

Not Evaluated
Species status not yet assessed

Hopea odorata

Khaya senegalensis

DRB-HICOM'S OUTLOOK

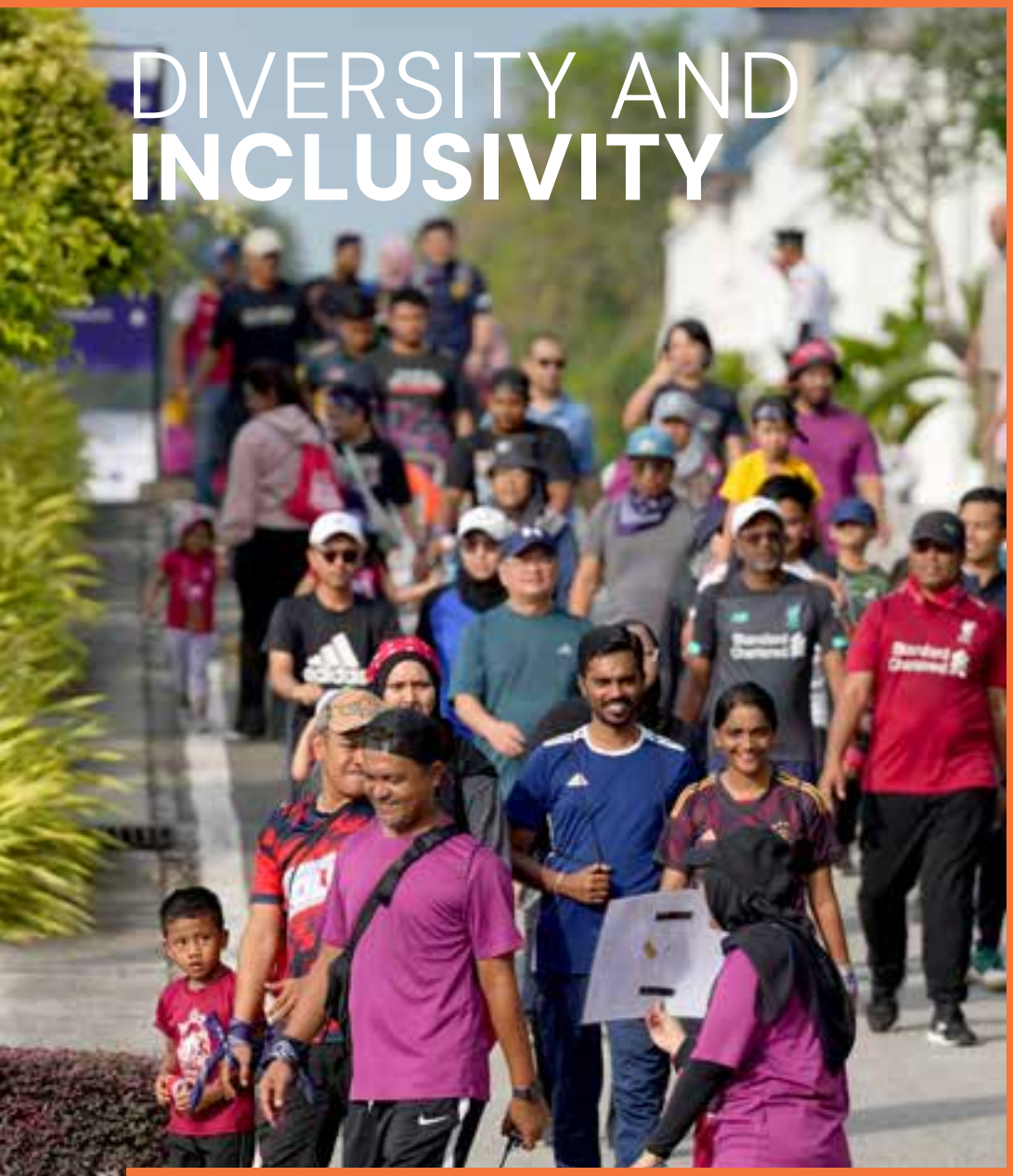
DRB-HICOM aims to appropriately address all biodiversity considerations in developments that may affect natural habitats. All ongoing developments are undertaken in compliance with regulatory requirements and planning conditions stipulated by the relevant authorities, aligning with applicable environmental obligations throughout the project lifecycle.

In supporting this approach, biodiversity considerations are incorporated into project planning and design stages, where applicable. These efforts are supported by allocated ESG and sustainability budgets to enable mitigation, enhancement, and restoration initiatives.

Looking ahead, approved biodiversity, conservation and restoration plans developed during the planning stage are implemented and progressively enhanced. These measures are expected to be strengthened across future developments to support long-term environmental sustainability and resilience.

[9] *IUCN classification refers to categories under the IUCN Red List of Threatened Species.*

SUSTAINABILITY THEME 3:
Enriching People and Communities



DIVERSITY AND INCLUSIVITY

Capitals

S H

Stakeholders

BOD SMT E

Key Risks

PR

UN SDGs

Policies

Code of Ethics and Business Practice

Human Rights Policy

Board Diversity Policy

Sexual Harassment Procedure

Scan to view DRB-HICOM's Policies and Procedures

WHY IT MATTERS

DRB-HICOM upholds a zero-tolerance stance against all forms of discrimination across its workforce, as stipulated in the Group's Human Rights Policy. The Group aims to comply with applicable laws and regulations governing equal employment opportunities to ensure there is no unlawful discrimination against any employee. This applies to all individuals irrespective of nationality, race, religion, gender, marital status, age or disability. The Group integrates diversity and inclusion into its daily operations to foster a shared sense of belonging and purpose, while leveraging diverse perspectives to drive innovative outcomes, improve decision-making and enhance workforce productivity.

Against the broader national context where Malaysia's Gender Wage Gap Index improved to 0.708 in 2024, reflecting progress alongside persistent gaps in economic participation, DRB-HICOM acknowledges the continued presence of gender wage disparities and actively reviews and monitors its policies and practices to address potential gender bias and occupational segregation.

As a Group operating in traditionally male-dominated industries, including automotive, manufacturing, and postal services, DRB-HICOM remains focused on creating a workplace environment that supports and encourages female participation at all levels of the organisation.

Workforce Footprint and Profile

Total Workforce by Region

Region	2023	2024	2025
Northern	8,357	8,783	**10,236**
Central[10]	22,616	21,580	**19,470**
Southern	1,908	1,720	**1,766**
Eastern	4,683	4,378	**4,177**
Sabah & Labuan	1,022	1,012	**1,021**
Sarawak	1,024	978	**946**

OUR APPROACH

Governance

DRB-HICOM's Group Human Capital Division ("GHC") is responsible for recruiting and developing talent while fostering a work environment that upholds diversity, equality and inclusivity. GHC aims to build a workforce that reflects diverse qualifications and perspectives, supported by an inclusive environment that values employees' contributions.

GHC's approach to promoting workforce diversity includes implementing non-discriminatory recruitment practices and providing equal opportunities for all roles. This aligns with the Group's Human Rights Policy, which requires all candidates to be given fair and equal consideration throughout the recruitment process. To support ongoing improvement, the effectiveness of these practices is reviewed and assessed through business performance indicators, employee surveys and stakeholder feedback.

To support transparency and accountability, the Group has established a formal grievance mechanism through its whistleblowing channel, enabling all employees and stakeholders to raise concerns relating to diversity, equality and inclusivity practices within the Group.

For further details on the grievance mechanism, please refer to the Whistleblowing Policy – Corporate Governance Overview Statement on pages 246-247 for more information.

[10] *The Central Region encompasses Melaka, Negeri Sembilan, Selangor, and the Federal Territories of Kuala Lumpur and Putrajaya.*

Principles for Building an Inclusive and Equitable Workforce

DRB-HICOM applies practices that support fair and inclusive workforce management, recognising the operational value of a diverse workforce. The Group seeks to provide fair access to employment, development and career progression for all its employees across different job levels and functions. The Group's approach is guided by the following principles:

Merit-Based Growth and Equal Access	• Promotes balanced workforce representation across gender, age, and background by ensuring equitable access to recruitment, development and progression opportunities, recognising the value of diverse perspectives in strengthening organisational capability. • Career progression is determined through the evaluation of skills, performance, and potential, supported by fair and transparent processes for all employees. • Provides accessible learning and capability-building opportunities across job levels to support equitable career advancement.
Respect and Inclusivity	• Fosters a respectful and supportive environment to ensure all employees from all backgrounds feel included, heard and valued. • Inclusive people practices provide support for employees at different career and life stages, including youth and early-career talent, while also facilitating the retention and transfer of institutional knowledge.
Well-being and Engagement	• A diverse workforce flourishes in an environment that prioritises well-being, encourages collaboration and fosters a strong sense of belonging.

By upholding these principles, DRB-HICOM seeks to cultivate a dynamic and inclusive workplace that supports innovation, enhances employee experience, and drives long-term organisational success.

HOW THE GROUP CREATES VALUE

Fostering Age Diversity Through Youth Development

DRB-HICOM recognises the importance of supporting youth development as part of its broader efforts to build a sustainable and age-diverse workforce. Through structured initiatives that facilitate early exposure to industry and the workplace, the Group supports the transition of young individuals into meaningful employment, while contributing to workforce renewal, strengthening age diversity within the workforce and enhancing organisational resilience over the long-term.

PROTON Young Talent Programme

PROTON has adopted a proactive approach for early-career talent development by building future-ready capabilities through its Proton Young Talent ("PYT") Programme. Launched in 2018 and currently ongoing, the programme is designed to equip young Malaysians with hands-on industry exposure across key automotive functions, including manufacturing, research and development, electric vehicle development, sales and operations. Through practical workplace experience, the PYT Programme supports the transition of young talent into the automotive industry while contributing to capability development within PROTON.

In 2025, the PYT Programme recruited 139 participants, helping young talent refine their expertise in the modern automotive industry, while contributing to capability development and sustainable workforce within PROTON.

The Proton Young Talent Programme equips participants with hands-on industry exposure through practical workplace experience.

Supporting Gender Diversity

Building an inclusive workforce begins with creating conditions that support equitable participation, well-being and opportunities for employees of all genders. Through focused awareness efforts and meaningful engagement activities, DRB-HICOM nurtures a culture where everyone feels valued, respected and empowered to contribute. These measures strengthen inclusive practices and advance gender diversity across the Group, fostering a more supportive and engaged workforce.

International Women's Day

In March 2025, DRB-HICOM organised a series of programmes in conjunction with International Women's Day to recognise and appreciate its female workforce. Employees were encouraged to wear purple attire as a visible show of support for the celebration.

As part of the DRB-HICOM Working on Wellness ("WOW") Programme, a webinar titled "The Confidence Code for Women: Empowering Practical Tips for Everyday Life" was conducted. The session, led by a professional psychologist, focused on practical strategies for women to build self-confidence, address everyday challenges, and support both personal and professional development. The webinar received positive feedback, with the post-session survey recording a high satisfaction score of 4.86.

To mark the occasion, employees received purple sugar cookies as a token of appreciation, reinforcing a positive and inclusive workplace culture. In addition, an exhibition was held featuring 15 booths offering a range of women's personal care and wellness products, women's fashion items, and products from women-owned small businesses.

Among the activities held during DRB-HICOM's International Women's Day celebrations was an exhibition featuring women's personal care and wellness products and fashion items by women entrepreneurs.

Pinktober: Breast Cancer Awareness Month

In October 2025, DRB-HICOM implemented a series of initiatives in conjunction with Pinktober: Breast Cancer Awareness Month, recognising breast cancer as a widely acknowledged global health concern and the importance of workplace awareness, preventive care, and early detection.

As part of the month-long awareness efforts, a Pound fitness session titled "Rockout Your Workout" was conducted at Wisma DRB-HICOM, combining physical activities with awareness-building elements, promoting a healthy lifestyle while reinforcing breast cancer awareness among employees.

All employees were encouraged to wear pink attire on a designated day, helping to strengthen awareness and encourage participation across the workplace. In addition, pink rose soap bouquets were distributed to employees as part of the Pinktober observance, serving as a gesture of support and contributing to a positive and engaged workplace culture.

DRB-HICOM also collaborated with the National Cancer Society Malaysia ("NCSM") to conduct clinical breast examinations at Wisma DRB-HICOM. The complimentary screenings supported early detection efforts and improved access to preventive healthcare services for employees.

The Pinktober programme included physical activities with awareness-building elements to promote a healthy lifestyle while reinforcing breast cancer awareness.

International Men's Day

In November 2025, DRB-HICOM organised a series of initiatives in conjunction with International Men's Day, aimed at promoting men's health awareness while reinforcing the importance of well-being in the workplace.

Employees were encouraged to wear blue attire as a visible show of solidarity and support for International Men's Day. The initiative received strong participation and helped increase awareness of the values associated with men's well-being and gender equality across the workforce.

As part of the health and wellness activities, a Body Combat fitness session was conducted at Wisma DRB-HICOM. The session promoted men's health awareness through physical activity, supporting cardiovascular fitness and stress management while encouraging an active lifestyle among employees.

In addition, DRB-HICOM collaborated with the NCSM to offer men's health screenings, including prostate health assessments. The screenings supported early detection efforts and reinforced the importance of proactive health management as part of the DRB-HICOM's commitment to employee well-being.

DRB-HICOM's International Men's Day celebrations helped increase awareness of the values associated with men's well-being and gender equality across the workforce.

Embracing Malaysia's Cultural Diversity and Unity

Deepavali Celebration

In October 2025, EON celebrated Deepavali with employees donning traditional Indian attire and taking part in cultural activities, complemented by festive decorations and traditional Indian cuisine.

Chinese New Year Celebration

In February 2025, HAMM celebrated Chinese New Year by bringing together employees to enjoy traditional Chinese cuisine and participate in a yee sang session.

DRB-HICOM embraces the rich diversity of races, cultures, and traditions within its workforce, reflecting the multicultural fabric of Malaysian society. The Group actively fosters inclusivity by providing opportunities for cultural exchange during key festive periods, such as Hari Raya, Deepavali, and Chinese New Year, enabling employees from different ethnic backgrounds to connect and engage with one another.

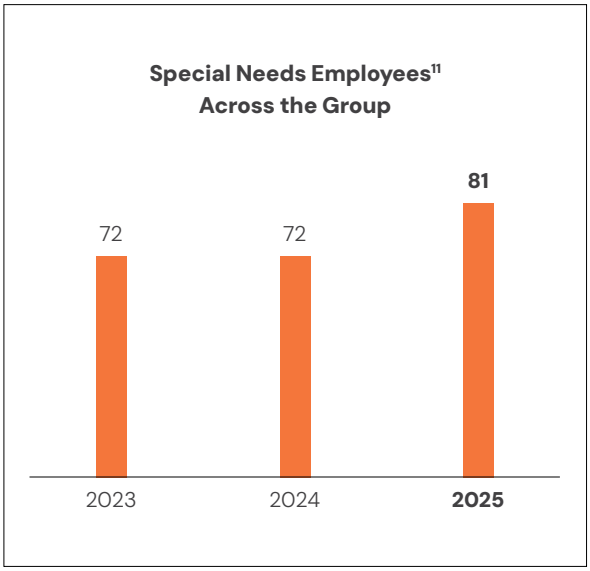
Through these initiatives, DRB-HICOM reinforces a sense of unity, mutual respect, and collective pride, contributing to a cohesive and inclusive workplace environment that supports collaboration and positive employee engagement across its diverse workforce.

Creating an Inclusive and Accessible Workplace

Since 2019, DRB-HICOM has progressively strengthened workforce diversity by embedding the inclusion of persons with disabilities within its employment practices. The Group approaches inclusion beyond recruitment, with emphasis on creating a supportive workplace where individuals with differing abilities are able to participate fully, apply their skills and contribute meaningfully across business operations.

Through deliberate identification, hiring, and integration efforts, employees with disabilities are represented across various companies within the Group, contributing to day-to-day operations and organisational outcomes. As at the end of 2025, DRB-HICOM employed 81 employees with special needs, including individuals with autism and other differing abilities.

This reflects the Group's ongoing commitment to building an inclusive and accessible workplace that values diversity of abilities as an integral part of a resilient and sustainable workforce.



Broadening Access to Employment Pathways

While DRB-HICOM does not currently have a formal policy specifically governing the recruitment of under-privileged or underserved groups, the Group is open to recruiting individuals from these groups for relevant job positions to broaden access to employment opportunities for individuals who may face barriers to conventional education-to-employment pathways.

These efforts focus on providing practical entry points into the workforce for individuals with limited access to formal qualifications or tertiary education, enabling them to build relevant skills, gain work experience and improve long-term employability. Collectively, this approach reflects the Group's commitment to fair and equal access to employment opportunities.

[11] *A special needs employee is an individual with physical or emotional disabilities requiring specialised assistance.*

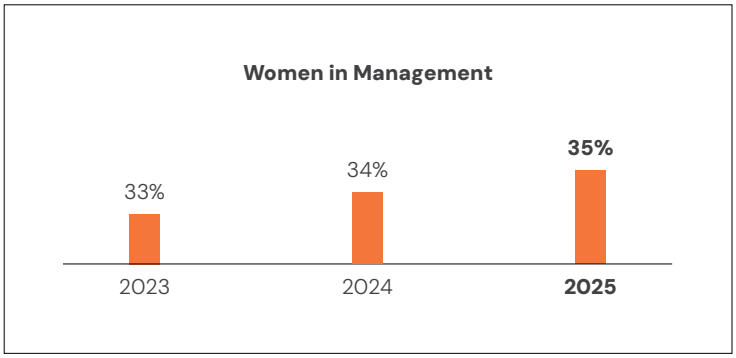
THE GROUP'S PERFORMANCE

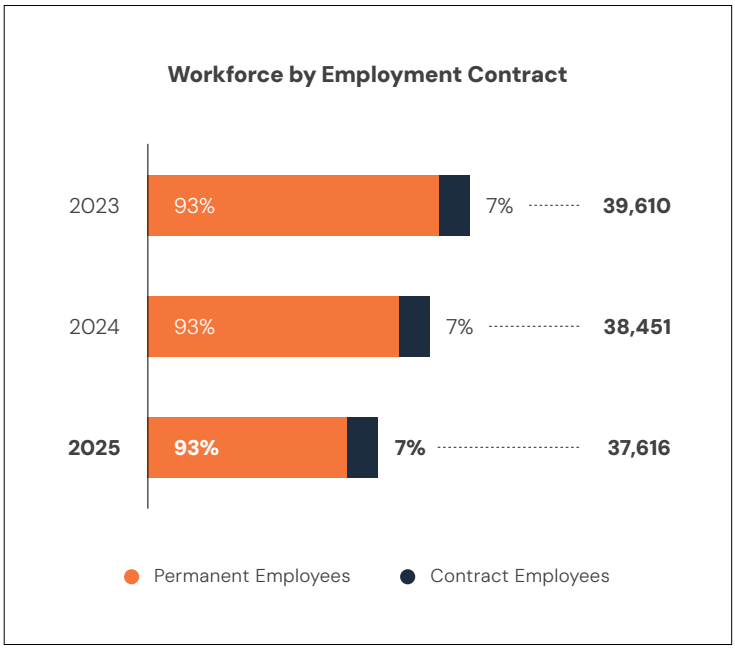
DRB-HICOM's Workforce Diversity Profile

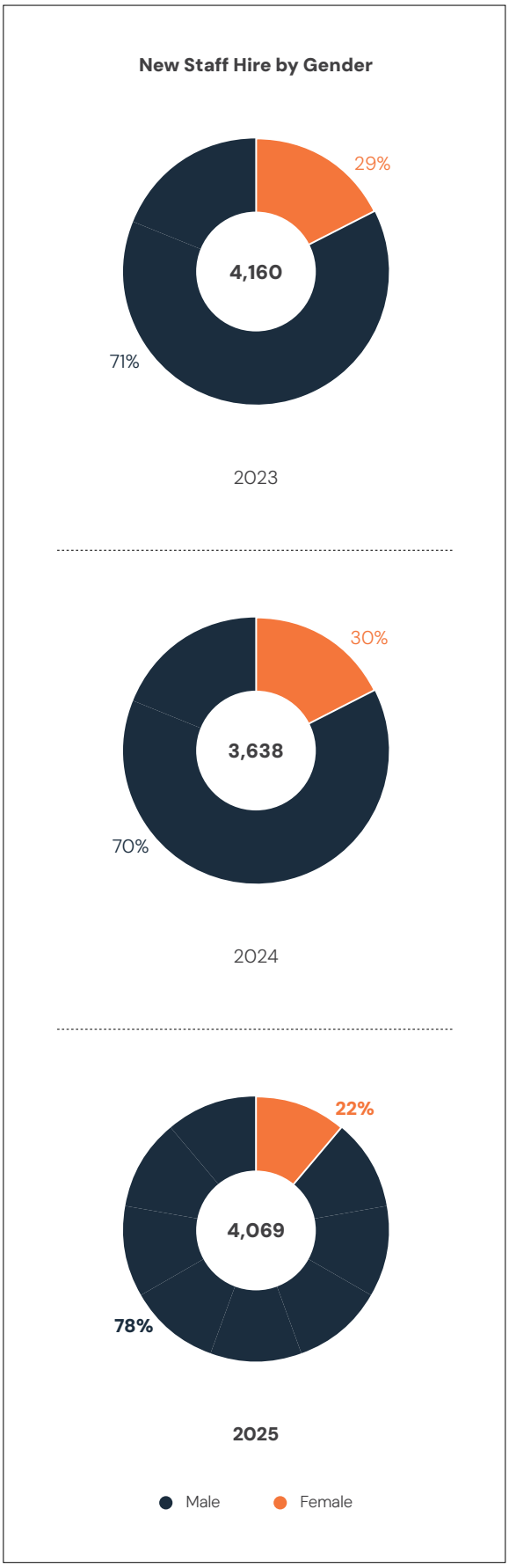
Women play an increasingly important role across DRB-HICOM's workforce, contributing at operational, professional, and leadership levels. In line with the Group's commitment to gender diversity and its aspiration to increase women's representation at decision-making levels, DRB-HICOM strives towards achieving at least 30% women's representation on the Board, in alignment with the Malaysian Code on Corporate Governance ("MCCG") recommendations. During the year, women represented 33% of the Board's composition, demonstrating progress towards the Group's aspiration.

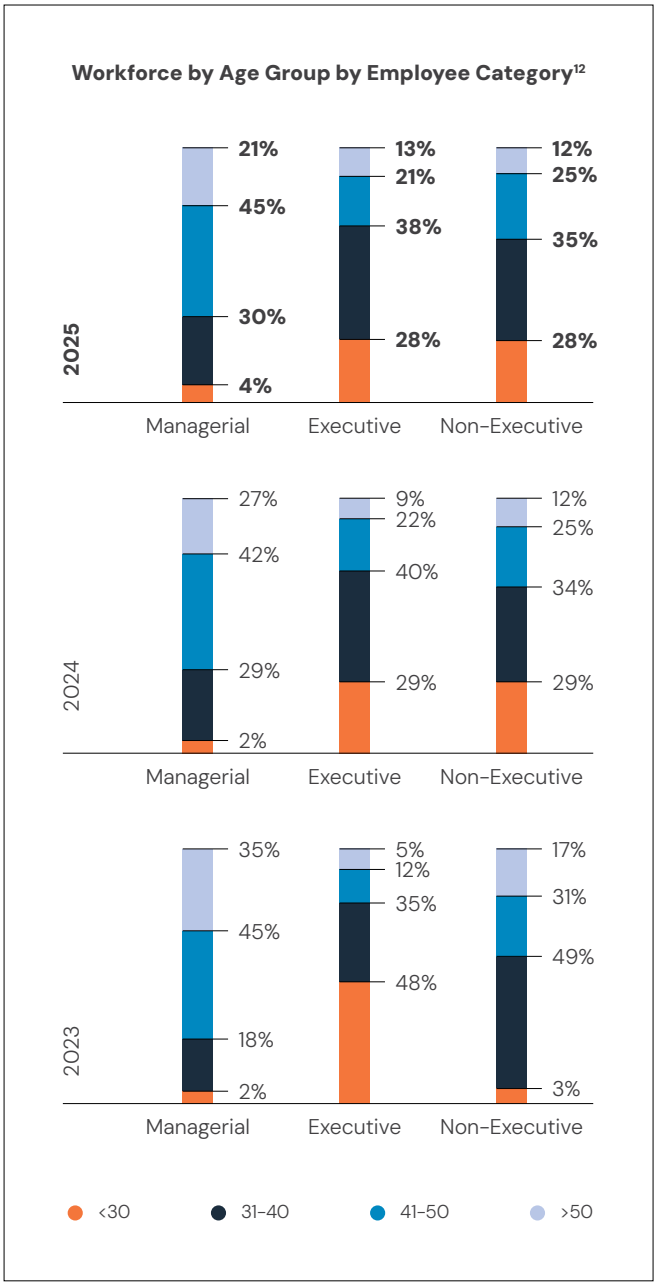
The Group continues to place strong emphasis on advancing women's representation in leadership, guided by the target of at least 30% women in management roles. This commitment has been consistently upheld, with the Group surpassing the target since 2022 and achieving 35% in 2025, reflecting sustained improvement over time.

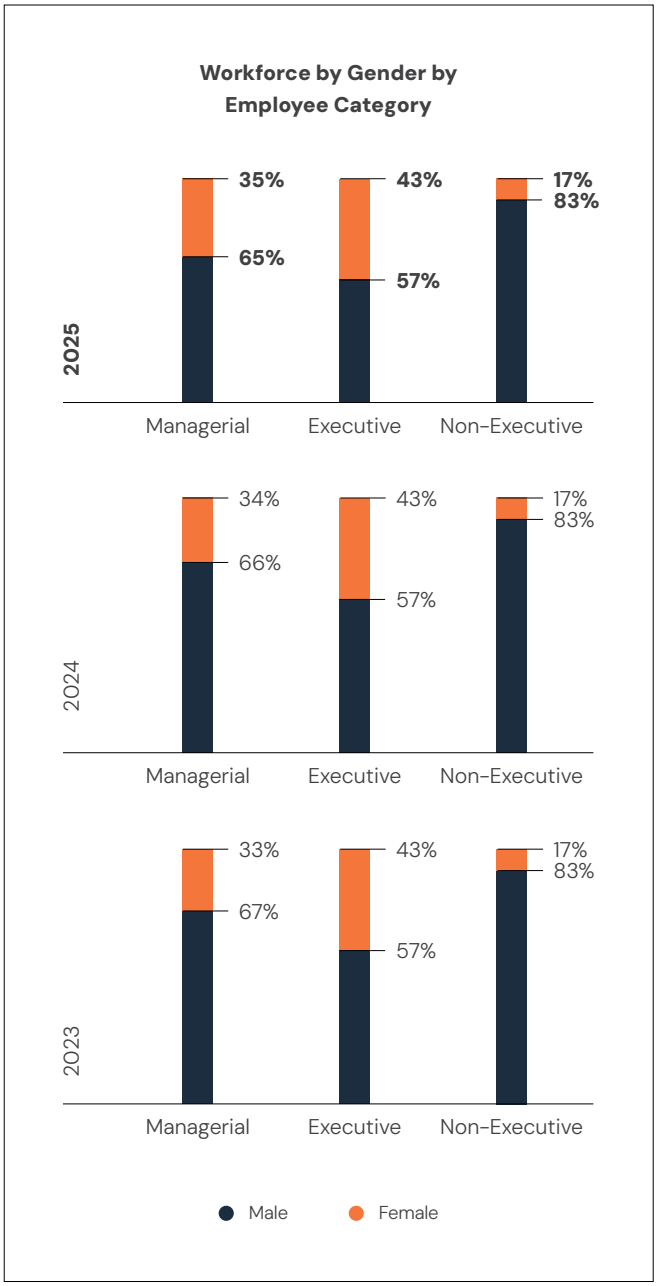
In 2025, the Group's gender composition continued to mirror the pattern observed over the past three years, with 78% male and 22% female employees. The ethnic profile likewise remained consistent, with the workforce comprising 94% Malay, 2% Chinese, 2% Indian, and 2% from other ethnicities.











DRB-HICOM'S OUTLOOK

Operating in a multicultural environment, DRB-HICOM recognises that diversity is a key driver of innovation and long-term sustainability. The Group remains committed to fostering a diverse and inclusive workforce across all levels by upholding equal opportunity principles, policies, and practices that promote fairness and respect for all employees. In this regard, DRB-HICOM continues to cultivate an inclusive workplace culture that values diverse perspectives, supports collaboration, and contributes to sustainable business growth.

Looking ahead, the Group will continue to strengthen and refine its initiatives to respond to evolving needs and areas for improvement. DRB-HICOM will also continue to set diversity targets and regularly review and update its policies and practices to maintain relevance and alignment with emerging developments, with the objective of remaining a leading example within corporate Malaysia.

[12] *The data for 2023 covers only HICOM Holdings Berhad.*

SUSTAINABILITY THEME 3:
Enriching People and Communities

TALENT DEVELOPMENT AND EMPLOYEE **ENGAGEMENT**

Capitals

S H I

Stakeholders

SMT E

Key Risks

PR

UN SDGs

WHY IT MATTERS

DRB-HICOM recognises that its employees are its most valuable asset and are critical to the Group's continuous growth and long-term success. By cultivating a culture of engagement, the Group enhances productivity and retains top-tier talent that propels the business forward.

The Group aspires to be the employer of choice in the country and places strong emphasis on building robust learning and development opportunities. These encompass leadership, governance and technical competencies to foster both personal and professional growth.

At the heart of DRB-HICOM's ethos is the belief that every individual possesses unique capabilities that can drive transformative change. By nurturing talent and empowering its workforce, the Group fosters creativity and innovation across the organisation, reinforcing talent development as a critical and indispensable catalyst for sustainable, long-term growth.

OUR APPROACH

Governance

The Group's talent governance is exercised through the following structure:

Board Nomination and Remuneration Committee ("BNRC")

- Provides oversight on the leadership framework and succession planning for the Board and Senior Management.
- Oversees the appointments of candidates to the Board, Board Committees and Senior Management positions, ensuring all candidates possess the requisite calibre, competencies and expertise to contribute to the Group's sustained growth and long-term success.

Group Talent Council ("GTC")

- Reviews talent assessment outcomes to identify and develop potential talent and successors.
- Oversees talent development programmes to ensure the readiness of identified candidates to assume critical positions within the Group.
- Assesses Mission Critical Positions ("MCPs") and refines successor nominations as needed, on a bi-monthly basis.

Learning and Talent Management ("LTM")

- Coordinates the implementation of the talent development programmes, aligned with DRB-HICOM's Talent Management Framework, which comprises Talent Forecasting, Talent Discovery, Talent Assessment, Talent Development, Talent Mobility, Talent Integration, and Talent Alignment.
- Responsible for designing and executing talent management strategies aligned with the Group's overall business strategies.

Building Organisational Capability Through Talent Management

The Group's Talent Management Framework sets out the structure for managing talent across the Group, and serves as the basis for developing a workforce equipped for future organisational needs.

Talent Management Framework

Objectives

To attract, develop, and retain top talent, ensuring alignment between workforce capabilities and organisational goals.

Key Pillars

Insights	Cultivation	Optimisation	Review
• Forecast & Plan • Assess & Evaluate	• Discover & Engage • Develop & Grow	• Deploy & Mobilise • Converge & Integrate	• Review & Align
Through robust forecasting, planning and evaluation processes, DRB-HICOM assesses talent requirements and identifies opportunities for growth.	This pillar focuses on discovering, engaging, and developing talent to maximise individual and organisational potential.	Talent is deployed and mobilised to ensure effective integration and alignment with business objectives.	A systematic review process ensures continuous alignment and improvement of talent management strategies.

Leadership and Talent Development

DRB-HICOM is committed to strengthening and developing its employees' leadership capabilities through a Group-wide leadership development programme, which is scheduled to be rolled out in 2026. In preparation for effective implementation, the Group has established the necessary governance and foundational structures to support a consistent and scalable approach to leadership development across the organisation.

This includes the establishment of the Group Leadership Roadmap, which provides clear direction on targeted business segments, governance structure, learning pathways and integration with succession planning. Complementing this, the Group Leadership Roadmap serves as a guiding reference for leadership progression across job grades and leadership levels, supporting clarity and alignment in leadership development efforts.

To ensure the leadership development is intentional, equitable and aligned with succession priorities, DRB-HICOM has also introduced two differentiated development pathways under the Group-wide programme:

Talent Track	Normal Track
This track focuses on high-potential employees and successors for MCPs through more targeted and accelerated development.	This track emphasises capability uplift, role effectiveness and continuous development without accelerated succession expectations.

Performance Appraisal

Annual performance appraisals are mandatory for all employees and are conducted through a two-way process where employees and managers set expectations and agree on targets. This approach supports the recognition and rewarding of performance and underpins the link between individual contributions and the Group's compensation framework. The performance appraisal process is digitalised through the Human Resource Management System.

In 2025, the Group maintained 100% performance appraisal coverage, with all employees completing their annual assessments. This reflects a sustained commitment to robust performance management practices, having consistently achieved 100% completion over the past three years.

The Group's performance management approach remains consistent year-on-year and is anchored in a structured Performance Management Cycle comprising five key stages:

1. **Corporate KPI**
   Direction of KPI setting from the Group Management Committee
2. **KPI Planning**
   Cascading of strategic objectives and associated KPIs to Business Units or Divisional levels, leading to target setting across the workforce to ensure performance expectations are aligned with the Group's business objectives
3. **KPI Review**
   KPI tracking, regular feedback, and performance coaching
4. **Performance Evaluation**
   Year-end performance appraisal
5. **Reward Performance**
   Alignment of performance rewards, bonuses, increments and/or promotions against employees' contributions, and achievements

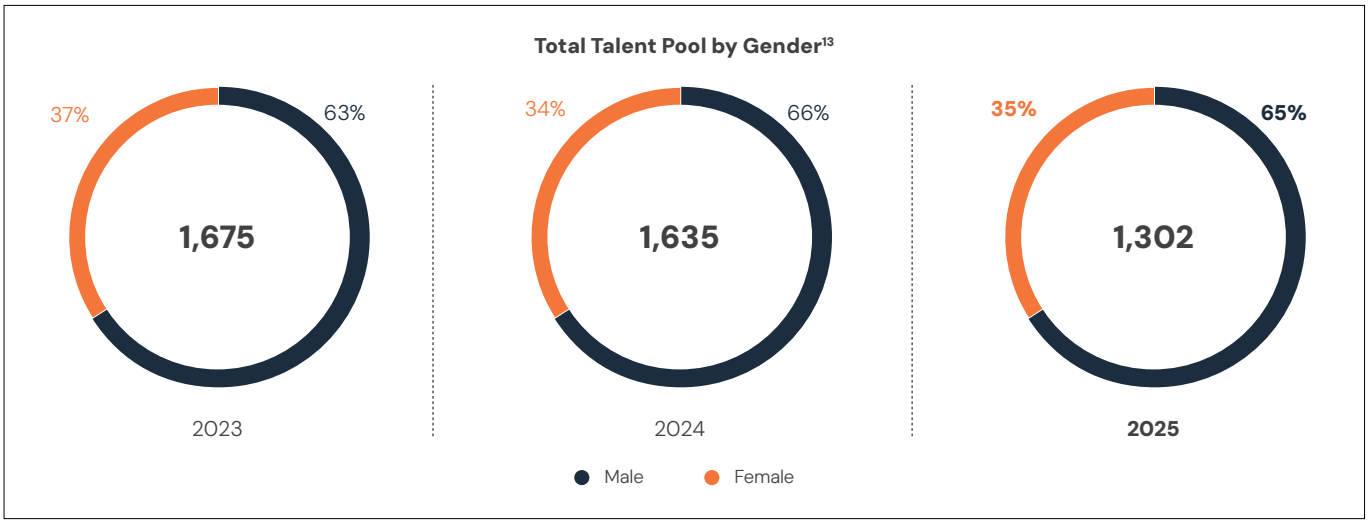
HOW THE GROUP CREATES VALUE

Talent Management

DRB-HICOM's approach to cultivating a thriving and sustainable workforce is underpinned by a structured Talent Management Framework that aligns employees' development with the Group's organisational objectives. Beyond offering competitive compensation and benefits, the Group places emphasis on continuous learning, skills enhancement, and leadership development to support sustainable performance and long-term value creation.

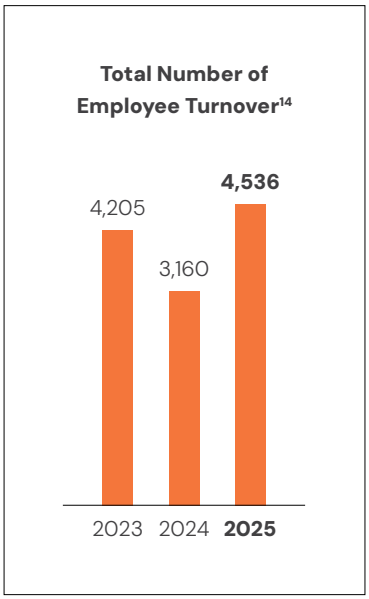
Guided by the Talent Management Framework, the Group focuses on leadership development, cross-company mobility and continuous learning to expand opportunities for employees' growth, and ultimately, to build a workforce with future-ready capabilities.

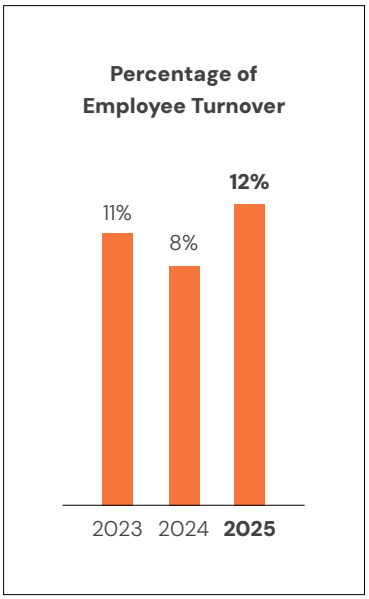
By prioritising employees' well-being alongside data-driven talent management, DRB-HICOM cultivates a dynamic and inclusive workforce that attracts, develops, and retains the talent and capabilities needed to support long-term organisational performance. This is reinforced through targeted training and mentorship programmes, as well as selected industry collaborations, which enhance workforce readiness in an evolving operating environment.

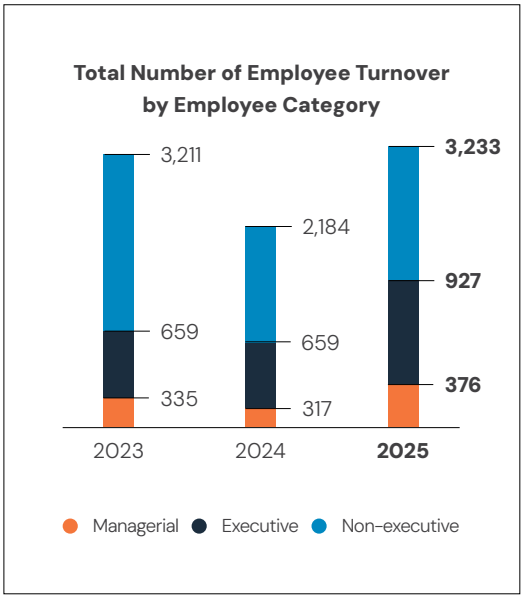


Key Performance Indicators

Employee Turnover







[13] *Talent Pool consists of employees who are recognised as top talents across the Group.*
[14] *The number of turnovers refers only to voluntary resignations.*

Succession Planning

Succession planning at DRB-HICOM is conducted on an annual basis and remains a core component of the Group's talent management strategy. In 2025, the Group strengthened this process through the introduction of an enhanced Succession Planning Framework, which integrates assessment, analytics, governance and talent mobility designed to support leadership continuity and future-ready capability.

Governance oversight is provided by the GTC, which meets bi-monthly to review MCPs, validate successor readiness, and guide development and mobility actions. As of 2025, the Group identified 39 MCPs, with 34 positions supported by at least one Ready-Now (RO) successor, strengthening the leadership pipeline through targeted development programmes and planned career mobility to maintain alignment with long-term business priorities and sustainability.

Talent Development

DRB-HICOM builds its talent pipeline through a structured framework, with talent development and succession for the Group's MCPs managed centrally. To support this approach, the Group works closely with trusted learning partners and internal experts to deliver targeted development programmes that address capability gaps and prepare identified talent and successors for future responsibilities.

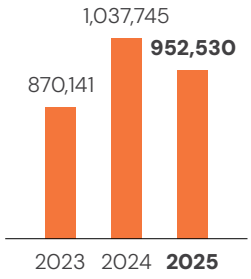
Talent progression is actively managed through structured monitoring of Individual Development Plans for MCP successors, complemented by regular readiness assessments and job mobility opportunities. These measures broaden exposure, strengthen leadership capability and reinforce a sustainable succession pipeline across the Group.

The Group recorded a decline in training-related metrics despite higher investment in training between 2024 and 2025. This reflects the introduction of the Learning Experience Platform, which emphasises shorter, self-directed digital modules in place of longer, classroom-based programmes. The decline also reflects the Group's shift in employee development priorities towards on-the-job learning, supported through experiential interventions such as job rotations, coaching and related initiatives.

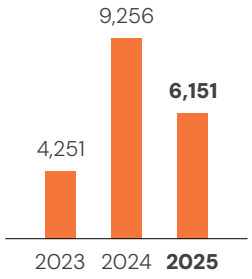
Key Performance Indicators

Employee Training

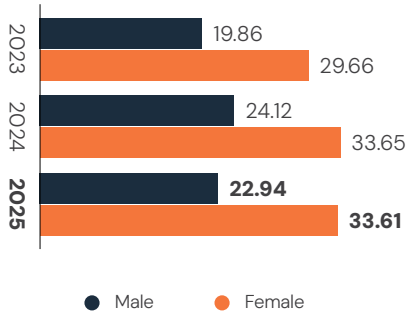
Total Training Hours



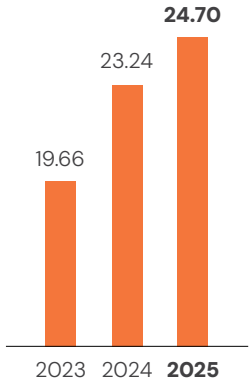
Number of Trainings Organised



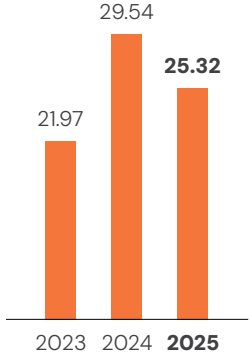
Average Training Hours by Gender



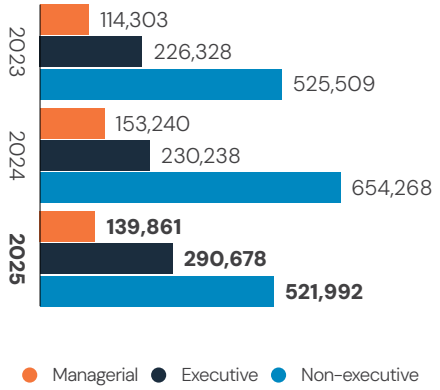
Total Investment in Training (RM' mil)



Average Training Hours per Employee



Total Training Hours by Employee Category



In 2025, the Group conducted a range of talent development programmes tailored to the employees' job levels and career stages. The key programmes delivered during the year included:

Building Outstanding Organisational Skills & Tactics with AI Tools ("BOOST-AI 1.0")

A structured learning programme delivered through a digital platform that combines micro-learning, on-the-job missions and practical AI tools to enhance productivity and execution. Participants engage in daily bite-sized learning, quizzes and applied exercises designed to strengthen digital and AI-driven capabilities, improve prioritisation and support collaborative ways of working across teams.

The BOOST-AI 1.0 session guided participants on leveraging AI tools to improve their daily workflow.

Outcome

- The programme recorded a **96% participation rate** with an **average performance score of 97%**.
- The participants recorded productivity **improvements of up to 50%**, with **task execution efficiency improving by 30-50%** and **task completion rates increasing from 60% to 80%**.
- The programme also achieved a **Net Promoter Score of +11** alongside a **26% increase in participant confidence**, reflecting positive engagement and capability uplift.

Leadership Advancement & Mastery Programme ("LAMP")

The Leadership Advancement & Mastery Programme ("LAMP") is an accelerated leadership development initiative designed for identified successors categorised under Readiness Indicators R1 and R2. The programme adopts the 70-20-10 learning methodology, ensuring that development is applied directly within real business environments rather than remaining confined to classroom settings. The 70-20-10 methodology develops identified successors through:

Industrial visits conducted under LAMP offered participants firsthand exposure to the Group's business operations.

70%
Structured on-the-job exposure and stretch assignments

20%
Coaching, mentoring and leadership conversations

10%
Formal learning interventions e.g. workshops and curated programmes

R1 successors are individuals assessed to be ready for mission-critical roles within two to three years, while R2 successors are projected to be ready within four to five years. LAMP systematically prepares these talent pools by strengthening strategic thinking, decision-making capability and leadership agility to support structured and progressive readiness for future roles.

Outcome

- Participants recorded an average **improvement of 30% in strategic thinking and a 23% increase in advanced leadership skills**.
- **Gains of up to 36%** were achieved across selected leadership competencies, including the ability to identify strategic issues and apply leadership principles in managing teams.

Group Mentoring Programme

DRB-HICOM implemented the Group Mentoring Programme, a structured mentoring initiative that pairs experienced leaders with emerging talent to support succession readiness and leadership development. The programme provided mentoring toolkits and facilitated coaching sessions, to foster a coaching culture, enabling knowledge transfer, and supporting career development for successors.

Through guided mentoring engagements, mentors were supported in transitioning from supervisory roles to effective coaches, while mentees were guided in applying action learning techniques to enhance decision-making capabilities and clarify career development pathways.

Training for the Group Mentoring Programme, which provides mentoring toolkits and facilitates coaching sessions to foster a coaching culture in DRB-HICOM.

Outcome

- A total of **28 mentor-mentee sessions** were conducted in 2025, representing **74% of planned engagements** and involving **25 mentors and 38 mentees**.

Learning Experience Platform

DRB-HICOM has rolled out the Learning Experience Platform, an AI-driven digital ecosystem. This platform offers adaptive skill assessments, personalised learning paths and compliance modules, and embeds continuous learning habits and improved digital fluency. Through this initiative, employees remain engaged through adaptive skill assessments, fostering a culture of self-directed development and compliance awareness. It is designed to scale continuous learning and provide personalised development opportunities aligned with organisational competencies.

The Learning Experience Platform is designed to help employees identify and build critical skills.

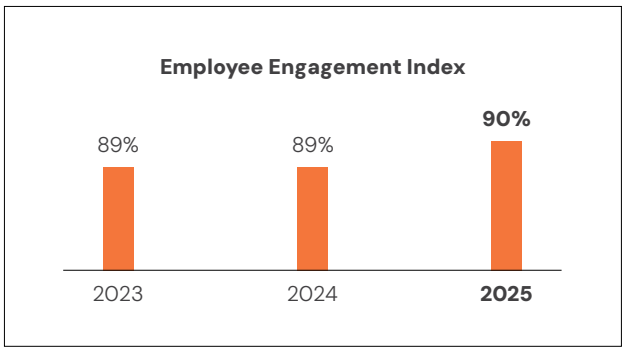
Outcome

- The initiative achieved a **90% completion rate** among **283 targeted employees**. High engagement levels were observed in compliance modules and skill-building activities, contributing to improved digital fluency, and compliance awareness across the workforce.

Employee Engagement

In 2025, DRB-HICOM achieved its corporate Employee Engagement Index target of 90%. This milestone underscores the Group's commitment to fostering a positive workplace culture through continuous improvement and tailored interventions. Focus groups and feedback mechanisms were actively utilised to address employee suggestions and drive meaningful enhancements.

Additionally, DRB-HICOM conducted multiple employee engagement activities across various platforms to reinforce connectivity, engagement, and inclusivity across the workforce.



Key Employee Engagement Programmes

Employee Engagement Day

In 2025, DRB-HICOM organised the Employee Engagement Day, a four-day programme designed to strengthen employee engagement and well-being across the Group. The programme brought together a combination of Human Capital-related engagements, health and wellness initiatives, community-focused activities and lifestyle-oriented experiences, providing employees with multiple touchpoints to connect, participate and engage beyond their day-to-day roles.

By integrating professional interaction, personal well-being and social contribution into a single platform, the initiative supported a more connected and engaged workplace environment while reinforcing the Group's ongoing commitment to employees' well-being.

Employees came together through the programme, participating in activities designed to promote personal and community wellbeing.

Outcome

- The programme recorded strong engagement, with **a total of 1,128 employees participating** over the four days.
- Actionable feedback was gathered for future initiatives, and post-event surveys reflected an **average satisfaction rating of 4.71**.

Promoting Health and Well-being among Employees

In 2025, DRB-HICOM continued to prioritise health and well-being as a key focus of employee engagement, reinforcing its commitment to fostering a healthier workforce. Following the success of 2024, several new approaches and enhancements were made to make wellness initiatives more engaging and impactful.

DRB-HICOM WOW Vibrant Living Programme

WOW From Farm to Fork: A Plant-Based Journey

DRB-HICOM implemented this initiative to encourage employees to log their daily plant-based meals through the BookDoc application, with the aim of promoting healthier eating habits and increasing awareness of plant-based nutrition. Meals logged in the application were categorised using a simple colour-coded system, where green indicates healthier food choices, yellow reflects moderate options and red represents less healthy choices. The outcome of this activity reflects employees' participation and engagement with healthier dietary choices.

Outcome

A total of 450 meals were logged over the initiative timeline, consisting of:

306 Green Meals | 191 Yellow Meals | 43 Red Meals

DRB-HICOM WOW Vibrant Living Programme

DRB-HICOM WOW Webinar: Refresh & Recharge – Stress Management & Sleep Hygiene for Peak Performance

The webinar was conducted to raise awareness and build practical understanding of stress management techniques and sleep hygiene practices, supporting both physical and mental well-being. The session featured expert sharing and active Q&A participation, equipping employees with practical strategies to manage stress and adopt healthier sleep habits in their daily routines.

Outcome

- The webinar attracted **210 participants**, demonstrating strong employee engagement with stress-management and sleep-hygiene practices for enhanced performance.
- Post-session feedback recorded a high **satisfaction score of 4.68**, indicating that participants found the session highly valuable, relevant and engaging.

Brain Tune-Up 2.0

DRB-HICOM continued its efforts to foster a resilient and productive workforce by strengthening awareness of mental health through the implementation of Brain Tune-Up 2.0, a continuation of the programme introduced in 2024. The programme comprised a structured 10-hour intervention delivered through daily one-hour sessions and was facilitated by the Group's in-house Brain Health Consultant.

This initiative focused on enhancing mental clarity, focus, and resilience through a combination of guided physical movement, mindful routines and practical lifestyle adjustments. These included actionable guidance on diet, sleep, and daily habits, supporting employees in adopting healthier routines that contribute to sustained mental well-being and workplace performance.

Through the Brain Tune-Up Programme, employees received guidance and tools to enhance cognitive resilience as part of the Group's ongoing focus on mental wellness.

Fitness Activities

Fit, Phat & Fabulous Challenge

The webinar was conducted to raise awareness and build practical understanding of stress management techniques and sleep hygiene practices, supporting both physical and mental well-being. The session featured expert sharing and active Q&A participation, equipping employees with practical strategies to manage stress and adopt healthier sleep habits in their daily routines.

Participants were recognised for achieving outstanding improvements in fitness during the Fit, Phat & Fabulous Challenge.

Outcome

- A total of **56 employees** participated in the preliminary session, with 15 finalists selected.
- **11 finalists** successfully completed their full weight-loss journey, consisting of eight fitness sessions.

Advocating Global Health and Preventive Care

DRB-HICOM continues to promote awareness and encourage preventive measures among its employees for global health issues that are relevant to the local community in Malaysia, including cancer, diabetes, and influenza.

In 2025, the Group conducted several initiatives related to these health issues, including free cancer screening sessions for employees, provision of free Human Papillomavirus ("HPV") vaccinations to support cervical cancer prevention, and a series of educational webinar focused on managing and preventing such global health issues. Overall, these initiatives aim to support early detection, promote preventive care, and strengthen employees' overall health awareness.

As part of the Group's commitment to global health awareness, cancer screening sessions was conducted alongside education, vaccinations, and other early detection initiatives.

Kelab Sukan DRB-HICOM

Kelab Sukan DRB-HICOM ("KSDH") is an official employee community within DRB-HICOM that promotes engagement and interaction through recreational, social, and cultural activities. In 2025, KSDH established four Sport Houses, Saga (Red), Karisma (Yellow), Gempita (Green), and Perdana (Blue), to encourage teamwork, sportsmanship and employee engagement across the Group.

Employees participated in a range of traditional and modern sporting activities, including ping pong, chess, congkak, and badminton, which were designed to be inclusive of employees across different ages and abilities.

The KSDH Sport Houses games, which employees participated in a range of sporting activities, serves to encourage teamwork, sportsmanship and employee engagement.

In addition to sports-based activities, participation was extended to Corporate Responsibility ("CR") initiatives, reinforcing a broader sense of contribution and shared purpose.

Participation in sports and CR activities contributed points towards each Sport House's overall ranking, fostering friendly competition, cross-departmental collaboration and collective effort. Collectively, these initiatives supported higher levels of employee engagement and morale, strengthened team cohesion across departments, and encouraged healthy participation and positive workplace energy.

Employee Compensation and Benefits

DRB-HICOM is committed to providing fair and equitable compensation and benefits that appropriately reflect employees' contributions. The Group adheres strictly to Malaysian labour legislation and regulatory requirements, complying with all applicable wage regulations. This includes maintaining a base salary that meets legal standards for both entry-level and newly graduated employees.

Additionally, DRB-HICOM is fully compliant with government-mandated worker regulations and further supports its workforce through a comprehensive range of compensation and benefits packages.

Health and Wellness

To support employees' physical and mental well-being, DRB-HICOM provides a range of healthcare-related benefits.

Benefits

- Life insurance
- Healthcare coverage
- Disability and invalidity coverage
- Maternity coverage
- Pre- and post-natal care
- Health screening
- Mental health screening
- Child immunisation
- Acupuncture and chiropractic treatment

Leave and Work-Life Integration

To promote work-life balance and provide flexibility, the Group offers various leave options and flexible working arrangements.

Benefits

- Mandatory leave provisions (annual leave, sick leave, maternity leave, paternity leave)
- Additional leave provisions (marriage leave, examination leave, sabbatical leave, compassionate leave, prolonged illness leave)
- Staggered working hours, flexible working arrangements, and hybrid working arrangements

Financial and Personal Support

The Group provides additional financial and personal support to enhance the well-being of employees and their families.

Benefits

- Parking facilities, including designated spaces for persons with disabilities and for pregnant employees
- Vacation facilities
- Staff discounts
- Shuttle car service
- Housing loan interest subsidy
- Future Financial Assistance (for employees and immediate families during bereavement)

Professional Growth and Development

In addition to structured learning and development programmes, professional development is supported through financial assistance.

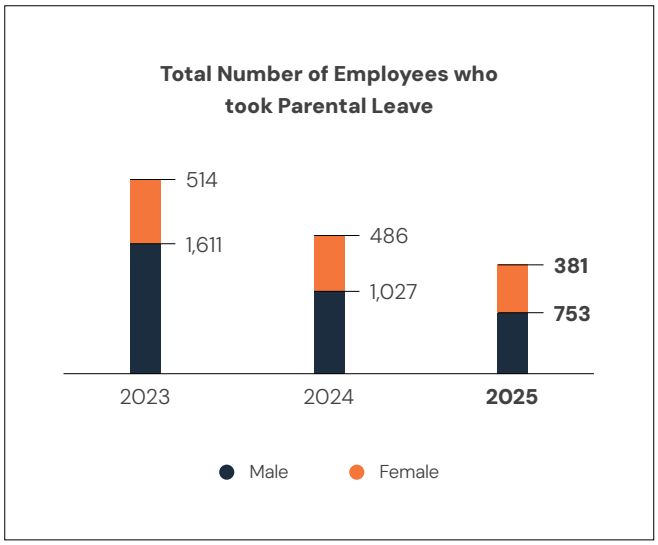
Benefits

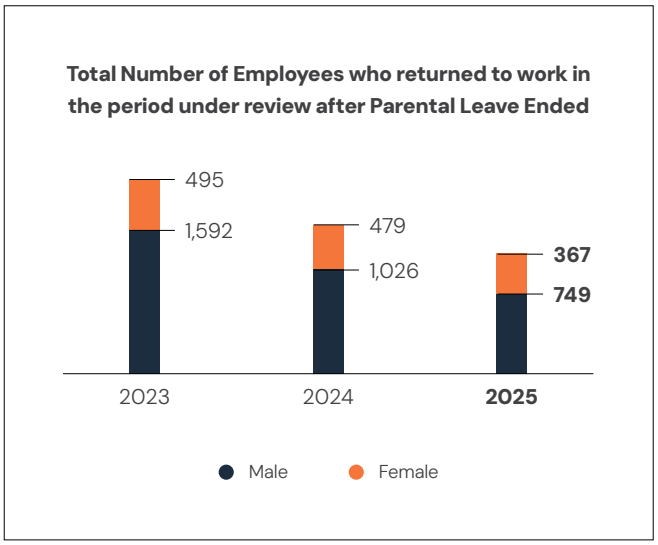
- Allowances for professional memberships
- Educational assistance programmes

In administering these employee benefits, employees' personal health-related information is managed by GHC in accordance with the Personal Data Protection Act, with access restricted to authorised personnel.

As part of the Group's leave and work-life integration initiatives, the following statistics provide an overview of parental leave utilisation and employee return-to-work outcomes during the reporting period.

Key Performance Indicators





DRB-HICOM'S OUTLOOK

DRB-HICOM regards its employees as its most valuable and critical asset, recognising that the Group's ability to create long-term value depends on a capable and engaged workforce. Accordingly, the Group continues to strengthen its people strategy to support sustained improvements in talent development and employee engagement, in line with business priorities and long-term value creation.

Building on the foundations established in 2024, the Group has refined its short-, medium- and long-term action plans to focus on developing a future-ready talent pipeline, strengthening leadership capability at all levels, and embedding a high-performance, values-driven culture aligned with the Group's six Success Beliefs.

Short Term

DRB-HICOM's efforts focus on the implementation of its Group-wide leadership development programme, alongside the establishment of overarching talent principles to guide all training and development programmes across the Group. These overarching talent principles form part of a broader framework that supports consistency and alignment in employees' development, reflecting the Group's commitment to building a future-ready workforce.

Medium Term

The Group aims to emphasise on further enhancing leadership capability and strengthening internal mobility to accelerate talent readiness and sustain employee engagement across the organisation.

Long Term

DRB-HICOM plans to implement actions that are directed at institutionalising a strong leadership bench, deepening employee engagement, and ensuring that cultural alignment remains embedded within business practices to support sustainable growth.

SUSTAINABILITY THEME 3:
Enriching People and Communities

OCCUPATIONAL **SAFETY AND HEALTH**

Capitals

S | H | I

Stakeholders

BOD | SMT | E | S&C

Key Risks

SHR

UN SDGs

Policy

Safety, Health and Environment Policy

Scan to view DRB-HICOM's Policies and Procedures

WHY IT MATTERS

The Group recognises workforce health, safety, and welfare as integral to responsible corporate conduct, sustainable operations, and long-term value creation. Providing a safe and healthy working environment enables employees to perform their roles effectively while supporting compliance with applicable legal and regulatory requirements.

This commitment also mitigates operational risks and fosters confidence and peace of mind across the workforce, enabling DRB-HICOM to execute its strategies effectively and achieve its business objectives. The Group's continued focus on occupational safety, health, and welfare reflects its responsibility to operate sustainably and ethically, safeguarding employees and stakeholders while supporting DRB-HICOM's long-term growth and resilience.

OUR APPROACH

Governance

- **Board Oversight**

  The Board Risk and Sustainability Committee ("BRSC") oversees the Group's occupational safety and health matters, ensuring that governance and oversight remain robust and effective. The Committee regularly monitors and reviews progress against established safety and health performance targets to ensure alignment with the Group's long-term objectives. Occupational safety and health matters are reported and discussed on a quarterly basis, enabling continuous oversight, timely interventions and effective management of safety and health programmes across the Group.

- **Management Role**

  The Risk Management Committee ("RMC") and Sustainability Steering Committee ("SSC") are responsible for overseeing the Group's safety and health strategies, including risk management and mitigation measures. Both Committees conduct regular reviews and assessments of safety, health, and welfare-related matters to ensure timely identification of emerging risks and effective implementation of appropriate controls across the Group.

- **Safety, Health and Environment Committee**

  The Safety, Health and Environment ("SHE") Committee at the corporate office and respective operating companies operates in accordance with the Occupational Safety and Health (Safety and Health Committee) Regulations 1996. The Committee is composed of equal representation from management and employees, ensuring balanced participation and effective consultation. All members are provided with equal opportunities to raise and discuss SHE matters within their respective offices, departments or areas of responsibility.

  Meeting on a quarterly basis, the SHE Committee plays a central role in contributing to the formulation of safety and health policies and safe work systems. Its responsibilities include:
  - Reviewing and assessing the effectiveness of safety and health programmes and initiatives
  - Analysing trends related to workplace accidents, near-miss incidents, dangerous occurrences, occupational poisoning and occupational diseases
  - Reporting unsafe or unhealthy conditions or practices to management
  - Collaborating with operating units to recommend corrective and preventive actions
  - Reviewing workplace safety and health processes and proposing improvements or revisions where necessary

- **Safety and Health Officers and Occupational Safety and Health Coordinators**

  At the operational level, Safety and Health Officers and Occupational Safety and Health Coordinators ("OSH-C") play a critical role in ensuring the effective implementation of safety and health systems across DRB-HICOM. These personnel support the execution of the Group's Zero Harm Rules and SHE Manuals, which are embedded within the Occupational Safety and Health Management System ("OSHMS") of each operating company. This structured integration facilitates consistent application of safety standards, reinforces continuous improvement efforts and helps strengthen workplace safety and security across the Group.

Safety, Health and Environment Policy

DRB-HICOM's Safety, Health and Environment Policy serves as the overarching framework for managing occupational safety, health and environmental responsibilities across the Group. The Policy is aligned with internationally recognised standards, including ISO 45001:2018 and ISO 14001:2015, and integrates all applicable local regulatory requirements such as the Occupational Safety and Health Act 1994 and the Environmental Quality Act 1974.

The Policy is anchored on four core "4C" elements, which define the key dimensions of SHE management across DRB-HICOM and guide the Group's strategic direction in strengthening workplace safety, health and environmental stewardship. The safety and health–related commitments set out in the Policy are as follows:

4C Elements

1 Compliance with SHE Requirements
- Comply with all legislative and regulatory requirements, safety rules, codes of conduct, and best practices related to safety and health

2 Care for People and Environment
- Implement safe and best practices to minimise and prevent injuries and pollution at the workplace

3 Continuous Improvement
- Continuously identify potential hazards and risks in all activities and processes to reduce risks of incidents and injuries

4 Creating a Culture
- Create a culture of safety and health by continuously engaging and educating all stakeholders, including employees, partners, vendors, and contractors

To support effective implementation of the SHE Policy, DRB-HICOM has established a set of Group-wide KPIs, including targets to achieve zero fatalities and to drive year-on-year reduction in the Lost Time Injury Frequency Rate ("LTIFR"). These KPIs are cascaded across all operating companies to ensure clear accountability, consistent implementation and continuous performance monitoring at the operational level.

Occupational Safety and Health Efforts

DRB-HICOM formulates a comprehensive SHE Annual Plan as a core component of the Group's continuous efforts to strengthen safety, health, and environmental performance across the Group.

Guided by the Group's SHE Framework, the SHE Annual Plan adopts a holistic and structured approach to embedding safety and health practices throughout daily operations. The SHE Annual Plan is anchored on the Zero Harm Rules, supported by high-risk work safety procedures and reinforced through consistent monitoring, competency building, and behavioural interventions. Collectively, these measures promote harm prevention, enhance employee well-being and uphold the long-term sustainability of the Group's safety and health practices.

To ensure systematic implementation, DRB-HICOM's safety and health initiatives are structured around five key pillars, aligned with the Safety and Health components of the Group's SHE Annual Plan.

Pillar 1: Leadership Commitment

Demonstrates the commitment, dedication and accountability of Senior Management in championing workplace safety and health

Strong leadership commitment is fundamental to driving effective occupational safety and health practices across DRB-HICOM. Senior management demonstrates its commitment to safety and health through participation in Safety Gemba visits to operating companies, enabling direct engagement with employees, enhancing visibility of workplace conditions and strengthen hazard awareness. These on-ground engagements provide leadership with first-hand insight into operational activities, supporting the identification of improvement areas and enabling targeted interventions to enhance Occupational Safety and Health ("OSH") performance.

In 2025, a total of six Safety Gemba sessions were conducted across DRB-HICOM's operating companies, reinforcing a culture of transparency, shared responsibility, and continuous improvement.

To further strengthen communication between leaders and employees, Senior Management reinforces key safety messages through regular Safety Moment communications delivered via videos, posters, campaigns, and electronic channels. These efforts promote consistent awareness, encourage proactive behaviour, and cultivate shared responsibility for maintaining a safe and healthy workplace.

Safety Gemba sessions conducted across DRB-HICOM's operating companies, such as at PHN led by Dato' Jezilee Mohamad Ramli, Group Chief Operating Officer - Corporate Services, reinforce a culture of transparency, shared responsibility and continuous improvement on safety.

Pillar 2: Safety and Health Culture

Strengthens employees' perceptions, attitudes and behaviours in fostering a positive and proactive safety and health culture

The safety and health culture at DRB-HICOM is guided by the Occupational Safety and Health Act (OSHA) 1994, with a strong emphasis on organisational responsibility to foster a safe and healthy work environment through continuous improvement. This culture plays a critical role in embedding safe work practices and reinforcing the Group's commitment to protecting employee well-being.

Instill a high safety culture organisation

The Zero Harm Rules reflect DRB-HICOM's commitment to reducing workplace accidents and strengthening safety practices across the Group. They are designed to instil a strong safety-first mindset among employees, with a focus on the continuous improvement of workplace safety. The Zero Harm Rules outline 12 mandatory safe and healthy practices that all employees across the Group are required to uphold.

Safety campaigns are organised to strengthen awareness, ownership and commitment towards safety and health, while encouraging active employee participation in safety and health-related initiatives. In 2025, three campaigns were conducted, namely the Aidilfitri Road Safety Campaign, the Behaviour-Based Safety Campaign, and the Health Campaign in conjunction with DRB-HICOM Employee Engagement Day.

Promoting Safe Work Practices Through Targeted Interventions

As part of the Group's efforts in strengthening safety culture, DRB-HICOM analysed safety data to understand behavioural risk patterns and implement initiatives that reinforce safe and healthy practices. Through the analysis, the Group has identified primary types of work-related injuries within the Group's business operations, and implemented targeted measures to mitigate these risks:

- **Road accidents related to road transport and services operations**

  To mitigate the risk, the Group has implemented a range of focused road safety initiatives, including benchmarking exercises with other organisations, refresher defensive driving and collaboration with local road safety agencies to strengthen safe riding and driving practices.

  In addition, telematics systems have been deployed to monitor and assess driver and rider behaviour, enabling data-driven interventions aimed at improving road safety performance and reducing incident frequency.

- **Occupational injuries prevention**

  To address the prevalence of occupational injuries, the Group has implemented the Behaviour-Based Safety ("BBS") practices across its operations. This initiative is designed to strengthen safe work behaviours by encouraging employees to remain vigilant, recognise unsafe conditions or unsafe acts, and intervene proactively whenever risks are identified.

Promoting a Healthy Workplace Environment

Operating companies within the Group have conducted a range of specialised occupational ill health assessments, including Chemical Health Risk Assessments ("CHRA"), Noise Risk Assessments ("NRA") and Ergonomic Risk Assessments ("ERA"), among others. These assessments enable the systematic identification and evaluation of potential hazards that may cause occupational ill health across the operating environment.

Corrective and preventive actions arising from these assessments are implemented based on recommendations provided by independent, certified assessors, and reviewed by the SHE Committee to ensure compliance with safety and health requirements.

DRB-HICOM further strengthens its proactive safety management approach through the enhancement of the Unsafe Condition and Unsafe Act ("UCUA") reporting system. The UCUA platform integrates BBS principles to promote proactive hazard reporting and encourage timely intervention by employees.

Accessible to both employees and contractors, the system provides a safe and confidential channel for reporting safety concerns without fear of reprisal. Feedback from UCUA reports enables timely corrective actions, supports trend analysis, and strengthens accountability at all levels. The UCUA system is benchmarked against industry practices and plays a critical role in reinforcing a preventive safety culture and reducing workplace incidents.

In 2025, GSHE conducted 6 BBS Touch Points at the operating companies, which enabled proactive interaction between workers and supervisors focused on identifying and reinforcing safe behaviours, correcting at-risk actions, and fostering a culture of safety ownership and accountability.

Pillar 3: Occupational Safety and Health Management System

Provides a structured and reliable support system to guide and standardise occupational safety and health management practices across the Group

Aligned with ISO 45001:2018, DRB-HICOM has established a comprehensive OSHMS to provide a framework for the Group to manage Occupational Safety and Health-related risks and improve its performance. A key component of this system is the HIRARC methodology, which provides a structured and collaborative process for recognising hazards, evaluating associated risks, and implementing appropriate controls. The HIRARC process is reviewed periodically to ensure it remains effective, relevant, and responsive to evolving operational conditions.

Supporting the governance and monitoring of the OSHMS, the Group utilises the Integrated Reporting of Occupational Safety, Health, and Environment ("IROSHE") system, a web-based platform that consolidates safety and health data from all operating companies. This platform enables monthly performance monitoring and provides insights that support quarterly strategic reviews by Senior Management. These reviews strengthen decision-making and reinforce a proactive approach to managing risks and driving occupational safety and health performance improvements across the Group.

Regular safety audits are also conducted to assess compliance and support continuous improvement efforts. In 2025, a total of 10 Safety Audits and 4 Safety Engagements were conducted at operating companies.

Other key elements of the OSHMS include the maintenance of safety and health manuals, procedures and policies, together with strict adherence to applicable regulatory requirements such as the Personal Data Protection Act 2010. DRB-HICOM also ensures robust governance over health-related data, with the Group Human Capital ("GHC") Division enforcing stringent data-management practices to safeguard confidentiality and uphold ethical standards. Collectively, these measures reinforce a strong, consistent and compliant safety and health management across the Group.

Pillar 4: People Competency

Enhances employee knowledge, skills and capabilities through targeted training and development

DRB-HICOM places strong emphasis on enhancing employees' knowledge, skills, and technical competencies, recognising that competent and well-trained SHE practitioners play a critical role in sustaining strong safety practices across the Group. The Group recognises that competent personnel are essential not only for maintaining compliance, but also for driving proactive risk management and continuous improvement in workplace safety and health.

To support this, the Group delivers structured safety and health training and competency development programmes on a regular basis. These efforts are complemented by continuous safety and health communications through various platforms, such as SHE Bulletins, SHE Alerts and SHE Advisories.

The Group's Fellow 2.0 digital platform serves as a central enabler of information sharing and employee engagement across all operating companies. Within this platform, the Group SHE Portal functions as a centralised hub for safety and health materials, providing employees with real-time access to critical resources such as policies, alerts, training content and best-practice guidance. This digital accessibility supports continuous learning, strengthens operational alignment and enhances the Group's overall safety and health competency.

Pillar 5: Legal Compliance

Strengthens compliance with applicable safety and health-related legislation, regulations and standards

DRB-HICOM's Safety, Health and Environment Policy outlines the Group's commitment to providing a safe and healthy working environment for all employees while ensuring full compliance with applicable safety and health laws and regulations. The policy mandates adherence to the amended Occupational Safety and Health Act 1994 (OSHA 1994) and other relevant regulatory requirements that govern workplace safety and health practices.

To reinforce regulatory compliance, SHE Committees at each operating company conduct regular internal inspections to assess adherence to safety and health laws, regulations and internal requirements. These inspections support continuous monitoring of SHE performance, including accident statistics, legal compliance status and the sharing of best practices across the Group.

The Group also undertakes benchmarking exercises and engages proactively with regulatory bodies and relevant government agencies to enhance compliance capabilities. These engagements include joint initiatives to strengthen emergency response preparedness and the adoption of industry best practices into operational processes.

As at 2025, ten of the Group's operating companies are certified under ISO 45001:2018, representing approximately 15% of the Group's overall operating companies. The certified operating companies are:

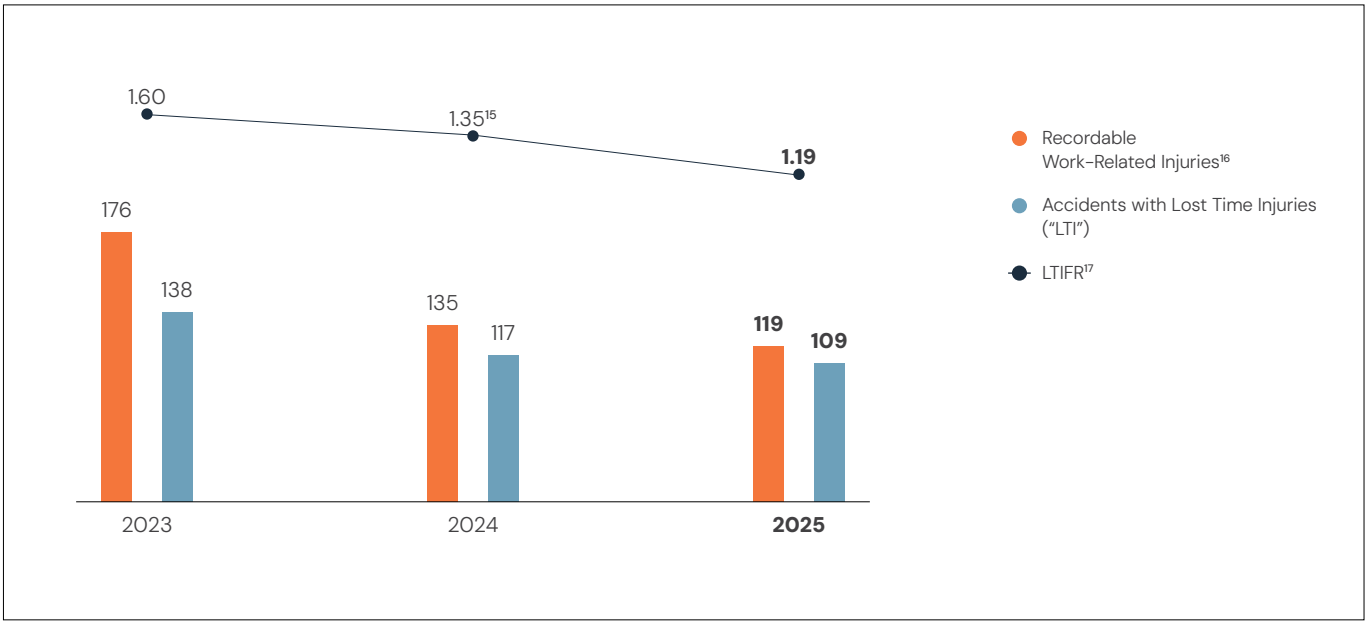
THE GROUP'S PERFORMANCE

DRB-HICOM incorporates corporate safety and health performance indicators as part of its ongoing commitment to building organisational resilience through continuous safety and health improvements. All incidents occurring within the Group are subject to thorough investigation, with corrective and preventive measures implemented to strengthen risk assessments, enhance compliance with SOPs and reinforce training programmes to prevent recurrence. This systematic approach supports the Group's commitment to safeguarding the safety and health of its workforce. DRB-HICOM remains firmly committed to the pursuit of two key targets: achieving zero fatalities and progressively reducing the LTIFR across its operations.

In 2025, the Group recorded one work-related fatality related to a road accident within the Postal segment. Following the incident, the Group implemented a series of targeted measures aimed at strengthening road safety and preventing recurrence. These measures include conducting training programmes to improve targeted employees' hazard awareness and risk-anticipation skills, including defensive riding training, as well as a revision of the Hazard Identification, Risk Assessment and Risk Control ("HIRARC") process to address risks relevant to the incident.

The Group maintains a strong expectation that all employees comply with established safety and health requirements to ensure work is carried out safely and responsibly. Where incidents occur, thorough investigations are undertaken and findings are reported to the relevant authorities in accordance with applicable legal and regulatory requirements. These processes reinforce accountability, support continuous learning, and strengthen the Group's overall commitment to safeguarding its workforce.

Key Performance Indicators



DRB-HICOM'S OUTLOOK

The safety, health, and well-being of the workforce will continue to be a top priority for DRB-HICOM. Moving forward, the Group will continue to manage and monitor its existing protocols and practices to safeguard the safety and health of its people, while further strengthening its SHE management system to enable a robust framework that supports continuous improvement. Providing stakeholders with assurance and confidence in a safe, healthy and conducive working environment remains central to DRB-HICOM's operating priorities.

This commitment extends beyond employees to include contractors, business partners, vendors, and the communities in which the Group operates. DRB-HICOM will continue to proactively invest in safety enhancement initiatives to foster a culture where safety is embedded as a shared value and responsibility across the organisation, rather than solely a matter of policy compliance.

The Group continues to implement initiatives under its three-year SHE Roadmap (2024–2026), which outlines strategic actions to reduce workplace incidents and support DRB-HICOM's long-term aspiration of achieving Zero Harm. In addition to the initiatives planned within the Roadmap, the Group has identified several key projects aimed at further strengthening its Health and Environmental Framework. In addition, another key initiative includes the implementation of a Group-wide SHE Competency Framework, designed to enhance capability, consistency, and accountability across DRB-HICOM's operations by ensuring that SHE practitioners are equipped with the knowledge and skills needed to uphold robust safety and health standards.

[15] *Restated due to the adoption of an enhanced data collection methodology.*
[16] *Recordable work-related injuries include employees only.*
[17] *LTIFR formula: Number of lost-time injuries / total hours worked × 1,000,000.*

SUSTAINABILITY THEME 3:
Enriching People and Communities

HUMAN RIGHTS

Capitals

S H

Stakeholders

E S&C LC&NGO G&R

Key Risks

SCR SHR PR RR

UN SDGs

Policy

Human Rights Policy
Vendor Code of Conduct
Whistleblowing Policy
Grievance Policy
Sexual Harassment Procedure

Scan to view DRB-HICOM's Policies and Procedures

WHY IT MATTERS

DRB-HICOM recognises that respect for human rights is fundamental to maintaining a safe, fair, and productive workplace, as well as to sustaining long-term business value. The Group's approach to human rights encompasses promoting non-discrimination and gender equality, ensuring favourable and safe working conditions, respecting freedom of association, and collective bargaining, eliminating all forms of violence and harassment, prohibiting forced and child labour, and protecting the rights of vulnerable groups.

In this regard, DRB-HICOM aligns its labour and employment practices with internationally recognised human rights and labour standards, including the United Nations Guiding Principles on Business and Human Rights, the Universal Declaration of Human Rights and the International Labour Organisation's Core Conventions, to guide responsible conduct across its operations. Upholding these principles supports employee dignity, well-being and trust, while reducing workplace risks and fostering stable industrial relations. A workforce that is treated fairly and respectfully is better positioned to remain engaged, productive and resilient, enabling the Group to deliver services effectively and support sustainable long-term performance.

OUR APPROACH

Governance

The Group Human Capital ("GHC") Division is responsible for overseeing employees' rights and workplace conditions. Accordingly, GHC assumes overarching responsibilities for all workforce-related matters, including those pertaining to human rights matters as stipulated in the Group's Human Rights Policy.

Complementing this role, the Group Safety, Health and Environment ("GSHE") is responsible for creating a safe, conducive, and healthy workplace, in line with the Factories and Machinery Act 1967 and other relevant workplace safety regulations issued by the Department of Occupational Safety and Health ("DOSH").

Human Rights Policy

The Group's approach is anchored by its Human Rights Policy, which applies comprehensively across all business operations within the Group. The Policy outlines DRB-HICOM's commitments in safeguarding and upholding human rights throughout its value chain. The Policy contains six key guiding principles, namely:

1. **Non-discrimination and gender equality**
2. **Freedom to form and join unions and to collectively bargain**
3. **Prohibition and elimination of any form of**
   - **Forced or bonded labour**
   - **Human trafficking and modern slavery**
   - **Child labour**
4. **Favourable working conditions**
5. **Eliminating violence and sexual harassment**
6. **Protecting the rights of vulnerable groups**

To support effective implementation, DRB-HICOM clearly communicates its human rights commitments and expectations to both internal and external stakeholders. The Policy is disseminated to all employees across the Group through direct engagement and employee handbooks and is made publicly accessible via the Group's corporate website. In addition, the Policy serves as a reference point for business partners, vendors, customers, and other relevant external stakeholders, communicating the standards of conduct and human rights principles expected in the course of their engagement with the Group.

The Policy is accessible to employees in English. To further improve accessibility and ensure clear understanding among employees from diverse backgrounds, DRB-HICOM aims to publish the Bahasa Melayu version of the Policy. This initiative underscores the Group's commitment to inclusivity and aims to strengthen organisation-wide awareness of human rights principles.

HOW THE GROUP CREATES VALUE

In 2025, DRB-HICOM undertook measures to prevent and mitigate potential human rights issues across its operations. Material human rights risks were identified and considered through the risk management process, in accordance with the Group's Risk Management Framework.

The Group recognises that respect for human rights contributes to the protection of the Group's operational stability, human capital, and stakeholder trust, all of which are factors that directly affect enterprise value over time.

Managing Human Rights Risks in Security Services

Given the nature of security services and the potential human rights risks associated with security operations, salient, business-specific human rights issues may arise in relation to the conduct of security personnel towards third parties. Third parties refer to individuals outside the Group's workforce who may interact with security personnel in the course of operations such as members of the public, visitors and contractors. These risks may include inappropriate use of force or other actions that could result in human rights violations.

As the Group operates a security services business under its Services segment, DRB-HICOM recognises that security personnel play a critical role in safeguarding people, assets and operations, and that their conduct can have direct implications on human rights outcomes.

To mitigate these human rights-related risks, DRB-HICOM ensures that the Group's Human Rights Policy is communicated to all security personnel upon induction and reinforced periodically to support understanding and adherence to the standards set out in the policy.

The policy is communicated through direct engagement with employees and is made available via employee handbooks in both Bahasa Melayu and English, to promote accessibility and consistent understanding among all security personnel.

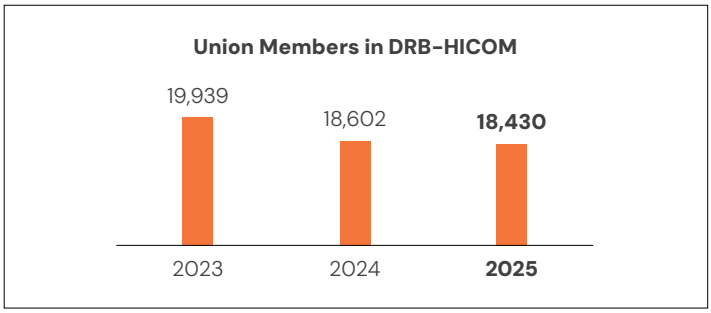
Engaging with Unions

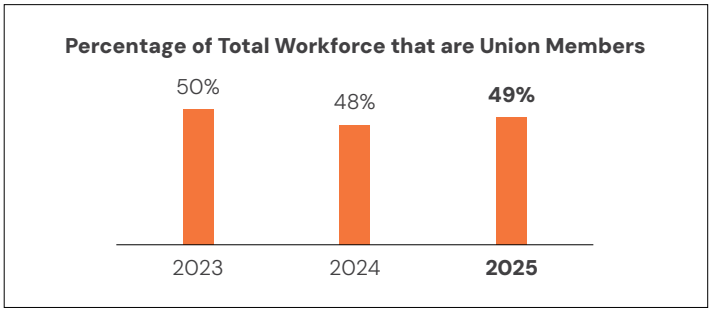
As part of the Group's approach to managing potential human rights risks, DRB-HICOM engages with its unions to negotiate collective agreements that are amicable and equitable to both parties. The freedom of association and collective bargaining empowers the Group's workforce and adds impetus for them to continue contributing to the organisation's growth and prosperity. This testifies to DRB-HICOM's respect for employees' fundamental right to form or join any organisation, association or union for collective bargaining.

As at 31 December 2025, 49% of DRB-HICOM's total workforce were union members. Through ongoing constructive engagement with unions, the Group negotiates collective agreements that are fair and mutually beneficial, supporting workforce empowerment and harmonious industrial relations.

During the year, DRB-HICOM's workforce was represented by 24 unions, of which 10 were national unions and 14 were in-house unions. A total of 23 collective agreements were in force across these unions.

Key Performance Indicators





Through constructive engagement with unions, the Group's companies and unions are able to successfully seal collective agreements that are fair and mutually beneficial.

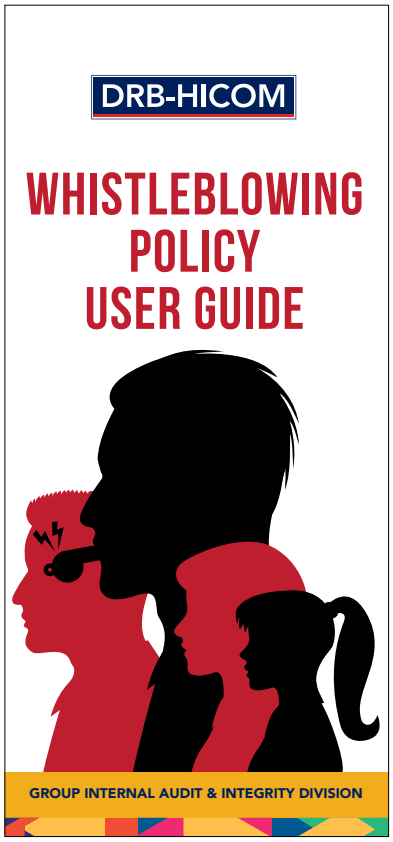
Grievance Mechanisms

DRB-HICOM provides multiple channels for internal and external stakeholders to raise grievances or complaints related to human rights issues. These include whistleblowing channels that are accessible to both internal and external stakeholders, as well as direct access to the Group Human Capital Division for the escalation of concerns, and to seek appropriate support.

All reports are handled confidentially, with safeguards in place to protect whistleblowers' privacy and prevent retaliation. Clear and established processes are in place to support the review and investigation of reported cases, including the assessment of whether the Group has caused or contributed to human rights issues. Where such cases are identified, appropriate corrective and remedial measures shall be undertaken by the Group in accordance with established procedures.

These established channels support the early identification, escalation, and resolution of human rights-related concerns, enabling the Group to address issues in a timely manner and mitigate potential adverse impacts.

For further details on the grievance mechanism, please refer to Whistleblowing Policy – Corporate Governance Overview Statement on pages 246-247 for more information.



Raising Awareness on Human Rights Issues

Refresher Talk on Misconduct, Sexual Harassment and Workplace Bullying

In 2025, DRB-HICOM conducted refresher talks on workplace misconduct and harassment, engaged with selected operating companies, including EON, Pos Logistics, ACM, PHN, and DHAS.

This programme was designed to raise awareness among employees, ranging from non-executive to senior management, on acceptable workplace conduct, the relevant do's and don'ts, and employees' rights when facing workplace misconduct and harassment, including sexual, emotional and physical harassment.

The programme is intended to be continuous in nature as the Group plans to extend the same awareness programme in 2026 to the remaining subsidiaries to further strengthen awareness of workplace misconduct and harassment across the Group.

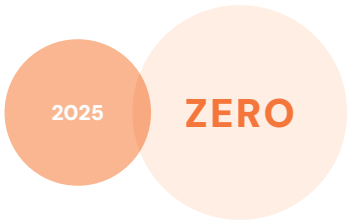
Outcome

- **10 sessions** were conducted, with **more than 80% of the targeted employees** participating on average.

THE GROUP'S PERFORMANCE

In 2025, DRB-HICOM reported zero substantiated complaints and incidents relating to human rights violations, including sexual harassment, discrimination, modern slavery or any form of forced or child labour across its operations.

Number of substantiated complaints concerning human rights violations



DRB-HICOM'S OUTLOOK

DRB-HICOM conducts its business in a manner that is ethical, accountable, and respectful of human rights. This commitment is supported by the Group's measures to prevent and address human rights infringements, as well as ongoing efforts to maintain consistent application of its zero-tolerance stance throughout its operations.

As DRB-HICOM moves forward, the Group will prioritise the enhancement of training and awareness programmes to deepen understanding of human rights obligations, while reinforcing accountability through transparent communication on the consequences of non-compliance.

SUSTAINABILITY THEME 3:
Enriching People and Communities

Capitals

F | H | M | S

Stakeholders

E | S&C | L&NGO | BP | S&IC

Key Risks

SCR | IR

UN SDGs

Policy

Group Procurement Policy

Vendor Code of Conduct

Anti-Bribery and Anti-Corruption ("ABAC") Policy

Scan to view DRB-HICOM's Policies and Procedures

WHY IT MATTERS

DRB-HICOM's operations depend on a well-managed supply chain comprising vendors, and business partners. Each entity within the supply network plays a role in supporting the Group's operational framework. An effective supply chain supports operational continuity, improves efficiency, and mitigates exposure to supply disruptions and market volatility.

In response to increased sustainability expectations, DRB-HICOM integrates economic, environmental, and social considerations into its vendor chain practices. This includes promoting responsible vendor engagement, supporting the adoption of circular economy practices and implementing appropriate emission management measures to support sustainable supply chain operations.

OUR APPROACH

The Group works with its subsidiaries and vendors to support efficiency, operational continuity, and resilience across its supply chain. In recognising its reliance on business partners, DRB-HICOM applies responsible, ethical, and sustainable business practices across its supply network.

Sustainability considerations are integrated into the Group's sourcing and category management processes, supporting alignment between vendor practices and the Group's long-term operational and sustainability objectives. Supply chain risk aspects are incorporated into the Group's procurement and vendor management processes to support compliance with applicable legal, regulatory and ethical requirements. DRB-HICOM reviews and monitors vendor performance, including sustainability-related practices, to manage legal, reputational and financial risks while supporting responsible sourcing and longer-term supply chain sustainability.

To support capacity building, the Group engages vendors through training and development initiatives, including sustainability-focused sessions, to raise awareness and encourage the adoption of responsible and sustainable practices across the supply chain.

Complementing this effort, the Group has enhanced its e-Procurement system across operating companies to improve supply chain efficiency, reduce manual processes, and minimise errors. The integrated system supports governance and compliance, facilitates more efficient workflows for employees, promotes consistency in quality and delivery for customers, and encourages responsible practices among vendors, with broader positive implications for the community.

Governance

Group Procurement supports DRB-HICOM's procurement and supply chain activities by coordinating sourcing strategies, operational execution, and enablement functions across the organisation. The function is organised to address both market-facing and internal requirements, while maintaining alignment with business needs.

Group Procurement

- Oversees supply chain governance
- Ensures the efficient operation of the supply chain in support of value creation and maximisation

Strategic Sourcing and Category Management

- Strengthens procurement performance through strategic sourcing and category management.
- Drives market intelligence, category strategy, and group-wide sourcing to align commercial objectives.
- Negotiates contracts, builds vendor partnerships, and reviews price agreements to sustain value.
- Enhances cost efficiency, mitigates risk, and ensures supply continuity.

Procurement Excellence & Vendor Management

- Drives continuous improvement of procurement practices, procedures, processes and policies.
- Enables and increases operational effectiveness and efficiency.
- Manages and implements a Group-wide Supplier Relationship Management ("SRM") Framework.
- Builds procurement team skills and competencies.

Procurement Operations

- Provides operational support for procurement activities at Headquarters.

Procurement Enablement and Analytics

- Drives implementation of the integrated, end-to-end eProcurement system across the Group.
- Drives the formulation and roll-out of an integrated procurement digital roadmap across the Group to enhance governance, streamline processes, and strengthen digital capabilities.

Integration of Sustainability in Procurement Practices

DRB-HICOM embeds sustainability considerations across its procurement processes to ensure responsible, ethical, and environmentally conscious sourcing decisions. Guided by the Group Procurement Policy, the Group promotes the adoption of eco-friendly and energy-efficient products, encourages resource-efficient practices, and integrates health, safety and environmental requirements into procurement activities. These measures support efforts to reduce emissions, waste and hazardous substances while enhancing operational efficiency across the supply chain.

1

Sustainability Assessment Criteria

DRB-HICOM has incorporated sustainability assessment criteria into its tender evaluation processes to progressively embed sustainability considerations within procurement decision-making.

Applying these criteria supports closer alignment between procurement outcomes and the Group's sustainability priorities, while reinforcing responsible supplier conduct across the supply chain. Procurement teams are equipped to evaluate vendor submissions against the established criteria to promote consistent application across tenders. The Tender SOP is reviewed periodically to reflect evolving sustainability expectations and operational feedback.

2

Vendor Pre-Qualification

The Group maintains a vendor pre-qualification process, implemented through an integrated system, to assess whether vendors meet required standards of capability, reliability and integrity. Ethical vetting, including anti-bribery and anti-corruption checks, is conducted where applicable to support responsible and transparent vendor engagement across the Group. Strategic due diligence is conducted where applicable to verify vendor integrity, mitigate post-award risks and support informed decision-making, in line with the Group's procurement and vendor management procedures. This process builds on the pre-qualification stage, which supports competitive, reasonable and readily evaluated bids from qualified vendors.

3

Vendor Performance Evaluation

Vendor performance is assessed through a structured Vendor Performance Evaluation ("VPE") framework based on defined evaluation criteria. The VPE criteria assess vendors across product and service quality, responsiveness and support, timeliness and scope compliance, pricing and documentation accuracy, safety and regulatory compliance, social and environmental responsibility, ethical and legal standards, adequacy of resources, continuous improvement efforts, and any legal or litigation matters.

In addition, the VPE framework incorporates relevant social and environmental considerations, including compliance with applicable safety, health and environmental regulations, adherence to local and international labour laws, fair trade practices, and the promotion of responsible business conduct.

The VPE process is conducted through the Group's e-Procurement system, replacing manual processes following enhancements to strengthen governance, efficiency, consistency, and data visibility. Vendors that do not meet the Group's required performance or compliance standards may be subject to appropriate remedial or control actions, including suspension or removal from the Approved Vendor List, in accordance with established procurement governance procedures.

HOW THE GROUP CREATES VALUE

Vendor Sustainable Development Programme

Introduced in 2022, the Vendor Sustainable Development Programme continues to support the integration of sustainability considerations across the Group's supply chain. The programme aims to enhance vendor capabilities by promoting responsible and sustainable business practices, while providing practical insights into key sustainability principles and climate-related risks and opportunities relevant to vendors' operations.

Under the programme, vendors with higher potential sustainability impacts are identified based on factors such as dependency, criticality, and frequency of engagement.

The programme is implemented through a structured four-phase approach:

Phase 1	Phase 2	Phase 3	Phase 4
Gap Analysis Assesses vendors' sustainability readiness and maturity, including governance and operational management practices, greenhouse gas management, resource management, water and waste management, labour practices, community development initiatives, and alignment with relevant sustainability policies, frameworks and standards.	**Capacity Building** Targeted engagement with selected vendors to address identified gaps through workshops, training programmes and advisory support, enabling vendors to align with DRB-HICOM's sustainability standards and expectations.	**Strengthening Governance** Focuses on supporting vendors in implementing relevant policies, procedures, and requirements to enhance sustainability governance.	**Reporting** Requires vendors to progressively disclose sustainability performance, supported by group-level audits, and site inspections to validate reported information.

Phase 1 of the Vendor Sustainable Development Programme has been completed, focusing on the identification of high-impact vendors and the implementation of self-assessments to evaluate compliance with sustainability practices. In 2025, the Group progressed to Phase 2, delivering targeted capacity-building programmes for selected vendors to address gaps identified during the initial assessment.

Supplier Capacity Building Programme

In 2025, DRB-HICOM conducted a Supplier Capacity Building Programme focusing on the introduction to Sustainability, Climate Change and Human Rights for selected vendors within the Group's Manufacturing and Engineering subsegment. The event, attended by 30 critical vendors, aimed to enhance understanding of emerging ESG expectations and strengthen responsible business practices across the supply chain. As part of the programme, an assessment was conducted to evaluate participating vendors' readiness in monitoring and tracking GHG emissions, providing insights into current capabilities and areas for future improvement. The results of the assessment are presented in the following chart:

Leader ,5%
Comprehensive GHG Tracking with clear targets, regular monitoring, and continuous improvement

Intermediate, 11%
Basic GHG monitoring, initial steps taken, but limited implementation and reporting

Beginner, 5%
Minimal GHG tracking, few policies or targets, limited understanding of emissions

Laggard, 79%
No GHG monitoring or awareness; no capacity, policies, or tracking in place

Based on the Group's assessment of GHG emissions readiness among selected vendors, 79% are categorised as laggards, indicating the absence of established monitoring mechanisms or relevant policies, while 11% fall within the intermediate category. The remaining 10% represent the two other categories, comprising 5% beginners, who have only initiated basic GHG-related practices, and 5% leaders, who demonstrate advanced readiness supported by established systems.

This baseline underscores a near-term need to strengthen foundational capabilities across the supply chain, and the Group will prioritise targeted capacity-building for laggard and beginner vendors to accelerate their progress towards structured GHG monitoring and reporting.

Through continuous engagement, the programme has contributed to improved vendor awareness and strengthened commitment to sustainability, while fostering closer collaboration between the Group and its supply chain partners on key ESG-related matters.

Effective and transparent communication with vendors is critical to promote responsible and sustainable practices across the supply chain.

Communication with Suppliers and Vendors

DRB-HICOM places strong emphasis on effective and transparent communication with its vendors to promote responsible and sustainable practices across the supply chain. The Group's Anti-Bribery and Anti-Corruption ("ABAC") Policy and Vendor Code of Conduct ("VCOC") are communicated to vendors through awareness and acknowledgment mechanisms that are required during vendor registration, with vendors required to acknowledge compliance with the VCOC as part of the onboarding process. As part of this process, potential vendors are required to endorse and submit a VCOC declaration confirming that they have not been involved in any misconduct relating to environmental and social matters.

The Group's policies are maintained in English, which serves as the common business language across the Group and is widely understood by both local and foreign vendors and stakeholders. The VCOC, which sets out the Group's expectations on ethical conduct and responsible business practices, is publicly available on DRB-HICOM's website.

The Group also engages vendors through appropriate communication and awareness initiatives to support understanding of its ethical, environmental and social expectations. During the reporting period, there were three vendor training and engagement programmes conducted, covering topics including sustainability, ABAC and the VCOC.

Vendor and Business Associate Awareness on ABAC and VCOC

In 2025, the Group conducted an awareness session for suppliers and business associates in collaboration with the Group Internal Audit and Integrity Division ("GIAID") to reinforce understanding of its integrity standards and compliance with the ABAC Policy. The programme covered key policy requirements, compliance obligations, reporting and whistleblowing channels, and the legal implications of non-compliance, including provisions under the MACC Act 2009.

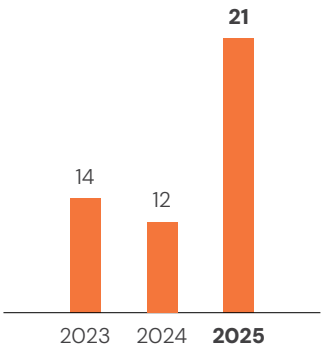
Through this initiative, the Group strengthened awareness of ethical conduct expectations and reinforced a culture of transparency, accountability, and responsible business practices across its supply chain.

Building a Sustainable Supply Chain

The Group remains committed to upholding fundamental labour rights across its supply chain. This includes promoting respect for freedom of association and collective bargaining, as well as adherence to applicable labour laws relating to working hours and minimum wage requirements. The Group seeks to foster safe, fair and responsible working conditions through ongoing engagement with its vendors. Monitoring of relevant labour-related indicators across the supply chain supports the Group in managing potential risks, reinforcing its commitments, and encouraging continuous improvement in vendor practices.

Building on assessments conducted in prior years, the Group continued to evaluate vendors for environmental and social considerations in 2025. Vendor performance evaluations covering environmental and social issues were conducted across 21 companies, specifically those engaged in Group-wide projects to support the Group's efforts to manage supply chain sustainability risks. Based on the assessments performed, no material environmental or social issues were identified among the vendors assessed.

Vendors Assessed for Environmental and Social Impacts



HOW THE GROUP CREATES VALUE

Guided by its Strategic Sourcing and Category Management Framework, the Group continued to implement initiatives to strengthen supply chain sustainability and resilience, including:

CATEGORY MANAGEMENT

DRB-HICOM's sourcing strategies are designed to maintain the long-term competitiveness of the Group's products and services while strengthening vendor relationships through closer collaboration.

Fuel Fleet The Group appointed a centralised vendor for the fuel fleet to enable centralised control and monitoring of fuel consumption, while leveraging group purchasing volumes to maximise fuel rebate savings.	*Impact* • Enabled group-level cost optimisation through consolidated procurement, securing improved rebate structures for participating operating companies, while strengthening vendor performance through stricter supplier service level agreements.
Natural Gas The Group implemented a Group-wide natural gas category management initiative to leverage collective purchasing volumes and secure a competitive and sustainable gas supply.	*Impact* • Achieved economies of scale by consolidating natural gas volume requirements across five companies, enabling improved pricing and cost efficiency.
Security Guard Service The initiative focuses on promoting economic growth by providing employment opportunities to the local community through security guard services. As part of this effort, the Group has set a target to reduce the percentage of foreign workers to 10%.	*Impact* • Strengthened local employment and engagement with local communities, achieving a 91% local workforce composition and reducing foreign workforce representation to 9% as at 31 December 2025, surpassing the Group's target of 10%.
Multifunction Printer Productivity improvements are supported through technology upgrades, including the replacement of legacy printers with MFPs to improve monitoring of paper usage, enhance operational efficiency, and deliver cost savings.	*Impact* • Improved operational efficiency, supported by enhanced visibility over paper usage. • Advanced sustainable printing practices, with a 51% reduction in paper usage.

PROCUREMENT ACADEMY

In collaboration with DRB-HICOM University and the Malaysian Institute of Purchasing and Materials Management, the programme supports capability building for procurement practitioners across the Group.

The Procurement Academy delivers structured training on sustainable procurement, supply chain management, negotiation, and ESG-related compliance through a combination of online and in-person sessions facilitated by certified trainers and industry practitioners. The programme recorded a total of 121 participants, including 113 procurement practitioners from within the Group and 8 external participants.

Towards the end of 2025, the Group introduced a new capability-building initiative by engaging the Purchasing & Procurement Center in collaboration with the Technical Training Institute to deliver a six-month procurement programme accredited by the International Federation of Purchasing and Supply Management ("IFPSM"). The programme is scheduled to commence in the first half of 2026.

Impact

- Strengthened procurement capabilities, particularly in sustainable and strategic procurement, through structured and accredited training programmes.
- Supported continuous learning and collaboration with academic and professional bodies to enhance procurement practices across the Group.

AWARENESS PROGRAMME

Engagement and awareness programmes conducted for procurement officers across the Group to strengthen understanding of sustainable procurement practices, ethical standards, and policy requirements.

Group Procurement Policy Online Training and Assessment

An online channel implemented to refresh and strengthen staff understanding of procurement policies, ethical standards and compliance requirements under the Group Procurement Policy and ABAC framework, supporting consistent application across procurement activities.

Impact

- Strengthened procurement compliance and awareness across the Group, covering buyers and non-buyers involved in procurement activities, including requestors, sourcing teams, reviewers, and approvers.
- Ongoing implementation, targeting employees directly involved in procurement processes as well as new hires.

PROCUREMENT DIGITAL ROADMAP

Under its Procurement Digital Roadmap, the Group is progressively adopting digital platforms to support sourcing, purchasing and vendor management activities. The roadmap considers the integration of cognitive technologies, including data integration, predictive analytics, vendor evaluation, risk management, and decision-support capabilities.

eProcurement Tools

The Group currently utilises an e-Procurement system comprising of six modules namely, iSupplier, iSource, iContract, iRisk, iRequest and iManage. These modules operate on a standalone basis and involve manual intervention, which may give rise to process inefficiencies and compliance risks. As part of ongoing digital enablement efforts, the Group is working towards improving system integration and strengthening automation within procurement workflows to enhance data consistency, oversight, and decision support.

Impact

- Streamlined procurement processes through improved workflow efficiency and automation, supporting more consistent and resource-efficient operations.
- Enhanced transparency in vendor oversight, enabling sustainable sourcing carbon tracking and alignment with the Group's climate-related goals.
- Improved data analytics and insights to support informed sourcing decisions and risk management.
- Delivered cost efficiencies.

SRM FRAMEWORK

The Group applies a structured approach to managing vendor relationships to streamline buyer–vendor processes and support consistent engagement across the supply base. The framework focuses on building constructive and mutually beneficial relationships with vendors, particularly those identified as strategic, to support outcomes such as quality, operational efficiency and innovation.

Vendor Engagement and Oversight

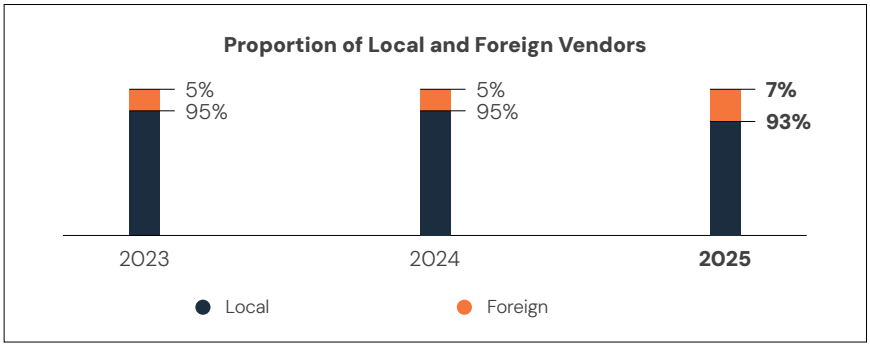
The SRM approach supports differentiated engagement with suppliers through a structured segmentation of active vendors into Critical, Ordinary and Problematic categories, with relationship strategies tailored to each segment. This enables focused management of vendor performance, supports supply chain resilience and value creation, and informs the identification of potential strategic or critical vendors, including those emerging from the 2025 Vendor Performance Evaluation ("VPE") assessments conducted across Group companies.

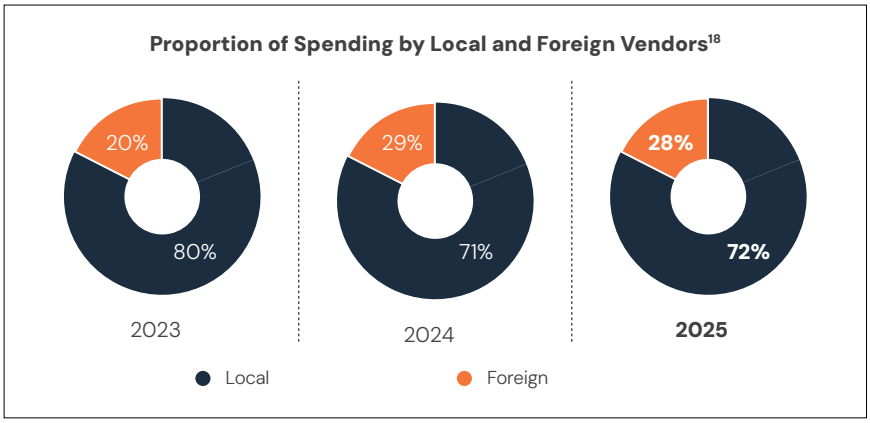
Impact

- Strengthened vendor relationships and engagement, enhancing transparency and oversight of vendor performance.
- Enhanced risk management, enabling earlier identification and mitigation of vendor-related risks.
- Enabled innovation and continuous performance improvement, contributing to improved vendor outcomes and cost efficiencies.

THE GROUP'S PERFORMANCE

The Group engages a broad network of local and international vendors to support its operations. Local vendors are defined as companies registered in Malaysia. In line with its commitment to supporting local businesses and recognising their contribution to economic development and socio-economic outcomes, local sourcing remains a key feature of the Group's procurement activities. In 2025, local vendors accounted for 93% of the Group's supplier base, representing 72% of total procurement expenditure.





DRB-HICOM'S OUTLOOK

The Group will continue to focus on strengthening supply chain resilience through enhanced procurement governance, digital enablement and data-driven decision-making. Following the Group-wide go-live of the Source-to-Contract ("S2C") platform in December 2025, ongoing efforts will prioritise the phased deployment of Procure-to-Pay ("P2P") capabilities and further standardisation of Source-to-Pay ("S2P") processes across operating companies to improve consistency, efficiency, and control.

As adoption of digital procurement tools matures, the Group will focus on improving utilisation and data quality to support enhanced visibility over procurement activities, risk management and cost performance. These efforts are expected to strengthen oversight of procurement operations and support continuous improvement as the Group's supply chain becomes increasingly complex.

Looking ahead, the Group will continue to leverage digital procurement insights and maintain its commitment to local procurement, in support of operational resilience and national economic development.

[18] *Procurement spending data is derived from Purchase Orders ("PO") and contracts managed by the Procurement function as at the end of the reporting period. The data is presented as an indicator of procurement activity rather than actual expenditure. Only POs and contracts related to operational procurement defined as goods and services supporting day-to-day operations are included in this reporting.*

SUSTAINABILITY THEME 3:
Enriching People and Communities

COMMUNITY INVESTMENT

Capitals

S

Stakeholders

SMT | LC&NGO

Key Risks

SIR

UN SDGs

Policy

Donation, Sponsorship, and Corporate Responsibility Policy

Scan to view DRB-HICOM's Policies and Procedures

WHY IT MATTERS

As a responsible corporate entity, DRB-HICOM recognises that its operations have an impact on the communities and environments in which it operates. The Group is committed to conducting its operations responsibly and sustainably, supporting long-term value creation for stakeholders while minimising adverse social and environmental impacts. DRB-HICOM's approach to community investment extends beyond philanthropic contributions and is underpinned by structured engagement with stakeholders to better understand material social issues and community needs.

OUR APPROACH

Corporate Responsibility Focus Areas

DRB-HICOM adopts a structured approach to community investment, focusing on programmes that address community needs, and reflect the Group's operational footprint as well as the areas where it can contribute most effectively. The Group's investments in community-focused initiatives are anchored around three key pillars of Community Welfare, Nature Conservation, and Education.

The Group's CR objectives under each pillar, are as follows:

Community Welfare

PILLAR 1

DRB-HICOM is committed to supporting the socio-economic advancement and overall well-being of the communities within its operating footprint by implementing programmes that enhance livelihoods, strengthen social inclusion, and improve quality of life, particularly for underserved and vulnerable groups.

This commitment extends to promoting better community health through initiatives that expand access to healthcare, encourage preventive care and raise awareness of key global and local health issues, thereby fostering stronger social resilience and more empowered communities.

Nature Conservation

PILLAR 2

DRB-HICOM is committed to environmental stewardship and the protection of natural resources through initiatives that promote sustainability practices, strengthen environmental awareness, and support efforts related to climate change mitigation, biodiversity conservation and ecosystem resilience.

Education

PILLAR 3

DRB-HICOM prioritises inclusive and equitable access to education by improving opportunities for underserved students, strengthening teaching capacity through skills and resource support, and providing targeted assistance for learners with diverse needs, including those in special education programmes.

HOW THE GROUP CREATES VALUE

The Group's Corporate Responsibility initiatives are developed and implemented in line with its sustainability vision and mission. This ensures that community programmes are purposeful, relevant and supportive of long-term social resilience, especially in communities located near the Group's operational areas.

Promoting Volunteerism Among Employees

Fostering a spirit of volunteerism is an important part of DRB-HICOM's commitment to building stronger connections between employees and the communities they serve. The Group encourages employees to contribute their time and skills through a variety of platforms that make volunteering accessible and meaningful.

Central to these efforts is the Sahabat DRB-HICOM volunteer programme, which provides structured opportunities for employees to participate in community-focused initiatives throughout the year. Complementing this, Kelab Sukan DRB-HICOM further cultivates volunteer participation by incorporating CR initiatives into its sport house activities, encouraging teamwork, and civic engagement.

Engaging Local Communities

Community Targeting and Prioritisation

DRB-HICOM identifies target communities through a strategic yet flexible approach. Community investment efforts are generally focused on areas where the Group operates in, yet support may be extended to communities facing urgent needs due to unforeseen circumstances or crisis situations.

To ensure effective and well-targeted support, the Group collaborates with local authorities, non-governmental organisations ("NGOs"), and other stakeholders. Furthermore, the deployment of resources and funding is continuously reviewed to maintain efficiency and effectiveness.

Continuous Improvement

The effectiveness of CR initiatives arising from these collaborations is monitored and evaluated through a combination of programme implementation reviews, stakeholder engagement and post-programme reporting. Feedback is obtained from beneficiaries, partners and other relevant stakeholders to assess programme relevance, outcomes and areas for improvement. Where applicable, periodic progress updates and reports are prepared to track progress and inform internal stakeholders. Insights gained from these evaluation processes are used to refine future initiatives, strengthen collaboration frameworks and support the delivery of more effective and sustainable CR programmes.

Giving Back Together

Putra Heights Gas Pipeline Fire: Relief and Recovery Efforts

In response to the gas pipeline fire incident in Putra Heights, several companies within the Group mobilised coordinated support to assist with immediate relief and post-incident recovery in April 2025. These initiatives were focused on restoring mobility, safety, and basic living conditions through coordinated assistance and collaboration with relevant authorities.

EON, together with its subsidiary, DRB-HICOM EZ-Drive Sdn Bhd through its AVIS brand, supported the relief operations by providing vehicles for the temporary use of affected victims whose cars were destroyed or damaged in the incident.

As part of the DRB-HICOM Group's relief efforts, EON and AVIS Malaysia provided cars for temporary use to those affected by the Putra Heights gas pipeline fire.

Outcome

- **41 vehicles** were deployed to support families whose cars were destroyed or severely damaged.
- **22 pick-up trucks and electric vehicles** were mobilised to aid relief agencies assisting affected communities.

Complementing these efforts, DRB-HICOM Berhad, in collaboration with Dana Kita and Pertubuhan Bomba Sukarelawan Gombak, carried out a post-relief mission to assist residents of Kampung Kuala Sungai Baru, Puchong, who were affected by the incident. The mission included clean-up activities and the distribution of electrical appliance vouchers to help affected families restore essential household functions.

Outcome

- **31 volunteers** from DRB-HICOM Berhad and Pos Malaysia helped to clean up the homes of affected families.
- Electrical appliance vouchers were distributed to **156 affected families** to support recovery efforts.

Employees from the DRB-HICOM Group carried out post-relief support to affected residents, such as removing debris from damaged houses.

Further extending assistance, PUSPAKOM conducted a relief initiative by offering free vehicle inspections, technical advisory services and insurance consultations. These efforts contributed to improving public awareness of vehicle safety matters following the incident, while providing affected individuals with practical guidance to support their recovery.

Outcome

- Collectively, the DRB-HICOM Group's relief and recovery missions, together with the financial assistance provided, supported **more than 7,000 individuals**, enabling affected communities to resume essential daily activities through timely support, practical assistance, and public safety awareness initiatives.

DRB-HICOM Blood Drive 2025

DRB-HICOM recognises that maintaining an adequate blood supply remains an ongoing healthcare challenge in Malaysia, with shortages potentially affecting the timely delivery of medical treatments and placing pressure on hospitals. In support of national blood collection efforts, DRB-HICOM organised Blood Drive 2025, a Group-wide initiative aimed at contributing to blood availability, while promoting health awareness and employee volunteerism.

This initiative was implemented in collaboration with Pusat Darah Negara, respective state blood banks and DRB-HICOM. By bringing blood donation activities directly to the workplace, the programme facilitated greater accessibility and encouraged wider employee participation in voluntary blood donation.

The DRB-HICOM Blood Drive 2025 initiative saw over 370 pints of blood donated, which can potentially be used to help an estimated 1,100 patients.

Outcome

- **525 employees** participated in the blood donation drive across five locations within the Group, including Wisma DRB-HICOM (Shah Alam, Selangor), CTRM (Batu Berendam, Melaka), DHU (Pekan, Pahang), PROTON (Tanjong Malim, Perak), and MODENAS (Gurun, Kedah).
- A total of **378 pints of blood** were successfully collected, surpassing the target of 350 pints.
- Based on standard blood bank estimates, the donated blood has the potential to support approximately **1,134 patients**.

Environmental Rebalancing Effort

Mangrove Forest Conservation and Sustainability Programme

The Mangrove Forest Conservation and Sustainability Programme was conducted at Hutan Simpan Banjar Utara, Tanjong Karang, Selangor, in collaboration with Universiti Teknologi MARA ("UiTM").

The initiative was designed to restore and improve the conservation of mangrove ecosystems through volunteer-led restoration activities, while contributing to natural coastal protection against erosion and flooding. This supports the improvement of coastal ecosystem resilience and may help reduce exposure to coastal flood impacts for nearby communities over time.

The Mangrove Forest Conservation and Sustainability Programme aims to help with mangrove ecosystem conservation and coastal area protection.

Outcome

- **700 mangrove seedlings** have been planted, with **a target of 1,000 seedlings** to be planted in stages.

Coastal Conservation and Clean-Up Programme

In 2025, PROTON continued its efforts in conserving coastal areas in Selangor by organising a beach clean-up initiative at Morib Beach in collaboration with Reef Check Malaysia, a non-profit organisation. The programme formed part of PROTON's ongoing environmental conservation efforts, focusing on practical action and awareness-building to support the protection of coastal ecosystems.

The initiative was designed to support environmental conservation through the removal of waste from coastal areas, while raising awareness on the importance of clean coastlines and the role of marine and mangrove ecosystems in environmental protection.

PROTON's beach clean-up initiative is part of its ongoing environmental conservation efforts which focuses on practical action and awareness-building.

Outcome

- Engaged **157 volunteers** comprising PROTON employees, vendors, and dealers.
- **More than 448 kg** of waste, including general waste, large items, tin and metal, plastic and glass, were collected.

Turtle Conservation Programme

The programme was designed to raise awareness among employees who participated in the programme on the conservation of marine life, while providing hands-on support to turtle protection activities. Participants were exposed to key information on turtle species, life cycles, and conservation challenges, alongside practical involvement in hatchery maintenance activities, including cleaning works and nest preservation.

The Turtle Conservation Programme by CTRM raises awareness of the conservation of marine life and turtle protection among employees.

Outcome

- **30 CTRM volunteers** helped enhance hatchery conditions at the Turtle Conservation & Information Centre and assisted in safely releasing **389 turtle hatchlings** back into the sea.

DRB-HICOM University of Automotive Malaysia Scholarship Programme

With the objective of supporting access to higher education, DHU administers a scholarship programme aimed at assisting students from underprivileged backgrounds who face financial constraints in pursuing tertiary studies. By providing financial support, the initiative seeks to help reduce economic barriers to education and enable eligible students to continue their academic pursuits.

The scholarship programme reflects DHU's commitment to supporting education and social mobility by providing targeted assistance to students in need, while fostering a more diverse and inclusive talent pipeline over time.

Outcome

- **More than RM750,000** in scholarship funding was disbursed in 2025.
- **63 underprivileged students** were supported across various academic programmes offered by DHU.

Inspirasi Ke Sekolah DRB-HICOM x Sinar Bestari

Inspirasi Ke Sekolah DRB-HICOM x Sinar Bestari is a collaborative initiative between DRB-HICOM and Sinar Bestari. The programme is designed to support students from underprivileged backgrounds from three schools which are SK Permatang Pasir, SK Guar Perahu, and SMK Permatang Pasir, Pulau Pinang by easing financial constraints and improving access to essential learning resources, with the aim of improving school attendance, participation, and academic readiness.

The programme enhanced students' access to learning environments beyond the traditional classroom by providing a Studio TV Set for the School Resource Centre. The Studio TV Set functions as a digital learning facility equipped with audio-visual tools such as microphones, lighting equipment, and a green-screen setup to support content creation, broadcasting and other digital learning activities within the school. Through these efforts, the initiative seeks to address barriers to education while reinforcing DRB-HICOM's broader commitment to education access and social responsibility.

The Inspirasi Ke Sekolah DRB-HICOM x Sinar Bestari programme provides support to students from underprivileged backgrounds with financial aid as well as access to learning resources such as smart televisions and multimedia studio sets.

Outcome

- **300 underprivileged students** from the three schools received RM200 each for basic school needs, for their preparation for the 2026 school year.
- Each school received a Studio TV Set for their respective School Resource Centre, benefitting **more than 1,800 students** in total.

EON Tech Future Camp

As part of its ongoing commitment to education and youth development, EON, in collaboration with Creative Minds Education, conducted the programme to expose students to hands-on applications of Science, Technology, Engineering, and Mathematics ("STEM"), digital technology and future career pathways.

Participants took part in structured workshops, robotics demonstrations and coding sessions that integrated digital skills with technical competencies.

Through hands-on STEM and digital learning activities, participants gained exposure to robotics, coding and innovation practices while reinforcing their creativity, problem-solving and innovation skills. Additionally, the programme helps to improve their understanding of technology applications and enhancing their readiness for future education and career opportunities.

Students explore hands-on robotics during the EON Tech Future Camp, gaining exposure to STEM applications and digital skills.

Outcome

- The programme engaged a total of **402 students and 18 teachers from six schools and vocational institutions**.

Taman Psikomotor DRB-HICOM

This initiative is a long-term CR effort dedicated to supporting students under the Program Pendidikan Khas Integrasi ("PPKI") through the creation of inclusive outdoor spaces that promote psychomotor development.

The objective of the initiative is to enhance psychomotor development by providing a safe and structured environment where PPKI students can participate in hands-on, sensory-rich activities that strengthen their motor skills. In addition, the initiative aims to build confidence and independence by encouraging self-reliance, responsibility, and personal achievement through purposeful tasks, while promoting social interaction and inclusivity that encourage communication and integration among PPKI students, teachers and the wider school community.

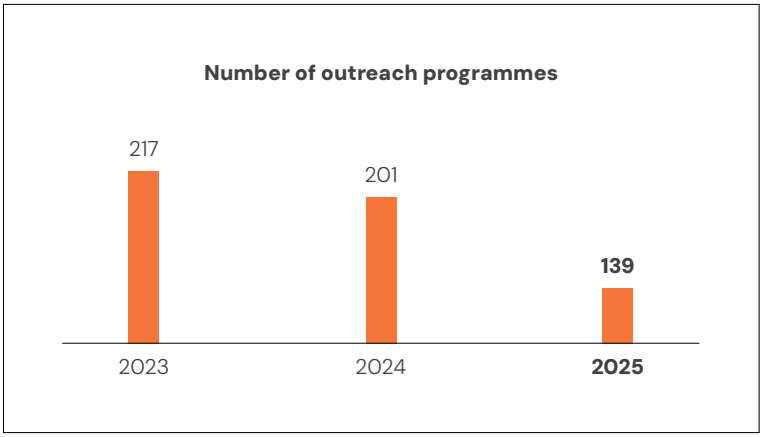
DRB-HICOM's Taman Psikomotor initiative helps students with disabilities to develop psychomotor skills as well as confidence.

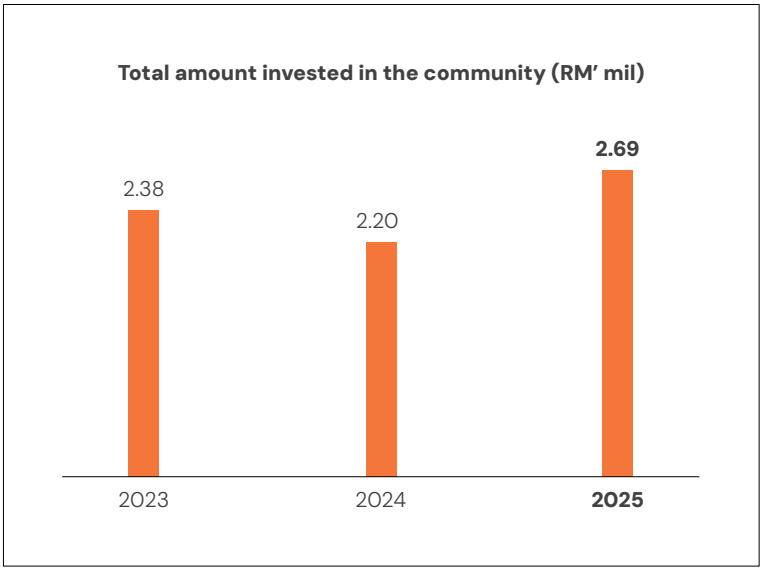
Outcome

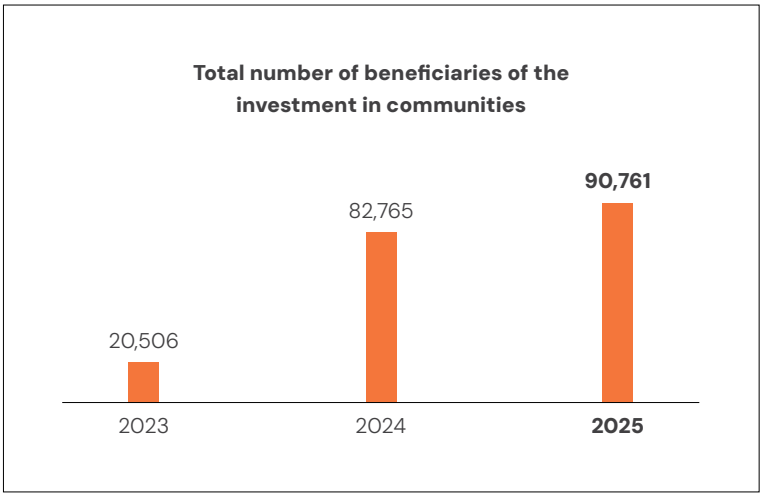
- Taman Psikomotor facilities were built at **three schools**: SMK Seksyen 27 (Shah Alam, Selangor), SK Tun Dr Ismail (Padang Rengas, Kuala Kangsar, Perak) and SMK Dato' Mahmud Mat (Pekan, Pahang).
- A total of **241 PPKI students** benefitted from these facilities across the three schools.

THE GROUP'S PERFORMANCE

In 2025, DRB-HICOM refined its CR strategy by prioritising more strategic initiatives, while allocating higher investment compared to the previous year. This shift allows the Group to concentrate resources on programmes with broader beneficiary reach and stronger community relevance. Through this strategy, the Group enhances value creation, improves cost efficiency and delivers greater, more measurable impact for the communities it serves.







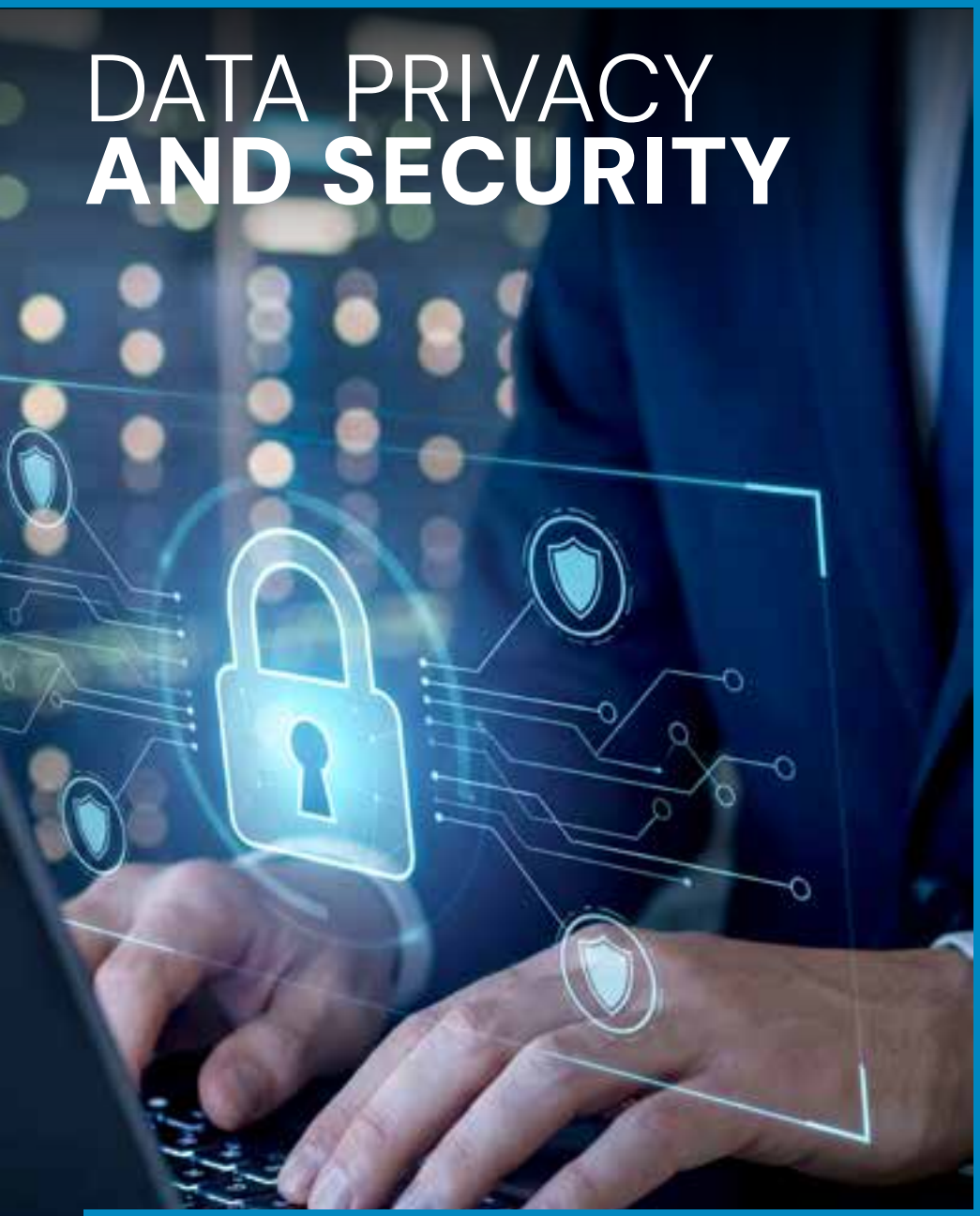
DRB-HICOM'S OUTLOOK

DRB-HICOM will continue to strengthen its commitment to community welfare, nature conservation, remove health, and education, ensuring that its initiatives respond effectively to societal needs and contribute to improved community well-being. To maintain the relevance and effectiveness of future CR initiatives, the Group plans to explore more structured assessment practices, including the evaluation of programme impacts and the social returns generated from the Group's investments, particularly for long-term initiatives. These assessments will help enhance programme design and support continuous improvement in the Group's community efforts.

As community needs evolve, DRB-HICOM will refine its approaches, strengthen the measurement of programme outcomes and identify new avenues for meaningful engagement. Through these ongoing efforts, the Group remains committed to delivering impactful and sustainable contributions to communities while reinforcing its broader CR agenda.

In addition, DRB-HICOM will continue to implement short-term initiatives aimed at addressing immediate community needs, including targeted welfare support for communities affected by calamities. Over the medium and long term, the Group intends to deepen partnerships with government agencies, NGO, charitable bodies and industry stakeholders, and introduce capacity-building initiatives that promote social mobility, environmental awareness, and sustainable practices.

SUSTAINABILITY THEME 4:
Upholding Business Integrity



DATA PRIVACY AND SECURITY

Capitals

F | I | H

Stakeholders

BOD | SMT | E | G&R | S&IC | C | S&C

Key Risks

RCR | SCR | CR

UN SDGs

Policy

Cybersecurity Policy

Scan to view DRB-HICOM's Policies and Procedures

WHY IT MATTERS

As businesses become more reliant on digital systems, cybersecurity and data privacy play an important role in protecting information and maintaining stakeholder trust. This is relevant to DRB-HICOM, where digital technology forms the foundation of DRB-HICOM's operational efficiency and customer engagement.

Across the Group, information technology ("IT") systems support core operations across operating companies, involving the processing and storage of customer, employee, and business-critical information. As digitalisation increases and data is used more extensively in day-to-day operations, exposure to cybersecurity, and data privacy risks also increases. This includes loss of customer data, erosion of customer trust, financial losses, regulatory penalties, and reputational damage. Accordingly, DRB-HICOM maintains strong cybersecurity defences to safeguard information assets and the continuity of operations.

DRB-HICOM's Privacy Statement further reflects its commitment to respecting stakeholder rights and preferences, as well as to the responsible handling of personal information.

OUR APPROACH

DRB-HICOM recognises the importance of data privacy and cybersecurity in preserving stakeholder trust, operational continuity and meeting evolving regulatory requirements. The Group's data privacy practices are governed by established data policies, refreshed security hardening standards, regular compliance scans, and regular audits. This provides a structured approach to managing personal data and information security risks. To support this, DRB-HICOM maintains structured stakeholder communication channels for feedback and regulatory liaison. This includes engagement with the Personal Data Protection Department, the Malaysian Communications and Multimedia Commission ("MCMC") and the National Cybersecurity Agency. In addition, monthly compliance posture reviews are conducted, including reviews linked to vendor risk management.

DRB-HICOM's Cybersecurity Policy provides a framework for managing cybersecurity risks across the Group. This policy defines the principles, procedures and responsibilities for protecting the Group's IT systems and data. This includes data protection, threat monitoring and incident response. This policy is reviewed periodically to maintain alignment with emerging risks and industry best practices. In tandem, employee training and awareness programmes are conducted to educate employees on cybersecurity responsibilities.

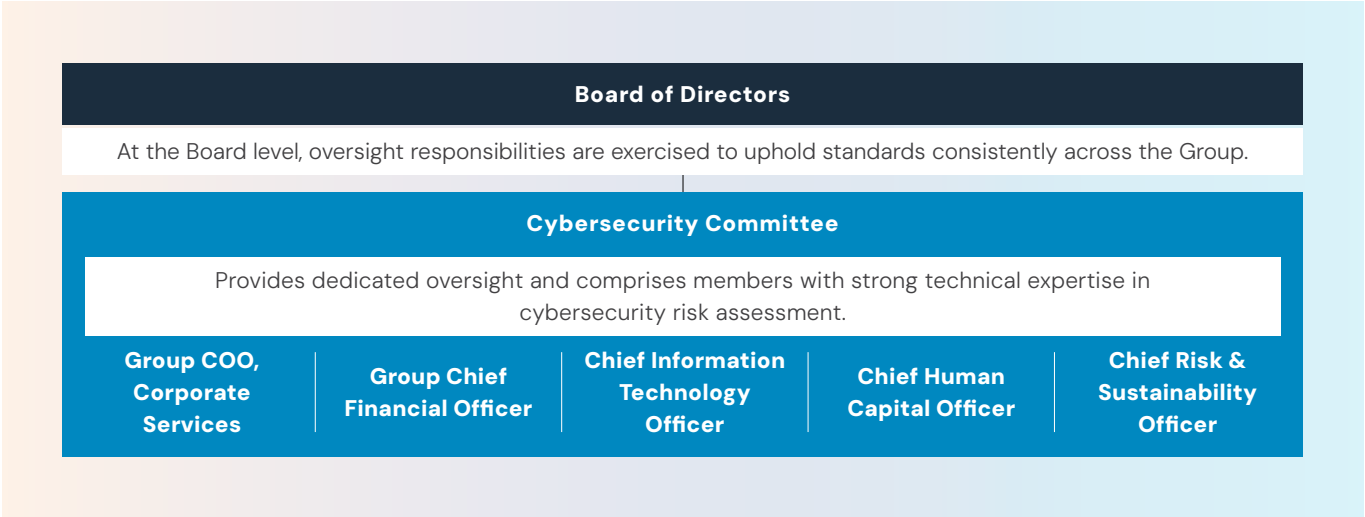
Where applicable to designated NCII operations within the Group, DRB-HICOM complies with the Cyber Security Act 2024 ("Act 854"). For all other entities, the Group adopts Act 854 as a benchmark framework to uplift cybersecurity governance and resilience.

In alignment with the PDPA Amendment 2024, the Group has initiated preparations for the appointment of a Data Protection Officer ("DPO") and compliance with Data Breach Notification ("DBN") obligations, which came into effect on 1 June 2025, supported by the Commissioner's DPO and DBN Guidelines.

Governance

Cybersecurity Governance and Oversight

Cybersecurity governance is anchored at Board level, supported by structured reporting, defined KPIs, and cross-functional committees with specialised technical expertise in implementing and managing cybersecurity matters. This governance structure maintains the confidentiality, integrity, and availability of IT and operational technology ("OT") systems and data. It is aligned with national requirements under the Malaysia Cyber Security Act 2024.



Cybersecurity Risk Management

DRB-HICOM maintains its Cybersecurity Liability Insurance Programme, which supports cybersecurity risk management and oversight. This programme provides coverage for cyber-related incidents across the Group. The Group manages cyber threats and attacks through continuous monitoring conducted by its Security Operations Centre ("SOC"), supported by regular security assessments and organisation-wide awareness programmes for employees to remain informed and updated. Additionally, it aligns with the Group's strategic objectives and applicable requirements under the Malaysia Cyber Security Act 2024.

In 2025, the effectiveness of DRB-HICOM's cybersecurity awareness initiatives was assessed through a Digital Maturity Assessment ("DMA"). This resulted in a score of 3.5 out of 5 across the Group. The score reflects measurable progress in the application of cybersecurity controls and practices.

HOW THE GROUP CREATES VALUE

In 2025, DRB-HICOM conducted a range of initiatives to strengthen cybersecurity governance, monitoring, and organisational culture:

SECURITY SCORECARD RATING FOR THE GROUP

DRB-HICOM utilised a cybersecurity ratings platform to assess and monitor the Group's cybersecurity posture, providing an overview of cyber health across the organisation. The platform also provides real-time visibility into vulnerabilities and benchmarking against industry peers, strengthening vendor oversight, and the prioritisation of remediation efforts.

On a regular basis, monthly cybersecurity posture assessments are conducted through Security Scorecard monitoring, supported by dashboards and defined remediation timelines. Internal dashboards, including Power BI tools, are used to track posture trends and remediation service level agreements (SLAs) along with timely risk closure.

At the end of the reporting period, a year-end Security Scorecard posture review is conducted to benchmark the Group's cybersecurity posture and track improvement over the year. The review provides governance oversight through remediation SLA tracking and informs cybersecurity planning for the subsequent year.

VULNERABILITY ASSESSMENT AND PENETRATION TESTING

In 2025, DRB-HICOM conducted comprehensive VAPT activities across infrastructure, networks, and applications, combining automated scanning with manual penetration testing performed by certified professionals. Remediation actions were validated through structured re-testing to ensure closure of critical vulnerabilities, in alignment with ISO/IEC 27001 control requirements, with such assessments conducted annually and upon major system changes.

Moreover, perimeter and application-layer assessments are conducted periodically, with remediation actions verified upon completion. These assessments support the identification and resolution of vulnerabilities in line with recognised standards and have resulted in completed testing for selected operating companies, contributing to a reduced attack surface and validated security controls.

SCANNING AND SOFTWARE AUDITS

DRB-HICOM implemented an IT Asset Management solution to automate the discovery, tracking and management of devices and systems across the Group. Quarterly scans conducted across multiple operating companies have improved visibility of the IT environment and supported compliance with governance and regulatory requirements.

The solution also enables software audits by identifying unauthorised and end-of-life applications, allowing timely remediation of gaps. These actions strengthen software licence compliance, enhance IT asset governance, and reduce risks associated with outdated or unauthorised software.

DATA GOVERNANCE PROGRAMME

DRB-HICOM initiated a Group-wide Data Governance Programme to strengthen awareness of data governance responsibilities across its operating companies. The programme reinforces compliance with the PDPA's Security and Retention Principles and establishes clear data ownership structures, strengthened by DLP controls, data classification policies, and refreshed retention schedules.

A structured data governance framework was implemented to define data classification and protection requirements, supported by updated policies and targeted awareness initiatives to improve data quality and security.

Operational controls were strengthened through focused workshops on data ownership, classification, and updated retention requirements, along with the expansion of DLP measures. Deep-dive sessions with selected operating companies further reinforced accountability and oversight in data management practices.

PHISHING SIMULATION

DRB-HICOM carried out its annual phishing-simulation exercise as part of the Group's continuous efforts to strengthen cybersecurity awareness and reinforce secure digital practices across its workforce. The exercise served to assess employees' readiness in identifying and appropriately responding to phishing threats.

A total of 15 operating companies participated in the 2025 cycle, recording an overall phishing click-through rate of 3.8%. The rate was measured using standardised templates and consistent user cohorts to ensure year-on-year comparability. The results informed targeted micro-learning interventions for high-risk segments, supporting ongoing phishing-detection awareness and the Group's broader efforts to strengthen cyber resilience and reduce phishing-related risks.

INTERNAL AWARENESS AND TRAINING PROGRAMME

Ongoing Cybersecurity Awareness Programmes

In 2025, DRB-HICOM continued to implement cybersecurity awareness programmes for its Board of Directors, Senior Management and employees as part of its ongoing efforts to strengthen digital risk awareness across the Group. The sessions addressed emerging cyber threats, data protection obligations and secure digital practices, with practical guidance on phishing detection, safe online behaviour and verification of website legitimacy. Participants were regularly reminded of the importance of safeguarding confidential information, complying with internal cybersecurity policies and promptly reporting suspicious activities.

Cybersecurity Gamification Programme

DRB-HICOM implemented a quarterly Cybersecurity Gamification Programme with Group-wide participation to promote cybersecurity awareness through interactive activities such as crosswords and quizzes. The initiative was communicated via internal channels, including posters email and the company portal. The programme encourages employee engagement in a more interactive format while reinforcing key cybersecurity messages across the Group.

E-Learning Modules on Cybersecurity & Data Privacy Awareness

Compulsory cybersecurity awareness e-learning modules were delivered to all employees via the Group's Learning Experience Platform (LXP). Through completion of these modules, participants enhanced their understanding of cyber and physical security risks, strengthened their ability to safeguard sensitive information and improved their preparedness to respond to security incidents. This initiative supports the Group's commitment to data privacy, operational resilience, and the promotion of a secure and trusted working environment.

A Group-wide cybersecurity drill was conducted in October 2025, led by the COO, Corporate Services, together with the Chair of the Cyber Security Steering Committee ("CSC") and the Chair of the Digital Steering Committee ("DSC").

EXTERNAL AWARENESS AND TRAINING PROGRAMME

Recognising that the banking and postal segments are prone to cybersecurity and fraud risks, Bank Muamalat and Pos Malaysia strengthened customer awareness through targeted external education initiatives. These initiatives were delivered via official websites and social media platforms.

Scam Awareness Initiatives

Bank Muamalat and Pos Malaysia undertook customer awareness initiatives to mitigate fraud and scam-related risks.

Under its campaign, Bank Muamalat educated customers on common scam typologies and preventive measures to reduce exposure to financial fraud. Key risks highlighted included malware-related scams, investment scams, impersonation and phone scams, phishing, unauthorised debit or credit card usage, mule accounts, and other prevalent fraud tactics. Customers were also provided with practical guidance on safe banking practices to enhance vigilance and promote responsible digital behaviour.

In parallel, Pos Malaysia strengthened public awareness by disseminating educational content on identifying scam tactics through its official communication channels. The initiative addressed risks associated with fake accounts impersonating Pos Malaysia and clarified the company's official customer communication and delivery processes, enabling customers to distinguish legitimate communications from fraudulent activities.

Security for i-Muamalat

With the continued growth of digital banking adoption and increasingly sophisticated scam tactics, online financial platforms face heightened exposure to cyber and fraud-related risks. In response to this evolving threat landscape, Bank Muamalat introduced additional security measures beginning January 2025 for the i-Muamalat Online Portal and Mobile Application to further safeguard customer accounts.

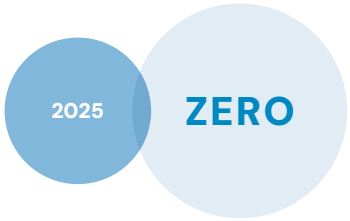
These enhancements are designed to strengthen transaction security and reduce the risk of unauthorised access. All transactions now require i-MSecure authentication, adding an additional layer of verification. A Kill Switch feature has also been introduced, enabling customers to temporarily block login access and outgoing transactions if their credentials are suspected to be compromised. The feature can be activated directly via the i-Muamalat login page, providing customers with greater control and protection against potential financial scams.

THE GROUP'S PERFORMANCE

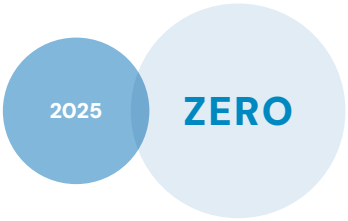
In 2025, 100% of employees participated in internal cybersecurity training or assessments. During the year, there were no identified data leaks, thefts or losses of customer data. There were also no substantiated complaints related to breaches of customer privacy or customer data losses. The following indicators highlight DRB-HICOM's Group-wide commitment to data privacy and cybersecurity.

Key Performance Indicator

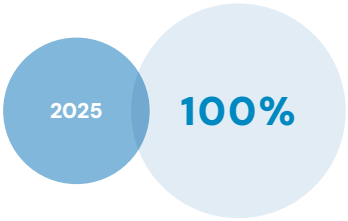
Total number of identified leaks, thefts, or losses of customer data



Number of substantiated complaints concerning breaches of customer privacy and losses of customer data



Percentage of employees' participation in internal cybersecurity training or assessments



DRB-HICOM OUTLOOK

DRB-HICOM's cybersecurity strategy focuses on strengthening internal capabilities through enhanced training programmes and progressively centralising cybersecurity operations.

Short Term
DRB-HICOM will further strengthen its cybersecurity capabilities through enhanced cyber and data security training, upgrades to centralised monitoring tools, and continued refinement of rapid-response protocols to ensure timely detection, containment, and mitigation of cyber threats.

Medium Term
Building on its achievement of Cybersecurity Maturity Level 3, DRB-HICOM will focus on deepening enterprise-wide adoption of mature security practices and expanding comprehensive training programmes to all operating companies. The Group will also enhance continuous monitoring capabilities and reinforce alignment with the Malaysia Cyber Security Act 2024 and updated PDPA requirements, ensuring consistent compliance and strengthened operational resilience.

Long Term
DRB-HICOM aims to progress towards Cybersecurity Maturity Level 4 by fully centralising cybersecurity operations, integrating advanced security technologies and expanding automation across detection, response and recovery functions. The Group will continue to adopt and align with relevant industry standards and frameworks to elevate assurance, strengthen cyber resilience and reinforce stakeholder confidence.

SUSTAINABILITY THEME 4:
Upholding Business Integrity

Capitals

S

Stakeholders

BOD | SMT | E | G&R | S&IC | BP

Key Risks

CRR

UN SDGs

Policy

Code of Ethics and Business Practice

Anti-Bribery and Anti-Corruption Policy ("ABAC Policy")

Whistleblowing Policy

Group Risk Management Policy

Conflict of Interest Policy

▶ *Scan to view DRB-HICOM's Policies and Procedures*

WHY IT MATTERS

Good governance and strong business ethics are fundamental to DRB-HICOM's ability to uphold trust and reputation across its diverse operations. The Group upholds high standards of credibility, integrity, transparency, and accountability, supported by governance practices aligned with the Ministerial Guidelines on Adequate Procedures and international standard of ISO 37001:2025 Anti-Bribery Management Systems ("ABMS"). These practices are designed to promote trust among stakeholders and foster a business environment that is fair and transparent, while safeguarding the Group's reputation and long-term value.

DRB-HICOM adopts a zero-tolerance approach towards bribery, corruption and unethical conduct, in line with Malaysia's Anti-Bribery and Anti-Corruption ("ABAC") laws, including the MACC Act 2009. Policies and practices are reviewed periodically to remain responsive to evolving legal and regulatory requirements and prevent exposure to emerging risks. Through its governance framework, the Board provides oversight on integrity and compliance matters to mitigate legal, regulatory, and financial risks.

OUR APPROACH

Governance

The ABAC Governance Structure establishes a clear accountability framework to ensure effective oversight, implementation and continuous improvement of the Group's Anti-Bribery and Anti-Corruption Management Systems ("ABACMS"). It defines the leadership roles, reporting lines and responsibilities of the Board of Directors and its specialised committees in driving a strong integrity culture across the organisation. Through structured governance, regular monitoring and policy oversight, the Group's ABAC framework ensures that anti-corruption controls remain robust, aligned with regulatory requirements and responsive to emerging risks.

ABAC Governance Structure

Governance Bodies	Roles & Responsibilities
Board of Directors ▶	• Providing ABAC leadership for the Group • Approving ABAC-related policies and periodically review ABACMS operations
Board Audit Committee ("BAC") ▶	• Oversee the formulation, review, and amendment of ABAC policies, and recommend them for Board approval • Review and approve key ABAC-related documentation • Monitor the effective implementation of the ABACMS by Management • Ensure adequate and appropriate resources are allocated for effective operations of the ABACMS
Top Management ▶	• Demonstrate leadership and commitment in implementing the Group's ABAC framework and fostering a culture of ethics, integrity, and zero tolerance towards bribery and corruption • Integrate requirement of ABACMS into business processes and ensure adequate resources for its effective operations • Monitor and report on the performance and effectiveness of the ABACMS, including significant bribery and corruption risks or allegations
ABAC Steering Committee ▶	• Provide oversight and strategic direction on the implementation of the Group's ABAC framework and ABACMS • Promote a culture of ethics, integrity and zero-tolerance towards bribery and corruption across the Group • Ensure requirements of ABACMS are effectively integrated into business processes and supported with adequate resources • Monitor and report on the performance and effectiveness of the ABACMS, including significant bribery and corruption risks or allegations
ABAC Function ▶ **Integrity & Governance Unit** **Investigation Unit**	**Integrity & Governance Unit** • Drive the implementation and continuous improvement of the Group's ABAC framework and ABACMS • Lead integrity strengthening initiatives, including training, awareness, and advisory support on anti-bribery and anti-corruption matters • Monitoring the performance and effectiveness of the ABACMS and report periodically to Management, the BAC, and the Board **Investigation Unit** • Administer and safeguard the Group's whistleblowing framework, including ensuring confidentiality and protection of whistleblowers • Conduct independent investigations into allegations and reporting of bribery, corruption, misconduct, and breaches of Group policies • Report investigation outcomes, trends, and key findings to BAC, BOD, Management, and relevant governing bodies for appropriate action

DRB-HICOM has established an Anti-Bribery and Anti-Corruption ("ABAC") governance framework to uphold accountability, integrity, and ethical conduct across the Group. The Board Charter sets out the roles and responsibilities of the Board in line with the Companies Act 2016, Bursa Malaysia Listing Requirements, and the Malaysian Code on Corporate Governance.

The framework aligns with applicable laws and recognised standards, including ISO 37001:2025 ABMS. The Group adopts a strict zero-tolerance policy towards bribery and corruption, applicable to employees, Management, Board members, and business associates, with breaches subject to disciplinary or legal action.

The ABAC Policy, Code of Ethics and Business Practice, and Vendor Code of Conduct set out clear compliance expectations for internal and external parties. These policies are accessible via the corporate website and the SOPP portal and reinforced through regular communication and training initiatives.

Transparency is further strengthened through a Whistleblowing Policy that provides secure and confidential channels for reporting suspected misconduct in good faith.

Whistleblowing Reporting Channels

DRB-HICOM provides multiple secure channels for employees, business associates, and third parties to report any misconduct, unethical behaviour or breaches of integrity. Reports may be submitted through any of the following reporting channels:

Call the Whistleblowing Hotline *1-800-88-2005*

Send an e-mail to *whistleblowing@drb-hicom.com*

Post a letter to *Group Internal Audit & Integrity Division, Level 5, Wisma DRB-HICOM, No. 2, Jalan Usahawan U1/8, Seksyen U1, 40150 Shah Alam, Selangor Darul Ehsan, Malaysia*

Drop your complaint into the *Whistleblowing Box located at Level 1 and Level 5 of Wisma DRB-HICOM*

Whistleblowing Investigation Procedures

1 **Receipt of Complaint**
All complaints or whistleblowing reports relating to bribery, corruption, misconduct or breaches of Group policies are received and formally registered in accordance with the Group's Whistleblowing Policy. Confidentiality of information and protection of whistleblowers are safeguarded throughout the process.

2 **Preliminary Assessment and Disclosure Review**
Each report undergoes an initial assessment to determine its scope, materiality, and appropriate course of action. Where necessary, conflict-of-interest and disclosure considerations are addressed to ensure independence and impartiality.

3 **Independent Investigation**
A thorough and objective investigation is conducted, including evidence gathering, document review, and interviews with relevant parties, where necessary. Investigations are carried out in a fair, timely, and confidential manner, in line with established governance standards and due process principles.

4 **Reporting of Findings and Recommendations**
Upon completion, a comprehensive investigation report outlining findings, supporting evidence, and recommendations is submitted to the BAC, BOD, Management, and the relevant governing bodies for deliberation and appropriate decision-making. Significant matters are highlighted to ensure transparency and accountability.

5 **Escalation, Remedial Action, and Closure**
Where required, matters are escalated to the appropriate authority. Corrective, disciplinary or control enhancement measures are implemented accordingly, and including formal closure of the case with proper documentation and monitoring of follow-up actions to strengthen the overall control environment.

DRB-HICOM received the ISO 37001:2016 Anti-Bribery and Anti-Corruption Management Systems certification in May 2025, reinforcing its strict zero tolerance towards bribery and corruption.

Communication With Stakeholders

To ensure compliance with applicable ABAC laws, regulations, and internal policies, DRB-HICOM communicates its requirements to employees and relevant external stakeholders through a structured approach focused on clarity and accessibility.

The key instruments outlining the Group's requirements and associated procedures are set out as follows:

Code of Ethics and Business Practice

Description	Sets out clear expectations for ethical conduct and compliance with ABAC standards, ensuring that employees and business partners understand and fulfil their responsibilities in relation to bribery and corruption.
Stakeholders	BOD, SMT, E, S&C, BP

Whistleblowing Policy

Description	Establishes mechanisms and procedures for reporting suspected misconduct confidentially and securely.
Stakeholders	BOD, SMT, E, M, G&R, S&IC, LC&NGO, DP, CUS, S&C, BP

Vendor Code of Conduct ("VCOC")

Description	Sets standards for ethical conduct and compliance with ABAC laws, requiring partners and suppliers to uphold the Group's commitment to integrity and anti-corruption.
Stakeholders	S&C, BP

Regular Training Sessions

Description	Designed to promote awareness of ethical practices and provide practical guidance for the identification and reporting of potential violations. They also reinforce the importance of ABAC governance and deter mischief and violations.
Stakeholders	BOD, SMT, E, S&C, BP

Anti-Bribery and Anti-Corruption Steering Committee Manual

Description	Provides structured guidance for the establishment, governance, and operations of the ABAC Steering Committee. It defines the Committee's structure, roles, and responsibilities in alignment with DRB-HICOM's corporate governance framework and applicable legal and regulatory requirements.
Stakeholders	SMT

Conflict of Interest Manual

Description	Provides guidance for identifying, declaring, and managing Conflicts of Interest ("COI") involving employees of DRB-HICOM Berhad. It promotes integrity, transparency, and accountability while safeguarding the Group's impartiality and reputation in line with Malaysian legislation and internal governance standards.
Stakeholders	SMT, E

Collectively, these instruments reinforce the Group's commitment to ethical conduct and ensure that ABAC expectations are clearly communicated, understood, and consistently applied across the organisation and its business relationships.

Assessment of Corruption Risk

The Group's Corruption Risk Assessment ("CRA") has been strengthened as part of its ongoing commitment to enhancing the ABAC governance framework. The updated CRA Guidelines incorporate defined Likelihood and Impact criteria to support a more structured and comprehensive risk analysis of potential bribery and corruption risks across business operations.

Likelihood assessments consider both historical trends and forward-looking factors, while Impact criteria evaluate potential financial, legal, compliance, reputational and stakeholders' consequences. Key Corruption Risk Indicators have also been refined to enhance monitoring and early detection, including indicators relating to corruption cases, enforcement investigations, whistleblowing trends, audit findings, and reputational exposure.

This enhanced methodology enables clearer identification of higher-risk areas and supports more targeted allocation of controls and mitigation measures. Specific procedures have also been established for businesses and operations with elevated risk exposure, further strengthening the Group's ability to prevent, detect, and respond effectively to corruption-related risks.

1 Identification and Assessment

High-risk areas are systematically identified, analysed, and evaluated through a structured corruption risk assessment process.

2 Continuous Monitoring

High-risk areas are subject to regular reviews and monitoring to evaluate the effectiveness of existing controls and ensure ongoing adherence to ABAC protocols.

3 Controls and Mitigation

Appropriate controls are implemented to mitigate identified bribery and corruption risks, ensuring compliance with ABAC requirements.

4 Leadership Oversight

The Board and Top Management actively oversee and manage exposure to bribery and corruption risks, ensuring a robust ABAC governance framework is maintained.

Training for ABAC included interactive modules and gamification for greater impact.

HOW THE GROUP CREATES VALUE

During the year, DRB-HICOM implemented structured initiatives to maintain consistent adherence to ABAC governance and ethical standards.

KEY ABAC IMPLEMENTATION INITIATIVES

ABACMS/ABAC Programme Maintenance

Conducted regular reviews and updates of the ABACMS/ABAC Programme to support ongoing compliance with applicable anti-corruption laws and regulatory requirements, including the MACC Act 2009, the Ministerial Guidelines on Adequate Procedures, Listing Requirements, and the ISO 37001:2025 ABMS.

ABACMS Audits

Conducted ABACMS audits across divisions, departments, and units to assess compliance, identify gaps, and strengthen the effectiveness of controls and mitigation measures.

Training, Awareness, and Communication Programmes

Implemented continuous training and awareness initiatives to enhance employees' understanding of ABAC legal obligations, internal policies, ethical conduct, and emerging corruption risks, thereby reinforcing a strong culture of integrity across all levels of the organisation.

Vendor and Business Partner Engagement

Engaged with vendors and business associates to maintain alignment with the VCOC and ABAC expectations, promoting ethical practices throughout the supply chain period.

Strengthening the Integrity & Governance Unit and ABAC Steering Committee

The Integrity & Governance Unit ("IGU") has been strengthened in terms of capacity, mandate, and resources to independently oversee the implementation and effectiveness of the ABAC framework, monitor compliance, and address integrity-related matters. This is complemented by the ABAC Steering Committee, which provides strategic oversight, cross-functional coordination, and governance direction to ensure consistent application of ABAC requirements and effective escalation of issues across the organisation.

ISO 37001 ABMS Certification and Transitioning Process

Awarded ISO 37001:2016 ABMS certification, affirming the Group's sustained commitment to structured and internationally recognised framework for bribery prevention and corruption risk management. Concurrently, DRB-HICOM has initiated a structured transition plan to align its ABACMS with the requirements of the ISO 37001:2025 ABMS standards, ensuring continued relevance, effectiveness, and alignment with evolving international best practices.

Continuous Improvement Framework

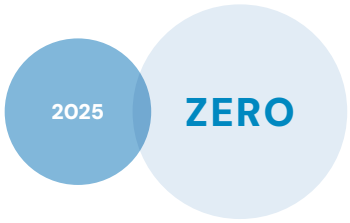
Committed to the continuous enhancement of its ABAC policies, procedures, and controls to ensure their relevance, effectiveness, and resilience against evolving risks and regulatory expectations.

THE GROUP'S PERFORMANCE

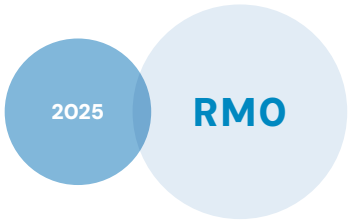
The Group recorded no confirmed cases of corruption during the year under review. In addition, there were no fines, penalties or settlements related to corruption during this period.

Key Performance Indicators

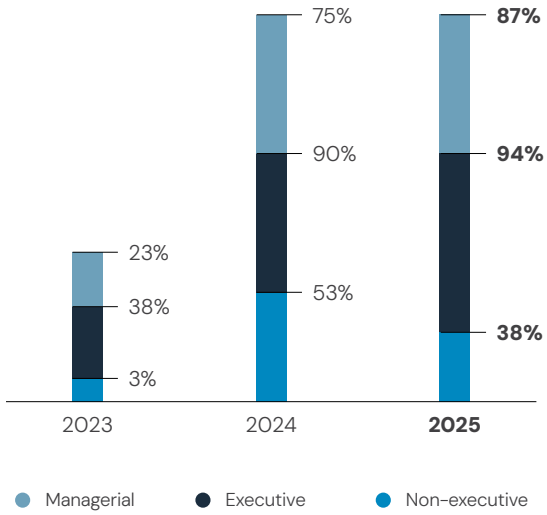
Total number of confirmed incidents of corruption[19]



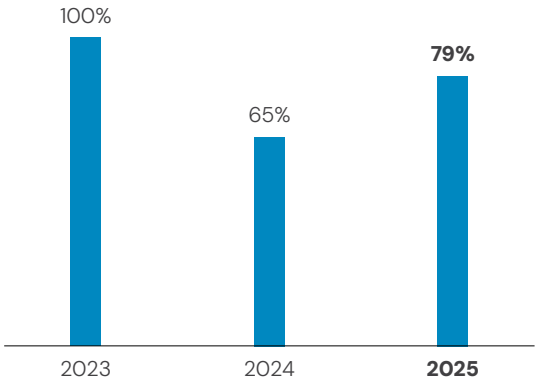
Fines, penalties or settlements in relation to corruption



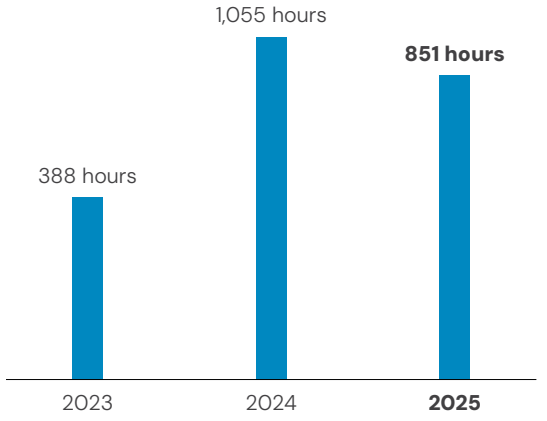
Percentage of employees who have received training on ABAC by employee category[21]



Percentage of operations assessed for risks related to corruption[20]



Hours of ABAC training completed[21]



From 2024 to 2025, DRB-HICOM transitioned its ABAC training from a certification-focused approach to emphasise ongoing system sustainability. In 2024, extensive competency-based programmes supported ISO 37001:2016 ABMS, resulting in higher training hours and broader employee participation. Following the framework's establishment in 2025, training became more targeted, focusing on role-specific and refresher programmes, which led to shorter sessions and lower overall training hours compared to the previous year.

[19] *A confirmed incident of corruption refers to any case involving the solicitation, acceptance, offering or giving of gratification; submission of false claims; abuse of power; failure to report bribery or corrupt transactions; collusion; or other corrupt practices, that has been convicted by a court of law, whether in Malaysia or internationally. Incidents that remain under investigation during the reporting period are excluded.*

[20] *The measurement approach was refined in 2024 to assess corruption risks at the individual company level, rather than at the sub-group level, to enhance granularity and accuracy. As such, prior-year figures may not be directly comparable.*

[21] *The data covers HICOM Holdings Berhad only.*

DRB-HICOM OUTLOOK

In the short term, DRB-HICOM will strengthen its ABAC framework through targeted updates to policies and risk assessments, expanded training and awareness initiatives, and the enhancement of whistleblowing mechanisms to ensure timely and effective management of reported concerns.

Over the medium term, the Group will reinforce compliance through periodic internal and external ABAC audits, deeper engagement with vendors and business partners to uphold ethical standards across the supply chain, and enhanced governance oversight by strengthening the capacity of the IGU and the ABAC Steering Committee.

In the long term, DRB-HICOM will sustain ISO 37001 ABMS certification and drive continuous improvement of its ABAC policies, processes, and controls to remain resilient, internationally aligned, and responsive to evolving corruption risks and regulatory expectations.

DRB-HICOM Integrity Champions learning about anti-bribery and anti-corruption enforcement during a visit to the Malaysian Anti-Corruption Commission.

6

STRENGTHENING GOVERNANCE AND INTEGRITY

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> Do not go where the path may lead, go instead where there is no path and leave a trail.
>
> — Ralph Waldo Emerson
> Essayist and Philosopher

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PROFILE OF DIRECTORS

TAN SRI WAN ZULKIFLEE BIN WAN ARIFFIN

Chairman/Independent Non-Executive Director

Malaysian	65	Male

Dates of Appointment
- 1 September 2020 (Chairman)
- 1 August 2020 (Director)

Date of Last Re-election
29 May 2023

Board Committee Membership(s):
- Chairman, Board Nomination and Remuneration Committee

Board Meeting Attendance in 2025: 9/9

Academic/Professional Qualification
- Bachelor of Engineering (Chemical), University of Adelaide, South Australia
- Senior Management Program, INSEAD
- Advanced Management Programme, Harvard Business School
- Honorary Fellow, Institution of Chemical Engineers, United Kingdom
- Fellow, Institute of Corporate Directors Malaysia

Present Directorships

Listed Entities:
- Chairman, Gas Malaysia Berhad
- Chairman, Nestlé (Malaysia) Berhad
- Chairman, Malakoff Corporation Berhad

Other Public Companies:
- Nil

Present Appointments
- Board of Advisors, Yayasan Prihatin Nasional
- Chairman, EON Petromin Sdn. Bhd.
- Board of Advisors, National Energy Services Reunited Corp., Houston

Past Experiences
- Adjunct Professor, Kulliyyah of Economics and Management Sciences, International Islamic University Malaysia ("IIUM")
- Board of Trustees, Razak School of Government
- Chairman, Malaysia Aviation Group Berhad
- Chairman, Malaysia Airlines Berhad
- Board of Governors, IIUM
- Chairman, University Risk Management Committee, IIUM
- Director, Exxon Mobil Corporation
- Various executive positions in Petroliam Nasional Berhad ("PETRONAS") since 1983 and retired from the position of President and Group Chief Executive Officer in June 2020
- Chairman, Malaysia's National Trust Fund
- Council Member, East Coast Economic Region Development Council
- Council Member, Northern Corridor Implementation Authority
- Council Member, ASEAN Council on Petroleum ("ASCOPE")
- Member, World Economic Forum's ("WEF") Stewardship Board of System Initiative on Shaping the Future of Energy
- Member, WEF's Oil and Gas Governors Forum and the WEF Oil and Gas Action Group
- Pro Chancellor, Universiti Teknologi PETRONAS
- Advisory Council, Institut Tadbiran Awam Negara ("INTAN")
- Industry Advisor, Universiti Putra Malaysia

Malaysian | 60 | Male

TAN SRI SYED FAISAL ALBAR BIN SYED A.R ALBAR

Group Managing Director

Dates of Appointment
- 1 March 2016 (Group Managing Director)
- 4 January 2016 (Group Chief Executive Officer)

Date of Last Re-election
28 May 2024

Board Meeting Attendance in 2025: 9/9

Academic/Professional Qualification
- Member of the Malaysian Institute of Accountants ("MIA")
- Member of the Malaysian Institute of Certified Public Accountants ("MICPA")
- American Institute of Certified Public Accountants ("AICPA") Professional Certification from University of Illinois, Urbana Champaign, United States of America ("USA")
- Bachelor of Arts (Accountancy), Barat College of DePaul University, Lake Forest, USA

Present Directorships

Listed Entity:
- Chairman, Pos Malaysia Berhad

Other Public Companies:
- Chairman, PROTON Holdings Berhad
- Edaran Otomobil Nasional Berhad
- HICOM Holdings Berhad
- HICOM Berhad

Past Experiences
- Chief Executive Officer ("CEO"), Malakoff Corporation Berhad
- CEO, Gas Malaysia Berhad
- Executive Director, Pos Logistics Berhad
- Director, Malaysia Airports Holdings Berhad
- Director, Hong Leong Bank Berhad
- Director, Kwasa Land Sdn. Bhd.
- Director, Yayasan Kelana Ehsan
- Group Managing Director, Pos Malaysia Berhad
- Chairman, ASEAN Postal Business Union
- CEO, The New Straits Times Press (Malaysia) Berhad ("NSTP")
- Chief Financial Officer, NSTP
- Various positions in PricewaterhouseCoopers (formerly known as Price Waterhouse), Kuala Lumpur and San Francisco, California, USA

Malaysian | 71 | Male

DATO' IBRAHIM BIN TAIB

Senior Independent Non-Executive Director

Dates of Appointment
- 1 March 2022 (Senior Independent Non-Executive Director)
- 30 May 2017 (Independent Non-Executive Director)
- 18 March 2004 (Non-Independent Non-Executive Director)

Date of Last Re-election
28 May 2025

Board Committee Membership(s):
- Chairman, Board Risk and Sustainability Committee
- Member, Board Audit Committee

Board Meeting Attendance in 2025: 9/9

Academic/Professional Qualification
- Bachelor of Laws LLB. (Honours), University of Malaya
- Master of Laws, University of London

Present Directorships
Listed Entity:
- Nil

Other Public Companies:
- Bank Muamalat Malaysia Berhad

Present Appointments
- Partner legal firm, Ibrahim Taib & Associates

Past Experiences
- Various positions in the Employees Provident Fund ("EPF") since July 1992 and retired as the Deputy Chief Executive Officer (Operations) in October 2014
- Judge, Sessions Court, Kota Bharu
- Deputy Public Prosecutor for Selangor, Attorney-General Chambers
- Legal Advisor, Ministry of Human Resources
- Legal Advisor, Road Transport Department
- Magistrate in the Magistrate Court, Segamat, Johor
- Magistrate in the Magistrate Court, Jalan Duta, Kuala Lumpur

Malaysian | 64 | Female

UJI SHERINA BINTI ABDULLAH

Independent
Non-Executive Director

Date of Appointment
- 1 March 2023

Date of Last Re-election
28 May 2025

Board Committee Membership(s):
- Member, Board Nomination and Remuneration Committee
- Member, Board Audit Committee

Board Meeting Attendance in 2025: 9/9

Academic/Professional Qualification
- Associate in Occupational Studies Degree, with a major in Business Administration/Management, Central City Business Institute, Syracuse, New York

Present Directorships
Listed Entity:
- Nil

Other Public Companies:
- Nil

Past Experiences
- Independent Non-Executive Director, Bursa Malaysia Berhad
- Group Chief Human Resource Officer, AMMB Holdings Berhad
- Country Chief Human Resources Director, HSBC Bank Malaysia Berhad
- Country Chief Human Resource Director, Citibank Berhad
- General Manager, Human Resources and Corporate Communications, Mesiniaga Berhad
- Head, Human Resources, Mesiniaga Berhad
- Training and Development Manager, Mesiniaga Sdn. Bhd.
- Sales and Marketing Manager - Mid-range System, Mesiniaga Sdn. Bhd.
- Various IT and Technology roles in Mesiniaga Sdn. Bhd.

Malaysian	66	Female

TANG SAW HUA

Independent
Non-Executive Director

Date of Appointment
- 18 February 2025

Date of Last Re-election
28 May 2025

Board Committee Membership(s):
- Chairman, Board Audit Committee
- Member, Board Risk and Sustainability Committee

Board Meeting Attendance in 2025: 9/9

Academic/Professional Qualification
- Member of the Malaysian Institute of Certified Public Accountants ("MICPA")
- Member of the Malaysian Institute of Accountants ("MIA")

Present Directorships
Listed Entities:
- Petronas Dagangan Berhad

Other Public Companies:
- Prasarana Malaysia Berhad

Past Experiences
- Senior Independent Non-Executive Director of Cycle & Carriage Bintang Berhad ("CCB")
- Chairperson of Audit Committee, CCB
- Member of Remuneration Committee, CCB
- Member of Nomination Committee, CCB
- Group CFO of Destination Resorts and Hotel Sdn. Bhd., a wholly owned subsidiary of Khazanah Berhad
- Senior General Manager of Integrated Petroleum Services Sdn. Bhd.
- General Manager of Finance, Proton Edar Sdn. Bhd.
- Group Financial Controller of the Oil and Gas Division in UMW Holdings Berhad
- Head of Finance, Edaran Otomobil Nasional Berhad
- Held various other Accountant positions in manufacturing, hotel and property development organisations

Malaysian | 64 | Male

DATO' ADNAN HISHAM BIN PAWANTEH

Independent
Non-Executive Director

Date of Appointment
- 1 December 2025

Board Committee Membership(s):
- Member, Board Nomination and Remuneration Committee
- Member, Board Risk and Sustainability Committee

Board Meeting Attendance in 2025: 1/1

Academic/Professional Qualification
- Master of Business Administration in Management, Ohio University
- Bachelor of Science in Electronics and Electrical Engineering, Loughborough University of Technology, United Kingdom

Present Directorships
Listed Entities:
- Duopharma Biotech Berhad

Other Public Companies:
- Nil

Present Appointments
- Member, IMU University Industry Advisory Board

Past Experiences
- Chairman, Federation of Malaysian Manufacturers (FMM), Food Manufacturers Group (MAFMAG)
- Executive Director, Group Corporate Affairs, Nestlé Malaysia/Singapore
- Technical & Production Director, Nestlé Philippines
- President, ASEAN Food and Beverage Alliance
- Technical & Production Director, Nestlé Malaysia/Singapore
- Technical & Production Director, Nestlé Turkey
- Factory Manager, Nestlé Malaysia
- Industrial Performance & Production Manager, Nestlé Australia
- Various positions in Engineering, Nestlé Malaysia/Singapore

Additional Information
- *None of the Directors have any family relationship with any Director and/or major shareholder of DRB-HICOM Berhad*
- *None of the Directors have conflict of interest or potential conflict of interest, including any interest in any competing business with DRB-HICOM Berhad or its subsidiaries*
- *Other than traffic offences, none of the Directors have been convicted for any offences within the past five years nor have been imposed of any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 December 2025*

PROFILE OF KEY SENIOR MANAGEMENT

Key Senior Management execute the strategy and long-term goals of the Group, driving business performance and organisational synergies while protecting and enhancing the brand and reputation.

Malaysian | 62 | Male

DATO' JEZILEE BIN MOHAMAD RAMLI

Group Chief Operating Officer, Corporate Services

Date of Appointment
- 25 June 2018

Academic/Professional Qualification
- Bachelor of Science in Business (Majoring in Accounting), Emporia State University, Kansas, USA
- Member of the American Institute of Certified Public Accountants ("AICPA")

Present Directorships
Listed Entity:
- Pos Malaysia Berhad

Other Public Companies:
- Edaran Otomobil Nasional Berhad ("EON")

Past Experiences
- Chief Financial Officer, UEM Edgenta Berhad
- Group Chief Corporate Services, Pos Malaysia Berhad
- Chief Financial Officer, The New Straits Times Press (Malaysia) Berhad

Malaysian | 58 | Female

AMINAH BINTI OTHMAN

Group Chief Financial Officer

Date of Appointment
- 15 August 2022

Academic/Professional Qualification
- Fellow, The Association of Chartered Certified Accountants ("FCCA"), UK
- Member, Malaysian Institute of Accountants ("MIA")

Present Directorships
- Honda Malaysia Sdn. Bhd.
- Media City Development Sdn. Bhd.
- HICOM-YAMAHA Manufacturing Malaysia Sdn. Bhd.
- HICOM University College Sdn. Bhd.
- Several private limited companies within the DRB-HICOM Group

Past Experiences
- Group Director, Finance, DRB-HICOM Berhad
- Group Director, Treasury, DRB-HICOM Berhad
- Head of Treasury, DRB-HICOM Berhad

Malaysian | 53 | Male

AZRI BIN ZAHARUDDIN

Group Chief Operating Officer, Corporate Planning & Strategy and Properties

Date of Appointment
- 15 August 2022

Academic/Professional Qualification
- Bachelor of Law (Honours), London School of Economics, UK
- Master in Business Administration, Massachusetts Institute of Technology, USA
- CFA Charterholder

Present Directorships
- HICOM Holdings Berhad
- Glenmarie Properties Sdn. Bhd.
- Media City Development Sdn. Bhd.
- Northern Gateway Infrastructure Sdn. Bhd.
- Motosikal Dan Enjin Nasional Sdn. Bhd.
- Other Private Limited Companies within the DRB-HICOM Group

Past Experiences
- Director, Investments, Khazanah Nasional Berhad
- Director, Business Development, Acibadem Healthcare Group, Turkey
- Head, Corporate Planning and Strategy, PT CIMB Niaga Tbk, Indonesia

Profile of Key Senior Management

Malaysian | 58 | Female

SABARINA LAILA BINTI MOHD HASHIM

Chief Legal Officer & Company Secretary

Date of Appointment
- 4 December 2017

Academic/Professional Qualification
- Bachelor of Laws (Honours), University of Malaya
- Master of Science in Corporate Governance, London South Bank University, UK

Present Directorships
Listed Entity:
- Pos Malaysia Berhad

Other Public Companies:
- Nil

Past Experiences
- General Manager and Group Company Secretary, Secretarial and Legal Services Division, Malaysia Airports Holdings Berhad
- Director, several private limited companies
- Lawyer, several legal firms

Malaysian | 58 | Male

SHAMSOL ANUAR BIN IBRAHIM

Chief Human Capital Officer

Date of Appointment
- 1 July 2022

Academic/Professional Qualification
- Bachelor in Business Studies (Marketing), Universiti Teknologi MARA
- Diploma in Business Studies (Marketing), Universiti Teknologi MARA

Present Directorships
Listed Entity:
- Nil

Other Public Companies:
- Nil

Past Experiences
- Chief People and Culture Officer, Store & Send Logistics
- Principal Consultant (freelance), Organisational & People Performance
- Vice President & Chief Human Resource Officer, Emery Oleochemicals Group

Declaration
- *None of the Key Senior Management have any conflicts of interest or any family relationship with any Director and/or major shareholders of the Company*
- *None of the Key Senior Management have been convicted for any offences within the past five years nor have been imposed of any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 December 2025*

Profile of Key Senior Management
of Principal Subsidiaries

Declaration
- *None of the Key Senior Management have any conflicts of interest or any family relationship with any Director and/or major shareholders of the Company*
- *None of the Key Senior Management have been convicted for any offences within the past five years nor been imposed of any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 December 2025*

Malaysian | 53 | Male

DATUK KHAIRUL BIN KAMARUDIN

President and Chief Executive Officer
Bank Muamalat Malaysia Berhad

Date of Appointment
- 1 November 2019

Academic/Professional Qualification
- LLB (Hons), Anglia Ruskin University, UK

Past Experiences
- Chief Executive Officer, Bank Islam Malaysia Berhad
- Chief Executive Officer, BIMB Holdings Berhad
- Chairman, BIMB Investment Berhad
- Board Member of Majlis Agama Islam Wilayah Persekutuan ("MAIWP")
- Board Member of Islamic Banking and Finance Institute Malaysia ("IBFIM")
- Board Member of General Council for Islamic Banks and Financial Institutions ("CIBAFI")
- Pengurusan Danaharta Nasional Berhad
- Assurance and Business Advisory Services, PricewaterhouseCoopers

Chinese | 62 | Male

DR. LI CHUNRONG

Chief Executive Officer
Perusahaan Otomobil Nasional Sdn. Bhd.

Date of Appointment
- 1 October 2017

Academic/Professional Qualification
- Bachelor of Electrical Automation, Huazhong University of Science and Technology, China
- Master in Business Administration, Massachusetts Institute of Technology, USA
- Ph.D. in Management Engineering, Huazhong University of Science and Technology, China

Past Experiences
- Deputy Director, Dongfeng Motor Corporation
- Executive Vice President, Dongfeng Yueda Kia Motors Co., Ltd.
- Chief Executive Officer, Dongfeng Passenger Vehicle Company

Profile of Key Senior Management
of Principal Subsidiaries

Declaration
- *None of the Key Senior Management have any conflicts of interest or any family relationship with any Director and/or major shareholders of the Company*
- *None of the Key Senior Management have been convicted for any offences within the past five years nor have been imposed of any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 December 2025*

Malaysian | 60 | Male

DATO' IR. ABDUL RASHID BIN MUSA

Deputy Chief Executive Officer
Perusahaan Otomobil Nasional Sdn. Bhd.

Date of Appointment
- 1 November 2025

Academic/Professional Qualification
- Bachelor of Engineering (Mechanical), University of Malaya
- Professional Engineer (Mechanical)

Past Experiences
- Head of Strategy, Sime UMW Division
- Group Chief Mobility & Innovation Officer, UMW Holdings Berhad
- President, Manufacturing & Engineering Division, UMW Holdings Berhad
- Chief Executive Officer, Proton Edar Sdn. Bhd.
- Vice President, Sales & Marketing, Perusahaan Otomobil Nasional Sdn. Bhd. (PROTON)
- Chief Technical Officer, PROTON Holdings Berhad
- Chief Executive Officer, HICOM Engineering Sdn. Bhd.
- Chief Executive Officer, HICOM Automotive Manufacturers (Malaysia) Sdn. Bhd.
- Various technical and leadership roles with PROTON, DRB-HICOM, Mitsubishi Motors (Japan), and Group Lotus (UK)

British | 61 | Male

CHARLES ROBERTSON BREWER

Group Chief Executive Officer
Pos Malaysia Berhad

Date of Appointment
- 1 August 2021

Academic/Professional Qualification
- Advanced Logistics Diploma, Cranfield University School of Management, UK
- Advance Senior Executive Management Programme, Henley Business School, UK
- Diploma in Management, The University of Reading, UK

Past Experiences
- Chief Operating Officer, Canada Post
- Chief Executive Officer & Founder, Click & Connect, Singapore
- Chief Executive Officer, DHL eCommerce Americas, Asia Pacific, Middle East and Africa
- Chief Executive Officer, DHL Express, Sub-Saharan Africa
- Chief Executive Officer, DHL Express, Northeast USA
- Chief Commercial Officer, DHL Express, USA
- Chief Executive Officer, DHL Express, Malaysia
- Chief Executive Officer, DHL Express, Philippines

MANAGEMENT TEAM

The Management Team at DRB-HICOM plays a crucial role in driving operational efficiency, ensuring strategic alignment, and fostering a high-performing culture to achieve business objectives.

TAN SRI SYED FAISAL ALBAR

Group Managing Director

DATO' JEZILEE MOHAMAD RAMLI

Group Chief Operating Officer, Corporate Services

SABARINA LAILA MOHD HASHIM

Chief Legal Officer & Company Secretary

SHAMSOL ANUAR IBRAHIM

Chief Human Capital Officer

TENGKU ZAINUDIN TENGKU JAAFAR

Chief Regulatory & Stakeholder Management Officer

CAIRIL IRWAN AMIR

Chief Communication Officer

AMINAH OTHMAN

Group Chief Financial Officer

AZRI ZAHARUDDIN

Group Chief Operating Officer,
Corporate Planning & Strategy and Properties

AKKBAR DANIAL

Head, Automotive Distribution
Chief Executive Officer, EON Berhad

HAZRIN FAZAIL HAROON

Chief Executive Officer,
HICOM Engineering Sdn. Bhd.

HAFNI MOHD SAID

Chief Internal Audit & Integrity Officer

TEH EE LAINE

Chief Culture Officer

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Corporate governance remains a cornerstone of DRB-HICOM Berhad ("DRB-HICOM" or "the Company") and its subsidiaries (collectively "the Group") in delivering sustainable, long-term value to all stakeholders.

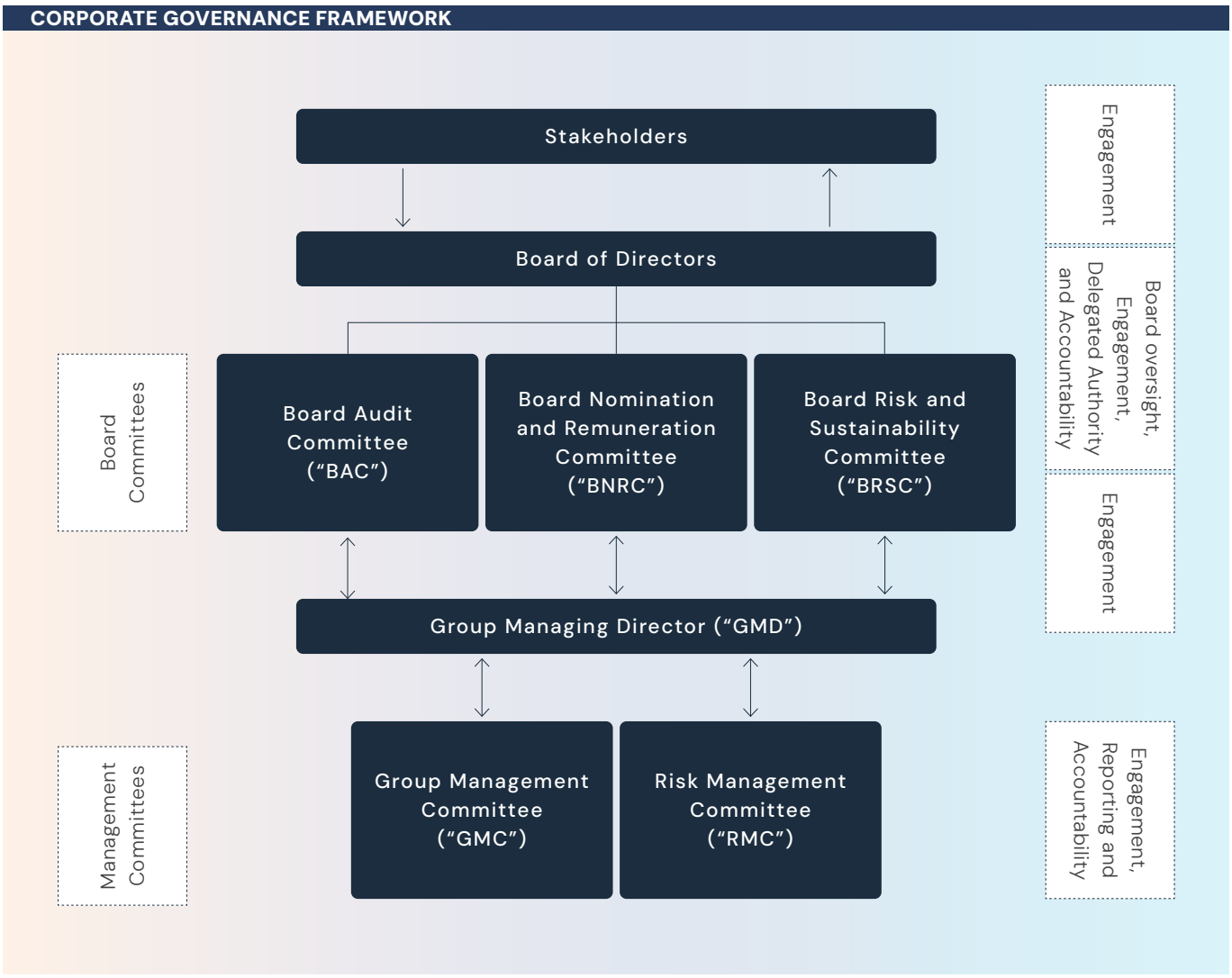
As the business environment continues to evolve, shaped by global dynamics, emerging technologies and shifting stakeholder expectations, the Board of Directors ("Board") of DRB-HICOM reaffirms its unwavering commitment to fiduciary responsibilities, integrity, accountability, and transparency. The Board remains steadfast in protecting the interests of stakeholders through the adoption of robust governance policies and practices.

CORPORATE GOVERNANCE FRAMEWORK

By setting the tone from the top and leading by example, the Board fosters a culture that strengthens the Group's commitment to strong corporate governance across all levels of the organisation. The Board regularly reviews its governance procedures and processes to ensure relevance and effectiveness. The Corporate Governance Framework ("CG Framework") illustrated below facilitates and supports effective oversight and consistent enforcement of sound corporate governance practices throughout the Group.

Underpinning the CG Framework is a comprehensive set of policies, guidelines and an integrated system of internal controls that collectively ensure constant vigilance, proactive risk management and swift remediation against potential threats. This foundation also drives a sustained focus on continuous improvement, reinforcing the Group's commitment to governance and operational excellence.

CORPORATE GOVERNANCE FRAMEWORK



DRB-HICOM's CG Framework is designed to achieve the Group's business objectives responsibly, while ensuring the establishment and operation of a clear governance structure that is appropriate to the nature, size, and complexity of each entity within the Group.

An important role of corporate governance is to ensure sustainable long-term performance, maximise returns for stakeholders, and create enduring economic value and growth. To achieve this, the Group has implemented best practices across all its businesses in dealings with customers, vendors, stakeholders, depositors, and participants. These measures are designed to safeguard long-term sustainability, ensuring that the Group remains resilient, capable of delivering durable and sustainable value, while maintaining the confidence and trust of its stakeholders.

In this regard, the Board ensures that the CG Framework is fully aligned with and incorporates all relevant rules and regulations, principles and best practices applicable to DRB-HICOM which currently comprises the following:

- MMLR by Bursa Securities
- Guidelines on Conduct of Directors of Listed Corporations and Their Subsidiaries by SC
- MSWG's Malaysia ASEAN CG Scorecard
- SORMIC Guide 2025
- CG Guide by Bursa Malaysia Berhad
- MCCG
- ISSB and IFRS S1 and S2

Bursa Securities : *Bursa Malaysia Securities Berhad*
CG : *Corporate Governance*
MMLR : *Main Market Listing Requirements*
MCCG : *Malaysian Code on Corporate Governance 2021*
MSWG : *Minority Shareholders Watch Group*
SC : *Securities Commission*
SORMIC : *Statement on Risk Management and Internal Control*
ISSB : *International Sustainability Standards Board*
IFRS S1 and S2 : *International Financial Reporting Standards Scope 1 and Scope 2*

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Corporate Governance Overview Statement ("Statement") is issued to provide an overview of the Group's corporate governance practices. However, the Board's responsibilities for corporate governance oversight also extend across the Group. Accordingly, where appropriate, references to "the Group" are made to emphasise Group-wide application and involvement. In this Statement, the Board reports on how DRB-HICOM has adopted and applied the statutory requirements, principles, and best practices based on the three key corporate governance principles set out in the MCCG and CG Guide:

Principle A
Board Leadership and Effectiveness

27 Practices **3** Step-Up Practices

Principle B
Effective Audit and Risk Management

8 Practices **2** Step-Up Practices

Principle C
Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

8 Practices

Overall, DRB-HICOM has applied 38 Practices out of the 43 recommended Practices and adopted three Step-Up Practices out of the five Step-Up Practices, as recommended under the MCCG. A more thorough description of how the Company is addressing these departures from the MCCG's recommended Practices are detailed in the Corporate Governance Report ("CG Report").

This Statement is to be read together with the CG Report, which is available on the corporate website at www.drb-hicom.com.

On 20 January 2026, DRB-HICOM received the Overall Excellence Award (ranked number 24 out of an evaluated population of 847 Malaysian public listed companies) at the National Corporate Governance & Sustainability Award 2025, exemplifying its adoption of good corporate governance and sustainability practices.

A B C BOARD LEADERSHIP AND EFFECTIVENESS

ROLES OF THE BOARD

The Company is governed by the Board, which is entrusted with the stewardship of the Group's business and affairs on behalf of the shareholders and other stakeholders. The Board's primary responsibility is to determine DRB-HICOM's strategic objectives and policies to deliver sustainable value to its shareholders while considering the interests of employees, business partners, local communities, regulators and the general public. To support this, the Group fosters a strong and cohesive organisational culture through leadership initiatives, employee engagement programmes, and continuous feedback mechanisms. These efforts are regularly monitored to ensure that the Group's values remain aligned with evolving objectives. This integrated approach enables the Group to achieve strategic success while cultivating a positive, high-performance culture.

The Board is accountable to the shareholders for the Group's performance. It directs and monitors the business and affairs of the Group, ensuring that all business activities comply with applicable laws, policies, standards, and guidelines. To maintain alignment with the Group's long-term vision, structured processes are in place, including regular strategic reviews by the Board and Senior Management. These reviews involve data-driven insights, and stakeholder input to guide key decisions.

In fulfilling its mandate, the Board assumes key roles and responsibilities aimed at promoting and protecting the interests of shareholders and other stakeholders, always acting in the best interests of the Group:

Key Roles and Responsibilities

- Establish and review the strategic direction of the Group, and ensure that strategic plans support long-term value creation and address economic, environmental, social and governance considerations underpinning sustainability
- Together with the Senior Management, inculcate good corporate governance culture to promote integrity and reinforce ethical, prudent, responsible and professional behaviour
- Review, challenge and decide on the Management's proposals and monitor their implementation
- Oversee and evaluate the conduct of the Group's businesses
- Ensure a sound system of internal controls and risk management, and review the adequacy of the internal control policy
- Identify and understand the businesses' principal risks, recognise that business decisions involve taking appropriate risks, and ensure that the risks are properly managed
- Establish orderly succession plans for the Board and Senior Management
- Ensure the existence of procedures to enable effective communication with stakeholders
- Ensure the integrity of the Group's financial and non-financial reporting

During the financial year ended 31 December 2025, the Board has considered various key matters, which include amongst others, the following:

Strategic matters

- Investment and divestment activities
- Global economic outlook, market trends and the Group's overall business strategy in line with the preparation of the Annual Management Plan
- Significant business decisions that include repositioning businesses for continuity
- Proposed acquisition of a new company
- Declaration of final dividend
- The Automotive High-Tech Valley ("AHTV") Project

Governance and Risk Management

- Annual Board Effectiveness Assessment
- Fit and Proper Assessment
- Yearly Conflict of Interest review involving Directors and Senior Management
- Proposed appointment of Independent Non-Executive Directors of the Company
- Annual review on Board composition
- Proposed change of Board Committee composition
- Succession planning and talent management
- Year-end reports, namely the CG Overview Statement, Audit Committee Report, Sustainability Report and SORMIC, Circular to Shareholders on Renewal of existing Shareholders' Mandate for Recurrent Related Party Transactions ("RRPTs") of a revenue or trading nature and new Shareholders' Mandate for additional RRPTs of a revenue or trading nature
- Directors standing for re-election at an Annual General Meeting ("AGM")
- Proposed revisions to be made to contents of the existing Whistleblowing Policy
- Proposed amendments to the External Auditor Policy and Procedure
- Quarterly updates from the BRSC, including the Group Enterprise Risk Dashboard, Sustainability Updates and Business Continuity Management activities
- Quarterly updates from the Group Internal Audit & Integrity Division ("GIAID"), including reports on audit issues, updates on whistleblowing, audit activities, etc
- Updates on Environmental, Social and Governance ("ESG") matters, including IFRS S1 and S2 requirements

Financial

- Quarterly/interim results announcements
- Audited Financial Statements
- Annual Management Plan and Corporate Key Performance Indicators
- Related Party Transactions/RRPTs
- Funding arrangements
- Cashflow and other matters affecting the Group's operations and businesses

The Group has identified six Success Beliefs as the beacon to guide the development of its businesses for a better tomorrow. The significance of corporate governance is duly recognised through the inclusion of "Build Trust" as a Success Belief. The Board's embrace of this Success Belief is explicitly reflected through their integrity and ethical conduct in all dealings. By "walking the talk" i.e. taking ownership, the Board sets the tone for a culture throughout the Group of building trust and value creation with stakeholders, employees, customers and business partners.

The Board upholds its fiduciary duties with due diligence, care and skill, taking into consideration ESG factors, to drive responsible and sustainable business practices and enhancing long-term value for all stakeholders.

For more information on the Group's sustainability- and climate-related targets, initiatives, and metrics, please refer to Section 4 - ISSB Sustainability Statement and Section 5 - Sustainability in Action on pages 100-223.

Board Charter

In discharging its duties and responsibilities effectively, the Board is guided by its Board Charter, a document which sets out the principles and guidelines that are to be applied by the Board. It also encompasses functions reserved for the Board Committees and those delegated to the Management along with the associated authority limits, as well as the Directors' Code of Ethics.

The Board Charter was last revised on 8 November 2024, to ensure that it remains consistent with the Board's objectives, the Constitution of the Company, various policies, procedures and practices, as well as statutory and regulatory requirements.

The Board Charter and the Directors' Code of Ethics are available on the corporate website at www.drb-hicom.com.

Separate Roles of Chairman, Group Managing Director and Senior Independent Director

The Board practices a clear demarcation of duties and responsibilities between the Chairman and Group Managing Director ("GMD"), to ensure that there is a balance of authority and power in the Company. The positions of the Chairman and GMD are held by two different individuals, whilst the Senior Independent Director ("SID") acts as a point of contact between the Non-Executive Directors ("NEDs") and the Chairman, as well as the designated contact to whom shareholders' concerns may be raised.

To heighten the fact that the roles of the Chairman and GMD are distinct and separate, the Management Delegated Authority ("MDA") was established to provide separate limits of authority to be delegated by the Board to the GMD, who may further delegate such authority to the Senior Management of the Company. In essence, the MDA sets out to govern matters which require the GMD's approval at the operational level, so that day-to-day transactions and activities can be executed smoothly.

A short summary of their roles and division of responsibilities is set out below:

Chairman Tan Sri Wan Zulkiflee Wan Ariffin, an Independent NED, is primarily responsible for the orderly conduct and function of the Board	• Provides leadership to the Board so that the Board can perform its responsibilities effectively • In consultation with the GMD and the Company Secretary, sets the agenda for Board meetings and ensures that all relevant issues are on the agenda • Leads the Board in setting the values and standards of the Company • Facilitates effective contributions of NEDs and ensures that constructive relations, as well as a relationship of trust, be maintained between the GMD and NEDs • Leads the Board meetings and discussions as well as encourages active participation and allows dissenting views to be freely expressed • Manages the interface between the Board and the Management • Ensures that appropriate steps are taken to provide effective communication with shareholders and relevant stakeholders and that their views are communicated to the Board as a whole • Leads the Board in establishing and monitoring good corporate governance practices in the Company. • Arranges regular evaluation of the performance of the Board, its Committees and individual Directors
GMD Tan Sri Syed Faisal Albar Syed A.R Albar is responsible for the overall operations of the businesses, organisational effectiveness and the implementation of the Group's strategies and policies and is assisted by the Senior Management, with whom he consults regularly, in managing the business on a day-to-day basis	• Develops the strategic direction of the Group (including short- and long-term business plans) and ensures that the Group's strategies and corporate policies are effectively implemented • Keeps the Board fully informed of all important aspects of the Group's operations and ensures that sufficient information is distributed to the Board members • Provides strong leadership i.e., effectively communicating the vision, management philosophy and business strategy to the employees • Ensures high performance and productivity of top management staff by creating a conducive environment for motivation, performance and professional development • Develops and maintains good relations with significant external agencies such as regulatory bodies, government agencies, investing public and other trade associations and institutions • Ensures that the day-to-day business affairs of the Group are effectively managed • Ensures compliance with all relevant legislation and regulations, by reviewing policies and monitoring compliances
Senior Independent Director Dato' Ibrahim Taib fulfils the criteria of an Independent Director pursuant to the MMLR of Bursa Securities and was appointed as the SID on 1 March 2022.	• Acts as the main liaison between the INEDs and the Chairman on matters that may be deemed sensitive • Spearheads confidential discussions with other NEDs, who may have concerns which they believe have not been considered by the Board as a whole • Acts as an alternative communication channel for shareholders and other stakeholders to convey their concerns and raise issues, so that these can be channelled to the relevant parties All queries relating to the Group can be directed as follows: Dato' Ibrahim Taib Senior Independent Director DRB-HICOM Berhad Level 5, Wisma DRB-HICOM No. 2, Jalan Usahawan U1/8 Seksyen U1, 40150 Shah Alam Selangor Darul Ehsan

Board Composition and Diversity

The Board comprises a team of highly skilled professionals, each bringing a diverse range of expertise, perspectives, and corporate experience to the boardroom. As at 31 December 2025, the Board comprised six members, five of whom are Independent Non-Executive Directors ("INEDs") and one Executive Director (Group Managing Director).

During the year under review, there were several movements within the Board. This included the appointment of Madam Tang Saw Hua as INED on 18 February 2025, the resignation of the late Datuk Idris Abdullah @ Das Murthy ("Datuk Idris") as INED on 9 June 2025 and the appointment of Dato' Adnan Hisham Pawanteh as INED on 1 December 2025. The Board wishes to record its utmost appreciation and gratitude to the late Datuk Idris for his contribution and service during his tenure as a member of the Board.

The Company currently has two female Directors, which represents 33% of the total Board members. This provides the Board with greater diversity that adds value to the Board's deliberation with the varied perspectives and insights from women Directors.

The current composition of the Board exceeds the requirements of Paragraph 15.02 of the MMLR of Bursa Securities as more than one-third of its members are INEDs. This composition enables an effective and objective check and balance on the Board's deliberations and decision making. Moreover, the composition of the Board with a majority of INEDs, aligns with Practice 5.2 of the MCCG.

For further details on Board Composition and Diversity, refer to the BNRC Report on pages 252-254.

Board Effectiveness

An effective Board is crucial to the Group's long-term prospects and achievement of its strategic objectives. The Directors' relevant capabilities, skill sets, experience and competencies are all important elements to ensure a balanced Board composition that enables the most effective decision-making for the Group.

Board Effectiveness Assessment

The Board Effectiveness Assessment ("BEA") is conducted annually under the purview of the BNRC to evaluate the overall effectiveness of the Board, BAC and other Board Committees, the independence of Independent Directors, and the contributions of each individual Director. This assessment also reviews the Board's ability to discharge its responsibilities, including deliberations on sustainability and ESG areas. Through this rigorous process, the Board is able to identify and address critical areas such as leadership, core competencies, skill sets, attributes, delegation of duties, while ensuring thorough reviews of existing Board processes. The insights gained serve as a strong foundation for the Board's journey towards achieving a high performance and continuous improvement.

For further details on BEA including the assessment criteria and focus areas, refer to the BNRC Report on page 256 and Practice 6.1 of the CG Report.

Board and Board Committee Meetings

At all meetings, the Board practices a strong culture of open debate. Matters deliberated at the Board meetings include amongst others, strategies, business plans and budget, financial and business performance, the Group's businesses and cashflow to ensure that the Group companies are sustainable, investment decisions, corporate risks, including updates on the Group's sustainability and ESG, policies and corporate governance.

The respective Chairmen of the BNRC, BAC and BRSC also update the Board on the proceedings of their respective Committee meetings. Relevant Senior Management attend Board and Board Committee meetings by invitation and report to the Board on matters pertinent to their respective areas of responsibility, to present new proposals or brief on actions implemented pursuant to recommendations made by the Board and Board Committees.

The Minutes of each Board and Board Committee meeting, which have been duly signed as correct records thereat, are prima facie evidence of such proceedings and are properly maintained by the Group Company Secretary.

Pre-scheduled Board and Board Committee meeting dates are circulated to the Board and Management prior to the commencement of the year to assist the Directors in planning their schedule and preparing adequately for the meetings.

Throughout the year, Board and Board Committee meetings were conducted via physical and hybrid modes, accommodating both virtual and in-person participation. The sessions were operated in a paperless manner, with meeting documents uploaded to tablets for the Board and circulated to the Senior Management via email.

Although the minimum quorum for Board meetings is three, most Board meetings have been attended by all Directors. While a decision of the Board and Board Committees only requires a majority of votes of the Directors, all decisions made have been unanimous and on a consensus basis. In case of a tied vote, the Chairman has a second or casting vote. In 2025, the Chairman did not have the need to use his casting vote to pass any resolution.

During the year, the Board held a total of nine Board Meetings. All Directors complied with the minimum attendance requirement of at least 50% of the Board meetings held throughout the year pursuant to the MMLR of Bursa Securities. This is a testament

to their dedication to fulfilling their roles and responsibilities and is reflected by their attendance at the Board and Board Committee meetings held during the year under review.

The details of the Board meeting attendance for 2025 are set out below:

Name of Directors	Number of meetings	
	Attendance	%
Tan Sri Wan Zulkiflee Wan Ariffin *Chairman/Independent Non-Executive Director*		100
Tan Sri Syed Faisal Albar Syed A.R Albar *Group Managing Director*		100
Dato' Ibrahim Taib *Independent Non-Executive Director*		100
Datuk Idris Abdullah @ Das Murthy *Independent Non-Executive Director (Resigned on 9 June 2025)*		Not applicable
Uji Sherina Abdullah *Independent Non-Executive Director*		100
Tang Saw Hua *Independent Non-Executive Director (Appointed on 18 February 2025)*		100
Dato' Adnan Hisham Pawanteh *Independent Non-Executive Director (Appointed on 1 December 2025)*		100

To preserve and uphold the Board's independence in decision making, six NED meetings/private discussions were held in 2025 (without the presence of the GMD and the Management), to discuss among others, the efficacy of the Board and other strategic issues.

Board Strategic Mid-Term Review

The Board Strategic Mid-Term Review with the Senior Management team and external consultants, was conducted physically on 27 and 28 August 2025. The session provided the Board with updates on policy perspectives related to the economy, as well as insights into the impact of current geopolitical events, particularly tariffs on the general market outlook and business adaptability. The Board engaged in intensive discussions on strategic imperatives and measures to enhance synergy, resilience and market positioning, which facilitated the formulation of the Group's business strategies and future plan.

Onboarding and Continuing Development Programme

All newly appointed Directors receive a Board Pack outlining the roles and responsibilities of the Board and its members. A comprehensive onboarding programme is also conducted by the Senior Management, covering key aspects of the Group's businesses, including but not limited to its strategies, business segments and operations, CG Framework and key risks. In addition, site visits are organised to enhance the Directors' understanding of the Group's operations.

New Directors are also updated on the ongoing and potential projects undertaken by the Group. The onboarding programme helps the new Directors familiarise themselves with the Group's businesses.

In line with Paragraph 15.08 of the MMLR, the Directors recognise the importance and value of attending conferences, trainings and seminars, to keep themselves abreast of the development and changes in the operating environment across industries that the Group operates in, as well as being updated on the new statutory and regulatory requirements.

For further details on Directors' training, refer to the BNRC Report on pages 256-257.

Governing sustainability

Sustainability governance is embedded within the Group's corporate governance framework, with clear accountability, structured oversight and coordinated execution across Board, Management and operational levels. This governance structure supports the systematic integration of sustainability and climate-related risks and opportunities into the Group's strategy, risk management and decision-making processes.

The Board and its Committees play a central role in overseeing the Group's sustainability and climate-related strategies and ensure that they possess and continue to develop the necessary skills and competencies to discharge these responsibilities effectively. Directors participate in ongoing training programmes, briefings and knowledge-building sessions on emerging sustainability, climate and governance developments.

A B C BOARD LEADERSHIP AND EFFECTIVENESS

The associated roles and responsibilities are illustrated below:

Board of Directors ▶

- The Board provides input into the formulation of and endorses the Group's sustainability policies and commitments
- Endorses and exercises overall governance and oversight over the Group's sustainability agenda
- Exercises oversight and governance over the management of material sustainability matters
- Endorses and approves sustainability reports and related information for issuance

BRSC ▶

- BRSC drives the development of the Group's sustainability policies, strategies, commitments and frameworks, and recommends the same for the Board's approval and endorsement
- Provides oversight over the management of sustainability risks and opportunities
- Monitors performance in meeting sustainability commitments
- Reviews and endorses sustainability-related reports and information, and recommends the same for Board's approval and endorsement
- Oversees the setting, review and monitoring of the Group's climate- and sustainability-related targets and associated performance metrics and remuneration linkages, and recommends these for Board approval where applicable

RMC ▶

- RMC is chaired by the GMD with members comprising Group Directors, Chief Operating Officers of Corporate Divisions and Business Sectors, and Heads of relevant Divisions
- Develops and monitors the implementation of Group-wide sustainability and climate-related risk management strategies and priorities against targets

SSC ▶

- SSC is chaired by the Group Chief Financial Officer with members comprising Heads of Group Risk Management and Sustainability, Group Strategic Communications, Group Human Capital, Group Corporate Management and Group Procurement
- SSC reviews the implementation of sustainability- and climate-related policies, strategies and initiatives against milestones and targets

The Group's sustainability strategic direction is guided by the Net Zero Roadmap, which forms integral components of strategic planning and supports the commitment to achieve net-zero emissions by 2050. These commitments are reinforced through a comprehensive Sustainability Policy that applies across the Group's products and services, subsidiaries, operational units and supply chains.

Collectively, this governance framework provides a coherent and disciplined approach to overseeing sustainability and climate related risks and opportunities, while ensuring that decision-makers across the organisation remain appropriately equipped to respond to evolving regulatory, strategic and risk considerations, in support of long-term value creation.

Further details on how sustainability and climate related risks and opportunities are addressed as part of corporate governance are set out in the CG Report under Practice 4. Information on the Group's sustainability commitments and performance for the year under review is presented in Section 4 - ISSB Sustainability Statement and Section 5 - Sustainability in Action on the pages 100-223.

DELEGATION OF AUTHORITY

The Board is collectively responsible for delivering sustainable value through effective oversight and stewardship of the Group's business operations. In addition, through its Board Committees, the Board provides guidance and oversight on risk management, internal control, and governance matters. To support this, a framework of delegated authority has been established to ensure that the appropriate level of authority is assigned to the relevant nature of transactions, enabling the Board, its Committees and Senior Management to operate within clearly defined powers.

Board Committees

Presently, the Board is supported by three Board Committees, specifically the BNRC, BAC and BRSC, with delegated responsibilities to oversee the Group's affairs. The Committees are authorised to act on behalf of the Board in accordance with their respective Terms of Reference ("TOR").

Each Board Committee will review and, if thought fit, report and make recommendation(s) to the Board during Board meetings on matters relevant to their roles and responsibilities. The Board maintains collective oversight over the Board Committees at all times, by reviewing their functions and TOR against the provisions of the MCCG and other related policies and regulatory requirements, from time to time. The details of the TOR of each Board Committee are available on the corporate website at https://www.drb-hicom.com/investors/corporate-governance/.

A Qualified and Competent Group Company Secretary

The Board is supported by a suitably qualified and competent Group Company Secretary, who is responsible for ensuring that the Board remains informed and updated on relevant laws, regulations, listing and policy requirements governing the Company and its businesses. This support is essential in enabling the Board to effectively discharge its oversight responsibilities and ensure compliance with all relevant laws, regulations and listing requirements. In that regard, the Group Company Secretary constantly keeps abreast of evolving regulatory changes and corporate governance best practices through ongoing training and professional development.

In addition, the Group Company Secretary ensures that all members of the Board, whether as a whole or in their individual capacity, have adequate resources to fulfil their fiduciary duties, and play a key role in managing the Directors' access to information, knowledge and training.

As an advocate for the adoption of corporate governance best practices, the Group Company Secretary monitors developments in governance standards, supports the Board in applying these practices to meet objectives and stakeholders' expectations, and ensures that high standards of corporate governance are consistently upheld across the Group.

By attending all Board and Board Committee meetings, the Group Company Secretary ensures that discussions and deliberations are well documented, and subsequently communicates key decisions and policies to the Senior Management for appropriate actions. The Group Company Secretary is also the focal point for shareholders' communication and engagement on corporate governance issues.

The role of the Group Company Secretary is specified clearly in the Board Charter. The profile of the Group Company Secretary is also presented on page 233 of this Integrated Annual Report 2025.

Supply of Proficient and Relevant Information

In the discharge of their duties, all Directors have direct access to the Senior Management, as well as unrestricted and immediate access to information relating to the Company's and the Group's business affairs to make data-based, well-informed decisions.

Prior to Board and Board Committee meetings, a formal and structured agenda along with a set of Board and Board Committee papers containing information relevant to the matters to be deliberated at the meeting is forwarded to all Directors, at least five business days before the relevant Board and Board Committee meetings. This is to enable the Directors to have sufficient time to review, consider and if necessary, obtain further information or research on the matters to be deliberated, in order to facilitate robust discussions during meetings.

The Directors may also seek independent professional advice at the Company's expense in furtherance of their duties. The Board and Board Committee papers may contain the Company's and the Group's financial performance, business outlook and various Board Committees' reports.

Access to Board papers is available online through a collaborative software which allows the Directors to securely access, read and review the documents and collaborate with other Directors and the Group Company Secretary electronically at any time.

Any proposals and recommendations by the Management will be discussed at GMC meetings and the GMC's recommendations will be put forth, either to the relevant Board Committees for deliberation and endorsement, or directly to the Board for approval. With regard to proposals tabled at Board Committees, the Chairmen of the respective Board Committees will brief the Board to obtain the relevant approvals.

A B C BOARD LEADERSHIP AND EFFECTIVENESS

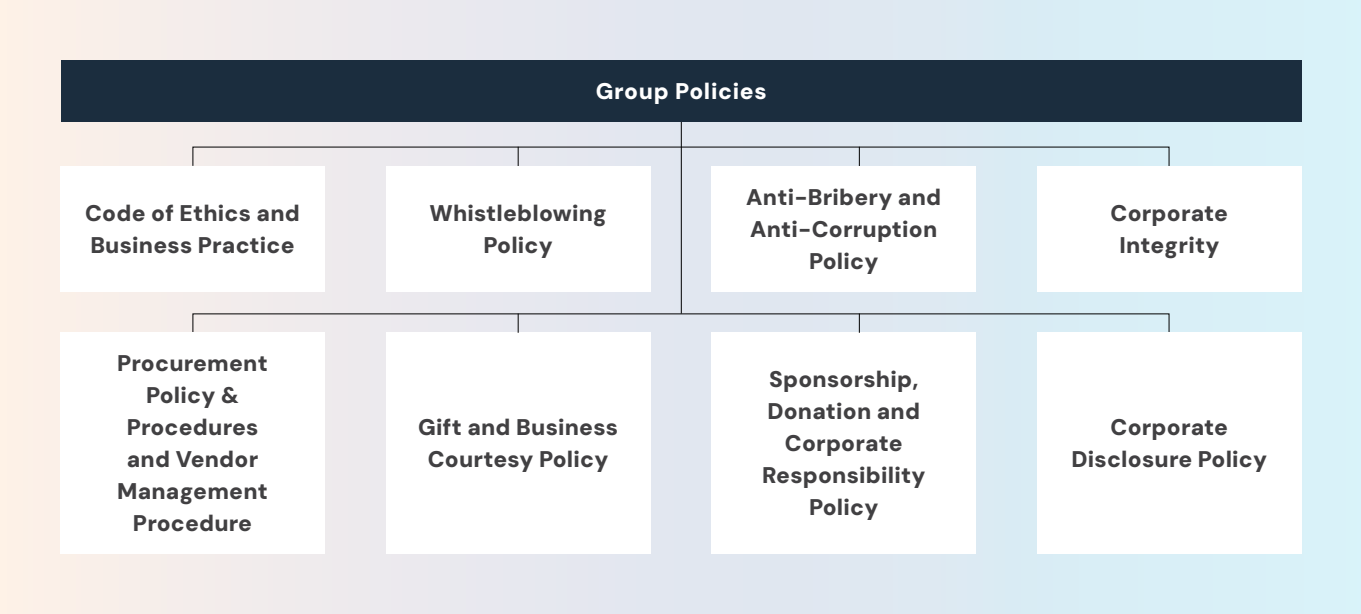
The GMD and the Management will lead the presentation of the Board and Board Committee papers and provide comprehensive explanations on strategy and business plans, business performance and other pertinent issues. All matters raised, declarations made by interested Directors, deliberations, decisions, and conclusions including dissenting views made at Board or Board Committee meetings, with clear actions to be taken by responsible parties, are recorded in the minutes. All interested parties must also abstain from participating in the deliberation and Board's decision on the matter.

Minutes of Board and Board Committee meetings are circulated to the Board members for verification in a timely manner. The Minutes are tabled at the following meeting, to ascertain that all deliberations have been recorded accurately and thereafter, the minutes are confirmed for the signature of the Chairmen.

Through regular Board meetings, the Board receives updates on new statutory and regulatory requirements relating to the duties and responsibilities of the Directors and their impacts and implications to the Company, Group and themselves. The Directors are also notified of any corporate announcement(s) released to Bursa Securities and impending restrictions on dealing with securities of the Company, ahead of announcements of financial results, significant corporate developments or transaction.

INTEGRITY AND ETHICS

The Group is committed to upholding highest ethical and procedural standards that are aligned with the prescribed values and objectives of the Group. To this end, the Group has in place internal policies, standards, guidelines, procedures and codes in support of the Group's Corporate Governance Framework which is illustrated below.



(a) Code of Ethics and Business Practice

DRB-HICOM is committed to maintaining the highest standards of conduct at the workplace and in business engagements. The Code of Ethics and Business Practice ("COEBP") of the Group serves as a formal commitment to ensure that employees act in a professional manner at all times and conduct businesses in a transparent, appropriate, fair and responsible manner. There are eight underlying principles that employees must observe, which include Honesty, Integrity, Leadership, Professionalism, Loyalty, Responsibility, Trustworthiness and Personal Conduct.

Further details on the COEBP are available on the Company's corporate website at www.drb-hicom.com.

(b) Whistleblowing Policy

DRB-HICOM Group's Whistleblowing Policy outlines the Group's commitment to offer and ensure that employees, business associates, and third parties can confidently and anonymously, if they wish, voice concerns/complaints regarding any improper conduct or malpractice observed within the DRB-HICOM Group.

The Whistleblowing Policy includes provisions for anonymous reporting, offering whistleblowers an added level of confidentiality and is consistent with the Whistleblower Protection Act, 2010. However, it does not absolve employees and stakeholders from their statutory obligations contained in any act and/or regulation to report criminal offences and/or breaches of laws to relevant enforcement agencies. Whistleblowers submitting disclosures via DRB-HICOM's whistleblowing channels are accorded protection of their identity, to the extent reasonably practicable. All reports or concerns will be properly investigated, and whistleblowers are protected against retaliation, victimisation, harassment or discriminatory treatment.

The Whistleblowing Policy was last revised on 27 February 2025 to enhance its content for better clarity, understanding,

and practical application. The revisions aim to strengthen the Group's commitment to integrity and good governance by providing a clear and accessible framework for reporting improper conduct.

The Whistleblowing Policy is available on the corporate website at www.drb-hicom.com.

(c) Anti-Bribery and Anti-Corruption Policy

The Board and Top Management of DRB-HICOM reaffirm their commitment to the highest standards of ethics, integrity, and accountability. This commitment is reflected through the establishment and continuous enhancement of the Group's Anti-Bribery and Anti-Corruption Policy ("ABAC Policy"), originally introduced in August 2020 and subsequently revised in December 2022 and August 2024.

DRB-HICOM adopts a zero-tolerance approach towards any form of bribery and corruption involving its Board, Top Management, employees, and business associates. The ABAC Policy outlines the Group's commitment to prohibiting all forms of bribery and corruption, complying with all applicable anti-corruption laws and regulations, including the Malaysian Anti-Corruption Commission Act, 2009 (Act 694) and its amendments, establishing and maintaining effective Anti-Bribery and Anti-Corruption Management Systems ("ABACMS"), and encouraging the reporting of any suspected or actual bribery, corruption or misconduct through established whistleblowing channels.

The Board, Top Management, employees, and business associates are expected to fully understand, embrace and comply with the ABAC Policy. Any breach or non-compliance will result in appropriate disciplinary or legal action, underscoring the Group's steadfast commitment to conducting business ethically, responsibly, accountably and transparently.

DRB-HICOM promotes a strong culture of integrity through continuous communication on governance, anti-bribery and anti-corruption to internal and external stakeholders. Employees are required to sign the Corruption-Free Pledge to confirm their understanding of, and compliance with the ABAC Policy and applicable laws.

The Integrity and Governance Unit ("IGU"), established in July 2022 and supported by the Anti-Bribery and Anti-Corruption Steering Committee ("ABAC Committee"), oversees the implementation, maintenance and continuous improvement of the Group's Anti-Corruption and Anti-Bribery Programme ("ABAC Programme") programmes and ABACMS in line with the Ministerial Guidelines on Adequate Procedures' T.R.U.S.T. principles. This structure reinforces the commitment of the Board and Top Management.

The ABAC Policy Statement is available on the corporate website at www.drb-hicom.com.

(d) Corporate Integrity

The MACC Act 2009 now includes a corporate liability provision, making organisations responsible for corruption committed by persons associated with them to gain business or advantages. DRB-HICOM has implemented measures to ensure adequate and appropriate procedures are in place to prevent associated persons from breaching Section 17A of the MACC Act (2018 Amendment).

In line with the T.R.U.S.T principles, the Group has undertaken the following initiatives:

T — Top-Level Commitment

- Establishment of the IGU, supported by the ABAC Steering Committee.
- Publication of the "Tone from the Top" Statements, reinforcing zero tolerance towards bribery and corruption.
- Regular reporting to the Board and Top Management.

R — Risk Assessment

- Enhanced Corruption Risk Assessment ("CRA") process.
- Ongoing CRA activities to identify high-risk areas and strengthen mitigation measures.
- Continuous monitoring of CRA processes.

U — Undertake Control Measures

- Enhancement of anti-bribery and anti-corruption-related documents, including the Whistleblowing Policy, Codes of Ethics and Business Practice, ABACMS Manual, ABACMS Audit Procedures, and CRA Guidelines.
- Establishment of the Conflict of Interest Manual and ABAC Steering Committee Manual.
- Formalisation of the Information Evaluation Committee to oversee complaint management.

S — Systematic Review, Monitoring and Enforcement

- Obtained the MS ISO 37001:2016 Anti-Bribery Management Systems ("ABMS") Certification, providing external assurance of the effectiveness and compliance of the ABACMS.
- ABACMS internal audit assignments across the organisation.
- Review of DRB-HICOM documented information for ABMS compliance.

T — Training and Communication

- Provision of Integrity, Governance, and anti-bribery and anti-corruption-related training sessions.
- Awareness and communication initiatives including talks, focus group sessions, internal knowledge sharing, e-posters, videos, refresher online training, and games.
- Reinforcement of the Corruption-Free Pledge for all employees.

Some of the other available key internal policies, standards, guidelines, procedures and codes are outlined below:-

DRB-HICOM Group Procurement Policy and Procedures

Sets out the rules on how procurement activities and processes shall be carried out within the Group, in a manner that is transparent, fair and sustainable whilst achieving the desired quality at the most economical terms.

Gift and Business Courtesy Policy and Procedures

Provides a set of guidelines on procedures and processes relating to the acceptance and provision of gifts and/or business courtesies to and from other parties. It is applicable to all employees to govern their conduct with regard to the acceptance and provision of gifts.

Sponsorship, Donation and Corporate Responsibility Policy and Procedures

Outlines the priorities and guides the processing and evaluation of any sponsorship, donation and corporate responsibility proposals or activities. It states clearly that DRB-HICOM only considers genuine requests and will not provide any consideration to organisations/companies that are in legal or financial conflict, or which are connected to any political party or group. Moreover, it is a guide to support proposals or activities that are aligned to Economic, Environmental and Social Pillars.

Corporate Disclosure Policy

Endorses prompt and timely dissemination of accurate and relevant information concerning DRB-HICOM and the Group to shareholders, investors and other stakeholders, to enable them to make informed decisions. It outlines the central policy and procedures on the disclosure of material information, in accordance with the MMLR of Bursa Securities and any other regulatory requirements, and practices in communicating with investors, shareholders, media and regulators.

Board Remuneration

The Board has established a Directors' Remuneration Framework, which is aligned to be competitive and appropriate to attract, retain and motivate high calibre individuals with strong credentials to serve on the Board of the Company.

The BNRC is responsible for reviewing and recommending the remuneration framework for the Directors and Senior Management to the Board. It seeks to ensure that the remuneration packages are appropriate, transparent and competitive, aligned with prevailing market practices, and closely linked to the Group's performance and the creation of shareholders' value.

For further details on Directors' remuneration, refer to the BNRC Report on pages 257-258.

Remuneration of Senior Management

The Company has in place a robust remuneration structure for the Senior Management, designed to attract, retain and motivate executives of the highest calibre and integrity to lead the Group effectively. The Company is guided by its framework in formulating fair, transparent and competitive remuneration packages for the Senior Management. The remuneration of the Senior Management is closely linked to performance measured through the achievements of individual key performance indicators. While the Company does not currently implement a deferred remuneration or restricted bonus scheme or beneficial shareholding for Senior Management, it is considering the potential adoption of such mechanisms in the future.

The GMD's remuneration is structured to link his rewards to the achievement of his key performance indicators ("KPIs") and the performance of the Group. As part of the Group's sustainability integration, sustainability-linked KPIs are embedded within the remuneration structures for the senior leadership, including the GMD, Group Chief Financial Officer and Senior Management. These KPIs form part of the performance evaluation framework and are directly linked to remuneration outcomes.

The BNRC reviews the performance of the GMD annually and submits their views and recommendations to the Board on adjustments in remuneration and/or rewards to reflect the GMD's contribution towards the Group's achievements for the year. The GMD recuses himself from the deliberations and voting on his remuneration and/or rewards at Board meetings. Additionally, the BNRC also reviews salary increments and bonuses of the Senior Management/Key Senior Executives.

For more information on the sustainability and climate-related targets linked to senior management remuneration, please refer to Section 4 - ISSB Sustainability Statement and Section 5 - Sustainability in Action on the pages 100-223.

A **B** C **EFFECTIVE AUDIT AND RISK MANAGEMENT**

Board Audit Committee

The composition of the BAC is in line with Practice 9.1 of the MCCG, which requires that the position of the BAC Chairman and the Board Chairman be held by different Independent Directors of the Company.

The BAC of the Company comprises three members, all of whom are INEDs. The BAC has discharged their functions, duties and responsibilities well in accordance with the TOR and efficiently assisted the Board in making informed decisions on matters relating to the quarterly results, year-end financial statements, assessment of external auditors and internal audit function. The composition of the BAC complies with Paragraphs 15.09 and 15.10 of the MMLR of Bursa Securities. None of the BAC members were former audit partners who are required to observe a cooling-off period of at least three years before being appointed in accordance with the TOR of the BAC.

The Company encourages all members of the BAC to undertake continuous professional development to keep themselves abreast of relevant developments in the accounting and auditing standards, practices and rules.

For further details on the BAC's roles and activities, refer to the BAC Report on pages 262-264 of this Integrated Annual Report 2025.

Risk Management and Internal Control Framework

The Board acknowledges the importance of an effective system of internal controls in safeguarding the shareholders' investments, the Group's assets and other stakeholders' interests, as well as ensuring compliance with applicable laws and regulations.

In relation thereto, the BAC plays a crucial role by monitoring the Group's management of financial risk and internal controls system, including internal controls over financial reporting on behalf of the Board. The BAC evaluates the overall adequacy and effectiveness of the system of internal controls and its administration.

The Board has delegated to the BRSC the responsibility of overseeing the effectiveness and adequacy of the risk management framework and policies of the Group, ensuring that significant risks faced by the Group are managed appropriately to mitigate exposures to potential losses in response to the ever-changing business environment.

Similarly, the BRSC ensures that robust risk management procedures and measurement methodologies are in place within the Group, so that the Board can formulate proactive and effective policies to eliminate or minimise corporate and operational risks of the Group, particularly those which are sustainability- and climate-related. In addition, BRSC is also responsible for overseeing the business continuity management of the Group.

The Group has in place an Enterprise Risk Management framework which is based on the ISO 31000:2018 – Risk Management Guidelines to navigate and regulate the Group's risk practices. The Risk Management Policy is subject to periodic review, revision, validation and approval to ensure that it is sufficiently capable to respond to changes in risk profiles and remains aligned with the Group's business strategy.

For the financial year under review, the Board is of the opinion that the system of internal controls and risk management processes are adequate and appropriate. The Board also addresses the impact of key risks on the business operations of the Company and the Group. There were no major weaknesses identified within the internal controls and risk management processes that could result in any material loss or uncertainty, which would require disclosure.

Details of the Company's and the Group's internal control system and framework are set out in the BRSC Report on pages 259-260 and Statement on Risk Management and Internal Control on pages 265-276 of this Integrated Annual Report 2025.

A B C **EFFECTIVE AUDIT AND RISK MANAGEMENT**

Compliance with applicable Financial Reporting Standards

The Board ensures that shareholders are presented with a clear, balanced and meaningful assessment of the Company's and the Group's financial performance and prospects through the audited financial statements, annual report and quarterly announcement of results.

The BAC assists the Board to oversee adequacy and proper working of the Company's and the Group's financial reporting processes and quality of the financial reporting.

In addition, the BAC reviews financial information disclosures together with the external and internal auditors to ensure completeness, accuracy and adequacy prior to recommending the same for the Board's approval. This is to ensure that the financial statements are drawn up in accordance with the provisions of the Companies Act 2016, Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards ("IFRS").

The Statement of Directors' Responsibility in respect of the preparation of the Financial Statements of the Group is set out on page 277 of this Integrated Annual Report 2025. The details of the Group's Audited Financial Statements for the financial year ended 31 December 2025 are presented on pages 280-515 of the Integrated Annual Report 2025.

Related Party Transactions

The Board, through the BAC, reviews all related party transactions. The Directors further accede that by declaring their conflicts of interests in any transaction, they are to abstain from the deliberation and voting on the relevant resolutions at the Board or any general meeting convened to consider the matter.

There are procedures established by the Company to ensure that all related party transactions are undertaken at an arm's length basis and on normal commercial terms, consistent with the Company's usual business practices and policies, which are on terms not more favourable than those generally available to the public and are not detrimental to the minority shareholders and are in the best interests of the Company and the Group.

The Related Party Transactions Policy and Procedure outlines the framework and processes for identifying, monitoring, evaluating, reporting and approving Related Party Transactions ("RPTs") and Recurrent Related Party Transactions ("RRPTs"). In particular, it serves as a guide to the BAC and Board in discharging their responsibilities to provide oversight of RPTs and RRPTs within the Group.

The Company proposes to seek its shareholders' approval for the renewal of the existing shareholders' mandate for the Group to enter into RRPTs of a revenue or trading nature with related parties at the Company's forthcoming 36th Annual General Meeting ("AGM").

The details of the Proposed Shareholders' Mandate are disclosed in the Circular to Shareholders dated 27 April 2026, and if approved, would be valid until the Company's next AGM.

Independence of External Auditors

The re-appointment of KPMG as the external auditors of the Company for the financial year ended 31 December 2025 until the conclusion of the Company's next AGM was approved by the shareholders of the Company during the 35th AGM held on 28 May 2025.

The Board, via the BAC, maintains a formal and transparent professional relationship with the Group's auditors, internal and external.

During the financial year under review, the external auditors attended five BAC Meetings to discuss their audit plan, audit findings and the audited financial statements. The external auditors highlight to the Board, through the BAC, matters that require the BAC's or Board's attention, together with the recommended actions thereof. The Management of the Company and the Group is held responsible for ensuring that all these corrective actions are undertaken within an appropriate time frame.

The BAC met with the external auditors, without the presence of the GMD and Senior Management, twice (on 26 March 2025 and 21 November 2025) during the financial year under review, to encourage greater exchange of independent views and opinions on matters related to their findings.

If it becomes necessary to replace the external auditors due to reasons of their performance or independence, the responsibility for the selection, appointment and removal of the external auditors has been delegated to the BAC. The BAC shall thereafter recommend its proposal to the Board for approval.

A B **C** **INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS**

Effective Communication with Stakeholders

The Board recognises that effective stakeholder engagement is a key element of good corporate governance. Guided by the Corporate Disclosure Policy, the Group is committed to ensuring accurate, clear, timely and fair disclosure of material information relating to the Group's performance, operations, and strategic matters to all relevant stakeholders.

A dedicated Investor Relations team supports the Chairman, GMD and Group Chief Financial Officer in ensuring a consistent and transparent line of communication with external stakeholders. The DRB-HICOM website hosts all necessary corporate and financial information for the benefit of the public as well as provides an avenue for investors to share feedback and submit queries.

In addition, the Group undertakes regular and structured communication through consistent disclosure of comprehensive information, including quarterly financial results, press releases and announcements to Bursa Securities. In addition, the Group maintains constructive engagement with investors, shareholders, regulators, employees, and other key stakeholders, as and when needed, to promote transparency, foster trust and strengthen confidence in the Group's governance and long-term direction.

In 2025, DRB-HICOM issued its Integrated Annual Report for the financial year 2024 ("IAR 2024"), based on the International Integrated Reporting Council's Integrated Reporting Framework. Through this IAR 2024, the Group demonstrates its continuous commitment to improve the quality of information disclosures to stakeholders and promote greater transparency and accountability.

The details of the Group's investor engagement initiatives are set out in the Investor Relations section on pages 72-73 of the Integrated Annual Report 2025. The primary contact for all queries pertaining to investor relations matters can be accessed from the corporate website at www.drb-hicom.com/investors.

Annual General Meeting

The AGM is the principal forum of open dialogue with shareholders. The Notice and Agenda for the 35th AGM together with Proxy Forms were provided to shareholders not less than 28 days before the AGM, affording sufficient time to prepare themselves to attend the AGM or to appoint proxies to attend and vote on their behalf. The Notice and Agenda for the 35th AGM, accompanied by explanatory notes and a statement explaining the rationale and effects of each agenda item, were published in a local English newspaper and made available on the DRB-HICOM corporate website. Additionally, an Administrative Guide was issued and published on the corporate website, to guide the shareholders on the registration for the physical AGM.

DRB-HICOM's 35th AGM was held physically at the Glenmarie Ballroom, Glenmarie Hotel & Golf Resort, No. 1, Jalan Usahawan U1/8, Seksyen U1, 40250 Shah Alam, Selangor Darul Ehsan on 28 May 2025. Five out of six Board members, the Senior Management and external auditors were present at the 35th AGM.

The Chairman of the Board convened the 35th AGM in an orderly manner. Prior to tabling the agenda for the 35th AGM, the shareholders were briefed by the GMD on the Group's business performance for the financial year ended 31 December 2024. Following which, the Group Chief Financial Officer shared detailed responses to questions that were submitted by the Minority Shareholders Watch Group ("MSWG") prior to the AGM. The replies to MSWG were uploaded on the Company's corporate website ahead of the AGM.

A total of 942 shareholders and proxy holders were present at the AGM. The shareholders participated actively in the question-and-answer session, were provided with ample opportunity to raise questions, and were given answers to all the queries, with the responses published on the Company's website after the AGM. The Company engaged Boardroom Share Registrars Sdn. Bhd. as the Poll Administrator, and all resolutions set out in the agenda for the 35th AGM were voted on by way of a poll conducted through online electronic poll voting. The results of the online voting were verified and validated by SKY Corporate Services Sdn. Bhd., the independent scrutineer of the AGM.

The minutes of the general meeting proceedings (including the attendance of the Directors, questions raised by the shareholders and the respective responses, the outcome of the voting and responses to the MSWG's queries) are made available to the shareholders and public on the corporate website at www.drb-hicom.com/investors/general-meetings.

This CG Overview Statement was approved by the Board of Directors of the Company on 26 March 2026.

BOARD NOMINATION AND REMUNERATION COMMITTEE REPORT

The Board Nomination and Remuneration Committee ("BNRC") plays a pivotal role in overseeing key areas related to Board composition, executive leadership, and remuneration practices. The BNRC identifies and recommends candidates for Board appointments, ensuring alignment with DRB-HICOM's objectives as well as ensuring that the proposed candidate has the right skills, experience and diversity to support the Company's strategic goals.

The BNRC also ensures good corporate governance by overseeing executive remuneration and promoting ethical standards, such as ensuring that compensation structures are performance-driven and aligned with industry benchmarks, promoting transparency and fairness, and fostering trust with stakeholders by upholding ethical standards and accountability.

COMPOSITION OF BNRC

As at the date of this report, the BNRC is composed exclusively of Independent Non-Executive Directors ("INEDs"), ensuring objectivity and impartiality in its deliberations. The Committee is chaired by Tan Sri Wan Zulkiflee Wan Ariffin, an INED who brings extensive expertise and leadership to the role.

The attendance of each BNRC member during the year is as follows:

Name of Committee Members	Number of Meetings	
	Attendance	%
Tan Sri Wan Zulkiflee Wan Ariffin *Chairman/Independent Non-Executive Director*	5/5	100
Datuk Idris Abdullah @ Das Murthy *Independent Non-Executive Director* *(Resigned on 9 June 2025)*	1/3	Not applicable
Uji Sherina Abdullah *Independent Non-Executive Director*	5/5	100
Dato' Adnan Hisham Pawanteh *Independent Non-Executive Director* *(Appointed on 1 December 2025)*	1/1	100

The Board is confident that the current composition of the BNRC provides a well-balanced mix of skills, knowledge, and experience to safeguard the interests of all shareholders and effectively support the needs of the Group.

KEY ROLES

The BNRC assumes responsibility for the following duties on behalf of the Board:
- Annual review of the structure, size, balance and composition of the Board and its Committees
- Nomination and appointment of new Board members
- Evaluation of the Board, continuous training and development needs of the Board members, remuneration, and human resources functions.

The roles and responsibilities of the BNRC are set out in its Terms of Reference ("TOR") which can be found on the DRB-HICOM website at https://www.drb-hicom.com/investors/corporate-governance/.

SUMMARY OF MAIN ACTIVITIES IN 2025

During the financial year under review, the BNRC carried out activities in the discharge of its duties and functions, among others, as follows:

Strategic

- Reviewed the Succession Planning and Talent Management of DRB-HICOM and the Group
- Reviewed the structure, size, balance and composition of the Board and its Committees
- Evaluated and reviewed the Results of the Corporate KPIs for DRB-HICOM and the Group for the financial year 2025 and the KPIs for DRB-HICOM and the Group for calendar year 2026
- Evaluated and reviewed the proposed Talent Philosophy of the Company

Governance

- Conducted the annual assessment of the effectiveness of the Board and Board Committees, as well as the contribution of each Director
- Reviewed the training programmes attended by the Directors to ensure that all Directors received appropriate continuous training

Nomination

- Considered and recommended for the re-election of eligible Directors at the 35th AGM
- Reviewed and recommended the appointment and/or change of nominee Directors of the main subsidiaries of the Company
- Reviewed the proposed appointments/ secondments of Chief Executive Officers ("CEOs")/Deputy CEOs of key subsidiaries of the Group
- Reviewed and recommended the appointment of new Directors and the composition of the Board Committees of DRB-HICOM

Remuneration

- Reviewed the revision to the salary structure
- Reviewed and recommended the payment of annual performance bonus and annual increment to all eligible personnel of the Group

Board Independence

The Board recognises the important contributions INEDs make towards good corporate governance. All Directors, regardless of their independence status, are required to act in the best interest of DRB-HICOM and the Group. and exercise unfettered and independent judgement. As at 31 December 2025, all of the Board members who are INEDs satisfy the following criteria:

a) Independent from Management and free from any business or other relationship which could interfere with independent judgement or the ability to act in the best interest of DRB-HICOM and the Group.

b) Not involved in the day-to-day operations of DRB-HICOM and the Group's subsidiaries other than when a collective Board approval is required. This mitigates the risk of undue influence from third parties and allows INEDs to exercise fair judgement.

c) Declare their interests or any possible conflict of interest or duty and material personal interest in any matter that relates to the affairs of DRB-HICOM and its companies by providing written notice to the Board and the Company Secretary prior to the commencement of Board meetings.

Directors are able to ascertain their involvement in any proposal as the papers are disseminated to them at least five business days before each meeting. In a situation where there is conflict of interest, Directors are required to recuse themselves and abstain from deliberation to allow unbiased and free discussion and decision making. This also holds true for and applies to Non-Independent Non-Executive Directors as well.

Tenure of Independent Director

The Board acknowledges Practice 5.3 of the MCCG that the tenure of an Independent Director does not exceed a term limit of nine years. Upon completion of the nine years, an Independent Director may continue to serve on the Board as a Non-Independent Director. If the Board intends to retain an Independent Director beyond nine years, it should provide justifications and seek annual shareholders' approval through a two-tier voting process. As at March 2026, none of the INEDs had served on the Board for more than nine years.

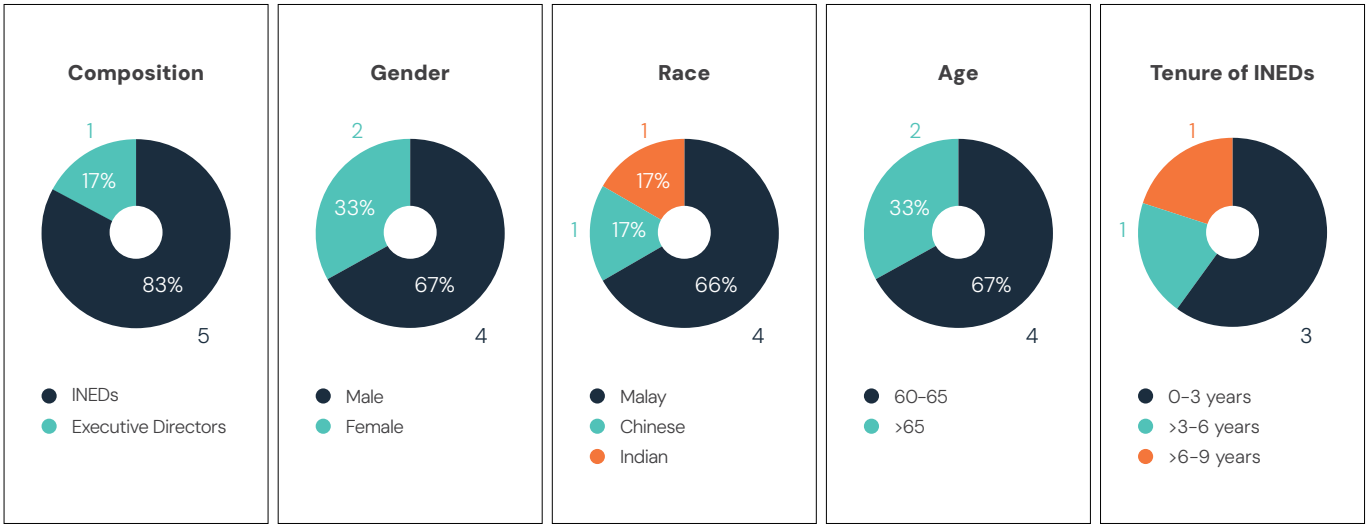
Board Diversity

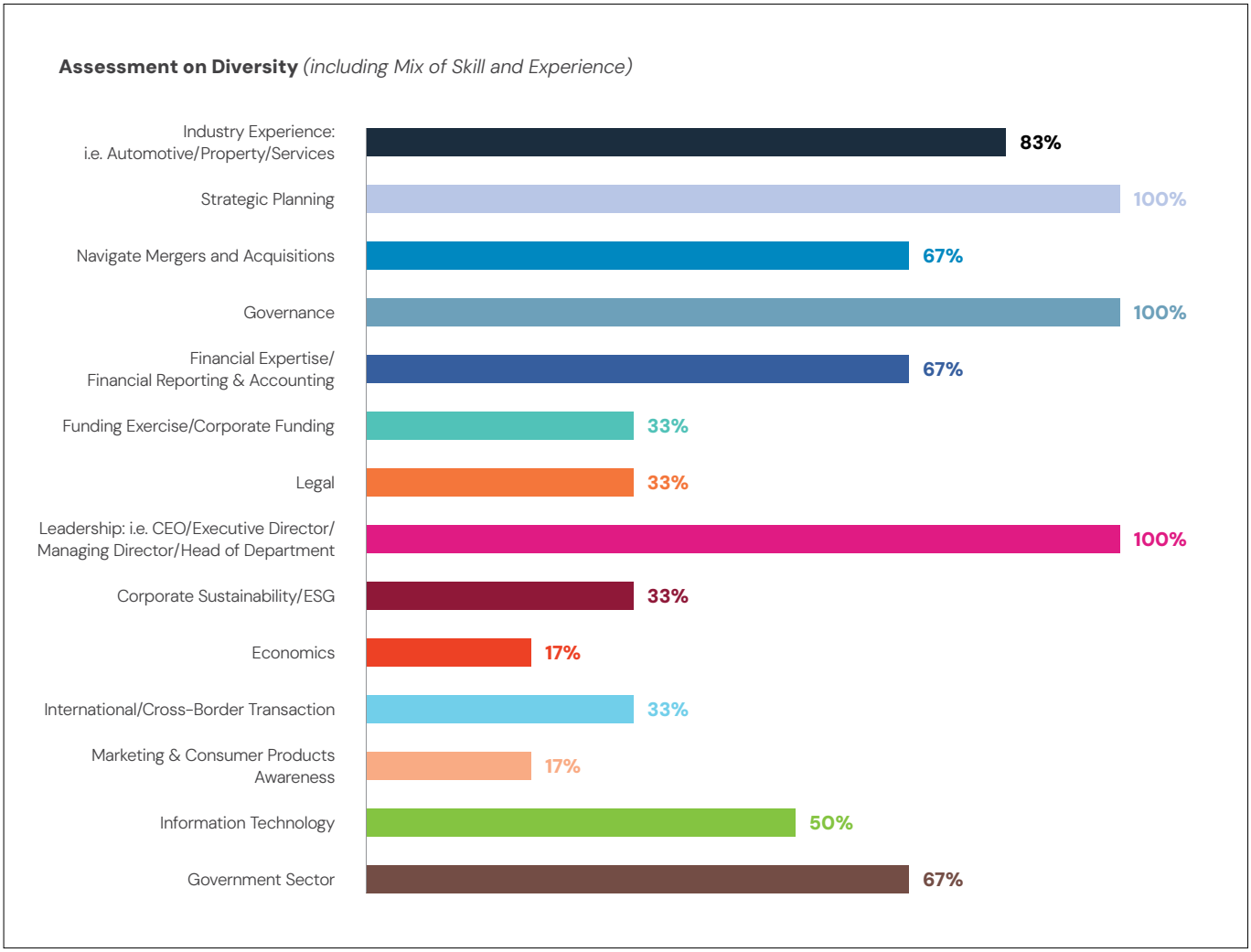
The Board Diversity Policy sets out the approach for achieving diversity within the Board and its subsidiaries in terms of age, gender and ethnicity so that the necessary range of perspectives, experience and expertise can benefit the stewardship and management of the Group.

The Board is committed to ensuring that the Directors of the Group possess a broad balance of skills, knowledge, experience, background and independence, as the synergy of such diversity will contribute to the creation of an effective and dynamic Board.

The Board comprises highly qualified Directors, each an expert in his or her respective field. Collectively, they offer diverse perspectives that enrich deliberations and support the Group's position as a competitive leader across its varied industry segments. Their combined technical and professional expertise enables the Board to exercise effective oversight, provide strategic leadership, and drive performance. Moreover, the Board ensures that the Group upholds the highest standards of professionalism, transparency, integrity and ethical conducts.

As at 26 March 2026, the Board's diversity and competencies metrics are illustrated in the diagrams below:





The profile of each Board member is presented on pages 226-231 of this Integrated Annual Report 2025.

Board Appointment Process

The selection, nomination and appointment of suitable candidates to the Board are subject to a formal and transparent process. In this process, the BNRC reviews the existing Board composition such as the optimum size and diversity in terms of skills, experience, age, gender, capabilities, characteristics, professionalism, integrity, knowledge and such other factors which would contribute to the Board's collective skills and enhancement.

The BNRC considers the strategic directions of the Group and the Board Diversity Policy when evaluating candidates to fill any Board vacancy. Based on this review, the BNRC determines the selection criteria for the new appointment with the view to close any gap or strengthen the Board composition.

The BNRC's access to a wide pool of candidates is derived from various sources, both internally and externally, through the recommendations by the current Board members, professional associations and independent corporate director sourcing firms. The BNRC reviews the potential candidates and conducts engagement sessions with the shortlisted candidates prior to recommending the suitable candidate with relevant skillsets, expertise and experience to the Board for approval.

In addition, the Board Selection Criteria requires that an existing or former officer, adviser or transacting party of DRB-HICOM, or its related corporation, observe a mandatory three-year cooling-off period before being appointed as an INED. This criterion ensures independence and impartiality in the Board's oversight and decision-making.

For the appointment of a new INED, the BNRC also conducts an assessment of the potential candidate's fit and proper criteria according to the Fit and Proper Policy of DRB-HICOM. This due-diligence process is undertaken to ensure that potential appointees are suitably qualified and possess independence, integrity and ethical behaviour of the highest standard befitting and expected of a member of the Board.

The Board's appointment process is summarised as follows:

- Shortlisting of potential candidates in consultation with the Chairman of the BNRC
- Conducting a background reference check
- Evaluation by the BNRC on the suitability of the candidate and recommendation to the Board
- The Board's approval is subject to the candidate fulfilling the fit and proper assessment and completing the Conflict of Interest form and other statutory declarations
- Announcement to Bursa Securities.

During the year, DRB-HICOM embarked on a structured process to identify suitably qualified candidates to be appointed as Directors of the Company to fill the vacancies following the resignations of two previous directors. In further strengthening the Board's composition, the Institute of Corporate Directors Malaysia was approached to provide a list of potential candidates for the BNRC's evaluation and selection. Following the completion of this process, Madam Tang and Dato' Adnan were appointed as INEDs of DRB-HICOM on 18 February 2025 and 1 December 2025, respectively.

Following Madam Tang's appointment as an INED of DRB-HICOM, she was appointed as a member of the BAC and BRSC. On 1 December 2025, she was redesignated as Chairman of the BAC. Dato' Adnan was appointed as a member of the BNRC and BRSC on 1 December 2025. Given their extensive experience, the Board is confident that their contributions will further enhance its effectiveness in steering the Group towards continued success. These appointments underscore DRB-HICOM's ongoing commitment to enhancing decision-making by introducing diverse perspectives and strengthening impartiality of the Board.

Directors' Re-election and Re-appointment

The BNRC is responsible for recommending to the Board Directors who are standing for re-election at the forthcoming 36th AGM pursuant to Article 77 of DRB-HICOM's Constitution.

For the purpose of determining the eligibility of the Directors for re-election, the Board through the BNRC has assessed each of the retiring Directors via the findings of the Board Effectiveness Assessment 2025 on the Directors' performance and contributions during the financial year, taking into consideration, among others:

a. The Directors' level of contribution to the Board's deliberations based on their skills, experience and specific subject matter expertise.
b. That they had demonstrated objectivity in the Board's decision-making process.
c. That they had provided valuable feedback through the sharing of knowledge and experience.
d. That they had at all times acted in the best interests of DRB-HICOM and the Group.
e. The Directors' fitness and propriety as per the Fit and Proper Policy.

Based on the outcome of the BNRC's review, the retiring Directors' performance and contributions in the discharge of their duties during the assessment period were satisfactory and met the fit and proper assessment criteria in the Fit and Proper Policy of the Group, amongst others, probity, personal and financial integrity, competence and time management.

With that, the Board has approved the BNRC's recommendation for the re-election of the following Directors at the forthcoming 36th AGM:

a. Re-election pursuant to Article 77 of DRB-HICOM's Constitution
   i. Tan Sri Wan Zulkiflee Wan Ariffin
   ii. Tan Sri Syed Faisal Albar
b. Re-election of Dato' Adnan Hisham Pawanteh pursuant to Article 83 of DRB-HICOM's Constitution.

Board Effectiveness Assessment

The BEA is conducted annually under the purview of the BNRC to assess the effectiveness of the Board as a whole, the various Board Committees, the contributions of each individual Director and the independence of Independent Directors.

During the year, the BEA was conducted internally by the Corporate Secretarial Department based on a detailed questionnaire adopting the latest corporate governance framework and best practices.

The Corporate Secretarial Department then collated the information and presented the BNRC the outcome and findings from the BEA 2025. Pursuant to the BNRC's recent annual review and assessment, it was satisfied that the size and composition of the Board and Board Committees were appropriate and well-balanced, fairly reflecting the interest of major and minority shareholders of the Company.

The BNRC was also satisfied that all members of the Board were suitably qualified, in view of their respective competencies, character, qualifications and experience, which provided the Board with a good mix of skills and knowledge. These diverse skillsets had equipped the Board with access to a significant pool of relevant experience and business acumen. Based on the assessment for the financial year ended 31 December 2025, the overall outcomes were generally positive. The Board was satisfied with the overall performance and effectiveness of the Board and Board Committees in discharging their duties, functions and responsibilities.

With a view to raising the bar on the Board's governance practices and overall effectiveness, the Board members' comments/feedback were considered, and a Framework of Key Actions was drafted to facilitate and direct Management's focus towards areas that lend themselves to continuous improvement and enhancement.

Succession Planning

The Board, through the BNRC, has oversight over succession planning for the Board, Board Committees and Senior Management. Under its TOR, the BNRC is to ensure that all candidates appointed to these positions are of sufficient calibre and competence. In this respect, the factors considered by the BNRC include the candidates' profiles, experience, achievements, personality and suitability for the respective positions.

The BNRC is responsible for ensuring that an appropriate framework for succession planning for the Board and Management within the Group is in place. The Board acknowledges that in a competitive global environment where securing talents is a challenge, more attention is needed in managing the human capital development.

DRB-HICOM has established a Group Talent Council to comprehensively review and assess potential talents and successors, and monitor talent development programmes to ensure the readiness of identified candidates to assume critical positions. In discharging its responsibilities for succession planning, the BNRC receives succession planning and talent management updates from the Group Human Capital Division in accordance with the succession management framework.

Directors' training

During the financial year under review, the Directors participated in conferences, seminars and trainings covering a range of areas, among others, leadership, corporate governance, finance, risk management, IT and sustainability.

A forward-looking Directors' training programme for 2025 was prepared and shared with the Board members in December 2024 for the Board's information. Meanwhile, training programmes attended by the Board members in 2025 were tracked and presented at each BNRC meeting.

A non-exhaustive list of the training programmes attended by the Directors is listed below:

Tan Sri Wan Zulkiflee Wan Ariffin

Training Programmes

- Global Perspectives on Access to Finances for the Future Gas Industry
- Cross-Borders Partnership for A Resilient Gas Industry
- Fuelling the Evolving Malaysian Gas Landscape
- Talk on "Imposition of US Tariff and Impacts to the Group"
- Nestlé S.A.'s perspectives on Enterprise Risk Management
- US Tariffs Update and Implications
- Adaptability
- Capturing Conglomerate Synergies
- AI for Leadership
- The Geopolitical Business Forum
- Directors e-Invoicing Briefing
- Practical ChatGPT Skills Training for Leaders
- The Inaugural ASEAN Inclusive Growth Summit 2025
- ASEAN Business and Investment Summit 2025
- Artificial Intelligence (AI) Integration and Governance/Ethical Oversight
- Navigating the Digital Frontier: Technology Risks and Boardroom Strategies
- Closed-door Roundtable 2025 on Board Effectiveness and the Role of NEDs/INEDs

Tan Sri Syed Faisal Albar

Training Programme
- Talk on "Imposition of US Tariff and impacts to the Group"
- Pos Malaysia Strategic Review
- US Tariffs Update and Implications
- Adaptability
- Capturing Conglomerate Synergies
- Artificial Intelligence (AI) Integration and Governance/Ethical Oversight
- Navigating the Digital Frontier: Technology Risks and Boardroom Strategies

Dato' Ibrahim Taib

Training Programme
- Talk on "Imposition of US Tariff and Impacts to the Group"
- Briefing on the New Global Internal Audit Standards
- AML/CFT/CPF and Anti-Bribery & Corruption
- US Tariffs Update and Implications
- Adaptability
- Capturing Conglomerate Synergies
- Briefing Session on SST
- Key takeaways from the Malaysian Insolvency (Amendment) Act 2023
- Artificial Intelligence (AI) Integration and Governance/Ethical Oversight
- Navigating the Digital Frontier: Technology Risks and Boardroom Strategies

Uji Sherina Abdullah

Training Programme
- E-Invoicing Essentials for Board Directors: Navigating the New Compliance Landscape
- Talk on "Imposition of US Tariff and Impacts to the Group"
- US Tariffs Update and Implications
- Adaptability
- Capturing Conglomerate Synergies
- Artificial Intelligence (AI) Integration and Governance/Ethical Oversight
- Navigating the Digital Frontier: Technology Risks and Boardroom Strategies
- The Foresight Boardroom: Decoding 2025 & Designing 2026

Tang Saw Hua

Training Programme
- Enhanced Conflict of Interest
- Talk on "Imposition of US Tariff and Impacts to the Group"
- Asia's Energy Transition in a Changing World
- Sustainability Talk on the Course of the Energy Transition in 2025
- Promoting Corporate Purpose and Incentivising Integrity Across Your Company
- WCEF Accelerator Session: Boards Oversight of the Circular Value Chain
- Embedding Sustainability into Strategy and Execution
- 6th Series of the Malaysia Madani Scholars' Forum – "Transport for the People: Balancing Affordability, Quality and Sustainability of Public Transport"
- UITP Summit 2025
- Board Oversight on Sustainability Disclosures: Understanding IFRS S1 & S2 Training
- Bursa Malaysia's Strategic Oversight in Strategy Implementation: Getting Execution Right at the Board Level
- US Tariffs Update and Implications
- Adaptability
- Capturing Conglomerate Synergies
- Petronas Board Conversation Series #Q2 2025: Sustainability Talk on The Strategy and Investment Decision-making Incorporating Nature Considerations
- PDB Accounting Upskilling 2025
- Artificial Intelligence (AI) Integration and Governance/Ethical Oversight
- Navigating the Digital Frontier: Technology Risks and Boardroom Strategies
- Maximising the Value of Advanced Technology for Governance: AI, Blockchain, Crypto & Quantum Computing
- Petronas Board Conversation Series #Q4 2025: Sustainability Talk on Reflection on COP30

Dato' Adnan Pawanteh

Training Programme
- Mandatory Accreditation Programme (MAP) Part I
- MAP Part II: Leading for Impact (LIP)

Directors' Remuneration Framework

The Board has established a Directors' Remuneration Framework for NEDs, comprising Directors' fees for serving on the Board and Board Committees as well as monthly and meeting allowances, which are deemed as benefits. The remuneration level for NEDs reflects their responsibilities and accountabilities on the Board and Board Committees. In addition, the Directors are safeguarded by Directors' and Officers' liability insurance for any liabilities incurred in discharging their duties.

The Directors' fees and benefits payable to the Non-Executive Chairman and NEDs are listed below:

		Directors' Remuneration (RM)	
		Chairman	Member
Fees (per annum)	**Board**	300,000	180,000
	BAC	60,000	40,000
	BNRC	10,000	8,000
	BRSC	30,000	20,000
Meeting Allowance (per meeting)	**Board**	2,000	2,000
	BAC	2,000	2,000
	BNRC	2,000	2,000
	BRSC	2,000	2,000
Monthly Fixed Allowance*		70,000 per month	Not applicable

Notes
* *Monthly fixed allowance to the Chairman is made in recognition of the significant role in leadership and oversight, and the wide-ranging scope of responsibilities as the Chairman of DRB-HICOM in all matters concerning the interests and businesses of the Group.*

Shareholders' approval will be sought at the 36th AGM for the payment of Directors' fees and benefits payable to the Non-Executive Chairman and NEDs, according to Section 230(1) of the Companies Act 2016.

Based on the framework above, details of the total remuneration of Directors of the Company for the financial year ended 31 December 2025 are summarised below:

Name	Salary, bonus and other emoluments (RM)	Company (RM)			Subsidiaries (RM)			Total (RM)
		Directors' Fees	Directors' other emoluments	Benefits-in-kind	Directors' Fees	Directors' other emoluments	Benefits-in-kind	
Non-Executive Directors								
Tan Sri Wan Zulkiflee Wan Ariffin	0	310,000	868,000[1]	35,200[2]	0	0	0	1,213,200
Dato' Ibrahim Taib	0	259,157	38,000	0	200,000[3]	122,000[3]	0	619,157
Datuk Idris Abdullah @ Das Murthy *(Resigned on 9 June 2025)*	0	113,406	8,000	0	37,097[4]	4,000[4]	0	162,503
Uji Sherina Abdullah	0	202,783	32,000	0	0	0	0	234,783
Tang Saw Hua *(Appointed wef 18 February 2025)*	0	209,685	36,000	0	0	0	0	245,685
Dato' Adnan Pawanteh *(Appointed wef 1 December 2025)*	0	17,522	4,000	0	0	0	0	21,522
Total	**0**	**1,112,553**	**986,000**	**35,200**	**237,097**	**126,000**	**0**	**2,496,850**
Executive Director								
Tan Sri Syed Faisal Albar Syed A.R Albar	4,368,385[5]	0	0	0	12,000[6]	12,000[6]	135,200[7]	4,635,585
Grand Total	**4,368,385**	**1,112,553**	**986,000**	**35,200**	**357,097**	**138,000**	**135,200**	**7,132,435**

Notes:-
1 *Directors' other emoluments comprised fixed allowance and meeting allowance for Tan Sri Wan Zulkiflee Wan Ariffin.*
2 *Benefits in kind comprised car/driver/petrol for Tan Sri Wan Zulkiflee Wan Ariffin.*
3 *Directors' fees and meeting allowance paid by Bank Muamalat Malaysia Berhad, a 70% owned subsidiary of DRB-HICOM, in respect of the services rendered by Dato' Ibrahim Taib.*
4 *Directors' fees and meeting allowance paid by Pos Malaysia Berhad, a 53.50% owned subsidiary of DRB-HICOM, in respect of the services rendered by Datuk Idris Abdullah @ Das Murthy.*
5 *Being the Group Managing Director of DRB-HICOM and including bonus payment for the previous financial year.*
6 *Directors' fees and meeting allowance paid by Pos Malaysia Berhad, a 53.50% owned subsidiary of DRB-HICOM, in respect of the services rendered by Tan Sri Syed Faisal Albar Syed A.R Albar.*
7 *Benefits in kind comprised annual leave passage and car/driver/petrol for Tan Sri Syed Faisal Albar Syed A.R Albar.*

This report on BNRC was approved by the Board of Directors of DRB-HICOM on 26 March 2026.

BOARD RISK AND SUSTAINABILITY COMMITTEE REPORT

The Board Risk and Sustainability Committee ("BRSC") is responsible for overseeing the effectiveness and adequacy of the risk management framework and policies of the Group and ensuring that the significant risks faced by the Group are managed appropriately to mitigate exposures to potential losses in response to the ever-changing business environment.

The BRSC also ensures the effective preparation of the Group's disclosure reports related to risk management and sustainability matters, as required by Bursa Malaysia Securities Sdn. Bhd. ("Bursa Securities").

COMPOSITION OF BRSC

As at the date of this report, the BRSC is composed exclusively of Independent Non-Executive Directors ("INEDs"), ensuring objectivity and impartiality in its deliberations. The Committee is chaired by Dato' Ibrahim Taib, an INED who provides leadership and oversight in his role as Chairman.

The attendance of each BRSC member during the year is as follows:

Name of Committee Members	Number of Meetings	
	Attendance	%
Datuk Idris Abdullah @ Das Murthy *Chairman/Independent Non-Executive Director* *(Resigned on 9 June 2025)*	1/2	50
Dato' Ibrahim Taib *Chairman/Independent Non-Executive Director* *(Redesignated as Chairman on 1 December 2025)*	4/4	100
Tang Saw Hua *Independent Non-Executive Director* *(Appointed on 18 February 2025)*	3/3	100
Dato' Adnan Pawanteh *Independent Non-Executive Director* *(Appointed on 1 December 2025)*	Not applicable	

The Board is confident that the current composition of the BRSC provides an appropriate balance of skills, knowledge, and experience to safeguard the interests of all shareholders and effectively support the Group's objectives and long-term business plan.

KEY ROLES

The BRSC assumes responsibility for the following duties on behalf of the Board:

- Formulating the Board's risk appetite at the Group level and providing strategic oversight on risk management and sustainability matters
- Ensuring effective oversight of the development of the Group's sustainability and climate-related strategies, priorities and targets to support the Group's long-term business strategy and success
- Reviewing, endorsing and overseeing the progress against appropriate targets and indicators of material sustainability matters identified for the Group, including climate-related risks and opportunities
- Ensuring effective assessment and monitoring of mitigating controls implemented to reduce the impact and likelihood of occurrence of identified risks and sustainability concerns.

The roles and responsibilities of the BRSC are set out in its Terms of Reference ("TOR"), which can be found on the Company's website at https://www.drb-hicom.com/investors/corporate-governance/.

SUMMARY OF MAIN ACTIVITIES IN 2025

During the financial year under review, the BRSC carried out the following activities in the discharge of its duties and functions, among others, as follows:

- Deliberated on and discussed the risk management report, encompassing the Group's key risks, summaries of principal subsidiary risk reports, analysis of risk trends and movements, and the overall business risk landscape.
- Deliberated on the cyber risk report, including the cyber risk scorecard, regulatory requirements, cyber resilience maturity assessment and software audits findings.
- Reviewed and discussed the Group's sustainability issues, initiatives and progress across the four key themes to ensure alignment with the Group's strategic objectives and governance framework:

Theme 1	Theme 2	Theme 3	Theme 4
Creating Customer Value	Protecting the Environment	Enriching People and Communities	Upholding Business Integrity

- Reviewed the update on safety and health matters of the Group, including reviews of safety performance and investigations relating to incident during the year.
- Reviewed the IFRS S1 and S2 implementation plan, to ensure readiness and alignment with evolving sustainability and climate-related reporting requirements.
- Considered climate-related risks and opportunities as part of the Group's sustainability and risk reporting during the year.
- Reviewed the Group's sustainability disclosure and the risk management statement and recommended their inclusion in the DRB-HICOM Integrated Annual Report 2025, noting the material sustainability matters and principal risks for the Board's approval.
- Deliberated on the DRB-HICOM Integrated Reporting roadmap, including key milestones and implementation progress.
- Reviewed and discussed the progress of the Business Continuity Management ("BCM") programme, including the annual BCM testing exercises conducted for Wisma DRB-HICOM and the Group's subsidiaries.

Further details on risks and sustainability matters are set out in Section 3, Section 4 and Section 5 of the Integrated Annual Report 2025.

This report on BRSC was approved by the Board of Directors of the Company on 26 March 2026.

BOARD AUDIT COMMITTEE REPORT

The Board of Directors ("the Board") of DRB-HICOM Berhad ("DRB-HICOM" or "the Company") is pleased to present the Board Audit Committee ("BAC") Report for the financial year ended 31 December 2025.

The BAC supports the Board by fulfilling its oversight responsibilities to appraise the Company's risk management, system of controls, and governance. This would include evaluating effectiveness of internal controls in regard to operational and financial aspects, conflict-of-interest situations, related party transactions, business ethics and compliance, corruption, fraud, and unethical conduct while nurturing governance, ethics, compliance to laws and regulations, and protecting the interest of stakeholders.

COMPOSITION OF BAC

The BAC is chaired by Madam Tang Saw Hua, comprising three members, all of them are Independent Non-Executive Directors as of the date of this report. The composition and meeting attendance of the BAC for the financial year ended 31 December 2025 are as follows:

Name of Committee Members	Number of Meetings	
	Attendance	%
Tang Saw Hua *Chairman/Independent Non-Executive Director* *(Appointed on 18 February 2025 and redesignated from Member to Chairman on 1 December 2025)*	6/6	100
Dato' Ibrahim Taib *Independent Non-Executive Director* *(Redesignated from Chairman to Member on 1 December 2025)*	6/6	100
Datuk Idris Abdullah @ Das Murthy *Independent Non-Executive Director* *(Resigned on 9 June 2025)*	1/3	33
Uji Sherina Abdullah *Independent Non-Executive Director* *(Appointed on 18 August 2025)*	2/2	100

The BAC's composition is aligned with Paragraph 15.09 (1)(a), (b), (c)(i) of Bursa Malaysia Securities Berhad's ("Bursa Securities") Main Market Listing Requirements ("MMLR") and Step-up Practice 9.4 of the Malaysian Code on Corporate Governance ("MCCG"), which states that the Audit Committee must consist of not fewer than three members, all the Audit Committee members must be Non-Executive Directors, with a majority of them being Independent Directors, and at least one member of the Audit Committee must be a member of the Malaysian Institute of Accountants ("MIA"), where Madam Tang Saw Hua is a member of MIA. None of the BAC members were former audit partners, thus, the 3-year cooling-off period mentioned in the BAC's Term of Reference ("TOR") is not applicable.

The BAC is committed to the practice outlined in the MCCG 2021 Step-up Practice 9.1, in which the Chairman of the BAC is not the Chairman of DRB-HICOM's Board during the financial year under review.

The External Auditors, Chief Internal Audit and Integrity Officer ("CIAIO"), and relevant personnel from the Management are invited to attend the BAC meetings as and when needed by the BAC members to present their reports on interim financial reports, annual audited financial statements, as well as providing updates and developments on issues highlighted in the audit reports.

All audit issues discussed and deliberated during the BAC meetings are recorded in the minutes of each meeting by the Company Secretary, who also serves as the Secretary to the BAC. The BAC Chairman thereafter reports the BAC's recommendations on matters of significant concern to the Board for its consideration. The Company Secretary then issues action plans on the decisions made and actions required, which are circulated to the Management and relevant parties for their updates.

KEY ROLES

The BAC assumes responsibility for the following duties on behalf of the Board:

- Appraise that adequate system management and internal controls are in place to safeguard shareholders' interests and the Company's assets
- Review the annual and quarterly financial results of the Group focusing on, amongst others, financial disclosures, changes in accounting policies, and practices in compliance with the relevant accounting standards
- Review internal audit and external audit matters as well as integrity functions and related party transactions

The roles and responsibilities of the BAC are set out in its TOR, which can be found on the Company's website at https://www.drb-hicom.com/investors/corporate-governance/.

CONTINUOUS TRAINING AND DEVELOPMENT

The BAC acknowledges the importance of continuous education and training to keep its members abreast with the regulatory changes and developments in the areas related to their duties. For further details on the training programmes and seminars attended by the BAC members, refer to the Directors' Training on pages 256-257.

SUMMARY OF ACTIVITIES CARRIED OUT IN FINANCIAL YEAR 2025

During the financial year under review, the BAC in the discharge of its duties and functions, has carried out various activities, among others, as follows:

Financial Reporting

(a) Reviewed the unaudited quarterly financial results of the Group in line with the Malaysian Financial Reporting Standards ("MFRS") and Appendix 9B of the MMLR of Bursa Securities. The BAC reviewed and discussed the unaudited quarterly financial results of the Group with the Management and the External Auditors (where applicable) at the scheduled quarterly BAC meetings and recommended the same to the Board for consideration and approval before releasing the results to Bursa Securities.

(b) Reviewed the annual audited financial statements of the Company and the Group for the financial year ended 31 December 2025, before recommending to the Board for approval and subsequent tabling at the upcoming Annual General Meeting ("AGM").

(c) Reviewed and recommended the Directors' Statement on Risk Management and Internal Control, BAC Report, Corporate Governance Overview Statement, and Corporate Governance Report to the Board for its approval.

(d) Reviewed and recommended the Circular to Shareholders in respect of the Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature and Proposed New Shareholders Mandate for Additional Recurrent Related Party Transactions of a Revenue or Trading Nature to the Board for its approval.

(e) Reviewed Related Party Transactions and Recurrent Related Party Transactions of a Revenue or Trading Nature, which are necessary for the day-to-day operations in the ordinary course of business of the Company and its subsidiaries to ascertain if the transactions were undertaken on an arm's length basis on normal commercial terms not more favourable to the related parties than those generally available to the public or extended to unrelated parties and are not detrimental to the minority shareholders.

(f) Reviewed and endorsed for recommendation the final dividend payout for the Board's approval on 26 March 2025.

External Audit

(a) Assessed the performance of the External Auditors for the financial year ended 31 December 2025 in carrying out their audits during the year.

(b) Reviewed and approved the External Auditors' proposed Annual Audit Plan for the financial year ended 31 December 2025, including the terms of engagement and scope of work for the statutory audit. This included the annual assessment on the suitability, objectivity and independence of the External Auditors, KPMG PLT, in accordance with the factors prescribed by Paragraph 15.21 of the MMLR. During the meeting, the External Auditors affirmed their independence in accordance with the provisions of the by-Laws on Professional Ethics, Conduct and Practice of the MIA.

(c) The BAC held two meetings with the External Auditors without the presence of the Management team on 24 March 2025 and 21 November 2025.

(d) Reviewed and recommended the re-appointment of the External Auditors and their fees for the Board's approval.

Internal Audit

(a) Reviewed the Whistleblowing Policy that was tabled on 25 February 2025. After due deliberation, the BAC endorsed and recommended the revised Whistleblowing Policy to be tabled to the Board, which approved the Policy on 27 February 2025.

(b) Reviewed and approved the Group Internal Audit & Integrity Division's ("GIAID") proposed Annual Audit Plan for financial year 2026 at its meeting on the 21 November 2025, including the scope, functions, and manpower requirements.

(c) Reviewed the internal audit reports prepared and presented by GIAID during the BAC meetings held throughout the financial year ended 31 December 2025. This included reviewing GIAID's activities with respect to:
- Status of audit activities as compared to the approved Annual Audit Plan
- Results of scheduled audits, physical follow-up audits, desktop validation of highlighted audit issues, and special and thematic audit reviews
- Status of implementation, the effectiveness and adequacy of the Management's corrective action through follow-up audit reports and desktop validations to ensure that key risk and control issues were adequately addressed in a timely manner

(d) Assessed the Key Performance Indicators ("KPI") of GIAID, conducted the performance evaluation of the CIAIO for the financial year ended 31 December 2025, and recommended that the performance evaluation be submitted to the Board Nomination and Remuneration Committee ("BNRC") for further deliberation as well as the Board for approval on 26 February 2026.

(e) At its meeting on 26 February 2026, the BAC discussed the results of the overall performance evaluation conducted by its members on GIAID for the financial year ended 31 December 2025.

(f) The BAC held two private meetings on 26 March 2025 and 21 November 2025 with the CIAIO, without the presence of the Management team, to discuss internal audit functions, support and cooperation from the Management, and matters related to job independence.

Conflict of Interest

(a) The Company has established its Conflict of Interest Policy whereby the Board, through the BAC, regularly reviews conflicts of interest or potential conflicts of interest, including interests in any competing businesses. Any situation involving conflicts of interest, whether direct or indirect, actual or potential, must be declared and notified to the Company Secretary.

STATEMENT ON INTERNAL AUDIT FUNCTION

Roles and Responsibilities

The DRB-HICOM Group has established its own internal audit function, performed by GIAID, to provide an independent and objective assurance on the effectiveness of its established internal controls, risk management, governance, and integrity culture. The assurance performed is reported to the BAC and the Board based on the Annual Audit Plan for Financial Year 2025 approved on 19 November 2024. However, GIAID's purview excludes subsidiaries with their own internal audit functions and BAC structures, namely, Bank Muamalat Malaysia Berhad, Pos Malaysia Berhad, and PROTON Holdings Berhad.

The CIAIO reports functionally to the BAC and administratively to the Group Managing Director. The CIAIO periodically reports to the BAC on key control deficiencies, investigations, and integrity activities, in accordance to the approved Internal Audit Charter.

The GIAID's function has maintained its independence and objectivity by having no operational responsibility and staff of GIAID have completed their annual conflict of interest declarations with no anomalies noted.

Internal Audit Resources

As of 31 December 2025, the total staff strength of GIAID stood at 22, comprising 14 Internal Auditors, three Investigation personnel, three Integrity and Governance Unit ("IGU") personnel, and two support staff. The total cost incurred for the internal audit function for financial year ended 31 December 2025 was approximately RM4 million (FY2024: RM3.4 million), comprising mainly of salaries, training, and travelling expenses for audit assignments.

The BAC reviews and approves GIAID's financial budget and manpower requirements to ensure the function remains adequately resourced with competent and proficient Internal Auditors.

GIAID has invested in various internal and external training programmes to maintain and enhance the competency levels on both functional and professional developmental needs of the Internal Auditors.

Internal Audit Works

GIAID has applied a comprehensive audit planning approach by adopting a risk-based audit methodology to ensure adequate and comprehensive coverage of the Group's activities with a focus on auditable areas where the risks would have the most impact on the business objectives and results of the Group.

GIAID adopts the Institute of Internal Auditors' Global Internal Audit Standards ("GIAS") that became effective in January 2025 to guide the function in performing its audit engagements.

During the financial year, GIAID performed all the audit assignments as per the approved 2025 Annual Audit Plan. A total of 70 audit assignments, including scheduled audits, physical follow-up audits, special reviews, and thematic audit reviews were executed for the financial year ended 31 December 2025. The audits covered a broad range of auditable units, including branch operations under DRB-HICOM. Among the key areas covered during the financial year were:
- Business operations
- Insurance services
- Warehouse and inventory management
- Quality assurance
- Regulatory management

- Human resources management
- Governance and compliance review
- Safety and health management
- Budgeting and financial management
- Assets management
- Environmental, social, and governance
- Information technology.

The CIAIO attended all BAC meetings during the year to brief the BAC on the audit results, significant matters raised, and implementation status of corrective actions arising from audit recommendations. All audit issues identified in the audit reports were presented to the BAC and Board of the respective operating companies. Additionally, the Senior Management and relevant Management team members were briefed on the audit findings.

The Heads of Companies and/or Management of the audited operating companies or units, where required, were also invited to the BAC meetings to provide further explanation on the audit observations highlighted. The Management is accountable for ensuring the appropriate resolution of identified audit issues, including the implementation of action plans within a reasonable timeframe. Actions taken by the audited operating companies or units are followed up, tracked, and validated by GIAID, with updates on the resolution status of audit concerns communicated to the respective Management teams.

Other Key Initiatives and Process Improvements

The following key initiatives and process improvements implemented by GIAID during the financial year ended 31 December 2025 were briefed and shared with the BAC for notification:

(a) Newly established and enhanced Standard Operating Policies and Procedures, which were introduced to provide clear guidelines to govern whistleblowing practices across the Group.

(b) Establishment of the Anti-Bribery Management Systems ("ABMS") for DRB-HICOM by the IGU, which partly contributed to DRB-HICOM being awarded the ISO 37001:2016 ABMS Certification from SIRIM QAS International Sdn. Bhd. in May 2025. The achievement demonstrated the Company's continued commitment to ethical business practices and compliance with the Malaysian Anti-Corruption Commission ("MACC") Act, 2009, "Guidelines on Adequate Procedures", and alignment with global Anti-Bribery and Anti-Corruption ("ABAC") standards. Additionally, the following governance standards and compliance standards were also established:
    - Introduction to the ABAC Steering Committee Manual
    - Introduction to the Conflict-of-Interest Manual
    - Enhancement of Anti-Bribery and Anti-Corruption Management Systems Manual.

(c) Establishment of the GIAID Apprenticeship Programme ("GAP"), which was designed to develop internal auditing skills across the Group. The programme is opened to all employees within the Group who met the eligibility criteria and is aimed to equip participants from operating business units with theoretical and practical training in internal auditing skills. The objective of the apprenticeship programme is to strengthen internal control capabilities within the Group by imparting knowledge and providing training to participants, who will then enhance the system of internal controls at their respective operating companies with the knowledge they have gained.

Quality Management System

GIAID has continued to strengthen its internal audit processes by maintaining the ISO 9001:2015 Quality Management System and implementing the Quality Assurance and Improvement Programme process reviews as recommended under GIAS. This quality management system has been subjected to periodic in-house quality audits and external annual surveillance assessments by an independent certification body since 2005.

This Report on BAC was approved by the Board of Directors of the Company on 26 March 2026.

DIRECTORS' STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors ("the Board") of DRB-HICOM Berhad ("DRB-HICOM" or "the Company") is pleased to provide this Statement on Risk Management and Internal Control ("SORMIC"), which outlines the nature and scope of risk management and internal control systems established within the Company and its subsidiaries ("the Group") for the financial year under review.

This SORMIC is prepared pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and is guided by the SORMIC 2025 Guidelines for Directors of Listed Companies (26 August 2025), which requires the board of a listed issuer to include in their Annual Report a "statement on the state of internal controls of the listed issuer as a group".

Additionally, DRB-HICOM has complied with the Malaysian Code on Corporate Governance 2021 ("MCCG 2021") issued by the Securities Commission Malaysia, which requires the board of a listed issuer to establish and maintain a sound risk management framework and internal control system.

1.0 BOARD'S RESPONSIBILITIES

1.1 The Board affirms its commitment and responsibility in maintaining a sound and effective system of risk management and internal controls in safeguarding shareholders' interest and the Group's assets in the achievement of business objectives and ensuring compliance with applicable laws and regulations. This responsibility extends to risks arising from strategic, operational, financial, sustainability- and climate-related matters, as overseen through the Board's established governance framework.

1.2 The Board is responsible for determining the level of risk tolerance and ensuring that the key risk of the Group is reviewed and managed adequately by quarterly evaluation of the adequacy and effectiveness of the risk management and internal control system. These processes are put in place to uphold good corporate governance standards and support informed decision-making and to ensure effective interaction among the Board, Management, and internal and external auditors.

1.3 The Board's responsibility of monitoring the system of risk management and internal control is supported by the Board Risk and Sustainability Committee ("BRSC") and the Board Audit Committee ("BAC"), which are trusted with overseeing and evaluating the effectiveness of the Group's risk management and internal control systems. Nonetheless, the Board retains overall responsibility of the Group's risk management and internal control system.

1.4 Together, the BRSC and BAC were established to assist the Board in providing oversight, direction and counsel in assessing the effectiveness of the Group's internal control systems in mitigating risks as well as assessing whether they provide reasonable assurance that risks are managed within tolerable ranges. As part of its oversight, the BRSC considers whether appropriate skills, expertise and competencies are available, or may require further development, to effectively oversee strategies and management responses, to emerging risks and regulatory developments, including sustainability- and climate-related risks and opportunities.

The Group Risk Management and Sustainability Division ("GRMSD") and the Group Internal Audit and Integrity Division ("GIAID") have conducted reviews and testing of the Group's risk management framework and internal controls on behalf of the BRSC and BAC, which are then reported up to the Board. Each Board Committee's responsibilities and functions are defined in their respective Terms of Reference ("TOR") to ensure good business and regulatory governance.

1.5 The following are the key responsibilities performed by BRSC and BAC in discharging their fiduciary responsibilities:

a) BOARD RISK AND SUSTAINABILITY COMMITTEE ("BRSC")

The establishment of the BRSC reaffirms the Board's commitment to maintaining an effective and robust Enterprise Risk Management ("ERM") Framework that facilitates the formulation of proactive and effective policies to identify and manage all risks as well as opportunities that may impact the Group's ability to achieve

its business objectives. This oversight includes sustainability- and climate-related risks and opportunities, which are managed through the Group's integrated governance and risk management processes and aligned with the Board's sustainability oversight. In discharging its responsibilities, the BRSC is assisted by the Management team through the Risk Management Committee ("RMC"), which reviews, deliberates, and endorses significant risks that may pose threats to the Group. The RMC oversees sustainability- and climate-related risks as part of the Group's risk registers, reviews risk appetite considerations and monitors the implementation of controls and mitigation plans prior to escalation to the BRSC.

(i) The duties and responsibilities of the BRSC are clearly defined in the BRSC's TOR, which is available for review and/or download on DRB-HICOM's website at https://www.drb-hicom.com/investors/corporate-governance/. The TOR establishes the BRSC's mandate over sustainability- and climate-related risk oversight within the Group's governance and ERM structures.

(ii) The BRSC is required to meet at least four times a year where the Group Managing Director ("GMD"), Group Chief Financial Officer ("GCFO"), and Chief Risk and Sustainability Office ("CRSO") shall be invited to attend the BRSC meetings, as and when required by the BRSC. These meetings enable the BRSC to receive regular updates on sustainability- and climate-related risks, risk appetite considerations, and implementation progress, informed by inputs from the RMC and the Sustainability Steering Committee ("SSC").

(iii) The BRSC may have access to such information and advice, both from within the Group and externally, as it deems appropriate at the cost of the Group. The BRSC may request other Directors, the Management, counsels, and consultants as applicable to participate in the BRSC meetings, as necessary, to carry out the BRSC's responsibilities.

(iv) All recommendations of the BRSC shall be submitted to the Board for consideration and approval.

(v) After each BRSC meeting, the Chairman of the BRSC shall present a report and any recommendations to the Board at the next Board meeting, with sufficient supporting information and background for the Board to make an informed decision.

b) BOARD AUDIT COMMITTEE ("BAC")

(i) The BAC is established to assist the Board in fulfilling its oversight responsibilities on the effectiveness of system of controls and governance, including determining that operational and financial controls, business ethics, and compliance are being properly managed and monitored within the Group in order to prioritise, empower, and protect the interests of shareholders.

(ii) The duties and responsibilities of the BAC are clearly defined in the BAC's TOR. The BAC's TOR with a complete list of authorities provided by the Board is available for review and/or download on DRB-HICOM's website at https://www.drb-hicom.com/investors/corporate-governance/.

(iii) The BAC shall meet at least four times a year where the GMD, Group Chief Operating Officers ("GCOOs"), GCFO, and Chief Internal Audit & Integrity Officer ("CIAIO") shall, by invitation, attend the meeting. Other Management members and stakeholders shall be invited to attend, as and when, required by the BAC.

(iv) The Board has empowered the BAC to investigate any activity within the scope of the BAC's TOR with full and unrestricted access to relevant information and documents; access to independent legal or other professional advice as necessary; and communicate directly with the external auditors, internal auditors and all employees of the Group.

(v) The BAC comprises solely of two Independent Non-Executive Directors ("INEDs") and one Senior INED, with none of the Directors holding the position as Chairman of the Board of Directors, thereby maintaining overall effectiveness and independence.

(vi) The internal audit function that supports the BAC is led by the CIAIO, who heads the GIAID. The CIAIO shall possess the requisite experience, professional standing, and authority to discharge his/her responsibilities effectively. The CIAIO shall also ensure that the GIAID is provided with adequate resources and granted unrestricted access to all relevant information necessary for the effective fulfilment of its roles and responsibilities. The personnel assigned to internal audit duties shall be equipped with the appropriate level of competency, experience, and resources to perform the function in an effective and reliable manner.

1.6 Considering the above, the Board is responsible to ensure that there is a proper risk management assurance process in place to assess, treat, monitor, and report significant risks that may impede the Group from achieving its goals and objectives. The Board acknowledges the importance of an effective internal control systems to safeguard shareholder investments, the Group's assets, and other stakeholders' interests, as well as ensuring that the Group continues to achieve its strategic objectives while complying with applicable laws and regulations.

1.7 The Board further recognises that the Group's internal control systems are designed and put in place to address material misstatements, losses, unforeseen circumstances, and fraud that may hinder the Group from achieving its objectives. The Board acknowledges that these risk management and internal control systems are designed to manage and mitigate, rather than eliminate risks and can only provide reasonable and not absolute assurance as to the effectiveness against risks that may impede the Group from achieving its business goals and objectives.

2.0 MANAGEMENT'S RESPONSIBILITIES

2.1 Management team is accountable to the Board for ensuring effective implementation of the Group's risk management and internal control systems. These risk management and internal control systems are designed to ensure the Group's operations are conducted efficiently and effectively, and in compliance with applicable regulations, while safeguarding its assets, reputation, and overall objectives. This accountability extends to sustainability- and climate-related risks and opportunities embedded within the Group's ERM processes and operational decision-making.

2.2 For systematic directives and decision-making, a management committee has been set up under the name of Group Management Committee ("GMC"), which is chaired by the GMD, and in the GMD's absence, the Group Chief Operating Officer and GCFO may be appointed to chair. Any Group Chief Officers and Head(s) of Department(s) may be appointed as a member or ex-officio, endorsed by the GMC.

2.3 The Management team is responsible for implementing risk management processes to assess, treat, monitor, and report risks and internal controls, as well as taking appropriate and timely actions to address identified risks. Additionally, the Management team has assured the Board that the Group's risk management and internal control systems are operating adequately and effectively in all material aspects, based on the ERM Framework and internal control systems established and adopted by the Group. These processes are supported by internal engagements (as and when required), quarterly risk assessments and structured reporting cycles coordinated by the GRMSD, enabling timely identification, monitoring and escalation of sustainability- and climate-related risks and opportunities to the RMC, BRSC, and the Board.

3.0 KEY COMPONENTS OF INTERNAL CONTROL PROCESSES

3.1 The Group's internal control systems established by the Board comprise the following key components to provide effective governance and oversight:

3.1.1 POLICIES AND PROCEDURES

Written policies have been established to provide guidance to individuals and departments within the Group on behaviours, conduct and work processes for employees to adhere in executing their duties and obligations. Some policies are supported by procedures, which describe the steps undertaken to complete the process.

The Group and its subsidiaries have implemented several Internationally Accredited Management Systems ("IAMS") as its commitment to standardise management and operational processes and improve efficiency, as follows:

- ISO 9001:2015 – Quality Management System
- ISO 45001:2018 – Occupational Health & Safety Management System
- ISO 14001:2015 – Environmental Management System
- ISO 39001:2012 – Road Traffic Safety Management System

3.1.2 INTERNAL AUDIT

The GIAID is currently headed by the CIAIO, who reports functionally to the BAC and administratively to the GMD to maintain independence from the Management. The internal audit function under GIAID provides independent, objective assurance, compliance, and consulting services to add value to the Group's operations.

The internal audit function is provided with free and unrestricted access to documents and information of all Group companies (excluding companies governed under the Islamic Financial Services Act, 2013 or companies regulated under Bank Negara Malaysia). The GIAID's objective, authority, independence and scope of the internal audit activities, reporting structure, and responsibilities of the CIAIO have been defined in the Internal Audit Charter.

Areas selected for audit reviews are derived from the audit universe and is based on the Annual Audit Plan that was developed using risk-based assessment methodology, management feedback, historical analysis, external auditor's Report of Examination, special investigation cases, and risk management system. The Audit Plan is presented annually to the BAC for approval prior to its implementation. In addition to the planned audits, GIAID has undertaken investigations and ad-hoc reviews that were requested by the Management and/or the Board. GIAID has provided an independent assessment to the BAC, Management, and outside parties on the adequacy and effectiveness of governance, risk management, anti-corruption, whistleblowing, and control processes of the Group.

Results of the audit reviews, including the status of management action plans to address gaps identified in the governance processes, risk management process, and controls during the audit engagements, are reported to the BAC for deliberation.

Reasonableness review and validation on management action plans prepared by line management pursuant to the audit issues highlighted during audit reviews are conducted by the Corporate Management Office. This measure is intended to ensure that the recommended action plan(s) are robust and effective in addressing audit issues and concerns, and implementing improvements identified in the Internal Audit Report.

The GIAID's staff strength stood at 22 (total headcount includes Operations Audit, System Audit, Integrity and Governance Unit ("IGU"), Special Investigation and Quality and Assurance Audit) for the year ended 31 December 2025. During the financial year, all members had completed and affirmed their annual code of ethics declaration, thereby confirming that the function's independence has been upheld throughout the year, with no instances of impairment reported. Personnel of the internal audit function have been provided with professional development, training programmes, and/or knowledge sharing sessions to keep abreast of the latest trends and competencies to enhance effectiveness and quality of audit services to the Group.

The GIAID has continued with the adoption of ISO 9001:2015 Quality Management System and the Institute of Internal Auditors' Global Internal Audit Standards which became effective in January 2025, replacing the previous standards under the International Professional Practice Framework.

3.1.3 OTHER ELEMENTS OF INTERNAL CONTROL SYSTEM

A. Board Committees

In discharging its responsibilities effectively, the Board is supported by three Board Committees, namely the Board Nomination and Remuneration Committee ("BNRC"), the BRSC, and the BAC. The responsibilities of the BNRC, BRSC, and BAC are defined in the BNRC Report on pages 252-258, the BRSC Report on pages 259-260, and the BAC Report on pages 261-264 of this Integrated Annual Report.

B. Organisational Structure and Reporting Line

The Group has a formal organisational structure with clear reporting lines and responsibilities to ensure proper segregation of duties, assignment of authority, and accountability to meet the business strategies and objectives of the Group.

C. Delegation of Authority

The Group has documented the Limits of Authority ("LOA") and Management Delegated Authority ("MDA") to establish a structured framework for authority and accountability. The LOA defines authorisations for strategic, capital, and operational expenditures, while the MDA, as an extension of the LOA, ensures that the appropriate levels of authority are assigned to the Management for executing transactions and activities. The LOA and MDA are reviewed periodically, with updates and approvals by the respective Boards of operating companies as necessary, to reflect evolving business needs and address operational deficiencies.

D. Business Plans and Budgets

The Group formulates a business plan outlining key goals, strategies, and operational plans by the respective Heads of Departments/Companies on an annual basis and presents the plans to the Board for deliberation and approval. The Board will be updated on the Group's actual performance against budget during the meetings where quarterly financial results and operational performance are reviewed and deliberated.

E. Performance Review

The Group has established employees' authority and responsibilities, which are detailed out in Job Descriptions ("JD") that are used to monitor the employee's achievement of Key Performance Indicators ("KPI").

The performance framework serves as a guide for performance setting of employees at various levels within the organisation, covering categories, such as, Financials, Customers, Internal Business Process, and Organisation Learning and Growth.

F. Purpose Statement and Success Beliefs

The Management team has established a Purpose Statement and six Success Beliefs to guide and align employees towards achieving the Group's goals and objectives. The Purpose Statement and six Success Beliefs are available for review on DRB-HICOM's website at https://www.drb-hicom.com/about-us/our-purpose-statement-our-success-beliefs/.

G. Whistleblowing Policy

The Group has established its Whistleblowing Policy, in its commitment to providing an environment of integrity and in promoting a culture of honesty, ethical behaviour, and good corporate governance within DRB-HICOM and its subsidiary companies, including external stakeholders. A whistleblower may report and disclose any improper or unethical conduct without fear of retaliation. All complaints received are assessed, validated, and subsequently investigated to uncover authenticity of allegations. The CIAIO is responsible for reporting whistleblowing complaints and the outcome of investigations performed to the BAC.

The Whistleblowing Policy was last updated in February 2025 to reflect changes to the reporting matrix, whistleblower protection, responsibility for confidentiality, and management actions.

The whistleblowing mechanism and disclosure procedures can be publicly accessible on the Company's website at www.drb-hicom.com/whistleblowing-policy/. Reports can also be submitted via the Whistleblower Hotline at 1-800-88-2005 or through e-mail at whistleblowing@drb-hicom.com.

H. Related Party Transactions ("RPT")/Recurrent Related Party Transactions ("RRPT")

The Group has established Policies and Procedures on RPTs and RRPTs, to govern the process and provide a consistent approach to all RPTs and RRPTs situations after considering the requirements of the MMLR of Bursa Securities. The said policies provide guidance on transactions that have been entered in the ordinary course of business for revenue or trading in nature with a related party or parties.

The policies also prescribe the processes required to identify, evaluate, approve, monitor and report RPTs/RRPTs. In principle, the said Guideline sets forth the following:

- Database is maintained to capture the list of related parties and RPTs/RRPTs, which have been entered into.
- If a Director has interest, direct or indirect, in a related party transaction, he/she must abstain from Board deliberation and voting on the relevant resolution in respect of the RPTs/RRPTs.
- All RPTs will be reviewed by the BAC prior to submission for deliberation and approval by the Board. A summary of all RPTs and RRPTs will be reported to the BAC on a quarterly basis.

I. Ethics and Business Practice

In July 2025, DRB-HICOM successfully established and approved its Conflict of Interest Manual, a significant milestone in strengthening governance and managing conflict of interest and external commitments among employees.

J. Anti-Bribery and Anti-Corruption ("ABAC")

In line with Section 17A of the Malaysian Anti-Corruption Commission Act 2009 (Amendment 2018), which took effect on 1 June 2020, DRB-HICOM has implemented robust measures to mitigate corporate liability risks. The Board approved the latest revision of the ABAC Policy on 22 August 2024, strengthening governance through clearer leadership roles, the establishment of the IGU, the formation of the ABAC Steering Committee, and the enhancement of the policy statement.

The ABAC function, comprising IGU and the Investigation Unit under GIAID, oversees integrity matters, complaint management, detection, verification, and governance. IGU reports directly to the BAC and administratively to the GMD and CIAIO, while the Investigation Unit reports to the BAC through the CIAIO. The ABAC Steering Committee, consisting of CIAIO, CRSO, Chief Human Capital Officer, Chief Communication Officer, Chief Corporate Management Officer and Chief Procurement Officer, drives ABAC programmes based on T.R.U.S.T. Principles: Top-Level Commitment, Risk Assessment, Undertaking Control Measures, Systematic Review, Monitoring and Enforcement, and Training and Communication.

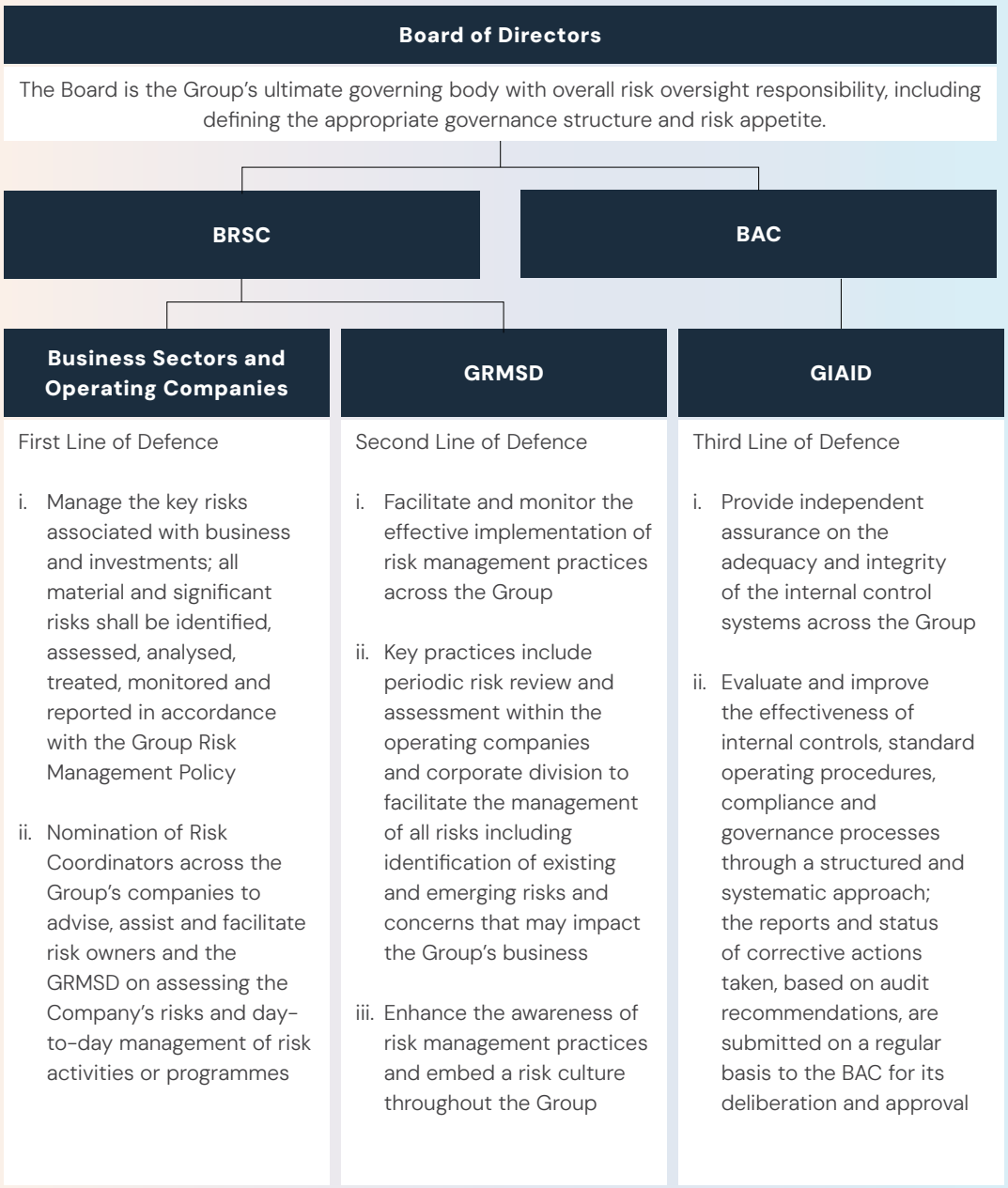
To strengthen risk management, corruption risk assessments ("CRA") are conducted across divisions, supported by comprehensive policies and procedures, such as, the Gift and Business Courtesy Policy, Whistleblowing Policy, Code of Ethics, Group Procurement Policy, Vendor Code of Conduct, Anti-Bribery and Anti-Corruption Management System ("ABACMS") Manual, Conflict of Interest Manual, and CRA Guidelines.

Financial year 2025 marked major milestones, where DRB-HICOM has obtained its ISO 37001:2016 Anti-Bribery Management Systems ("ABMS") Certification (handed over on 6 May 2025), introduced an ABAC Handbook, implemented a new CRA approach, and launched a new ABAC slogan, "*Built on Trust, Driven by Integrity*" along with the implementation of an ABAC online training module. Governance enhancements included revisions to the ABACMS Manual, CRA Guidelines, and ABACMS Audit Procedures, as well as the approval of the Conflict of Interest Manual and ABAC Steering Committee Manual. These achievements underscore DRB-HICOM's commitment to ethical governance and proactive measures in combating bribery and corruption.

3.1.4 ENTERPRISE RISK MANAGEMENT ASSURANCE

Risk Oversight Structure

DRB-HICOM is aligned with the Three Lines of Defence framework as a fundamental structure for ensuring effective oversight of risk management and internal control processes. This model clearly delineates roles, responsibilities, and accountability across the organisation, strengthening governance and ensuring risks are managed in a coordinated and transparent manner. The lines of responsibility for each function are outlined as follows:



Additionally, the Group adopts a structured risk governance model to ensure clear oversight, accountability, and a strong risk-aware culture across the organisation. This structure facilitates effective risk information flow and enables consistent monitoring of risk management activities at all levels. Through this integrated approach, risk oversight is embedded throughout the organisation, supporting informed decision-making and strengthening the Group's overall resilience.

A detailed governance structure is illustrated in the diagram below.

The adequacy and effectiveness of the Group's risk management and internal control systems are overseen by the Board, supported by the BRSC chaired by an Independent Director. The BRSC plays a central role in ensuring that the Group's ERM Framework remains robust and aligned with its defined risk appetite.

To uphold strong governance practices, the BRSC meets quarterly to review the Group's consolidated risk report, covering key risks, emerging threats, and the status of Key Risk Indicators ("KRIs") thresholds. DRB-HICOM employs a range of early warning KRIs, including those designed to detect emerging risks and climate-related exposures. These KRIs provide forward-looking signals that enable timely intervention and strengthen overall risk preparedness.

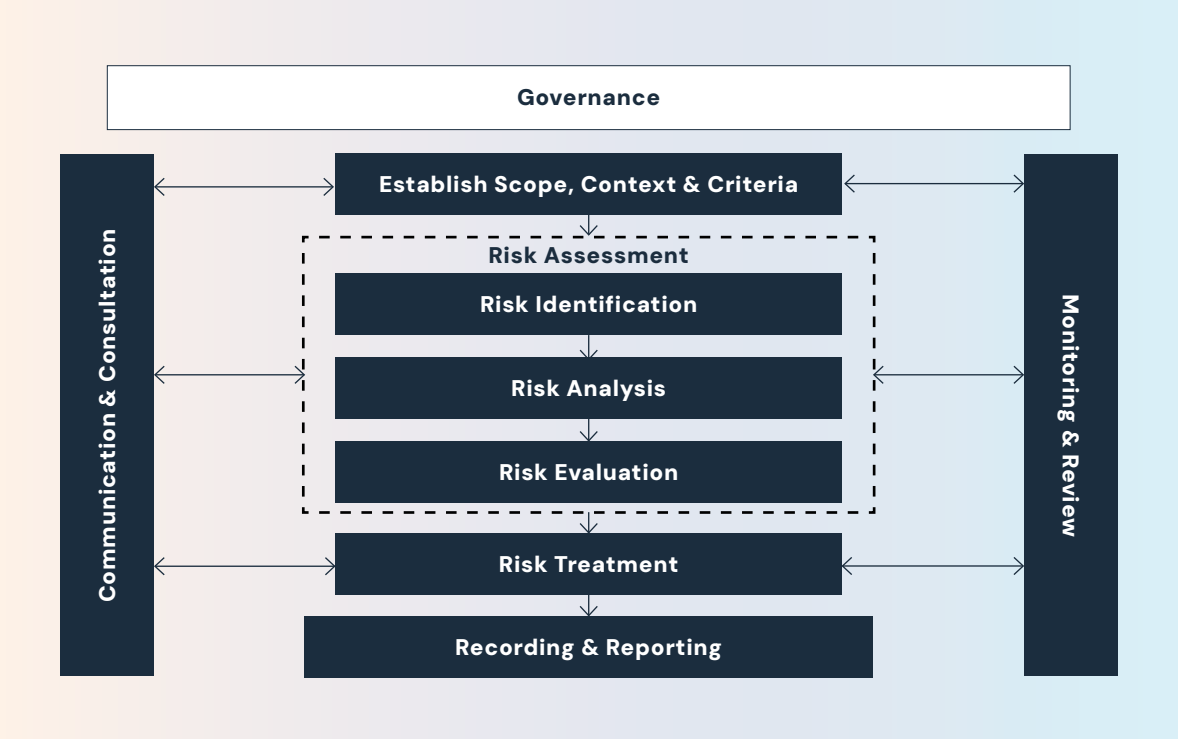
Insights generated from the early warning KRIs, together with the outcomes of the residual risk assessments, are incorporated into the quarterly risk reporting process and tabled to the Board or the BRSC. During these deliberations, the Committee focuses on principal risk areas, evaluating whether mitigation strategies remain effective, timely, and aligned with the Group's strategic objectives. The BRSC also monitors risk trends and emerging issues to ensure that proactive measures are implemented to address potential vulnerabilities. The outcomes of the meeting are formally minuted and communicated to the relevant stakeholders to ensure accountability, transparency, and timely follow-through on agreed actions.

In addition, the RMC and the SSC support the BRSC by providing management-level oversight, strengthening the Group's overall governance, and ensuring coordinated risk and sustainability management across all business units.

ERM Framework

In response to the dynamic economic and business landscape, the Group continually evaluates and strengthens its risk management strategies, methodologies, and practices. This includes aligning with the ISO 31000:2018 Risk Management principles to ensure a systematic and structured approach in identifying, assessing, monitoring, and mitigating significant risk exposures. The Group also emphasises proactive risk scanning, integration with strategic planning, and consistent oversight to enhance organisational resilience.

DRB-HICOM's ERM Framework is outlined below:



The GRMSD has implemented the ERM Framework across all operating companies and corporate divisions, excluding immaterial joint ventures and associates, enabling systematic risk identification, assessment, treatment, monitoring and reporting. The GRMSD also conducts quarterly risk validation sessions with operating companies to ensure the accuracy, completeness and robustness of risk information, including the status of mitigation measures and the effectiveness of controls.

The Group identifies, assesses, and manages risks that may present both threats and opportunities affecting the achievement of the Group's strategic, business, and operational objectives. To ensure a structured and consistent approach, these risks are systematically categorised into established risk clusters. This clustering methodology provides a holistic view of the Group's overall risk landscape, enhances comparability across operating companies, and enables more effective monitoring, management, and strategic decision-making.

The established risk clusters are outlined below.

Risk Cluster	Description
Strategic Risk	Risks arising from ineffective strategic decisions or failure to adapt to changing environments, which may impact long-term objectives and organisational sustainability. Exposure to uncertainty arising from long-term or short-term policy decisions based on the current strategy of the operating unit.
Financial Risk	Risks associated with financial loss, mismanagement of resources, or incurring excessive liabilities that affect the organisation's financial stability. Exposure related to the loss of monetary resources or incurring unacceptable liabilities.
Market and Business Risk	Risks arising from external factors, such as, market exposure uncertainty due to competition, economic fluctuations, and/or policy changes in fiscal policy. These risks are external to the operating unit and beyond the organisation's control.
Operational Risk	Risks related to day-to-day operations, including process inefficiencies, resource constraints, or disruptions caused by environmental or technical factors. Exposure to uncertainty arising from daily tactical business activities, which may be linked to operational inefficiencies and potential disruptions caused by climate change incidents.
Organisational Risk	Risks exposure arising from internal poor communication systems, insurance issues, and risks associated with organisational factors, such as structure, governance, communication, culture, and talent management.
Information Risk	Risks related to data integrity, IT system reliability, and information security, including potential breaches or inaccuracies in reporting. Exposure to uncertainty arising from loss or inaccuracy of data, IT systems, or reported information.
Reputational Risk	Risks that may damage the organisation's reputation or public trust, including negative publicity, stakeholder dissatisfaction, or ethical concerns. Exposure to uncertainty related to the organisation's brand or image.
Regulatory Risk	Risks arising from non-compliance with laws, regulations, or internal policies, including fraud, corruption, and unethical practices. Exposure to uncertainty arising from non-compliance with regulations and policies, as well as risks related to financial abuse, personal gratification, and dishonest acts intended to unlawfully benefit certain parties.

Risk assessment is undertaken with consideration of both external and internal developments to identify, analyse, and evaluate potential impacts and opportunities arising from key risks. To ensure consistency in risk identification across the Group, DRB-HICOM maintains a centralised risk library that serves as a reference point for common and emerging risks, including sustainability and climate-related risks such as transition risks, physical risks, supply chain disruptions, and occupational safety and health matters. This repository supports a structured and standardised approach to Group-wide risk assessment. Sustainability- and climate-related risks and opportunities are integrated into the Group's ERM Framework and assessed using the same structures, criteria and escalation mechanisms applied to enterprise-wide risks.

The Group maintains annual communication and engagement with stakeholders to identify emerging risks that may impede the achievement of corporate objectives or affect the realisation of new business opportunities. Inputs from these engagements inform the identification and assessment of sustainability- and climate-related risks and opportunities alongside other strategic and operational risks. Risk management and internal control system are subject to ongoing review and enhancement, ensuring they remain responsive to evolving risk profiles and changes in business conditions while staying aligned with the Group's overall business strategy.

GRMSD promotes a strong risk management culture by fostering awareness, ownership, and accountability at all levels. Each assigned risk, control, and action plan owner provides quarterly assurance to the RMC and BRSC on the status of reviews, as well as the adequacy and effectiveness of action plans implemented to mitigate key material risks across the Group.

To support this, the Group has implemented an ERM solution that serves as an electronic risk repository, enabling timely updates and reviews of risks across all operating companies and corporate divisions. The system captures sustainability- and climate-related risks within the same digital platform used for enterprise risks, supporting consistent monitoring, prioritisation and escalation. The embedded risk assurance module facilitates quarterly sign-offs, confirming the effectiveness of mitigation actions in addressing the Group's key risks.

GRMSD also conducts engagement sessions for risk coordinators as and when required to share the latest ERM practices and developments. These interactive sessions allow coordinators to discuss challenges, exchange insights, and provide feedback, thereby enhancing their risk management expertise, fostering a consistent and proactive risk culture across the Group.

Assurance on the adequacy and effectiveness of the risk management and internal control system is provided through quarterly management reviews, oversight by the BRSC, and independent assessments by the Internal Audit function. The Board receives quarterly reports from the Management and the BRSC on the effectiveness of the Group's risk management and internal control systems.

3.1.5 INFORMATION AND COMMUNICATION

Pertinent information, such as the Group's achievements, changes in corporate and organisational structure, and updates to policies and procedures, is identified, captured, and communicated in a timely manner. These updates are disseminated to relevant stakeholders through emails, online messages, meetings, documented policies, reminders, and memoranda, ensuring employees remain informed and aligned with organisational objectives. Additionally, the Management actively communicates with employees regarding developments in integrity and governance matters to employees.

4.0 ASSURANCE TO THE BOARD

The GMD and the GCFO, to the best of their knowledge, have confirmed that the risk management and internal control systems operated adequately and effectively during the financial year.

5.0 STATE OF ADEQUACY AND EFFECTIVENESS OF THE GROUP'S RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS

5.1 For the financial year under review up to the date of this SORMIC, based on the assurance provided by the GMD and the GCFO, the Board is satisfied that the internal controls and risk management systems remain adequate and effective. The systems provide reasonable assurance in safeguarding shareholders' investments, the Group's assets, and other stakeholders' interests, while mitigating key risks affecting DRB-HICOM's business operations.

5.2 The Board is satisfied that there are sound and sufficient controls in place that have resulted in no major internal control weaknesses being identified during the financial year that would result in material misstatements, financial losses or uncertainties requiring disclosure in this Integrated Annual Report.

6.0 REVIEW OF THIS STATEMENT

6.1 The external auditors have reviewed this SORMIC in accordance with the Audit and Assurance Practice Guide ("AAPG") 3, issued by the Malaysian Institute of Accountants ("MIA"), which provides guidance for auditors in reviewing the SORMIC included in the Annual Report. The external auditors reported to the Board that, based on their review, nothing has come to their attention that causes them to believe that this Statement intended for inclusion in the Integrated Annual Report, in all material respects:

a) Has not been prepared in accordance with the disclosures required by Section 7 of the SORMIC 2025 Guidelines for Directors of Listed Companies, or

b) Is factually inaccurate.

(This SORMIC was approved by the Board on 26 March 2026.)

STATEMENT OF DIRECTORS' RESPONSIBILITY

in respect of the preparation of the Financial Statements
for the financial year ended 31 December 2025

The Directors are required by the Companies Act 2016 ("the Act") to ensure that the financial statements prepared for each financial year give a true and fair view of the financial position of the Group and of the Company as at the end of the financial year and of the financial performance and cash flows of the Group and of the Company for the year then ended. As required by the Act and the Listing Requirements of Bursa Securities, the financial statements have been prepared in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board, IFRS Accounting Standards as issued by the International Accounting Standards Board and the provisions of the Act in Malaysia.

The Directors consider that in preparing the financial statements for the financial year ended 31 December 2025 set out on pages 285-472, the Group has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates and ensured that all applicable approved accounting standards have been followed.

The Directors have ensured that the accounting records kept by the Group and the Company have been properly kept in accordance with the provisions of the Act, which disclose with reasonable accuracy the financial position of the Group and of the Company.

This Statement is made on behalf of the Board in accordance with a resolution of the Directors dated 26 March 2026.

FINANCIAL ACCOUNTABILITY

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> “The future is always beginning now.”
>
> — Mark Strand
> Poet and Essayist

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DIRECTORS' REPORT

The Directors of DRB-HICOM Berhad are pleased to submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2025.

PRINCIPAL ACTIVITIES

The Company is an investment holding company with investments in the mobility (automotive, aerospace and defence), postal, banking, services and properties segments. There was no significant change in the nature of these activities during the financial year.

Information relating to the subsidiaries, joint ventures and associates are described in Note 3 to the financial statements.

FINANCIAL RESULTS

	Group RM'000	Company RM'000
Net profit for the financial year	588,755	181,638
Attributable to:		
Owners of the Company	397,973	144,513
Holders of Perpetual Sukuk	37,125	37,125
Non-controlling interests	153,657	-
	588,755	181,638

DIVIDENDS

Dividends paid by the Company since 31 December 2024 were as follows:

	RM'000
In respect of the financial year ended 31 December 2024:	
Final dividend of 2.5 sen per share, approved on 28 March 2025, paid on 30 April 2025	48,331

Subsequent to the financial year end, on 26 March 2026, the Directors approved a final dividend of 2.5 sen per share amounting to RM48,330,926 in respect of the financial year ended 31 December 2025. The financial statements for the current financial year do not reflect this dividend. Such dividend will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2026.

ISSUE OF SHARES AND DEBENTURES

The Company has not issued any new shares or debentures during the financial year.

RESERVES AND PROVISIONS

All material transfers to or from reserves and provisions during the financial year are disclosed in the financial statements.

SIGNIFICANT AND SUBSEQUENT EVENTS

The details of the significant and subsequent events are as disclosed in Note 54 to the financial statements.

DIRECTORS OF THE COMPANY

The Directors of the Company who have held office since the beginning of the financial year to the date of this report are:

Tan Sri Wan Zulkiflee bin Wan Ariffin	(Chairman)
Tan Sri Syed Faisal Albar bin Syed A.R Albar	(Group Managing Director)
Dato' Ibrahim bin Taib	
Uji Sherina binti Abdullah	
Tang Saw Hua	
Dato' Adnan Hisham bin Pawanteh	(Appointed on 1 December 2025)
Datuk Idris bin Abdullah @ Das Murthy	(Resigned on 9 June 2025)

Pursuant to a relief order dated 9 February 2026 issued by the Companies Commission of Malaysia, this Directors' Report does not disclose the names of Directors of subsidiaries as required under Section 253(2) of the Companies Act 2016. These names are available in the respective subsidiaries' Directors' Reports or financial statements. Such information is deemed incorporated herein by reference and forms part of this report.

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings, none of the Directors of the Company in office at the end of the financial year held any interests in the shares of the Company or its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than those shown below) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

Directors' Report
(Continued)

DIRECTORS' BENEFITS (CONTINUED)

The Directors' benefits paid to or receivable by Directors in respect of the financial year ended 31 December 2025 are as follows:

	Group RM'000	Company RM'000
Non-executive Directors		
- fees	1,350	1,113
- allowances and other benefits	1,112	986
Executive Director		
- salaries, bonuses, fees, allowances and other benefits	3,897	-
- defined contribution plan	604	-
Total	6,963	2,099

The estimated value of benefits-in-kind received by Directors of the Group amounted to RM170,400 during the financial year.

There were no arrangements during and at the end of the financial year which had the object 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.

INDEMNITY AND INSURANCE COSTS

The Directors' and Officers' liability insurance is in place to protect the Directors and Officers of the Group 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. During the financial year, the amount of insurance premium paid for the insurance effected for the Directors and the officers of the Group is RM577,600.

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the Directors took reasonable steps:

(a) to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for expected credit losses and had satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for expected credit losses; and

(b) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records of the Group and of the Company in the ordinary course of business had been written down to an amount which they might be expected so to realise.

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS (CONTINUED)

At the date of this report, the Directors are not aware of any circumstances:

(a) which would render the amounts written off for bad debts or the amounts of the allowance for expected credit losses made in the financial statements of the Group and of the Company inadequate to any substantial extent;

(b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; and

(c) 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.

No contingent liability 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 substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

At the date of this report, there does not exist:

(a) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liability of any other person; or

(b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

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 financial statements misleading.

In the opinion of the Directors, other than as disclosed in the financial statements:

(a) the results of the Group's and of the Company's operations during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

(b) 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 likely to substantially affect the results of the operations of the Group or of the Company for the financial year in which this report is made.

HOLDING COMPANY

The Directors regard Etika Strategi Sdn. Bhd., a company incorporated in Malaysia, as the holding company.

Directors' Report
(Continued)

AUDITORS' REMUNERATION

The auditors' remuneration of the Group and of the Company are as follows:

	Group	Company
	RM'000	RM'000
KPMG PLT	7,396	901
Member firms of KPMG International Limited	24	-
Local affiliates of KPMG PLT	1,221	30
Others	168	-
	8,809	931

AUDITORS

The auditors, KPMG PLT, have expressed their willingness to accept re-appointment.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 26 March 2026.

TAN SRI WAN ZULKIFLEE BIN WAN ARIFFIN
Chairman

TAN SRI SYED FAISAL ALBAR BIN SYED A.R ALBAR
Group Managing Director

STATEMENTS OF COMPREHENSIVE INCOME

For The Financial Year Ended 31 December 2025

		Group		Company	
		2025	2024	2025	2024
	Note	RM'000	RM'000	RM'000	RM'000
Revenue	4	**17,309,528**	16,190,764	**313,053**	383,612
Cost of sales	5	**(14,488,264)**	(13,810,034)	**-**	-
Gross profit		**2,821,264**	2,380,730	**313,053**	383,612
Other income					
- Negative goodwill arising from acquisition of a subsidiary	48(i)(d)	**334,415**	-	**-**	-
- Others		**425,737**	399,858	**295,382**	279,433
Selling and distribution costs		**(273,889)**	(218,744)	**-**	-
Administrative expenses		**(1,879,558)**	(1,881,908)	**(91,378)**	(85,065)
Other expenses		**(517,344)**	(169,873)	**(150,632)**	(315,892)
Finance costs	9	**(514,469)**	(519,472)	**(181,767)**	(182,477)
Share of results of joint ventures (net of tax)	16(d)	**115,745**	97,777	**-**	-
Share of results of associates (net of tax)	17(d)	**141,982**	159,022	**-**	-
Profit before taxation	6	**653,883**	247,390	**184,658**	79,611
Taxation	10	**(65,128)**	(141,618)	**(3,020)**	(2,339)
Net profit for the financial year		**588,755**	105,772	**181,638**	77,272
Other comprehensive income/(loss)					
Items that will not be reclassified subsequently to profit or loss:					
Net (loss)/gain on fair value changes of equity instrument: financial assets at fair value through other comprehensive income (FVOCI)		**(9,193)**	16,634	**66,224**	(61,817)
Net gain/(loss) on valuation of post-employment benefit obligations		**39**	(104)	**-**	-
Fair value adjustment on transfer of property, plant and equipment to investment properties		**54,477**	4,969	**-**	-
Share of other comprehensive loss of a joint venture		**-**	(511)	**-**	-
Items that will be reclassified subsequently to profit or loss:					
Currency translation differences of foreign operations		**1,592**	(580)	**-**	-
Share of other comprehensive loss of a joint venture		**(700)**	-	**-**	-
Sub-total carried forward		**46,215**	20,408	**66,224**	(61,817)

Statements of Comprehensive Income
For The Financial Year Ended 31 December 2025 (Continued)

	Note	Group 2025 RM'000	Group 2024 RM'000	Company 2025 RM'000	Company 2024 RM'000
Other comprehensive income/(loss) (continued)					
Sub-total brought forward		**46,215**	20,408	**66,224**	(61,817)
Items that will be reclassified subsequently to profit or loss: (continued)					
Net gain on fair value changes of investment securities: financial assets at FVOCI		**76,955**	5,895	**-**	-
Reclassification adjustments:					
Transfer of realised gain on fair value changes of investment securities: financial assets at FVOCI		**(28,180)**	(14,339)	**-**	-
Other comprehensive income/(loss) for the financial year (net of tax)		**94,990**	11,964	**66,224**	(61,817)
Total comprehensive income for the financial year		**683,745**	117,736	**247,862**	15,455
Net profit for the financial year attributable to:					
Owners of the Company		**397,973**	22,554	**144,513**	40,045
Holders of Perpetual Sukuk		**37,125**	37,227	**37,125**	37,227
Non-controlling interests	15(g)	**153,657**	45,991	**-**	-
		588,755	105,772	**181,638**	77,272
Total comprehensive income for the financial year attributable to:					
Owners of the Company		**479,693**	33,762	**210,737**	(21,772)
Holders of Perpetual Sukuk		**37,125**	37,227	**37,125**	37,227
Non-controlling interests	15(g)	**166,927**	46,747	**-**	-
		683,745	117,736	**247,862**	15,455
Basic and diluted earnings per share (sen)	12	**20.59**	1.17		

The notes set out on pages 303 to 472 form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As At 31 December 2025

	Note	2025 RM'000	2024 RM'000
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	13	**5,240,236**	5,280,457
Investment properties	14	**662,494**	467,042
Inventories	24	**2,214,011**	2,091,400
Joint ventures	16	**594,920**	562,024
Associates	17	**938,854**	1,015,820
Intangible assets	18	**1,222,798**	1,626,029
Deferred tax assets	19	**461,356**	363,178
Investment securities: financial assets at fair value through profit or loss	20(a)		
- Non-banking		**6,379**	6,379
Investment securities: financial assets at fair value through other comprehensive income	20(b)		
- Banking		**6,348,706**	6,524,060
- Non-banking		**78,510**	75,586
Trade and other receivables	25	**1,394,246**	1,563,789
Other assets	21	**2,617**	2,618
Banking-related assets			
- Financing of customers	22	**29,363,919**	25,151,758
- Statutory deposit with Bank Negara Malaysia	23	**365,000**	680,000
		48,894,046	45,410,140
CURRENT ASSETS			
Inventories	24	**2,420,313**	2,026,256
Trade and other receivables	25	**2,911,487**	2,335,111
Tax recoverable		**55,009**	54,393
Investment securities: financial assets at fair value through profit or loss	20(a)		
- Banking		**82,368**	90,075
- Non-banking		**29,385**	5,698
Investment securities: financial assets at fair value through other comprehensive income	20(b)		
- Banking		**1,548,994**	970,725
Banking-related assets			
- Cash and short-term funds	26	**3,090,359**	2,618,766
- Financing of customers	22	**3,982,947**	6,592,937
Short-term deposits	27	**328,218**	990,046
Cash and bank balances	28	**2,410,884**	1,143,880
Derivative assets	29	**15,175**	25,376
		16,875,139	16,853,263
Assets held for sale	30	**144**	495
		16,875,283	16,853,758
TOTAL ASSETS		**65,769,329**	62,263,898

Consolidated Statement of Financial Position
As At 31 December 2025 (Continued)

	Note	2025 RM'000	2024 RM'000
EQUITY AND LIABILITIES			
EQUITY			
Share capital	31	**1,740,302**	1,740,302
Reserves		**6,066,938**	5,662,340
Equity attributable to Owners of the Company		**7,807,240**	7,402,642
Perpetual Sukuk	32	**905,289**	905,252
Redeemable Convertible Cumulative Preference Shares	33	**669,266**	669,266
Non-controlling interests	15(g)	**1,442,380**	1,310,044
TOTAL EQUITY		**10,824,175**	10,287,204
NON-CURRENT LIABILITIES			
Deferred income	34	**66,592**	2,669
Trade and other payables	42	**81,463**	80,155
Provisions for liabilities and charges	35	**194,558**	197,829
Post-employment benefit obligations	36	**2,468**	3,021
Deferred tax liabilities	19	**253,891**	231,693
Redeemable Convertible Cumulative Preference Shares	33	**866,989**	816,622
Long-term borrowings	37	**6,713,155**	6,211,120
Lease liabilities	38.1(a)	**209,982**	219,085
Banking-related liabilities			
- Deposits from customers and investment accounts	39	**335,179**	732,197
- Deposits and placements of banks and other financial institutions	40	**333,457**	388,152
- Recourse obligation on financing sold to Cagamas	41	**954,402**	553,336
		10,012,136	9,435,879
CURRENT LIABILITIES			
Deferred income	34	**7,295**	4,149
Trade and other payables	42	**4,516,884**	4,244,867
Provisions for liabilities and charges	35	**268,931**	198,723
Post-employment benefit obligations	36	**742**	337
Bank borrowings			
- Bank overdrafts	43(i)	**911**	930
- Others	43(ii)	**1,635,224**	1,067,743
Lease liabilities	38.1(a)	**91,653**	85,497
Tax payable		**11,595**	25,164
Banking-related liabilities			
- Deposits from customers and investment accounts	39	**37,475,957**	35,405,903
- Deposits and placements of banks and other financial institutions	40	**633,488**	450,569
- Bills and acceptances payable	44	**11,375**	6,027
- Recourse obligation on financing sold to Cagamas	41	**251,538**	1,030,966
Derivative liabilities	29	**27,425**	19,940
		44,933,018	42,540,815
TOTAL LIABILITIES		**54,945,154**	51,976,694
TOTAL EQUITY AND LIABILITIES		**65,769,329**	62,263,898

The notes set out on pages 303 to 472 form an integral part of the financial statements.

COMPANY STATEMENT OF FINANCIAL POSITION

As At 31 December 2025

	Note	2025 RM'000	2024 RM'000
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	13	**-**	-
Investment properties	14	**126,223**	126,223
Subsidiaries	15	**8,120,517**	7,919,330
Joint ventures	16	**103,444**	103,444
Associates	17	**57,800**	57,800
Trade and other receivables	25	**651,197**	609,935
		9,059,181	8,816,732
CURRENT ASSETS			
Trade and other receivables	25	**725,502**	401,761
Tax recoverable		**1,044**	838
Short-term deposits	27	**317,802**	417,510
Cash and bank balances	28	**154,125**	122,622
		1,198,473	942,731
TOTAL ASSETS		**10,257,654**	9,759,463
EQUITY AND LIABILITIES			
EQUITY			
Share capital	31	**1,740,302**	1,740,302
Reserves		**4,390,968**	4,228,562
Equity attributable to Owners of the Company		**6,131,270**	5,968,864
Perpetual Sukuk	32(a)	**556,534**	556,497
TOTAL EQUITY		**6,687,804**	6,525,361
NON-CURRENT LIABILITIES			
Long-term borrowings	37	**3,035,503**	2,830,227
Deferred tax liabilities	19	**13,492**	12,079
		3,048,995	2,842,306
CURRENT LIABILITIES			
Trade and other payables	42	**54,255**	74,145
Bank borrowings - Others	43	**466,600**	317,651
		520,855	391,796
TOTAL LIABILITIES		**3,569,850**	3,234,102
TOTAL EQUITY AND LIABILITIES		**10,257,654**	9,759,463

The notes set out on pages 303 to 472 form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For The Financial Year Ended 31 December 2025

	Note	Share Capital (Note 31) RM'000	Non-distributable				Retained Earnings RM'000	Equity attributable to Owners of the Company RM'000	Perpetual Sukuk (Note 32) RM'000	Redeemable Convertible Cumulative Preference Shares (RCCPS) (Note 33) RM'000	Non-controlling interests (Note 15(g)) RM'000	Total RM'000
			Merger Reserve (Note 45) RM'000	Currency Translation Differences RM'000	Fair Value through Other Comprehensive Income (FVOCI) Reserve RM'000	Other Reserves (Note 46) RM'000						
At 1 January 2025		1,740,302	1,214,085	5,657	6,605	275,217	4,160,776	7,402,642	905,252	669,266	1,310,044	10,287,204
Net profit for the financial year		-	-	-	-	-	397,973	397,973	37,125	-	153,657	588,755
Other comprehensive (loss)/income for the financial year, net of tax		-	-	(686)	28,584	53,822	-	81,720	-	-	13,270	94,990
Total comprehensive (loss)/income for the financial year		-	-	(686)	28,584	53,822	397,973	479,693	37,125	-	166,927	683,745
Transfer of fair value changes recognised for equity instrument (elected as FVOCI) upon derecognition		-	-	-	7,560	-	(7,560)	-	-	-	-	-
Transfer of a subsidiary's reserves		-	-	-	-	(16,704)	16,704	-	-	-	-	-
Effect of liquidation of a joint venture	49(i)(a)	-	-	-	-	(2,400)	2,400	-	-	-	-	-
Acquisition of additional interest in a subsidiary	48(i)(b)	-	-	-	-	-	2,641	2,641	-	-	(22,641)	(20,000)
Sub-total carried forward		1,740,302	1,214,085	4,971	42,749	309,935	4,572,934	7,884,976	942,377	669,266	1,454,330	10,950,949

Consolidated Statement of Changes In Equity

For The Financial Year Ended 31 December 2025 (Continued)

	Note	Share Capital (Note 31) RM'000	Non-distributable				Retained Earnings RM'000	Equity attributable to Owners of the Company RM'000	Perpetual Sukuk (Note 32) RM'000	RCCPS (Note 33) RM'000	Non-controlling interests (Note 15(g)) RM'000	Total RM'000
			Merger Reserve (Note 45) RM'000	Currency Translation Differences RM'000	FVOCI Reserve RM'000	Other Reserves (Note 46) RM'000						
Sub-total brought forward		1,740,302	1,214,085	4,971	42,749	309,935	4,572,934	7,884,976	942,377	669,266	1,454,330	10,950,949
Share subscription in a subsidiary by non-controlling interest shareholder		-	-	-	-	-	-	-	-	-	12,740	12,740
Transactions with Owners												
Distribution to holders of Perpetual Sukuk		-	-	-	-	-	(15,515)	(15,515)	(37,088)	-	(6,649)	(59,252)
Dividend paid to RCCPS holder		-	-	-	-	-	(12,090)	(12,090)	-	-	(12,041)	(24,131)
Dividend paid to non-controlling interest		-	-	-	-	-	-	-	-	-	(6,000)	(6,000)
Dividend paid to non-controlling interest prior to acquisition of remaining equity interest		-	-	-	-	-	(1,800)	(1,800)	-	-	-	(1,800)
Final dividend in respect of financial year ended 31 December 2024	11	-	-	-	-	-	(48,331)	(48,331)	-	-	-	(48,331)
At 31 December 2025		**1,740,302**	**1,214,085**	**4,971**	**42,749**	**309,935**	**4,495,198**	**7,807,240**	**905,289**	**669,266**	**1,442,380**	**10,824,175**

Consolidated Statement of Changes In Equity

For The Financial Year Ended 31 December 2025 (Continued)

	Note	Share Capital (Note 31) RM'000	Non-distributable				Retained Earnings RM'000	Equity attributable to Owners of the Company RM'000	Perpetual Sukuk (Note 32) RM'000	RCCPS (Note 33) RM'000	Non-controlling interests (Note 15(g)) RM'000	Total RM'000
			Merger Reserve (Note 45) RM'000	Currency Translation Differences RM'000	FVOCI Reserve RM'000	Other Reserves (Note 46) RM'000						
At 1 January 2024		1,740,302	1,214,085	6,520	(1,054)	277,853	4,364,893	7,602,599	905,196	669,266	1,440,018	10,617,079
Net profit for the financial year		-	-	-	-	-	22,554	22,554	37,227	-	45,991	105,772
Other comprehensive (loss)/income for the financial year, net of tax		-	-	(863)	7,723	4,348	-	11,208	-	-	756	11,964
Total comprehensive (loss)/income for the financial year		-	-	(863)	7,723	4,348	22,554	33,762	37,227	-	46,747	117,736
Transfer of fair value changes recognised for equity instrument (elected as FVOCI) upon derecognition		-	-	-	(1,284)	-	1,284	-	-	-	-	-
Transfer of a subsidiary's reserves		-	-	-	1,220	(5,760)	4,540	-	-	-	-	-
Effect of disposal of a subsidiary	49(iii)(a)	-	-	-	-	(1,224)	1,224	-	-	-	(322)	(322)
Sub-total carried forward		1,740,302	1,214,085	5,657	6,605	275,217	4,394,495	7,636,361	942,423	669,266	1,486,443	10,734,493

	Note	Share Capital (Note 31) RM'000	Non-distributable				Retained Earnings RM'000	Equity attributable to Owners of the Company RM'000	Perpetual Sukuk (Note 32) RM'000	RCCPS (Note 33) RM'000	Non-controlling interests (Note 15(g)) RM'000	Total RM'000
			Merger Reserve (Note 45) RM'000	Currency Translation Differences RM'000	FVOCI Reserve RM'000	Other Reserves (Note 46) RM'000						
Sub-total brought forward		1,740,302	1,214,085	5,657	6,605	275,217	4,394,495	7,636,361	942,423	669,266	1,486,443	10,734,493
Transactions with Owners												
Distribution to holders of Perpetual Sukuk		-	-	-	-	-	(15,644)	(15,644)	(37,171)	-	(6,703)	(59,518)
Dividend paid to RCCPS holder		-	-	-	-	-	(169,744)	(169,744)	-	-	(169,067)	(338,811)
Dividend paid to non-controlling interest		-	-	-	-	-	-	-	-	-	(629)	(629)
Final dividend in respect of financial year ended 31 December 2023	11	-	-	-	-	-	(48,331)	(48,331)	-	-	-	(48,331)
At 31 December 2024		1,740,302	1,214,085	5,657	6,605	275,217	4,160,776	7,402,642	905,252	669,266	1,310,044	10,287,204

COMPANY STATEMENT OF CHANGES IN EQUITY

For The Financial Year Ended 31 December 2025

	Note	Share Capital (Note 31) RM'000	Non-distributable			Distributable	Equity attributable to Owners of the Company RM'000	Perpetual Sukuk (Note 32) RM'000	Total RM'000
			Merger Reserve (Note 45) RM'000	FVOCI Reserve RM'000	Other Reserve (Note 46) RM'000	Retained Earnings (Note 47) RM'000			
At 1 January 2025		**1,740,302**	**2,318,321**	**(141,689)**	**(8,267)**	**2,060,197**	**5,968,864**	**556,497**	**6,525,361**
Net profit for the financial year		**-**	**-**	**-**	**-**	**144,513**	**144,513**	**37,125**	**181,638**
Other comprehensive income for the financial year, net of tax		**-**	**-**	**66,224**	**-**	**-**	**66,224**	**-**	**66,224**
Total comprehensive income for the financial year		**-**	**-**	**66,224**	**-**	**144,513**	**210,737**	**37,125**	**247,862**
Transfer of fair value changes upon redemption of RCCPS		**-**	**-**	**110**	**-**	**(110)**	**-**	**-**	**-**
Transactions with Owners									
Distribution to holders of Perpetual Sukuk		**-**	**-**	**-**	**-**	**-**	**-**	**(37,088)**	**(37,088)**
Final dividend in respect of financial year ended 31 December 2024	11	**-**	**-**	**-**	**-**	**(48,331)**	**(48,331)**	**-**	**(48,331)**
At 31 December 2025		**1,740,302**	**2,318,321**	**(75,355)**	**(8,267)**	**2,156,269**	**6,131,270**	**556,534**	**6,687,804**

At 1 January 2024		1,740,302	2,318,321	(82,388)	(8,267)	2,070,999	6,038,967	556,441	6,595,408
Net profit for the financial year		-	-	-	-	40,045	40,045	37,227	77,272
Other comprehensive loss for the financial year, net of tax		-	-	(61,817)	-	-	(61,817)	-	(61,817)
Total comprehensive (loss)/income for the financial year		-	-	(61,817)	-	40,045	(21,772)	37,227	15,455
Transfer of fair value changes upon redemption of RCCPS		-	-	2,516	-	(2,516)	-	-	-
Transactions with Owners									
Distribution to holders of Perpetual Sukuk		-	-	-	-	-	-	(37,171)	(37,171)
Final dividend in respect of financial year ended 31 December 2023	11	-	-	-	-	(48,331)	(48,331)	-	(48,331)
At 31 December 2024		1,740,302	2,318,321	(141,689)	(8,267)	2,060,197	5,968,864	556,497	6,525,361

The notes set out on pages 303 to 472 form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

For The Financial Year Ended 31 December 2025

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Net profit for the financial year	**588,755**	105,772	**181,638**	77,272
Adjustments for non-cash items:				
Allowance for expected credit losses of financing of customers	**82,694**	158,354	**-**	-
Allowance/(write-back of allowance) for expected credit losses of trade and other receivables	**19,514**	(777)	**121,565**	245,000
Amortisation of intangible assets	**566,139**	480,928	**-**	-
Depreciation of property, plant and equipment	**674,334**	709,620	**-**	-
Finance costs	**514,469**	519,472	**181,767**	182,477
Impairment loss/(reversal of impairment loss) of (net):				
- intangible assets	**236,649**	-	**-**	-
- investment in subsidiaries	**-**	-	**(248,953)**	(184,110)
- investment securities: financial assets at FVOCI	**2**	23	**-**	-
- investment securities: financial assets at amortised cost	**-**	44,760	**-**	-
- other assets, and cash and short-term funds	**(366)**	286	**-**	-
- property, plant and equipment	**115,579**	(5,028)	**-**	-
Loss on fair value adjustments of investment securities: financial assets at fair value through profit or loss (FVTPL)	**59,474**	21,018	**-**	-
Loss on liquidation of a joint venture	**292**	-	**-**	-
Marked to market loss/(gain) on derivatives (net)	**17,686**	(12,239)	**-**	-
Provision for liabilities and charges	**91,016**	4,901	**-**	-
Taxation	**65,128**	141,618	**3,020**	2,339
Unrealised foreign exchange differences (net)	**7,399**	(8,514)	**-**	1
Write-down of inventories	**68,123**	131,172	**-**	-
Write-off of:				
- intangible assets	**265**	4,505	**-**	-
- property, plant and equipment	**469**	1,867	**-**	-
Sub-total carried forward	**3,107,621**	2,297,738	**239,037**	322,979

Statements of Cash Flows
For The Financial Year Ended 31 December 2025 (Continued)

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES (CONTINUED)				
Sub-total brought forward	**3,107,621**	2,297,738	**239,037**	322,979
Amortisation of deferred income	**(393)**	(462)	**-**	-
Dividend income:				
- subsidiaries	**-**	-	**(84,752)**	(174,423)
- a joint venture	**-**	-	**(13,589)**	(17,994)
- an associate	**-**	-	**(142,120)**	(123,420)
- other investments	**(3,907)**	(3,397)	**-**	-
(Gain)/loss from disposals of:				
- a subsidiary	**-**	(87)	**-**	-
- investment securities: FVTPL	**(193)**	(21)	**-**	-
- investment securities: FVOCI	**(28,180)**	(14,262)	**-**	-
- property, plant and equipment	**(3,473)**	955	**-**	-
Gain on fair value adjustments of investment properties	**(23,838)**	(13,434)	**-**	-
Gain on partial redemption of RCCPS	**-**	-	**(110)**	(2,516)
Gain on lease modification	**(157)**	(1,751)	**-**	-
Gain on termination of leases	**(947)**	(1,822)	**-**	-
Interest income on:				
- short-term deposits	**(69,210)**	(60,216)	**(17,054)**	(21,718)
- subsidiaries	**-**	-	**(57,849)**	(52,838)
- a joint venture	**(864)**	(1,198)	**(637)**	(816)
Negative goodwill arising from acquisition of a subsidiary	**(334,415)**	-	**-**	-
Share of results of joint ventures (net of tax)	**(115,745)**	(97,777)	**-**	-
Share of results of associates (net of tax)	**(141,982)**	(159,022)	**-**	-
Cash inflow/(outflow) before working capital changes	**2,384,317**	1,945,244	**(77,074)**	(70,746)
Amount owing with subsidiaries	**-**	-	**(225,632)**	188,749
Amount owing with joint ventures	**137,671**	127,094	**(800)**	(11,681)
Amount owing with associates	**(24,901)**	51,870	**(59)**	(4)
Amount owing with related parties	**37,718**	(436,756)	**-**	-
Inventories	**81,285**	299,120	**-**	-
Trade and other receivables	**(80,431)**	284,702	**(9,789)**	1,355
Trade and other payables	**(153,178)**	(186,848)	**1,036**	(2,332)
Financing of customers	**(1,684,865)**	(4,133,598)	**-**	-
Sub-total carried forward	**697,616**	(2,049,172)	**(312,318)**	105,341

Statements of Cash Flows
For The Financial Year Ended 31 December 2025 (Continued)

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES (CONTINUED)				
Sub-total brought forward	**697,616**	(2,049,172)	**(312,318)**	105,341
Statutory deposit with Bank Negara Malaysia	**315,000**	(96,191)	**-**	-
Deposits from customers and investment accounts	**1,673,036**	3,569,881	**-**	-
Deposits and placements of banks and other financial institutions	**128,224**	309,087	**-**	-
Bills and acceptances payable	**5,348**	(7,746)	**-**	-
Net cash inflow/(outflow) from operations	**2,819,224**	1,725,859	**(312,318)**	105,341
Interest received	**68,637**	57,129	**19,282**	18,897
Government grant received	**3,970**	14,605	**-**	-
Finance costs paid	**(138,662)**	(143,666)	**-**	-
Taxation paid	**(163,625)**	(181,845)	**(1,813)**	(3,828)
Provision for liabilities and charges paid	**(88,316)**	(70,379)	**-**	-
Post-employment benefit obligations paid	**(370)**	(403)	**-**	-
Net cash inflow/(outflow) from operating activities	**2,500,858**	1,401,300	**(294,849)**	120,410
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of additional shares in a subsidiary	**(20,000)**	-	**-**	-
Acquisitions of investment securities by:				
- a banking subsidiary	**(5,292,379)**	(8,365,791)	**-**	-
- non-banking	**(25,900)**	(6,000)	**-**	-
Additional investment in an associate	**-**	(2,295)	**-**	-
Dividends received from:				
- subsidiaries	**-**	-	**81,752**	164,423
- joint ventures	**66,678**	160,247	**15,792**	28,233
- associates	**209,611**	163,130	**142,120**	123,420
- other investments	**3,907**	3,397	**-**	-
Interest received	**1,524**	3,175	**-**	-
Investment in a new joint venture	**-**	(10,020)	**-**	-
Movement in fixed deposits placement with maturity profile of more than three months	**112,100**	(107,186)	**115,000**	(116,801)
Sub-total carried forward	**(4,944,459)**	(8,161,343)	**354,664**	199,275

Statements of Cash Flows
For The Financial Year Ended 31 December 2025 (Continued)

	Note	Group 2025 RM'000	Group 2024 RM'000	Company 2025 RM'000	Company 2024 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES (CONTINUED)					
Sub-total brought forward		**(4,944,459)**	(8,161,343)	**354,664**	199,275
Net cash outflow from acquisition of a subsidiary	48(i)(d) & (iii)(f)	**(386,604)**	(1,760)	**-**	-
Net cash outflow from disposal of a subsidiary	49(iii)(a)	**-**	(459)	**-**	-
Net proceeds from redemption of:					
- fund investments		**2,350**	9,000	**-**	-
Partial redemption of RCCPS by a subsidiary		**-**	-	**150,000**	50,000
Proceeds from disposal of:					
- investment securities by a banking subsidiary		**4,879,433**	7,375,024	**-**	-
- property, plant and equipment		**6,961**	6,883	**-**	-
Purchases of property, plant and equipment/investment properties/intangible assets		**(1,021,113)**	(749,281)	**-**	-
Share subscription in a subsidiary by a non-controlling interest shareholder		**12,740**	-	**-**	-
Net cash (outflow)/inflow from investing activities		**(1,450,692)**	(1,521,936)	**504,664**	249,275
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividends paid to shareholders		**(48,331)**	(48,331)	**(48,331)**	(48,331)
Dividends paid to former non-controlling interests		**(1,800)**	-	**-**	-
Dividends paid to non-controlling interests		**(6,000)**	(629)	**-**	-
Dividend paid to RCCPS holder		**(24,131)**	(338,811)	**-**	-
Distribution paid to holders of Perpetual Sukuk		**(59,252)**	(59,518)	**(37,088)**	(37,171)
Finance costs paid		**(276,917)**	(273,675)	**(175,814)**	(176,106)
Loans to subsidiaries (net of repayment)		**-**	-	**(259,910)**	21,855
Repayment of loan from a joint venture		**10,200**	2,000	**4,600**	1,000
Movement in bank balances and fixed deposits held as security for bank borrowings		**34,043**	(963)	**(7,726)**	3,501
Proceeds from bank borrowings		**4,467,395**	3,525,414	**835,387**	426,500
Proceed from recourse obligation on financing sold to Cagamas		**852,711**	752,233	**-**	-
Sub-total carried forward		**4,947,918**	3,557,720	**311,118**	191,248

Statements of Cash Flows
For The Financial Year Ended 31 December 2025 (Continued)

		Group		Company	
		2025	2024	2025	2024
		RM'000	RM'000	RM'000	RM'000
CASH FLOWS FROM FINANCING ACTIVITIES (CONTINUED)					
Sub-total brought forward		**4,947,918**	3,557,720	**311,118**	191,248
Repayment of borrowings		**(3,428,213)**	(3,505,241)	**(481,864)**	(632,455)
Repayment of principal portion of lease liabilities		**(104,356)**	(104,974)	**-**	-
Repayment of principal for recourse obligation on financing sold to Cagamas		**(1,230,495)**	(229,586)	**-**	-
Net cash inflow/(outflow) from financing activities		**184,854**	(282,081)	**(170,746)**	(441,207)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**1,235,020**	(402,717)	**39,069**	(71,522)
Effects of foreign currency translation		**(11,353)**	(3,018)	**-**	(1)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		**4,244,578**	4,650,313	**305,054**	376,577
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR		**5,468,245**	4,244,578	**344,123**	305,054
(a) Cash and cash equivalents at end of the financial year comprise the following:					
Short-term deposits		**328,218**	990,046	**317,802**	417,510
Cash and bank balances		**2,410,884**	1,143,880	**154,125**	122,622
Cash and short-term funds of a banking subsidiary		**3,090,359**	2,618,766	**-**	-
Bank overdrafts		**(911)**	(930)	**-**	-
		5,828,550	4,751,762	**471,927**	540,132
Less: Bank balances and fixed deposits held as security for bank borrowings	(c)	**(257,946)**	(291,989)	**(42,775)**	(35,049)
Less: Fixed deposits with maturity profile of more than three months	27(b)	**(87,929)**	(200,029)	**(85,029)**	(200,029)
Less: Bank balance in respect of Automotive Development Fund		**(4,395)**	(3,737)	**-**	-
Less: Collections held by a postal subsidiary on behalf of third parties		**(10,035)**	(11,429)	**-**	-
		5,468,245	4,244,578	**344,123**	305,054

Statements of Cash Flows
For The Financial Year Ended 31 December 2025 (Continued)

(b) Reconciliation of liabilities arising from financing activities:

The table below details changes in the Group's and the Company's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's and the Company's statement of cash flows as cash flows from financing activities.

	Current and non-current borrowings	Current and non-current lease liabilities	Recourse obligation on financing sold to Cagamas	Total
	RM'000	RM'000	RM'000	RM'000
Group				
2025				
At 1 January 2025	**7,279,793**	**304,582**	**1,584,302**	**9,168,677**
Acquisition of a subsidiary	**-**	**5,273**	**-**	**5,273**
Net changes from financing cash flows:				
Changes in bank overdrafts	**(19)**	**-**	**-**	**(19)**
Finance costs paid	**-**	**(14,059)**	**(53,778)**	**(67,837)**
Payments for the principal portion of lease liabilities	**-**	**(104,356)**	**-**	**(104,356)**
Proceeds from bank borrowings	**4,467,395**	**-**	**-**	**4,467,395**
Proceed from recourse obligation on financing sold to Cagamas	**-**	**-**	**852,711**	**852,711**
Repayment of bank borrowings	**(3,428,213)**	**-**	**-**	**(3,428,213)**
Repayment of principal for recourse obligation on financing sold to Cagamas	**-**	**-**	**(1,230,495)**	**(1,230,495)**
Total net changes from financing cash flows	**1,039,163**	**(118,415)**	**(431,562)**	**489,186**
Other changes:				
Currency translation differences	**(156)**	**(63)**	**-**	**(219)**
Finance costs payable	**-**	**16,739**	**53,200**	**69,939**
Lease modification	**-**	**20,759**	**-**	**20,759**
New hire purchases/leases	**40,131**	**84,020**	**-**	**124,151**
Termination	**-**	**(11,260)**	**-**	**(11,260)**
Capitalisation of borrowing costs	**(17,192)**	**-**	**-**	**(17,192)**
Unwinding of discounts	**7,551**	**-**	**-**	**7,551**
Total other changes	**30,334**	**110,195**	**53,200**	**193,729**
At 31 December 2025	**8,349,290**	**301,635**	**1,205,940**	**9,856,865**

Statements of Cash Flows
For The Financial Year Ended 31 December 2025 (Continued)

(b) Reconciliation of liabilities arising from financing activities: (continued)

	Current and non-current borrowings	Current and non-current lease liabilities	Recourse obligation on financing sold to Cagamas	Total
	RM'000	RM'000	RM'000	RM'000
Group				
2024				
At 1 January 2024	7,199,579	286,463	1,058,745	8,544,787
Disposal of a subsidiary	(220)	-	-	(220)
Net changes from financing cash flows:				
Changes in bank overdrafts	57	-	-	57
Finance costs paid	-	(14,213)	(42,711)	(56,924)
Payments for the principal portion of lease liabilities	-	(104,974)	-	(104,974)
Proceeds from bank borrowings	3,525,414	-	-	3,525,414
Proceed from recourse obligation on financing sold to Cagamas	-	-	752,233	752,233
Repayment of bank borrowings	(3,505,241)	-	-	(3,505,241)
Repayment of principal for recourse obligation on financing sold to Cagamas	-	-	(229,586)	(229,586)
Total net changes from financing cash flows	20,230	(119,187)	479,936	380,979
Other changes:				
Currency translation differences	(873)	-	-	(873)
Finance costs payable	-	16,869	45,621	62,490
Lease modification	-	34,596	-	34,596
New hire purchases/leases	54,592	102,457	-	157,049
Termination	-	(16,616)	-	(16,616)
Unwinding of discounts	6,485	-	-	6,485
Total other changes	60,204	137,306	45,621	243,131
At 31 December 2024	7,279,793	304,582	1,584,302	9,168,677

Statements of Cash Flows
For The Financial Year Ended 31 December 2025 (Continued)

(b) Reconciliation of liabilities arising from financing activities: (continued)

	Current and non-current borrowings	Amount due to subsidiaries	Total
	RM'000	RM'000	RM'000
Company			
2025			
At 1 January 2025	**3,147,878**	**28,259**	**3,176,137**
Net changes from financing cash flows:			
Proceeds from bank borrowings	**835,387**	**-**	**835,387**
Repayment of bank borrowings	**(481,864)**	**-**	**(481,864)**
Repayment of loans to subsidiaries	**-**	**(20,500)**	**(20,500)**
Finance costs paid	**-**	**(898)**	**(898)**
Total net changes from financing cash flows	**353,523**	**(21,398)**	**332,125**
Other changes:			
Finance costs payable	**-**	**1,202**	**1,202**
Unwinding of discounts	**702**	**-**	**702**
Total other changes	**702**	**1,202**	**1,904**
At 31 December 2025	**3,502,103**	**8,063**	**3,510,166**
2024			
At 1 January 2024	3,350,178	36,297	3,386,475
Net changes from financing cash flows:			
Proceeds from bank borrowings	426,500	-	426,500
Repayment of bank borrowings	(632,455)	-	(632,455)
Repayment of loans to subsidiaries	-	(3,017)	(3,017)
Finance costs paid	-	(6,537)	(6,537)
Total net changes from financing cash flows	(205,955)	(9,554)	(215,509)
Other changes:			
Finance costs payable	-	1,516	1,516
Unwinding of discounts	3,655	-	3,655
Total other changes	3,655	1,516	5,171
At 31 December 2024	3,147,878	28,259	3,176,137

(c) As at the reporting date, certain fixed deposits with licensed banks and bank balances of the Group and of the Company of RM257,946,000 (2024: RM291,989,000) and RM42,775,000 (2024: RM35,049,000), respectively, are held as security for bank borrowings as disclosed in Notes 37 and 43 to the financial statements.

The notes set out on pages 303 to 472 form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
– 31 December 2025

1 CORPORATE INFORMATION

The Company is an investment holding company with investments in the mobility (automotive, aerospace and defence), postal, banking, services and properties segments. There was no significant change in the nature of these activities during the financial year.

The principal activities of the subsidiaries, joint ventures and associates are described in Note 3.

The Directors regard Etika Strategi Sdn. Bhd., a company incorporated in Malaysia, as the holding company.

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and listed on the Bursa Malaysia Securities Berhad ("Bursa Malaysia").

The address of the registered office and principal place of business of the Company is Level 5, Wisma DRB-HICOM, No. 2, Jalan Usahawan U1/8, Seksyen U1, 40150 Shah Alam, Selangor Darul Ehsan, Malaysia.

2 ACCOUNTING POLICIES

2.1 Basis of preparation

(a) Statement of compliance

The financial statements of the Group and of the Company comply with the provisions of the Companies Act 2016, MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board ("MFRS Accounting Standards") and the IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards").

(b) Functional and presentation currency

The financial statements are presented in Ringgit Malaysia (RM), which is the Group's and the Company's functional currency. All the financial information is presented in RM and has been rounded to the nearest thousand, unless otherwise stated.

Notes To The Financial Statements
– 31 December 2025

2 ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (continued)

(c) Basis of measurement

The financial statements of the Group and of the Company are prepared based on the historical cost except for the following items, which are measured based on the measurement bases stated below:

Items	Measurement bases
Investment properties	Fair value
Derivatives financial instruments	Fair value
Debts and equity securities at FVTPL	Fair value
Debts and equity securities at FVOCI	Fair value
Net defined benefit liabilities	Present value of the defined benefit obligations less fair value of plan assets, if any

(d) Use of estimates and judgements

The preparation of financial statements in conformity with MFRS Accounting Standards in Malaysia requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities, 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. Actual results could differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no areas involving a higher degree of judgement or complexity, or areas where estimates and assumptions are significant to the financial statements other than as disclosed in Note 53.

2 ACCOUNTING POLICIES (CONTINUED)

2.2 Changes in accounting policies and effects arising from adoption of amendments to MFRS Accounting Standards

The amendments to published standards as issued by the Malaysian Accounting Standards Board (MASB) that are effective for the current financial year are as follows:

- Amendments to MFRS 121 — Lack of exchangeability

The above amendments to MFRS Accounting Standards do not have material impact on the financial statements of the Group and of the Company in the current year.

2.3 Impact of new MASB pronouncements

The Group and the Company have not adopted the following published standards, where applicable.

Amendments to MFRS Accounting Standards effective beginning on or after 1 January 2026

- Amendments to MFRS 9 and MFRS 7 — Contracts Referencing Nature-dependent Electricity
- Amendments to MFRS 9 and MFRS 7 — Amendments to the Classification and Measurement of Financial Instruments
- Annual Improvements to MFRS Accounting Standards - Volume 11

New and Amendments to MFRS Accounting Standards effective beginning on or after 1 January 2027

- MFRS 18 — Presentation and Disclosure in Financial Statements
- MFRS 19 — Subsidiaries without Public Accountability: Disclosures
- Amendments to MFRS 121 — Translation to a Hyperinflationary Presentation Currency

Amendments to MFRS Accounting Standards effective beginning on or after a date yet to be confirmed

- Amendments to MFRS 10 and MFRS 128 — Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The adoption of the above new and amendments to MFRS Accounting Standards are not expected to have material impact on the financial statements of the Group and of the Company in the year of initial application.

Notes To The Financial Statements
– 31 December 2025

3 COMPANIES IN THE GROUP

The principal activities of the companies in the Group and the effective equity interests of the Group as at 31 December 2025 therein are shown below:

Name of company	Effective equity interest		Principal activities	Financial year end
	2025 %	2024 %		
SUBSIDIARIES				
Subsidiaries of DRB-HICOM Berhad:				
HICOM Holdings Berhad ("HHB")	**100.00**	100.00	Investment holding	31 December
PROTON Holdings Berhad ("PROTON")	**50.10**	50.10	Investment holding	31 December
Media City Ventures Sdn. Bhd.	**100.00**	100.00	Investment holding	31 December
CTRM Holdings Sdn. Bhd. *(formerly known as Composites Technology Research Malaysia Sdn. Bhd.)*	**100.00**	100.00	Investment holding and development and production of aircraft composites components	31 December
DRB-HICOM Northern Gateway Sdn. Bhd.	**100.00**	100.00	Investment holding	31 December
DRB-HICOM Auto Solutions Sdn. Bhd.	**100.00**	100.00	Vehicle importation, logistics, vehicle pre-delivery inspection, and yard management related services	31 December
DRB-HICOM Defence Technologies Sdn. Bhd.	**100.00**	100.00	Manufacturing, assembly, supply, maintenance, marketing, refurbishment or retrofitting of military and commercial vehicles, equipment and spare parts	31 December
HICOM University College Sdn. Bhd.	**100.00**	100.00	Higher educational and vocational training programme	31 December

3 COMPANIES IN THE GROUP (CONTINUED)

	Name of company	Effective equity interest 2025 %	Effective equity interest 2024 %	Principal activities	Financial year end
	SUBSIDIARIES (CONTINUED)				
	Subsidiaries of DRB-HICOM Berhad: (continued)				
	PUSPAKOM Sdn. Bhd. ("PUSPAKOM")	**100.00**	100.00	Inspection of commercial vehicles for roadworthiness and the inspection of other vehicles	31 December
	Bank Muamalat Malaysia Berhad ("Bank Muamalat")	**70.00**	70.00	Islamic banking business and related financial services	31 December
@	Pos Malaysia Berhad ("Pos Malaysia")	**53.50**	53.50	Provision of postal and related services	31 December
	DRB-HICOM Geely Sdn. Bhd.	**50.10**	50.10	Investment holding	31 December
	Gadek (Malaysia) Berhad *(Under members' voluntary liquidation)*	**100.00**	100.00	Dormant	31 December
	Subsidiaries of HHB:				
	Automotive Corporation Holdings Sdn. Bhd.	**100.00**	100.00	Investment holding	31 December
	USF-HICOM Holdings Sdn. Bhd.	**100.00**	100.00	Investment holding	31 December
	AHTV Ventures Sdn. Bhd.	**100.00**	100.00	Investment holding	31 December
	Edaran Otomobil Nasional Berhad ("EON")	**100.00**	100.00	Investment holding, retailer of motor vehicles and related parts and servicing of motor vehicles, wholesale and retail of used motor vehicles	31 December

Notes To The Financial Statements
– 31 December 2025

3 COMPANIES IN THE GROUP (CONTINUED)

	Name of company	Effective equity interest 2025 %	Effective equity interest 2024 %	Principal activities	Financial year end
	SUBSIDIARIES (CONTINUED)				
	Subsidiaries of HHB: (continued)				
	HICOM Engineering Sdn. Bhd.	**100.00**	100.00	Investment holding, management and engineering services, manufacturing, sales and trading for automotive and non-automotive industry	31 December
	Glenmarie Development (Pahang) Sdn. Bhd.	**100.00**	100.00	Building and leasing of property	31 December
	HICOM Berhad	**100.00**	100.00	Management of projects, rental of properties and investment holding	31 December
	HICOM Petro-Pipes Sdn. Bhd.	**100.00**	100.00	Rental of property	31 December
	Proton City Development Corporation Sdn. Bhd.	**100.00**	100.00	Property development	31 December
$	Scott & English (Malaysia) Sdn. Bhd.	**100.00**	70.00	Rental of properties	31 December
	Glenmarie Puchong Sdn. Bhd.	**100.00**	100.00	Dormant	31 December
	HICOM Polymers Industry Sdn. Bhd. *(Under members' voluntary liquidation)*	**100.00**	100.00	Dormant	31 December
	Subsidiary of Gadek (Malaysia) Berhad:				
	Uni.Asia Capital Sdn. Bhd. *(Under members' voluntary liquidation)*	**51.00**	51.00	Dormant	31 December

3 COMPANIES IN THE GROUP (CONTINUED)

	Name of company	Effective equity interest 2025 %	Effective equity interest 2024 %	Principal activities	Financial year end
	SUBSIDIARIES (CONTINUED)				
	Subsidiaries of PROTON:				
	Proton Marketing Sdn. Bhd.	**50.10**	50.10	Investment holding	31 December
	Perusahaan Otomobil Nasional Sdn. Bhd.	**50.10**	50.10	Manufacturing, assembly and sale of motor vehicles and related products	31 December
$	Proton Capital Sdn. Bhd.	**50.10**	-	Dormant	31 December
	Subsidiaries of Proton Marketing Sdn. Bhd.:				
	Proton Edar Sdn. Bhd.	**50.10**	50.10	Sale of motor vehicles, related spare parts and accessories	31 December
* g	Proton Motors (Thailand) Company Limited	**50.10**	50.10	Importation and distribution of motor vehicles and related spare parts	31 December
	Proton Parts Centre Sdn. Bhd.	**50.10**	50.10	Trading of motor vehicle components, spare parts and accessories	31 December
* e	PROTON Motor Parsian Company (Ltd.)	**49.60**	49.60	Dormant	31 December
	Subsidiaries of Proton Edar Sdn. Bhd.:				
	Proton Global Services Sdn. Bhd.	**50.10**	50.10	Marketing of consumers' products and services	31 December
* d	PT Proton Edar Indonesia	**50.10**	50.10	Sale of motor vehicles, related spare parts and accessories	31 December
	ACO Tech Sdn. Bhd.	**30.06**	30.06	Sale of parts and accessories for motor vehicles and wireless telecommunications services	31 December

Notes To The Financial Statements
– 31 December 2025

3 COMPANIES IN THE GROUP (CONTINUED)

	Name of company	Effective equity interest 2025 %	Effective equity interest 2024 %	Principal activities	Financial year end
	SUBSIDIARIES (CONTINUED)				
	Subsidiaries of Perusahaan Otomobil Nasional Sdn. Bhd.:				
	Automotive Conversion Engineering Sdn. Bhd.	**50.10**	50.10	Conversion and modification of motor vehicles and distribution of car accessories	31 December
	PONSB Capital Berhad	**50.10**	50.10	Special purpose vehicle for funding	31 December
	Proton Tanjung Malim Sdn. Bhd.	**50.10**	50.10	Assembly of motor vehicles and related products	31 December
	PROTON New Energy Technology Sdn. Bhd.	**50.10**	50.10	Manufacturing of new energy vehicles and its components	31 December
$	Proton International Corporation Sdn. Bhd.	**50.10**	-	Dormant	31 December
* b	Proton Automobiles (China) Limited	**50.10**	50.10	Dormant	31 December
	Subsidiaries of ACO Tech Sdn. Bhd.:				
* f	ACO Tech (Hubei) Co. Ltd.	**30.06**	30.06	Sales of Internet-of-Things ("IoT")-related technical services	31 December
* g	ACOTech (Thailand) Co., Ltd.	**30.06**	30.06	Dormant	31 December
	Subsidiary of Media City Ventures Sdn. Bhd.:				
	Media City Holdings Sdn. Bhd.	**100.00**	100.00	Investment holding	31 December

3 COMPANIES IN THE GROUP (CONTINUED)

	Name of company	Effective equity interest 2025 %	Effective equity interest 2024 %	Principal activities	Financial year end
	SUBSIDIARIES (CONTINUED)				
	Subsidiary of Media City Holdings Sdn. Bhd.:				
	Media City Development Sdn. Bhd.	**100.00**	100.00	Construction, operation and maintenance of infrastructure and broadcast system	31 December
	Subsidiaries of CTRM Holdings Sdn. Bhd.:				
	CTRM Aero Composites Sdn. Bhd.	**100.00**	100.00	Manufacturing of aerospace and non-aerospace composite components	31 December
	CTRM CE Sdn. Bhd. *(formerly known as CTRM Composites Engineering Sdn. Bhd.)*	**100.00**	100.00	Design and manufacturing of non-aerospace composite components	31 December
	CTRM TestLab Sdn. Bhd. *(formerly known as CTRM Testing Laboratory Sdn. Bhd.)*	**100.00**	100.00	Composites laboratory testing services	31 December
$ *	CTRM AeroSystems Sdn. Bhd. *(formerly known as Spirit AeroSystems Malaysia Sdn. Bhd.)*	**100.00**	-	Production of advanced technology aerostructures and aerosystems and ancillary services	31 December
	Aerotech Design Malaysia Sdn. Bhd.	**100.00**	100.00	Dormant	31 December
	Subsidiary of DRB-HICOM Northern Gateway Sdn. Bhd.:				
	Northern Gateway Infrastructure Sdn. Bhd.	**100.00**	100.00	Design, construction, development and provision of asset management services	31 December

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3 COMPANIES IN THE GROUP (CONTINUED)

Name of company	Effective equity interest 2025 %	Effective equity interest 2024 %	Principal activities	Financial year end
SUBSIDIARIES (CONTINUED)				
Subsidiaries of DRB-HICOM Defence Technologies Sdn. Bhd.:				
DEFTECH Aviation Sdn. Bhd.	**100.00**	100.00	Aircraft composites repair, engineering and maintenance services	31 December
Defence Services Sdn. Bhd.	**100.00**	100.00	Specialised defence engineering works including refurbishment, upgrading of armoured vehicles and supply of spare parts	31 December
DEFTECH Unmanned Systems Sdn. Bhd.	**100.00**	100.00	Design, research and development, production and marketing of unmanned aircraft systems	31 December
DEFTECH Systems Integration Sdn. Bhd.	**100.00**	100.00	Dormant	31 December
Subsidiaries of PUSPAKOM:				
Puspakom Teknik Sdn. Bhd.	**100.00**	100.00	Management of billboards, rental space and agent for insurance products	31 December
PSB Allied Services Sdn. Bhd. *(formerly known as Flora Areana Sdn. Bhd.)*	**100.00**	100.00	Agent for insurance products	31 December
Subsidiaries of Bank Muamalat:				
Muamalat Invest Sdn. Bhd.	**70.00**	70.00	Provision of Islamic fund management services	31 December
Muamalat Venture Sdn. Bhd.	**70.00**	70.00	Islamic venture capital	31 December

3 COMPANIES IN THE GROUP (CONTINUED)

	Name of company	Effective equity interest 2025 %	Effective equity interest 2024 %	Principal activities	Financial year end
	SUBSIDIARIES (CONTINUED)				
	Subsidiaries of Bank Muamalat: (continued)				
	Muamalat Nominees (Asing) Sdn. Bhd.	**70.00**	70.00	Dormant	31 December
	Muamalat Nominees (Tempatan) Sdn. Bhd.	**70.00**	70.00	Dormant	31 December
	Subsidiaries of Pos Malaysia:				
	Pos Malaysia & Services Holdings Berhad	**53.50**	53.50	Investment holding	31 December
	Datapos (M) Sdn. Bhd.	**53.50**	53.50	Printing and insertion of documents for mailing services	31 December
	Pos Ar-Rahnu Sdn. Bhd.	**53.50**	53.50	Ar-Rahnu (Islamic pawn broking)	31 December
	Pos Aviation Sdn. Bhd.	**53.50**	53.50	Provision of ground handling, in-flight catering, cargo handling, warehousing space and supply chain management including custom forwarding agent services	31 December
	Pos Digicert Sdn. Bhd.	**53.50**	53.50	Licensed digital certification authority	31 December
	Pos Shop Sdn. Bhd.	**53.50**	53.50	Retail business	31 December
$	PSH Express Sdn. Bhd.	**53.50**	53.50	Air courier services and fulfilment business	31 December
	Effivation Sdn. Bhd.	**53.50**	53.50	Property investment	31 December
	PMB Properties Sdn. Bhd.	**53.50**	53.50	Property investment	31 December
	PSH Properties Sdn. Bhd.	**53.50**	53.50	Property investment	31 December
	Posmen Sdn. Bhd.	**53.50**	53.50	Dormant	31 December

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3 COMPANIES IN THE GROUP (CONTINUED)

Name of company	Effective equity interest 2025 %	Effective equity interest 2024 %	Principal activities	Financial year end
SUBSIDIARIES (CONTINUED)				
Subsidiaries of Pos Malaysia: (continued)				
Poslaju (M) Sdn. Bhd.	**53.50**	53.50	Dormant	31 December
Subsidiary of Pos Malaysia & Services Holdings Berhad:				
Prima Pegun Sdn. Bhd.	**53.50**	53.50	Dormant	31 December
Subsidiary company of Pos Shop Sdn. Bhd.:				
Prestige Future Sdn. Bhd.	**53.50**	53.50	Consultation and agent marketing services	31 December
Subsidiary of PSH Properties Sdn. Bhd.:				
Real Riviera Sdn. Bhd.	**53.50**	53.50	Property investment	31 December
Subsidiaries of Pos Aviation Sdn. Bhd.:				
Pos Logistics Berhad	**53.50**	53.50	Provision of total logistics services and inventory solutions	31 December
Pos Aviation Engineering Services Sdn. Bhd.	**27.29**	27.29	Provision of aircraft maintenance and engineering services	31 December
Subsidiaries of Pos Logistics Berhad:				
Diperdana Kontena Sdn. Bhd.	**53.50**	53.50	Property investment	31 December
Kaypi Southern Terminal Sdn. Bhd.	**53.50**	53.50	Property investment	31 December

3 COMPANIES IN THE GROUP (CONTINUED)

	Name of company	Effective equity interest 2025 %	Effective equity interest 2024 %	Principal activities	Financial year end
	SUBSIDIARIES (CONTINUED)				
	Subsidiaries of Pos Logistics Berhad: (continued)				
	KP Asia Auto Logistics Sdn. Bhd.	**53.50**	53.50	Warehousing and inventory solutions, forwarding, shipping and transport agent	31 December
	Malaysian Shipping Agencies Sdn. Bhd.	**53.50**	53.50	Shipping agency services, freight forwarding and other related services	31 December
	PNSL Berhad	**53.50**	53.50	Shipping agency and chartering services	31 December
	Westport Distripark (M) Sdn. Bhd.	**53.50**	53.50	Dormant	31 December
	PNSL Risk Management Sdn. Bhd.	**53.50**	53.50	Dormant	31 December
	Aman Freight (Malaysia) Sdn. Bhd.	**53.50**	53.50	Dormant	31 December
	KP Distribution Services Sdn. Bhd.	**53.50**	53.50	Dormant	31 December
µ g #	K.P.B. Sadao I.C.D. Company Limited	**53.50**	53.50	Dormant	31 December
	Subsidiaries of Malaysian Shipping Agencies Sdn. Bhd.:				
	Konsortium Logistik (Sabah) Sdn. Bhd.	**53.50**	53.50	Dormant	31 December
	Konsortium Logistik (Sarawak) Sdn. Bhd.	**53.50**	53.50	Dormant	31 December

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3 COMPANIES IN THE GROUP (CONTINUED)

Name of company	Effective equity interest 2025 %	Effective equity interest 2024 %	Principal activities	Financial year end
SUBSIDIARIES (CONTINUED)				
Subsidiary of Automotive Corporation Holdings Sdn. Bhd.:				
Automotive Corporation (Malaysia) Sdn. Bhd.	**100.00**	100.00	Dealers of motor vehicles, related spare parts, accessories and related services	31 December
Subsidiary of USF-HICOM Holdings Sdn. Bhd.:				
DRB-HICOM Commercial Vehicles Sdn. Bhd.	**100.00**	100.00	Sale of motor vehicles and related spare parts and accessories	31 December
Subsidiaries of EON:				
DRB-HICOM EZ-Drive Sdn. Bhd.	**100.00**	100.00	Provision of car rental, leasing of passenger and commercial vehicles	31 December
EON Auto Mart Sdn. Bhd.	**100.00**	100.00	Sale of motor vehicles and related spare parts and servicing of vehicles	31 December
Euromobil Sdn. Bhd.	**100.00**	100.00	Sale of motor vehicles and related spare parts and servicing of vehicles	31 December
HICOM Auto Sdn. Bhd.	**100.00**	100.00	Sale of motor vehicles and related spare parts and servicing of vehicles	31 December
EON Capital Sdn. Bhd.	**100.00**	100.00	Development, management and marketing of hire-purchase or leasing facilities related to the purchase or use of vehicles	31 December

3 COMPANIES IN THE GROUP (CONTINUED)

Name of company	Effective equity interest 2025 %	Effective equity interest 2024 %	Principal activities	Financial year end
SUBSIDIARIES (CONTINUED)				
Subsidiary of DRB-HICOM EZ-Drive Sdn. Bhd.:				
DRB-HICOM Leasing Sdn. Bhd.	**100.00**	100.00	Provision of leasing of passenger and commercial vehicles	31 December
Subsidiaries of HICOM Engineering Sdn. Bhd.:				
HICOM Automotive Manufacturers (Malaysia) Sdn. Bhd.	**100.00**	100.00	Manufacturing and assembly of motor vehicles and other road transport vehicles	31 December
HICOM Diecastings Sdn. Bhd.	**100.00**	100.00	Manufacturing and supply of diecast parts for motorcycles, automobiles and other applications	31 December
PHN Industry Sdn. Bhd.	**100.00**	100.00	Manufacturing of stamped metal parts, sub-assembly of automotive components for the motor industry and design and manufacturing of dies	31 December
HICOM-Teck See Manufacturing Malaysia Sdn. Bhd.	**51.00**	51.00	Manufacturing and sale of thermoplastic and thermosetting products	31 December
Subsidiaries of HICOM Berhad:				
Glenmarie Properties Sdn. Bhd.	**100.00**	100.00	Investment holding and provision of management services	31 December
HB Property Development Sdn. Bhd.	**100.00**	100.00	Investment holding and provision for security services	31 December
Dekad Kaliber Sdn. Bhd.	**100.00**	100.00	Provision of engineering and construction services	31 December

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3 COMPANIES IN THE GROUP (CONTINUED)

	Name of company	Effective equity interest 2025 %	Effective equity interest 2024 %	Principal activities	Financial year end
	SUBSIDIARIES (CONTINUED)				
	Subsidiaries of HICOM Berhad: (continued)				
	HICOM Hartanah Sdn. Bhd.	**100.00**	100.00	Investment and management of properties	31 December
	Glenmarie Cove Development Sdn. Bhd.	**100.00**	100.00	Property development	31 December
Ω a	Proton Cars Australia Pty. Limited	**100.00**	100.00	Rental of property	31 December
Ω c	Proton Cars (UK) Limited	**100.00**	100.00	Rental of property	31 December
	HICOM Builders Sdn. Bhd.	**100.00**	100.00	Dormant	31 December
	Subsidiaries of Glenmarie Properties Sdn. Bhd.:				
	DHB Hartanah Sdn. Bhd.	**100.00**	100.00	Investment holding	31 December
	Benua Kurnia Sdn. Bhd.	**100.00**	100.00	Property development	31 December
	HICOM Glen Sdn. Bhd.	**100.00**	100.00	Property development	31 December
	HICOM Indungan Sdn. Bhd.	**100.00**	100.00	Property development	31 December
	HICOM Vertex Sdn. Bhd.	**100.00**	100.00	Property development	31 December
	Neraca Prisma Sdn. Bhd.	**100.00**	100.00	Property development	31 December
	Kenyir Splendour Berhad	**100.00**	100.00	Dormant	31 December
	Subsidiary of HB Property Development Sdn. Bhd.:				
	Dengkir Maju Security Services Sdn. Bhd.	**100.00**	100.00	Provision of security services	31 December

3 COMPANIES IN THE GROUP (CONTINUED)

	Name of company	Effective equity interest 2025 %	Effective equity interest 2024 %	Principal activities	Financial year end
	SUBSIDIARIES (CONTINUED)				
	Subsidiaries of HICOM Indungan Sdn. Bhd.:				
	Indungan Jaya Sdn. Bhd.	**100.00**	100.00	Dormant	31 December
	HICOM Tan & Tan Sdn. Bhd.	**50.00**	50.00	Dormant	31 December
	Subsidiary of DHB Hartanah Sdn. Bhd.:				
	DHB Properties Sdn. Bhd.	**100.00**	100.00	Property development and related activities	31 December
	Subsidiaries of PHN Industry Sdn. Bhd.:				
	DRB-HICOM Mechatronics Sdn. Bhd.	**100.00**	100.00	Manufacturing, assembling and trading of automotive electrical and electronics components	31 December
	Oriental Summit Industries Sdn. Bhd.	**100.00**	100.00	Dormant	31 December
	JOINT VENTURES				
	Joint ventures of DRB-HICOM Berhad:				
* x	Isuzu Service Center Sdn. Bhd.	**73.69**	73.69	Provision of after sales services, sale of spare parts and automobile workshop	31 March
x	Motosikal Dan Enjin Nasional Sdn. Bhd. (“MODENAS”)	**70.00**	70.00	Manufacturing, assembly and distribution of motorcycles, related spare parts and accessories and servicing of motorcycles	31 December

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3 COMPANIES IN THE GROUP (CONTINUED)

	Name of company	Effective equity interest 2025 %	Effective equity interest 2024 %	Principal activities	Financial year end
	JOINT VENTURES (CONTINUED)				
	Joint ventures of DRB-HICOM Berhad: (continued)				
*	Isuzu Malaysia Sdn. Bhd.	**48.42**	48.42	Importation, assembly and distribution of motor vehicles, components and parts	31 March
*f	Goldstar LOTUS Automobile Co., Ltd.	**50.00**	50.00	Dormant	31 December
	Joint venture of HHB:				
$ *	HICOM-HONDA Manufacturing Malaysia Sdn. Bhd.	-	48.00	Dormant	31 March
	Joint venture of Perusahaan Otomobil Nasional Sdn. Bhd.:				
	Furi Global Sdn. Bhd.	**20.04**	20.04	Supplying imported and local parts for automotive vendors, including completely knocked down modular parts or any local parts.	31 December
	Joint venture of Proton Edar Sdn. Bhd.:				
	Proton Commerce Sdn. Bhd.	**25.05**	25.05	Providing hire purchase or leasing facilities in respect of the purchase or use of PROTON and other vehicles	31 December
	Joint venture of AHTV Ventures Sdn. Bhd.:				
x	AHTV Alliance Sdn. Bhd.	**50.10**	50.10	Property development	31 December

3 COMPANIES IN THE GROUP (CONTINUED)

	Name of company	Effective equity interest 2025 %	Effective equity interest 2024 %	Principal activities	Financial year end
	JOINT VENTURES (CONTINUED)				
	Joint venture of EON:				
*	Mitsubishi Motors Malaysia Sdn. Bhd.	**48.00**	48.00	Importation, assembly, distribution and trading of motor vehicles, components, spare parts and accessories	31 March
	Joint ventures of HICOM Engineering Sdn. Bhd.:				
	HICOM-YAMAHA Manufacturing Malaysia Sdn. Bhd.	**45.00**	45.00	Manufacturing and assembly of motorcycle engines and parts	31 December
*	Exedy (Malaysia) Sdn. Bhd.	**45.00**	45.00	Manufacturing of car manual clutches, springs and related parts	31 March
$ *	New Energy Asia Sdn. Bhd.	**49.00**	-	Dormant	31 December
	Joint venture of HICOM-Teck See Manufacturing Malaysia Sdn. Bhd.:				
*	XINQUAN HICOM Malaysia Sdn. Bhd.	**24.99**	24.99	Design, develop and manufacturing of instrument panel, floor consoles and door trims and related components for vehicles	31 December

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– 31 December 2025

3 COMPANIES IN THE GROUP (CONTINUED)

	Name of company	Effective equity interest 2025 %	Effective equity interest 2024 %	Principal activities	Financial year end
	ASSOCIATES				
	Associates of DRB-HICOM Berhad:				
	Honda Malaysia Sdn. Bhd.	**34.00**	34.00	Investment holding, assembly, manufacturing and sale of motor vehicles, accessories and components, trading of imported motor vehicles and related spare parts	31 March
	Marak Unggul Sdn. Bhd.	**29.99**	29.99	Dormant	31 December
	Associate of Perusahaan Otomobil Nasional Sdn. Bhd.:				
*	AAPICO AVEE Sdn. Bhd.	**20.04**	20.04	Development, manufacturing and sale of products and services relating to dies, moulds, jigs and stamping activities	31 December
	Associate of Proton Automobiles (China) Limited:				
* f	Goldstar Proton Automobiles Co., Limited	**24.55**	24.55	Dormant	31 December
	Associates of EON:				
y	EON Petromin Sdn. Bhd.	**51.00**	51.00	Provision of fast-fit after sales services and sale of spare parts	31 December
* z	GFS Technology Sdn. Bhd.	**10.00**	10.00	Provision of financial services, including but not limited to hire purchase and floor stocking	31 March

3 COMPANIES IN THE GROUP (CONTINUED)

	Name of company	Effective equity interest 2025 %	Effective equity interest 2024 %	Principal activities	Financial year end
	ASSOCIATES (CONTINUED)				
	Associates of HICOM Engineering Sdn. Bhd.:				
*	HICOM HBPO Sdn. Bhd.	**49.00**	49.00	Assembly, manufacturing and sale of front end modules and related components	31 December
*	ISUZU HICOM Malaysia Sdn. Bhd.	**49.00**	49.00	Manufacturing, assembly and sale of commercial vehicles	31 March
	Associates of Pos Malaysia:				
*	Elpos Print Sdn. Bhd. *(Under compulsory winding up)*	**21.40**	21.40	Dormant	31 December
$	CEN Sdn. Bhd.	**-**	22.74	Dormant	31 December
	Associate of Pos Aviation Sdn. Bhd.:				
	World Cargo Airline Sdn. Bhd.	**26.22**	26.22	Provision of air cargo transport	31 December
	Associate of Oriental Summit Industries Sdn. Bhd.:				
$ *	Faurecia HICOM Emissions Control Technologies (M) Sdn. Bhd.	**-**	35.00	Dormant	31 December

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– 31 December 2025

3 COMPANIES IN THE GROUP (CONTINUED)

@ All shares in this company have been charged for bank borrowings as disclosed in Note 43.

* These companies in the Group are not audited by KPMG PLT, Malaysia and member firms of KPMG International Limited.

µ Audited by other member firms of KPMG International Limited.

$ The dilution exercise or changes in the effective equity interest/reclassification of these companies in the Group are as disclosed in Notes 48 and 49, respectively.

Inclusive of the effective beneficial interest of 27.28% (2024: 27.28%) held in trust.

x The Group owns more than half of the ownership interest in the joint venture, which is neither a subsidiary nor an associate of the Group, but is subject to contractually agreed joint control over strategic operating, investing, and financial policy decisions. Such decisions require the unanimous consent of the parties sharing control.

y The Group owns more than half of the ownership interest in the associate over which it has significant influence, but not control, and which is neither a subsidiary nor a joint venture. Significant influence is the power to participate in the associate's financial and operating policy decisions without having control over those policies.

z The Group owns less than 20% of the ownership interest in the associate over which it has significant influence. Significant influence is the power to participate in the associate's financial and operating policy decisions without having control over those policies.

Ω Qualified for audit exemption in accordance with Companies Act/Corporation Act.

a The principal place of business/country of incorporation is Australia.

b The principal place of business/country of incorporation is British Virgin Islands.

c The principal place of business/country of incorporation is England.

d The principal place of business/country of incorporation is Indonesia.

e The principal place of business/country of incorporation is Iran.

f The principal place of business/country of incorporation is People's Republic of China.

g The principal place of business/country of incorporation is Thailand.

All the other companies were incorporated and principally based in Malaysia.

As mutually agreed by respective shareholders, the financial year end of certain joint ventures and associates do not coincide with the Group.

4 REVENUE

	Group		Company	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Revenue from contracts with customers				
Sale of goods	**12,367,282**	11,513,151	**-**	-
Rendering of services	**2,425,609**	2,383,112	**-**	-
Construction contracts	**141,422**	6,690	**-**	-
Sale of land and development properties	**118,855**	114,108	**-**	-
Banking - fees and commissions	**110,728**	105,816	**-**	-
	15,163,896	14,122,877	**-**	-
Other revenue				
Banking income from financial instruments	**2,095,456**	2,008,181	**-**	-
Equipment and vehicle leasing	**22,438**	35,739	**-**	-
Short-term car rental	**27,738**	23,967	**-**	-
Dividend income from subsidiaries, joint venture and associate	**-**	-	**240,461**	315,837
Interest income from subsidiaries and joint venture	**-**	-	**58,486**	53,654
Rental income from subsidiaries and associate	**-**	-	**14,106**	14,121
	2,145,632	2,067,887	**313,053**	383,612
Total revenue	**17,309,528**	16,190,764	**313,053**	383,612

4 REVENUE (CONTINUED)

(a) The following information reflects the typical transactions of the Group:

Nature of goods or services	Timing of revenue recognition or method used for revenue recognition	Significant payment term	Variable element in consideration	Obligation for returns or refunds	Warranty
Sale of goods	Revenue is recognised at a point in time upon control of the goods transferred to the customers, generally on delivery of goods.	• Cash sale for disposal of used motor vehicles. • Credit terms range from 7 to 180 days from the invoice date.	In respect of automotive vehicles, • incentives are given to customers upon sale of certain products by customers to the end users. • volume rebates are given to certain customers where the quantity of products purchased during the period exceeds a threshold specified in the contract. In respect of commercial vehicles, there would be liquidated ascertained damages for certain contracts when the contract is completed late.	Not applicable.	In respect of automotive vehicles and spare parts, assurance-type warranties of five years are given to the end-customers. In respect of commercial vehicles, product warranties of 12 months are given to the customers.

4 REVENUE (CONTINUED)

(a) The following information reflects the typical transactions of the Group: (continued)

Nature of goods or services	Timing of revenue recognition or method used for revenue recognition	Significant payment term	Variable element in consideration	Obligation for returns or refunds	Warranty
Sale of tooling	Revenue is recognised for performance obligations satisfied over time using the input method, which is based on the costs incurred, relative to the total expected costs for the satisfaction of the performance obligation.	Credit terms range from 30 to 90 days from the invoice date.	Not applicable.	Not applicable.	Not applicable.
Retail business	Revenue is recognised at a point in time when the services are rendered and goods are delivered to customers.	Cash sale.	Not applicable.	Not applicable.	Not applicable.
Ar-Rahnu business	Revenue is recognised at a point in time at predetermined rates upon sale of gold items to customers.	Cash sale.	Not applicable.	Not applicable.	Not applicable.

4 REVENUE (CONTINUED)

(a) The following information reflects the typical transactions of the Group: (continued)

Nature of goods or services	Timing of revenue recognition or method used for revenue recognition	Significant payment term	Variable element in consideration	Obligation for returns or refunds	Warranty
Rendering of services:					
- assembly services for automotive vehicles	The Group is acting as an agent in this arrangement. Revenue is recognised at a point in time when the control of the vehicles has transferred, being when the vehicles are delivered to the customers. Delivery occurs when the vehicles have been accepted by the customers upon completion of the assembly services.	Credit terms range from 30 to 60 days from the invoice date.	Not applicable.	Not applicable.	Assurance warranties of 18 months are given to the customers.
- importation services and pre-delivery inspection services	The Group is acting as an agent in this arrangement. Revenue is recognised at a point in time when the control of the goods has transferred, being when the goods are delivered to the customers. Delivery occurs when the goods have been accepted by the customers upon completion of the rendering of services.	Credit terms range from 30 to 180 days from the invoice date.	Not applicable.	Not applicable.	Not applicable.

4 REVENUE (CONTINUED)

(a) The following information reflects the typical transactions of the Group: (continued)

Nature of goods or services	Timing of revenue recognition or method used for revenue recognition	Significant payment term	Variable element in consideration	Obligation for returns or refunds	Warranty
Rendering of services: (continued)					
- parts and after-sales services	Revenue is recognised at a point in time when performance obligation is satisfied being rendered and accepted by the customers.	• Cash sale. • Credit terms range from 60 to 120 days from the invoice date.	Not applicable.	Not applicable.	Not applicable.
- mail, courier and international products - digital products - printing, insertion and office solutions - in-flight catering and cargo handling and airport services - agent for port customs clearance	Revenue is recognised at a point in time when the services are rendered and goods are delivered to customers.	• Cash sale. • Credit terms range from 30 to 60 days from the invoice date.	Not applicable.	Not applicable.	Not applicable.
- inspection services	Revenue is recognised at a point in time when the services are rendered to the customers.	Cash sale.	Not applicable.	Not applicable.	Not applicable.

4 REVENUE (CONTINUED)

(a) The following information reflects the typical transactions of the Group: (continued)

Nature of goods or services	Timing of revenue recognition or method used for revenue recognition	Significant payment term	Variable element in consideration	Obligation for returns or refunds	Warranty
Rendering of services: (continued)					
- maintenance services	Revenue is recognised at a point in time when the services are rendered to and accepted by the customers.	• Cash sale. • Credit terms range from 30 to 90 days from the invoice date.	In respect of maintenance for commercial vehicles, there would be customer rebate when services are rendered late.	Not applicable.	In respect of maintenance for commercial vehicles, assurance warranties of 6 months are given to the end-customers.
- commercial laboratory testing services	Revenue is recognised at a point in time when the services are rendered to and accepted by the customers.	• Cash sale. • Credit terms range from 30 to 90 days from the invoice date.	Not applicable.	Not applicable.	Not applicable.
- repair and maintenance	Revenue is recognised for performance obligation satisfied over time when the services are rendered.	Credit term of 30 days from the invoice date.	Not applicable.	Not applicable.	Not applicable.

4 REVENUE (CONTINUED)

(a) The following information reflects the typical transactions of the Group: (continued)

Nature of goods or services	Timing of revenue recognition or method used for revenue recognition	Significant payment term	Variable element in consideration	Obligation for returns or refunds	Warranty
Rendering of services: (continued)					
- haulage and freight forwarding	Revenue is recognised over time as and when the transportation services are rendered using the cost incurred method.	• Cash sale. • Credit terms range from 30 to 60 days from the invoice date.	Not applicable.	Not applicable.	Not applicable.
- digital services	Revenue is recognised over time when services are rendered to customers.	• Cash sale. • Credit terms range from 30 to 60 days from the invoice date.	Not applicable.	Not applicable.	Not applicable.
- automotive and project logistics	Revenue is recognised over time as and when the logistics services, storage and inventory solutions services are rendered over the performance of the service.	• Cash sale. • Credit terms range from 30 to 60 days from the invoice date.	Not applicable.	Not applicable.	Not applicable.

4 REVENUE (CONTINUED)

(a) The following information reflects the typical transactions of the Group: (continued)

Nature of goods or services	Timing of revenue recognition or method used for revenue recognition	Significant payment term	Variable element in consideration	Obligation for returns or refunds	Warranty
Rendering of services: (continued)					
- maintenance services for building	Revenue is recognised for performance obligation satisfied over time when the services are rendered.	Credit term of 30 days from the invoice date.	Not applicable.	Not applicable.	Not applicable.
- security services	Revenue is recognised for performance obligation satisfied over time when the services are rendered.	Credit term of 30 days from the invoice date.	Not applicable.	Not applicable.	Not applicable.
- educational services	Revenue is recognised for performance obligation satisfied over the duration of courses.	Credit term of 120 days from the invoice date.	Not applicable.	Not applicable.	Not applicable.
	Fee from training activities is recognised at net of service taxes on completion of each stage of the assignment.	Credit term of 30 days from the invoice date.	Not applicable.	Not applicable.	Not applicable.

4 REVENUE (CONTINUED)

(a) The following information reflects the typical transactions of the Group: (continued)

Nature of goods or services	Timing of revenue recognition or method used for revenue recognition	Significant payment term	Variable element in consideration	Obligation for returns or refunds	Warranty
Construction contracts	Revenue is recognised for performance obligation satisfied over time using the input method, which is based on the costs incurred, relative to the total expected costs for the satisfaction of the performance obligation.	A fixed monthly payment will be received after the completion of construction work. Credit term of 30 days from the invoice date/the issuance of the client certificate of payment.	There would be liquidated ascertained damages for certain contracts when the contract is completed late.	Not applicable.	To make good defects throughout maintenance period.
Sale of completed properties	Revenue is recognised at a point in time when control of the properties has been transferred to the purchasers, being when the properties have been completed and delivered to the customers.	• Credit terms of 90 days from the invoice date. • Credit terms range of 90 days (interest-free) and 30 days (with interest) from the sales contract date.	Not applicable.	Not applicable.	Not applicable.

4 REVENUE (CONTINUED)

(a) The following information reflects the typical transactions of the Group: (continued)

Nature of goods or services	Timing of revenue recognition or method used for revenue recognition	Significant payment term	Variable element in consideration	Obligation for returns or refunds	Warranty
Sale of development properties	Revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of the performance obligation.	Based on agreed percentage of completion as stipulated in the sales contract.	• There would be liquidated ascertained damages for certain contracts when the contract is completed late. • Payment for legal fees, stamp duty on memorandum of transfer, etc. • Discounts are given to certain customers.	Not applicable.	Defect liability of a 24-month period is given upon the delivery of vacant possession of the development unit.
Sale of land and construction of infrastructure	In respect of sale of land, revenue is recognised at a point in time when control of the land has been transferred to the purchaser. In respect of construction of infrastructure, revenue is recognised at a point in time or over time, depending on the terms of the contract and the law that apply to the contract.	Based on agreed percentage of completion as stipulated in the sales contract.	There would be liquidated ascertained damages for certain contracts when the contract is completed late.	Not applicable.	Not applicable.

4 REVENUE (CONTINUED)

(a) The following information reflects the typical transactions of the Group: (continued)

Nature of goods or services	Timing of revenue recognition or method used for revenue recognition	Significant payment term	Variable element in consideration	Obligation for returns or refunds	Warranty
Sale of land and construction of infrastructure (continued)	Sales of land comprised two performance obligations since the promises to transfer land and construction of infrastructure are capable of being distinct and separately identifiable. Accordingly, the subsidiary allocates the transaction price based on relative stand-alone selling prices of the land and the construction services.				
Banking - fees and commissions	Fee and commission, except for fee from advisory and corporate finance activities, is recognised as revenue based on accrual on timing apportionment method. Fee from advisory and corporate finance activities is recognised on completion of each stage of the assignment.	Not applicable.	Not applicable.	Not applicable.	Not applicable.

4 REVENUE (CONTINUED)

(b) Breakdown of revenue from contracts with customers

The Group derives revenue from the transfer of goods and services over time and at a point in time according to the geographical regions:

	Mobility RM'000	Postal RM'000	Banking RM'000	Services RM'000	Properties RM'000	Total RM'000
Financial year ended 31 December 2025						
Group						
Geographical markets						
Within Malaysia	**11,934,402**	**1,528,282**	**110,728**	**214,287**	**299,205**	**14,086,904**
Outside Malaysia	**805,953**	**271,039**	**-**	**-**	**-**	**1,076,992**
	12,740,355	**1,799,321**	**110,728**	**214,287**	**299,205**	**15,163,896**
Type of goods and services						
Sale of goods	**12,361,833**	**5,409**	**-**	**-**	**40**	**12,367,282**
Rendering of services	**378,522**	**1,793,912**	**-**	**214,287**	**38,888**	**2,425,609**
Construction contracts	**-**	**-**	**-**	**-**	**141,422**	**141,422**
Sale of land and development properties	**-**	**-**	**-**	**-**	**118,855**	**118,855**
Banking - fees and commissions	**-**	**-**	**110,728**	**-**	**-**	**110,728**
	12,740,355	**1,799,321**	**110,728**	**214,287**	**299,205**	**15,163,896**
Timing of revenue recognition						
At a point in time	**12,713,521**	**1,553,639**	**110,728**	**205,267**	**60,984**	**14,644,139**
Over time	**26,834**	**245,682**	**-**	**9,020**	**238,221**	**519,757**
	12,740,355	**1,799,321**	**110,728**	**214,287**	**299,205**	**15,163,896**

4 REVENUE (CONTINUED)

(b) Breakdown of revenue from contracts with customers (continued)

The Group derives revenue from the transfer of goods and services over time and at a point in time according to the geographical regions: (continued)

	Mobility RM'000	Postal RM'000	Banking RM'000	Services RM'000	Properties RM'000	Total RM'000
Financial year ended 31 December 2024						
Group						
Geographical markets						
Within Malaysia	11,201,625	1,489,745	105,816	189,588	192,407	13,179,181
Outside Malaysia	663,967	279,729	-	-	-	943,696
	11,865,592	1,769,474	105,816	189,588	192,407	14,122,877
Type of goods and services						
Sale of goods	11,481,084	220	-	-	31,847	11,513,151
Rendering of services	384,508	1,769,254	-	189,588	39,762	2,383,112
Construction contracts	-	-	-	-	6,690	6,690
Sale of land and development properties	-	-	-	-	114,108	114,108
Banking - fees and commissions	-	-	105,816	-	-	105,816
	11,865,592	1,769,474	105,816	189,588	192,407	14,122,877
Timing of revenue recognition						
At a point in time	11,847,141	1,440,317	105,816	181,055	81,680	13,656,009
Over time	18,451	329,157	-	8,533	110,727	466,868
	11,865,592	1,769,474	105,816	189,588	192,407	14,122,877

Notes To The Financial Statements
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4 REVENUE (CONTINUED)

(c) The following information shows revenue from remaining performance obligations where services have yet to be rendered/goods not delivered as at the reporting date. The disclosure is only providing information for contracts that have an original duration of more than one year.

	Within 1 year	Between 1 to 2 years	Between 2 to 5 years	Beyond 5 years	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Group					
2025					
Sale of goods	**39,988**	**-**	**-**	**-**	**39,988**
Rendering of services	**132,344**	**54,213**	**121,854**	**428,544**	**736,955**
Construction contracts	**15,683**	**-**	**-**	**-**	**15,683**
Sale of land and development properties	**73,169**	**-**	**-**	**-**	**73,169**
Total	**261,184**	**54,213**	**121,854**	**428,544**	**865,795**
2024					
Sale of goods	16,075	3,274	-	-	19,349
Rendering of services	75,550	59,911	125,695	462,334	723,490
Construction contracts	134,887	-	-	-	134,887
Sale of land and development properties	69,352	2,187	-	-	71,539
Total	295,864	65,372	125,695	462,334	949,265

(d) Assets and liabilities related to revenue from contracts with customers

Information about receivables, contract assets and contract liabilities from contracts with customers are disclosed in Notes 25 and 42, respectively.

5 COST OF SALES

	Group	
	2025	2024
	RM'000	RM'000
Cost of inventories	**10,863,496**	10,285,766
Cost of services rendered	**2,162,805**	2,178,843
Cost of construction contracts	**113,515**	(19,907)
Cost of sale of land and development properties	**71,696**	91,591
Cost of banking	**1,276,752**	1,273,741
	14,488,264	13,810,034

In the previous financial year, the cost of construction contracts included a reversal of prolongation cost of RM28,229,000 related to a facility and infrastructure project.

6 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting) the following:

	Note	Group 2025 RM'000	Group 2024 RM'000	Company 2025 RM'000	Company 2024 RM'000
Allowance for expected credit losses of financing of customers		**82,694**	158,354	**-**	-
Allowance/(write-back of allowance) for expected credit losses of trade and other receivables		**19,514**	(777)	**121,565**	245,000
Amortisation of intangible assets	18	**566,139**	480,928	**-**	-
Auditors' remuneration					
- statutory audit					
- KPMG PLT		**5,028**	4,673	**462**	430
- Member firms of KPMG International Limited		**24**	43	**-**	-
- other auditors		**168**	-	**-**	-
- audit related services					
- KPMG PLT		**1,778**	1,736	**433**	370
- non-audit services					
- KPMG PLT		**590**	15	**6**	5
- Local affiliates of KPMG PLT		**1,221**	1,412	**30**	35
- Member firms of KPMG International Limited		**-**	6	**-**	-
Depreciation of property, plant and equipment	13	**674,334**	709,620	**-**	-
Directors' emoluments	7	**6,963**	8,244	**2,099**	2,232
Finance costs	9	**514,469**	519,472	**181,767**	182,477

6 PROFIT BEFORE TAXATION (CONTINUED)

Profit before taxation is arrived at after charging/(crediting) the following: (continued)

		Group		Company	
	Note	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Impairment loss/(reversal of impairment loss) of (net):					
- intangible assets	18	**236,649**	-	**-**	-
- investment in subsidiaries		**-**	-	**(248,953)**	(184,110)
- investment securities: financial assets at FVOCI		**2**	23	**-**	-
- investment securities: financial assets at amortised cost		**-**	44,760	**-**	-
- other assets, and cash and short-term funds		**(366)**	286	**-**	-
- property, plant and equipment	13	**115,579**	(5,028)	**-**	-
Loss in fair value adjustments of investment securities: FVTPL		**59,474**	21,018	**-**	-
Loss on liquidation of a joint venture		**292**	-	**-**	-
Marked to market loss/(gain) on derivatives	29(b)	**17,686**	(12,239)	**-**	-
Provision for liabilities and charges	35	**91,016**	4,901	**-**	-
Rental of motor vehicles		**21,236**	2,206	**-**	-
Rental of plant and equipment		**43,139**	40,883	**-**	-
Rental of premises		**20,543**	24,594	**-**	-
Research and development expenditure		**64,873**	12,324	**-**	-
Staff costs	8	**3,050,432**	2,895,627	**-**	-
Unrealised foreign exchange differences (net)		**7,399**	(8,514)	**-**	1

6 PROFIT BEFORE TAXATION (CONTINUED)

Profit before taxation is arrived at after charging/(crediting) the following: (continued)

		Group		Company	
	Note	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Write-down of inventories		**68,123**	131,172	**-**	-
Write-off of intangible assets	18	**265**	4,505	**-**	-
Write-off of property, plant and equipment	13	**469**	1,867	**-**	-
Amortisation of deferred income	34	**(393)**	(462)	**-**	-
Dividend income:					
- subsidiaries	4	**-**	-	**(84,752)**	(174,423)
- joint venture	4	**-**	-	**(13,589)**	(17,994)
- associate	4	**-**	-	**(142,120)**	(123,420)
- other investments		**(3,907)**	(3,397)	**-**	-
(Gain)/loss on disposals of:					
- a subsidiary	49(iii)(a)	**-**	(87)	**-**	-
- property, plant and equipment		**(3,473)**	955	**-**	-
- investment securities: FVTPL		**(193)**	(21)	**-**	-
- investment securities: FVOCI		**(28,180)**	(14,262)	**-**	-
Gain on fair value adjustments of investment properties	14	**(23,838)**	(13,434)	**-**	-
Gain on lease modification		**(157)**	(1,751)	**-**	-
Gain on termination of leases		**(947)**	(1,822)	**-**	-

6 PROFIT BEFORE TAXATION (CONTINUED)

Profit before taxation is arrived at after charging/(crediting) the following: (continued)

	Note	Group 2025 RM'000	Group 2024 RM'000	Company 2025 RM'000	Company 2024 RM'000
Interest income on:					
- short-term deposits		**(69,210)**	(60,216)	**(17,054)**	(21,718)
- subsidiaries		**-**	-	**(57,849)**	(52,838)
- joint venture		**(864)**	(1,198)	**(637)**	(816)
Lease income related to property, plant and equipment under operating lease recognised under:					
- other revenue		**(45,464)**	(59,713)	**-**	-
- other income		**(15,817)**	(14,304)	**-**	-
Negative goodwill arising from acquisition of a subsidiary	48(i)(d)	**(334,415)**	-	**-**	-
Realised foreign exchange differences (net)		**(59,782)**	38,911	**19**	-
Rental income related to:					
- investment properties	14(a)	**(25,206)**	(26,242)	**(14,106)**	(14,121)
- others		**(8,021)**	(9,821)	**-**	-

7 DIRECTORS' EMOLUMENTS

	Group		Company	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Non-executive Directors:				
- fees	**1,350**	1,536	**1,113**	1,244
- allowances and other benefits	**1,112**	1,135	**986**	988
Executive Director:				
- salaries, bonuses, fees, allowances and other benefits	**3,897**	4,821	**-**	-
- defined contribution plan	**604**	752	**-**	-
	6,963	8,244	**2,099**	2,232

The estimated value of benefits-in-kind received by Directors of the Group amounted to RM170,400 (2024: RM229,777).

8 STAFF COSTS

		Group	
	Note	**2025 RM'000**	**2024 RM'000**
Salaries, wages, bonuses, allowances and other benefits		**2,751,443**	2,605,754
Defined contribution plan		**295,100**	286,284
Defined benefit plan	36(c)	**283**	189
Termination benefits		**3,606**	3,400
		3,050,432	2,895,627

Notes To The Financial Statements
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9 FINANCE COSTS

	Note	Group 2025 RM'000	Group 2024 RM'000	Company 2025 RM'000	Company 2024 RM'000
Interest expense on:					
- borrowings		**446,492**	449,043	**174,181**	175,198
- subsidiaries		**-**	-	**1,066**	1,412
- lease charges		**16,739**	16,869	**-**	-
- a related party		**-**	6,927	**-**	-
Total interest expense		**463,231**	472,839	**175,247**	176,610
Less: Interest expense capitalised in property, plant and equipment	13(b)	**(7,509)**	(7,623)	**-**	-
		455,722	465,216	**175,247**	176,610
Accretion of discounts related to RCCPS		**50,367**	47,441	**-**	-
Other finance charges		**2,464**	1,879	**2,423**	1,714
Unwinding of discount		**5,916**	4,936	**4,097**	4,153
Total	6	**514,469**	519,472	**181,767**	182,477

10 TAXATION

	Note	Group 2025 RM'000	Group 2024 RM'000	Company 2025 RM'000	Company 2024 RM'000
Statement of Comprehensive Income:					
Current taxation					
- Malaysian tax		**163,507**	155,898	**2,046**	2,967
- (Over)/under provision in respect of prior financial year		**(10,686)**	9,370	**(439)**	1,198
		152,821	165,268	**1,607**	4,165
Deferred taxation	19				
- Current financial year		**(99,315)**	(15,774)	**1,413**	1,414
- Under/(over) provision in respect of prior financial year		**11,622**	(7,876)	**-**	(3,240)
		(87,693)	(23,650)	**1,413**	(1,826)
Total taxation charge		**65,128**	141,618	**3,020**	2,339
Deferred taxation related to other comprehensive income	19	**15,047**	76	**-**	-

Income tax is calculated at the statutory tax rate of 24% (2024: 24%) on the estimated assessable profit for the financial year.

Notes To The Financial Statements
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10 TAXATION (CONTINUED)

The explanation of the relationship between taxation charge and profit before taxation is as follows:

	Group		Company	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Numerical reconciliation of effective taxation charge				
Profit before taxation	**653,883**	247,390	**184,658**	79,611
Tax calculated at the Malaysian tax rate of 24% (2024: 24%)	**156,932**	59,374	**44,318**	19,107
Tax effects of:				
- change in tax rate	**(6,697)**	(3,365)	**-**	-
- different tax rates	**390**	(39)	**-**	-
- effect of other temporary differences not recognised	**(5,899)**	(6,501)	**-**	-
- expenses not deductible for tax purposes	**122,519**	131,318	**83,774**	123,320
- income not subject to tax	**(85,460)**	(8,481)	**(124,633)**	(138,046)
- deferred tax assets not recognised on tax allowances	**6,816**	4,971	**-**	-
- deferred tax assets not recognised on unutilised tax losses	**71,788**	60,630	**-**	-
- deferred tax assets recognised in respect of unabsorbed tax allowances previously unrecognised	**(3,652)**	-	**-**	-
- deferred tax assets recognised in respect of unutilised tax losses previously unrecognised	**(159,592)**	(12,000)	**-**	-
- deferred tax assets not recognised in respect of unabsorbed temporary differences	**8,751**	-	**-**	-
Sub-total carried forward	**105,896**	225,907	**3,459**	4,381

10 TAXATION (CONTINUED)

The explanation of the relationship between taxation charge and profit before taxation is as follows: (continued)

	Group		Company	
	2025	**2024**	**2025**	**2024**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Tax effects of: (continued)				
Sub-total brought forward	**105,896**	225,907	**3,459**	4,381
- utilisation of tax allowances arose in the current year	**(253)**	(741)	**-**	-
- unrecognised current year's tax allowances/ (utilisation of previously unrecognised tax allowances)	**27,679**	(37,598)	**-**	-
- (utilisation of tax losses)/ Unrecognised tax losses	**(7,275)**	14,303	**-**	-
- share of results of joint ventures	**(27,779)**	(23,582)	**-**	-
- share of results of associates	**(34,076)**	(38,165)	**-**	-
(Over)/under provision of current taxation in respect of prior financial year	**(10,686)**	9,370	**(439)**	1,198
Under/(over) provision of deferred taxation in respect of prior financial year	**11,622**	(7,876)	**-**	(3,240)
Taxation charge	**65,128**	141,618	**3,020**	2,339

Notes To The Financial Statements
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10 TAXATION (CONTINUED)

Below are the unutilised tax losses, unabsorbed capital allowances, unutilised reinvestment allowances, unutilised investment tax allowances and other deductible temporary differences of the Group which have not been recognised in the financial statements as they are not probable to be used to offset against the taxable profits of the respective subsidiaries of the Group:

	Group	
	2025	**2024**
	RM'000	**RM'000**
Unutilised tax losses	**3,177,325**	3,573,486
Unabsorbed capital allowances	**923,585**	910,164
Unutilised reinvestment allowances	**45,229**	46,284
Unutilised investment tax allowances	**1,632**	1,632
Other deductible temporary differences	**445,069**	433,187

The unutilised tax losses shall be allowed to be carried forward for a maximum period of ten consecutive years of assessment whereas, the unutilised reinvestment allowance is allowed to be carried forward for a maximum period of seven consecutive years of assessment. Any amount which is not utilised at the end of the carry forward period shall be disregarded. The remaining unabsorbed capital allowances and investment tax allowances do not expire under current tax legislation in countries where respective Group entities operate.

The unutilised tax losses, unabsorbed capital allowances, unutilised reinvestment allowances, unutilised investment tax allowances and other deductible temporary differences of the Group are available for offsetting against future taxable profits of the respective companies within the Group as follows:

	Group	
	2025	**2024**
	RM'000	**RM'000**
Utilisation period		
Indefinite	**1,370,286**	1,344,983
Between one to two years	**-**	-
Between three to six years	**1,641,967**	2,105,353
Within seven years	**538,045**	342,639
Within eight years	**339,633**	509,689
Within nine years	**329,572**	339,633
Within ten years	**373,337**	322,456
	4,592,840	4,964,753

11 DIVIDENDS

Dividends paid are as follows:

	Group and Company	
	2025	**2024**
	RM'000	**RM'000**
In respect of the financial year ended 31 December 2024:		
Final dividend of 2.5 sen per share, approved on 28 March 2025, paid on 30 April 2025 (31 December 2023: Final dividend of 2.5 sen per share, approved on 28 May 2024, paid on 27 June 2024)	**48,331**	48,331

Subsequent to the financial year end, on 26 March 2026, the Directors approved a final dividend of 2.5 sen per share amounting to RM48,330,926 in respect of the financial year ended 31 December 2025. The financial statements for the current financial year do not reflect this dividend. Such dividend will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2026.

12 EARNINGS PER SHARE

The Company has no dilution in its earnings per ordinary share as at 31 December 2025 and 31 December 2024.

The basic and diluted earnings per share is calculated by dividing the Group's net profit attributable to Owners of the Company by the number of shares in issue during the financial year.

	Group	
	2025	**2024**
Net profit attributable to Owners of the Company (RM'000)	**397,973**	22,554
Number of ordinary shares in issue ('000)	**1,933,237**	1,933,237
Basic and diluted earnings per share (sen)	**20.59**	1.17

13 PROPERTY, PLANT AND EQUIPMENT

	Note	Freehold land RM'000	Buildings and improvements RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Vessels RM'000	Office equipment, furniture and fittings RM'000	Capital work-in-progress RM'000	Assets under operating lease RM'000	Right-of-use assets RM'000	Total RM'000
GROUP											
At 1 January 2025		**1,004,554**	**1,474,302**	**1,170,900**	**98,213**	**131,210**	**264,718**	**223,111**	**232,420**	**681,029**	**5,280,457**
Acquisition of a subsidiary	48(i)(d)	**-**	**107,252**	**28,720**	**-**	**-**	**197**	**-**	**-**	**3,442**	**139,611**
Additions		**-**	**29,892**	**36,279**	**15,587**	**11,612**	**33,990**	**370,014**	**79,619**	**83,550**	**660,543**
Disposals		**-**	**(63)**	**(406)**	**(2,476)**	**-**	**(543)**	**-**	**-**	**-**	**(3,488)**
Termination		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(10,313)**	**(10,313)**
Lease modification		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**20,916**	**20,916**
Write-off	6	**-**	**(86)**	**(87)**	**(45)**	**-**	**(161)**	**(90)**	**-**	**-**	**(469)**
Depreciation	6	**-**	**(103,139)**	**(294,974)**	**(11,127)**	**(11,016)**	**(99,883)**	**-**	**(45,941)**	**(108,254)**	**(674,334)**
Impairment loss	6	**-**	**(17)**	**(112,547)**	**-**	**(3,015)**	**-**	**-**	**-**	**-**	**(115,579)**
Currency translation differences		**(277)**	**(698)**	**(178)**	**-**	**(11,498)**	**-**	**-**	**-**	**166**	**(12,485)**
Reclassification		**-**	**21,204**	**34,197**	**(5,259)**	**-**	**8,718**	**(64,340)**	**5,480**	**-**	**-**
Transfer from/(to) intangible assets	18	**-**	**27,110**	**166,200**	**688**	**-**	**18,889**	**(128,762)**	**-**	**-**	**84,125**
Transfer to inventories		**-**	**-**	**-**	**(5,824)**	**-**	**-**	**-**	**(5,265)**	**-**	**(11,089)**
Sub-total carried forward		**1,004,277**	**1,555,757**	**1,028,104**	**89,757**	**117,293**	**225,925**	**399,933**	**266,313**	**670,536**	**5,357,895**

13 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Note	Freehold land RM'000	Buildings and improvements RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Vessels RM'000	Office equipment, furniture and fittings RM'000	Capital work-in-progress RM'000	Assets under operating lease RM'000	Right-of-use assets RM'000	Total RM'000
GROUP											
Sub-total brought forward		**1,004,277**	**1,555,757**	**1,028,104**	**89,757**	**117,293**	**225,925**	**399,933**	**266,313**	**670,536**	**5,357,895**
Transfer to investment properties	14	**(108,987)**	**(56,843)**	**-**	**-**	**-**	**-**	**-**	**-**	**(6,657)**	**(172,487)**
Transfer from assets held for sale	30	**-**	**-**	**351**	**-**	**-**	**-**	**-**	**-**	**-**	**351**
Adjustment	(a)	**-**	**54,477**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**54,477**
At 31 December 2025		**895,290**	**1,553,391**	**1,028,455**	**89,757**	**117,293**	**225,925**	**399,933**	**266,313**	**663,879**	**5,240,236**
As at 31 December 2025											
Cost		**930,763**	**4,299,726**	**6,545,129**	**485,729**	**188,095**	**2,204,507**	**405,108**	**392,335**	**1,350,326**	**16,801,718**
Accumulated depreciation		**-**	**(2,625,357)**	**(4,999,098)**	**(389,021)**	**(67,253)**	**(1,944,774)**	**-**	**(126,022)**	**(673,747)**	**(10,825,272)**
Accumulated impairment losses		**(35,473)**	**(120,978)**	**(517,576)**	**(6,951)**	**(3,549)**	**(33,808)**	**(5,175)**	**-**	**(12,700)**	**(736,210)**
Net book value		**895,290**	**1,553,391**	**1,028,455**	**89,757**	**117,293**	**225,925**	**399,933**	**266,313**	**663,879**	**5,240,236**

13 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Note	Freehold land RM'000	Buildings and improvements RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Vessels RM'000	Office equipment, furniture and fittings RM'000	Capital work-in-progress RM'000	Assets under operating lease RM'000	Right-of-use assets RM'000	Total RM'000
GROUP											
At 1 January 2024		977,120	1,532,927	892,787	99,112	141,125	571,233	216,860	143,464	655,968	5,230,596
Additions		75	54,531	42,660	26,129	5,026	39,984	314,071	108,654	103,061	694,191
Disposals		-	(166)	(132)	(4,300)	-	(3,240)	-	-	-	(7,838)
Termination		-	-	-	-	-	-	-	-	(14,794)	(14,794)
Lease modification		-	-	-	-	-	-	-	-	36,347	36,347
Write-off	6	-	(304)	(427)	(69)	-	(147)	(920)	-	-	(1,867)
Depreciation	6	-	(155,876)	(167,864)	(24,353)	(11,332)	(206,690)	-	(29,097)	(114,408)	(709,620)
Reversal of impairment loss/(impairment loss)	6	-	8,683	1,849	(180)	-	(4,957)	(367)	-	-	5,028
Currency translation differences		(412)	-	-	-	(3,609)	-	-	-	(3)	(4,024)
Reclassification		15,477	9,585	343,004	7,722	-	(319,020)	(79,650)	22,882	-	-
Transfer from/(to) intangible assets	18	-	25,288	59,374	484	-	187,555	(226,883)	-	-	45,818
Transfer to inventories		-	-	-	(6,332)	-	-	-	(13,483)	-	(19,815)
Sub-total carried forward		992,260	1,474,668	1,171,251	98,213	131,210	264,718	223,111	232,420	666,171	5,254,022

13 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Note	Freehold land RM'000	Buildings and improvements RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Vessels RM'000	Office equipment, furniture and fittings RM'000	Capital work-in-progress RM'000	Assets under operating lease RM'000	Right-of-use assets RM'000	Total RM'000
GROUP											
Sub-total brought forward		992,260	1,474,668	1,171,251	98,213	131,210	264,718	223,111	232,420	666,171	5,254,022
Transfer from inventories – property development cost	24(b)	12,535	-	-	-	-	-	-	-	-	12,535
Transfer (to)/from investment properties	14	(97)	(5,335)	-	-	-	-	-	-	14,858	9,426
Transfer to assets held for sale	30	(144)	-	(351)	-	-	-	-	-	-	(495)
Adjustment	(a)	-	4,969	-	-	-	-	-	-	-	4,969
At 31 December 2024		1,004,554	1,474,302	1,170,900	98,213	131,210	264,718	223,111	232,420	681,029	5,280,457
As at 31 December 2024											
Cost		1,040,027	4,081,338	6,523,326	544,102	194,608	2,309,881	228,286	343,799	1,309,900	16,575,267
Accumulated depreciation		-	(2,482,527)	(4,946,793)	(438,936)	(62,639)	(2,011,334)	-	(111,379)	(616,171)	(10,669,779)
Accumulated impairment losses		(35,473)	(124,509)	(405,633)	(6,953)	(759)	(33,829)	(5,175)	-	(12,700)	(625,031)
Net book value		1,004,554	1,474,302	1,170,900	98,213	131,210	264,718	223,111	232,420	681,029	5,280,457

Notes To The Financial Statements
– 31 December 2025

13 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Plant and machinery RM'000	Motor vehicles RM'000	Office equipment, furniture and fittings RM'000	Total RM'000
COMPANY				
At 1 January 2025/ 31 December 2025				
Cost	**12,154**	**243**	**329**	**12,726**
Accumulated depreciation	**(12,154)**	**(243)**	**(329)**	**(12,726)**
Net book value	**-**	**-**	**-**	**-**
At 1 January 2024/ 31 December 2024				
Cost	12,154	243	343	12,740
Accumulated depreciation	(12,154)	(243)	(343)	(12,740)
Net book value	-	-	-	-

(a) The adjustment relates to the fair value gain arising from the transfer of property, plant and equipment to investment property of a subsidiary.

(b) During the financial year, borrowing costs amounting to RM7,509,000 (2024: RM7,623,000) were capitalised in respect of the construction of plant and buildings at interest rates ranging from 3.99% to 4.99% (2024: 3.99% to 4.99%) per annum.

(c) During the financial year, the Company wrote off certain fully depreciated property, plant and equipment that were no longer in use.

(d) Certain property, plant and equipment of the Group, with carrying amounts of RM1,304,366,000 (2024: RM1,375,552,000), were charged as security for bank borrowings (Notes 37 and 43).

(e) The details of motor vehicles and plant and machinery acquired under hire purchase, which are included under property, plant and equipment of the Group, are as follows:

	2025 RM'000	2024 RM'000
Additions during the financial year:		
- Motor vehicles	**40,131**	54,592
Net book value at the reporting date:		
- Motor vehicles	**132,617**	123,346
- Plant and machinery	**86**	641
	132,703	123,987

13 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(f) The title deeds for certain landed properties of a subsidiary, with net carrying amounts of RM1,100,000 (2024: RM1,124,000), have yet to be issued in the name of the subsidiary as at the reporting date.

(g) The Government leasehold land and buildings of a postal subsidiary are held under a lease period of 60 years commencing on 1 January 1992. The initial lease period of 30 years expired on 31 December 2021. Both the Government and the postal subsidiary have agreed on the lease rates for the Government leasehold land and buildings for the subsequent 30-year period commencing on 1 January 2022. The lease rates for the Government leasehold land are variable and are subject to the performance of individual post offices located on the Government leasehold land.

(h) As at the reporting date, certain property, plant and equipment and intangible assets were tested for impairment due to the presence of impairment indicators. The recoverable amounts were determined based on the higher of value in use (VIU) or fair value less costs of disposal (FVLCD).

(i) Mobility segment - automotive subsidiary group

During the current financial year, certain vehicle models were tested for impairment following a sales decline due to weaker market demand. Impairment losses of RM112,547,000 and RM236,649,000 were recognised in profit or loss under other expenses, relating to property, plant and equipment and intangible assets, respectively. The recoverable amount of RM354,477,000 was determined based on VIU method.

Key assumptions used in the recoverable amount calculation

The following key assumptions were applied in determining the recoverable amount:

- Revenue growth - The assumptions used to determine future earnings potential are based on product lifecycles, historical sales performance and anticipated future market conditions. The sales volume used in the projections do not assume a significant growth from current levels due to intense competition in the passenger car market, both domestically and overseas.

- Projected gross margins - The projected gross margins reflect the average historical gross margins, adjusted for projected market and economic conditions.

- Discount rate - In measuring the recoverable amounts based on the value in use method, a pre-tax discount rate of 13% (2024: Nil) has been applied. The discount rate is derived from the prevailing independent market rate applicable to the relevant business segment.

Sensitivity to changes in assumptions

An increase of 1.0 percentage point in the discount rate would have decreased the recoverable amounts of the CGU by RM7,188,000.

A decrease of 1.0 percentage point in the sales volume would have decreased the recoverable amounts of the CGU by RM3,545,000.

Notes To The Financial Statements
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13 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(h) (continued)

(ii) Postal segment - postal subsidiary group

Impairment tests were performed as certain CGUs of the postal subsidiary group continued to incur losses during the current financial year.

Postal services and logistics businesses

The carrying amounts of property, plant and equipment of the postal services and logistics businesses with indications of impairment were compared with their recoverable amount based on FVLCD method. No impairment loss was recognised during the current financial year (2024: Nil).

The fair values of property, plant and equipment were estimated using the market comparable approach with unobservable inputs and are categorised within Level 3 of the fair value hierarchy. The significant unobservable inputs used and their sensitivity to fair value are as follows:

Category	Significant unobservable inputs	Sensitivity of the input to fair value
Properties	Market price of property in vicinity compared.	The estimated fair value would increase/ (decrease) if market prices of property were higher/(lower), respectively.
Motor vehicles	Market value of comparable motor vehicles including the model, year of manufacture and specification.	The estimated fair value would increase/ (decrease) if market values of motor vehicles were higher/(lower), respectively.
Vessels	Market value of comparable vessels including the year of manufacture and specification.	The estimated fair value would increase/ (decrease) if market values of vessels were higher/(lower), respectively.

Valuation processes applied by the Group for Level 3 fair value

The fair values of properties and vessels are determined annually by external independent valuers with appropriate recognised professional qualifications and recent experience. Management reviews the valuation results upon receipt of the valuation reports.

The fair values of motor vehicles are based on market value of comparable motor vehicles obtained from various sources, including the Automotive Business Intelligence database and selected trading platforms. Adjustments are made, where necessary, to reflect differences in key attributes such as model, year of manufacture, and specification.

13 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(h) (continued)

(ii) Postal segment - postal subsidiary group (continued)

Aviation business

In the previous financial year, a reversal of impairment loss of RM11,075,000 was recognised in respect of certain plant and machinery.

(i) During the financial year, management reviewed the condition of certain property, plant and equipment, and specific impairment had been made on property, plant and equipment including right-of-use assets which were charged as other expenses in profit or loss, as follows:

	2025 RM'000	**2024 RM'000**
Logistics	**3,015**	-
Aerospace	**-**	367
Postal services	**-**	5,318
Others	**17**	362
	3,032	6,047

(j) Set out below are the net book values of the Group's assets under operating lease and the movements recognised during the financial year:

	Buildings RM'000	**Plant and machinery RM'000**	**Motor vehicles RM'000**	**Total RM'000**
At 1 January 2025	**44,088**	**641**	**187,691**	**232,420**
Additions	**84**	**-**	**79,535**	**79,619**
Depreciation	**(3,181)**	**(379)**	**(42,381)**	**(45,941)**
Reclassification	**-**	**-**	**5,480**	**5,480**
Transfer to inventories	**-**	**(178)**	**(5,087)**	**(5,265)**
At 31 December 2025	**40,991**	**84**	**225,238**	**266,313**
At 1 January 2024	22,535	1,364	119,565	143,464
Additions	-	-	108,654	108,654
Depreciation	(1,329)	(675)	(27,093)	(29,097)
Reclassification	22,882	-	-	22,882
Transfer to inventories	-	(48)	(13,435)	(13,483)
At 31 December 2024	44,088	641	187,691	232,420

13 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(k) Set out below are the net book values of the Group's right-of-use assets and the movements recognised during the financial year:

	Leasehold land		**Plant and machinery**	**Motor vehicles**	**Office equipment**	
	RM'000	**Buildings RM'000**	**RM'000**	**RM'000**	**RM'000**	**Total RM'000**
At 1 January 2025	**416,361**	**239,264**	**10,774**	**14,462**	**168**	**681,029**
Acquisition of a subsidiary	**2,662**	**-**	**-**	**-**	**780**	**3,442**
Additions	**11,773**	**57,555**	**13,689**	**460**	**73**	**83,550**
Lease modification	**36**	**13,393**	**(30)**	**-**	**7,517**	**20,916**
Termination	**-**	**(9,813)**	**(290)**	**-**	**(210)**	**(10,313)**
Depreciation	**(34,337)**	**(61,306)**	**(6,764)**	**(3,170)**	**(2,677)**	**(108,254)**
Currency translation differences	**(17)**	**(8)**	**-**	**-**	**191**	**166**
Transfer from investment properties	**(6,657)**	**-**	**-**	**-**	**-**	**(6,657)**
At 31 December 2025	**389,821**	**239,085**	**17,379**	**11,752**	**5,842**	**663,879**
At 1 January 2024	409,010	235,439	7,956	-	3,563	655,968
Additions	25,025	48,664	10,556	18,816	-	103,061
Lease modification	65	32,509	-	3,764	9	36,347
Termination	(7)	(14,376)	(324)	-	(87)	(14,794)
Depreciation	(36,044)	(63,370)	(7,414)	(4,263)	(3,317)	(114,408)
Currency translation differences	-	(3)	-	-	-	(3)
Reclassification	3,454	401	-	(3,855)	-	-
Transfer from investment properties	14,858	-	-	-	-	14,858
At 31 December 2024	416,361	239,264	10,774	14,462	168	681,029

13 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(I) Material accounting policy information:

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use. Freehold land is not depreciated. Depreciation on capital work-in-progress commences when the assets are ready for their intended use.

The estimated useful lives are as follows:

Buildings	
- situated on government land	Over the remaining license period expiring 31 December 2034
- situated on private land	Over the remaining tenure of 3 - 15 years
- situated on own land	50 years
Building improvements and renovations	2 - 50 years
Plant and machinery	2 - 30 years
Motor vehicles	2 - 10 years
Vessels	9 years
Office equipment, furniture and fittings	2 - 10 years

Included in the property, plant and equipment, the Group recognises right-of-use assets at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the right-of-use assets are determined on the same basis as those of property, plant and equipment as follows:

Leasehold land	2 - 999 years
Buildings	1 - 50 years
Plant and machinery	2 - 10 years
Motor vehicles	2 - 7 years
Office equipment	3 - 6 years

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14 INVESTMENT PROPERTIES

	Note	2025 RM'000	2024 RM'000
At fair value			
Group			
At beginning of the financial year		**467,042**	447,676
Additions		**3**	17,067
Transfer from/(to) property, plant and equipment	13	**172,487**	(9,426)
Changes in fair value	6	**23,838**	13,434
Foreign currency differences		**(876)**	(1,709)
At end of the financial year		**662,494**	467,042
Company			
At beginning/end of the financial year		**126,223**	126,223

(a) The disclosures on income and expenses of investment properties are as below:

	2025 RM'000	2024 RM'000
Group		
Rental income	**25,206**	26,242
Direct operating expenses from investment properties that generated rental income during the financial year	**12,578**	11,454
Direct operating expenses from investment properties that did not generate rental income during the financial year	**1,122**	338
Company		
Rental income	**14,106**	14,121
Direct operating expenses from investment properties that generated rental income during the financial year	**1,752**	1,666

(b) Certain investment properties of the Group and of the Company, with carrying amounts of RM242,647,000 (2024: RM86,421,000) and RM126,223,000 (2024: RM126,223,000), respectively, were charged as security for bank borrowings (Notes 37 and 43).

(c) The title deed for an investment property of a subsidiary, with a net carrying amount of RM3,100,000 (2024: RM3,100,000), is in the process of being registered in its name as of the reporting date.

(d) The fair value measurement of the investment properties is disclosed in Note 55(c)(v).

14 INVESTMENT PROPERTIES (CONTINUED)

(e) Material accounting policy information:

Investment properties are subsequently measured at fair value with any changes therein recognised in profit or loss for the period in which they arise.

15 SUBSIDIARIES

	Note	2025 RM'000	2024 RM'000
Company			
At cost			
Unquoted shares		**9,509,005**	9,473,105
Quoted shares		**605,170**	605,170
		10,114,175	10,078,275
Less: Accumulated impairment losses	(e) & (f)	**(2,563,278)**	(2,812,231)
Sub-total		**7,550,897**	7,266,044
At fair value			
RCCPS		**152,751**	294,233
Redeemable Preference Shares (RPS)		**416,869**	359,053
Sub-total		**569,620**	653,286
Total		**8,120,517**	7,919,330

(a) The details of the subsidiaries are listed in Note 3.

(b) As a condition precedent to the acquisition of 70% equity in Bank Muamalat, Bank Negara Malaysia requires the Company to reduce its investment in Bank Muamalat to 40%. The Company is currently considering various options to address this requirement.

(c) Share of a subsidiary, with a carrying amount of RM42,168,000 (2024: RM42,168,000), have been charged as security for bank borrowings (Notes 37 and 43).

(d) On 24 July 2025, PROTON redeemed 150,000,000 RCCPS, and the redemption was settled in cash amounting to RM150,000,000.

(e) During the financial year, impairment testing was performed on the cost of investment in postal services, education and construction subsidiaries, as these subsidiaries reported continued losses.

Based on the assessment, impairment losses of RM Nil (2024: RM41,325,000), RM25,447,000 (2024: RM29,565,000) and RM3,600,000 (2024: Nil) in respect of the cost of investments in the postal services, education and construction subsidiaries, respectively, were recognised in other expenses in profit or loss.

Notes To The Financial Statements
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15 SUBSIDIARIES (CONTINUED)

(e) (continued)

(i) Postal subsidiary group under Postal segment

During the financial year, the recoverable amount of the postal services subsidiary was determined based on the FVLCD calculation. The recoverable amount was derived based on a share price as at the end of reporting period of 31.00 sen (2024: 25.00 sen) less costs of disposal. As the recoverable amount exceeded the carrying amount of the investment, no impairment loss was recognised for the current financial year.

A decrease of 0.5 percentage point in the share price would have decreased the FVLCD by RM2,614,000 (2024: RM2,108,000).

(ii) Education subsidiary under Services segment

The recoverable amount of the education subsidiary was determined based on the VIU calculation. The cash flow projections were prepared based on recent financial budgets covering a five-year period, together with a terminal value using a terminal growth rate of 1% (2024: 1%). The pre-tax discount rate applied to the cash flow projections was 12.00% (2024: 12.00%) per annum. Based on the assessment, the cost of investment in the education subsidiary amounting to RM25,447,000 (2024: RM29,565,000) was fully impaired, based on the recoverable amount determined using the VIU calculation.

Key assumptions used in the cash flow projections

The key assumptions applied in preparing the cash flow projections are as follows:

- Business analysis - Assumptions relating to student enrolment demand, programme mix, tuition fee structures and expected student attrition rates were used to project revenue streams. These assumptions take into consideration academic cycles and expected intake trends across the subsidiary's education programmes.

- Discount rate - The discount rate was determined based on the weighted average cost of capital and market-based risk factors applicable to the education sector.

- Terminal growth rate - The terminal growth rate is based on long-term industry growth expectations and does not exceed the average long-term growth rate for the education sector.

- Economic projections - Assumptions relating to general economic conditions were applied in estimating future enrolment volumes and operating cost levels.

15 SUBSIDIARIES (CONTINUED)

(e) (continued)

(ii) Education subsidiary under Services segment (continued)

Sensitivity to changes in assumptions - Education subsidiary

i. An increase of 0.5 percentage point in the discount rate would have decreased the VIU by RM5,844,000 (2024: RM8,412,000).

ii. A decrease of 0.5 percentage point in the terminal growth rate would have decreased the VIU by RM3,767,000 (2024: RM5,533,000).

(iii) Construction subsidiary under Properties segment

The recoverable amount of the construction subsidiary of RM182,371,000 (2024: RM208,227,000) was determined based on the VIU calculation. The cash flow projections were prepared based on recent financial budgets covering a five-year period and applying a terminal value multiple using a terminal growth rate of 0%. The pre-tax discount rate applied to the cash flow projections was 11.65% per annum.

Key assumptions used in the cash flow projections

The key assumptions applied in preparing the cash flow projections are as follows:

- Business analysis - Assumptions relating to contracted construction works, scheduled concession maintenance revenue, and projected sales from the mixed development project were applied. These assumptions are based on gross development value, sales phasing and expected construction timelines.

- Discount rate - The discount rate was determined based on the weighted average cost of capital and market-based risk factors applicable to construction, concession and property development activities.

- Terminal growth rate - The terminal growth rate is based on long-term industry growth expectations and does not exceed the average long-term growth rate for the construction and property sectors.

- Economic projections - Macroeconomic assumptions including gross domestic product growth, inflation, construction cost escalation and market demand outlook, were incorporated in estimating future cash flows, with reference to external industry and economic forecasts.

Sensitivity to changes in assumptions - Construction subsidiary

An increase of 0.5 percentage point in the discount rate would have decreased the VIU by RM2,795,000.

Based on the assessment, an impairment loss of RM3,600,000 in respect of the cost of investment in the construction subsidiary was recognised in other expenses in profit or loss.

Notes To The Financial Statements
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15 SUBSIDIARIES (CONTINUED)

(f) Automotive subsidiary under Mobility segment

In previous financial years, the Company's investment in an automotive subsidiary was impaired due to continued losses reported. In recent years, the automotive subsidiary has shown improvement in financial performance arising from various initiatives implemented, including the introduction of new models, cost-cutting measures, improvements in after-sales services and continuous quality improvement, with active support from its shareholders.

During the financial year, the Company assessed the recoverable amount of the automotive subsidiary, which resulted in a reversal of impairment loss amounting to RM278,000,000 (2024: RM255,000,000). The recoverable amount of RM1,938,000,000 (2024: RM1,660,000,000) was determined based on the VIU calculation.

The cash flow projections were prepared based on recent financial budgets covering a five-year period, together with a terminal value using a terminal growth rate of 1.00% (2024: 1.00%). The pre-tax discount rate applied to the cash flow projections was 13.00% (2024: 13.00%) per annum.

Key assumptions used in the cash flow projections

The key assumptions applied in preparing the cash flow projections are as follows:

- Business analysis - Assumptions relating to market demand for vehicles were used to project sales volumes and product mix, taking into consideration the projected lifecycle of the vehicle models.

- Discount rate - The discount rate was applied to domestic and export sales based on prevailing independent market rates applicable to the business segment.

- Terminal growth rate - The terminal growth rate is based on published industry research and does not exceed the long-term average growth rate of the relevant industries.

- Economic projections - Assumptions relating to general economic conditions were applied in estimating industry sales volume. Other macroeconomic assumptions, including material prices, inflation rates, interest rates and foreign currency exchange rates, were also considered.

Sensitivity to changes in assumptions - Automotive subsidiary

i. An increase of 0.5 percentage point in the discount rate would have decreased the VIU by RM89,422,000 (2024: RM106,297,000).

ii. A decrease of 0.5 percentage point in the terminal growth rate would have decreased the VIU by RM57,193,000 (2024: RM72,729,000).

15 SUBSIDIARIES (CONTINUED)

(g) The Group's subsidiaries with material non-controlling interests (NCI), based on effective equity interest, are as follows:

	2025	2024
PROTON	**49.90%**	49.90%
Pos Malaysia	**46.50%**	46.50%
Bank Muamalat	**30.00%**	30.00%

	PROTON	Pos Malaysia	Bank Muamalat	Others	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
2025					
Carrying value of NCI	**348,385**	**(17,294)**	**1,014,885**	**96,404**	**1,442,380**
Net profit/(loss) for the financial year attributable to NCI	**193,057**	**(95,547)**	**48,941**	**7,206**	**153,657**
Total comprehensive income/(loss) for the financial year attributable to NCI	**193,068**	**(95,772)**	**62,425**	**7,206**	**166,927**
2024					
Carrying value of NCI	173,358	78,478	959,109	99,099	1,310,044
Net profit/(loss) for the financial year attributable to NCI	112,373	(89,099)	24,256	(1,539)	45,991
Total comprehensive income/(loss) for the financial year attributable to NCI	112,409	(89,242)	25,119	(1,539)	46,747

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15 SUBSIDIARIES (CONTINUED)

(h) The summarised financial information (before inter-company eliminations) of these subsidiaries with material NCI, not adjusted for the Group's ownership interests, is as follows:

	PROTON	Pos Malaysia	Bank Muamalat
	RM'000	RM'000	RM'000
2025			
Non-current assets	**4,602,108**	**1,037,532**	**36,407,404**
Current assets	**3,690,797**	**910,405**	**9,299,901**
Non-current liabilities	**(1,839,851)**	**(99,905)**	**(2,460,827)**
Current liabilities	**(2,867,107)**	**(1,758,786)**	**(39,560,675)**
Net assets	**3,585,947**	**89,246**	**3,685,803**
Financial year ended 31 December 2025			
Revenue	**10,120,255**	**1,839,201**	**2,229,180**
Net profit/(loss) for the financial year	**385,771**	**(207,915)**	**164,139**
Total comprehensive income/(loss) for the financial year	**385,792**	**(208,398)**	**209,084**
Cash inflow/(outflow) from operating activities	**1,781,931**	**(44,712)**	**1,047,420**
Cash outflow from investing activities	**(262,601)**	**(67,947)**	**(169,178)**
Cash (outflow)/inflow from financing activities	**(223,376)**	**124,389**	**(406,649)**
Net increase in cash and cash equivalents	**1,295,954**	**11,730**	**471,593**
2024			
Non-current assets	4,929,965	1,098,975	32,685,090
Current assets	2,910,879	905,157	10,976,769
Non-current liabilities	(1,998,037)	(248,344)	(2,509,356)
Current liabilities	(2,455,535)	(1,458,144)	(37,653,564)
Net assets	3,387,272	297,644	3,498,939

15 SUBSIDIARIES (CONTINUED)

(h) The summarised financial information (before inter-company eliminations) of these subsidiaries with material NCI, not adjusted for the Group's ownership interests, is as follows: (continued)

	PROTON	Pos Malaysia	Bank Muamalat
	RM'000	RM'000	RM'000
Financial year ended 31 December 2024			
Revenue	9,316,243	1,852,991	2,140,474
Net profit/(loss) for the financial year	218,147	(201,552)	86,141
Total comprehensive income/(loss) for the financial year	218,220	(201,860)	84,785
Cash inflow/(outflow) from operating activities	1,532,194	(1,435)	(35,306)
Cash outflow from investing activities	(1,169,291)	(42,571)	(792,903)
Cash (outflow)/inflow from financing activities	(609,702)	(1,427)	407,784
Net decrease in cash and cash equivalents	(246,799)	(45,433)	(420,425)

(i) Material accounting policy information:

The Group elects to measure the non-controlling interests in the acquiree at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

In the Company's separate financial statements, investments in subsidiaries, except for RCCPS and RPS, are measured at cost less any impairment losses. The Company has elected to classify the RCCPS and RPS as financial assets at fair value through other comprehensive income. Accordingly, any change in their respective fair value will be recognised through other comprehensive income to reserve. The fair value measurement of the RCCPS and RPS are disclosed in Note 55(c).

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16 JOINT VENTURES

	2025 RM'000	2024 RM'000
Group		
Share of net assets	**594,920**	562,024
Company		
Unquoted shares, at cost	**103,444**	103,444

(a) The details of the joint ventures, all of which are unquoted, are listed in Note 3.

(b) None of the Group's joint ventures is material, individually or in aggregate, to the financial position, financial performance and cash flows of the Group.

(c) The summarised financial information of the joint ventures, not adjusted for the Group's proportion of ownership interests, is as follows:

	2025 RM'000	2024 RM'000
Non-current assets	**5,513,324**	5,022,121
Current assets	**3,036,592**	2,977,055
Non-current liabilities	**(5,022,224)**	(4,547,698)
Current liabilities	**(2,345,882)**	(2,331,535)
Net assets	**1,181,810**	1,119,943
Revenue	**4,937,622**	4,691,820
Expenses	**(4,636,858)**	(4,428,098)
Profit before taxation	**300,764**	263,722
Taxation	**(70,932)**	(64,025)
Net profit	**229,832**	199,697
Other comprehensive loss	**(1,555)**	(1,065)
Total comprehensive income	**228,277**	198,632

16 JOINT VENTURES (CONTINUED)

(d) The summarised financial information based on the Group's interest in joint ventures for the financial year is as follows:

	2025 RM'000	2024 RM'000
Non-current assets	**2,774,207**	2,532,883
Current assets	**1,503,082**	1,479,309
Non-current liabilities	**(2,512,366)**	(2,280,684)
Current liabilities	**(1,170,003)**	(1,169,484)
Net assets	**594,920**	562,024
Net profit	**115,745**	97,777
Other comprehensive loss	**(700)**	(511)
Total comprehensive income	**115,045**	97,266
Cash dividends received by the Group	**66,678**	160,247

(e) Capital commitments for property, plant and equipment

	2025 RM'000	2024 RM'000
- Contracted for	**1,095**	1,394
- Not contracted for	**16,403**	22,125
	17,498	23,519

(f) There is no material contingency relating to joint ventures.

(g) Material accounting policy information:

In the Company's separate financial statements, investments in joint ventures are measured at cost less any impairment losses.

17 ASSOCIATES

	2025 RM'000	2024 RM'000
Group		
Share of net assets	**938,854**	1,015,820
Company		
Unquoted shares, at cost	**57,803**	57,803
Less: Accumulated impairment losses	**(3)**	(3)
	57,800	57,800

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17 ASSOCIATES (CONTINUED)

(a) The details of the associates, all of which are unquoted, are listed in Note 3.

(b) The Group's material associate, based on effective equity interest, is as follows:

Effective equity interest held by the Group	2025	2024
Honda Malaysia Sdn. Bhd. ("Honda Malaysia")	**34.00%**	34.00%

(c) The summarised financial information of the associates, not adjusted for the Group's proportion of ownership interests, is as follows:

	Honda Malaysia RM'000	Others RM'000	Total RM'000
2025			
Non-current assets	**783,870**	**813,134**	**1,597,004**
Current assets	**2,857,183**	**919,093**	**3,776,276**
Non-current liabilities	**(278,094)**	**(457,971)**	**(736,065)**
Current liabilities	**(1,535,881)**	**(624,866)**	**(2,160,747)**
Net assets	**1,827,078**	**649,390**	**2,476,468**
Financial year ended 31 December 2025			
Revenue	**7,532,702**	**1,160,786**	**8,693,488**
Expenses	**(7,143,426)**	**(973,238)**	**(8,116,664)**
Profit before taxation	**389,276**	**187,548**	**576,824**
Taxation	**(124,784)**	**(40,214)**	**(164,998)**
Net profit representing total comprehensive income	**264,492**	**147,334**	**411,826**
2024			
Non-current assets	827,569	576,761	1,404,330
Current assets	2,903,653	803,459	3,707,112
Non-current liabilities	(259,222)	(238,496)	(497,718)
Current liabilities	(1,491,414)	(649,538)	(2,140,952)
Net assets	1,980,586	492,186	2,472,772

17 ASSOCIATES (CONTINUED)

(c) The summarised financial information of the associates, not adjusted for the Group's proportion of ownership interests, is as follows: (continued)

	Honda Malaysia	Others	Total
	RM'000	RM'000	RM'000
Financial year ended 31 December 2024			
Revenue	8,936,772	974,456	9,911,228
Expenses	(8,426,167)	(770,211)	(9,196,378)
Profit before taxation	510,605	204,245	714,850
Taxation	(158,944)	(32,903)	(191,847)
Net profit representing total comprehensive income	351,661	171,342	523,003

(d) The summarised financial information based on the Group's interest in associates for the financial year is as follows:

	Honda Malaysia	Others	Total
	RM'000	RM'000	RM'000
2025			
Group's share of net assets represents carrying value of Group's interest in associates	**621,206**	**317,648**	**938,854**
Financial year ended 31 December 2025			
Group's share of net profit representing total comprehensive income	**89,927**	**52,055**	**141,982**
Cash dividends received by the Group	**142,120**	**67,491**	**209,611**

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17 ASSOCIATES (CONTINUED)

(d) The summarised financial information based on the Group's interest in associates for the financial year is as follows: (continued)

	Honda Malaysia	Others	Total
	RM'000	RM'000	RM'000
2024			
Group's share of net assets represents carrying value of Group's interest in associates	673,399	342,421	1,015,820
Financial year ended 31 December 2024			
Group's share of net profit representing total comprehensive income	119,565	39,457	159,022
Cash dividends received by the Group	123,420	39,710	163,130

(e) Capital commitments for property, plant and equipment

	2025	2024
	RM'000	RM'000
- Contracted for	**7,046**	1,203
- Not contracted for	**3,065**	15,688
	10,111	16,891

(f) There is no material contingency relating to associates.

(g) The accumulated share of losses that have not been recognised by the Group amounted to RM11,805,000 (2024: RM11,803,000). The Group has no obligation in respect of these losses.

(h) Material accounting policy information:

In the Company's separate financial statements, investments in associates are measured at cost less any impairment losses.

18 INTANGIBLE ASSETS

	Note	Goodwill RM'000	Computer software RM'000	Product development expenditure RM'000	Capitalised development cost in-progress RM'000	Total RM'000
Group						
At 1 January 2025		**78,379**	**163,130**	**1,152,528**	**231,992**	**1,626,029**
Additions		**-**	**7,209**	**492**	**476,246**	**483,947**
Amortisation	6	**-**	**(61,377)**	**(504,762)**	**-**	**(566,139)**
Write-off	6	**-**	**(265)**	**-**	**-**	**(265)**
Impairment loss	6	**-**	**-**	**(236,649)**	**-**	**(236,649)**
Transfer from/(to) property, plant and equipment	13	**-**	**87,475**	**293,706**	**(465,306)**	**(84,125)**
At 31 December 2025		**78,379**	**196,172**	**705,315**	**242,932**	**1,222,798**
Cost		**697,610**	**832,039**	**3,939,757**	**429,741**	**5,899,147**
Accumulated amortisation		**-**	**(635,775)**	**(2,918,110)**	**-**	**(3,553,885)**
Accumulated impairment losses		**(619,231)**	**(92)**	**(316,332)**	**(186,809)**	**(1,122,464)**
Net book value		**78,379**	**196,172**	**705,315**	**242,932**	**1,222,798**

18 INTANGIBLE ASSETS (CONTINUED)

	Note	Goodwill RM'000	Computer software RM'000	Product development expenditure RM'000	Capitalised development cost in-progress RM'000	Total RM'000
Group						
At 1 January 2024		76,802	136,174	1,412,988	333,961	1,959,925
Acquisition of a subsidiary	48(iii)(f)	1,577	-	-	-	1,577
Additions		-	17,138	462	178,251	195,851
Disposal		-	(73)	-	-	(73)
Amortisation	6	-	(52,126)	(428,802)	-	(480,928)
Write-off	6	-	-	(4,501)	(4)	(4,505)
Reclassification		-	35,800	647	(36,447)	-
Transfer from/(to) property, plant and equipment	13	-	26,217	171,734	(243,769)	(45,818)
At 31 December 2024		78,379	163,130	1,152,528	231,992	1,626,029
Cost		697,610	744,811	3,647,084	418,801	5,736,174
Accumulated amortisation		-	(581,589)	(2,414,873)	-	(3,051,533)
Accumulated impairment losses		(619,231)	(92)	(79,683)	(186,809)	(1,058,612)
Net book value		78,379	163,130	1,152,528	231,992	1,626,029

18 INTANGIBLE ASSETS (CONTINUED)

(a) For the purpose of annual impairment testing of goodwill, the carrying amount has been allocated to five (2024: five) CGUs of the Group, identified based on the respective businesses, as follows:

	2025 RM'000	2024 RM'000
Construction and leasing	**48,132**	48,132
Aviation	**16,648**	16,648
Banking	**10,050**	10,050
Leasing of motor vehicles	**1,972**	1,972
Security services	**1,577**	1,577
	78,379	78,379

The recoverable amounts were determined based on the higher of VIU or FVLCD calculation. During the financial year, management carried out an impairment assessment and no impairment loss of goodwill was recognised in profit or loss.

(b) During the financial year, the CGU relating to product development expenditure of an automotive subsidiary group was tested for impairment, as disclosed in Note 13(h)(i).

(c) Material accounting policy information:

Intangible assets, other than goodwill, that are separately identifiable and acquired by the Group, which have finite useful lives, are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is recognised in cost of sales or administrative expenses on a straight-line basis over the estimated useful lives of each component of intangible assets from the date that they are available for use. The capitalised development cost in-progress is not amortised until the completion of the development project and commencement of commercial production.

The estimated useful lives are as follows:

Computer software costs	2 - 10 years
Capitalised product development expenditure - vehicles	5 - 10 years
Capitalised product development expenditure - mechanical parts	10 years

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19 DEFERRED TAXATION

	Note	2025 RM'000	2024 RM'000
Group			
At beginning of the financial year		**131,485**	107,795
Acquisition of a subsidiary	48(i)(d)	**3,350**	-
Foreign currency differences		**(16)**	116
Credited/(charged) to profit or loss	10		
- Capital allowance		**(243,382)**	72,645
- Financing of customers		**5,439**	1,719
- Future taxable profits		**(7,672)**	5,115
- Intangible assets		**68,067**	107,449
- Inventories		**2,567**	-
- Investment properties		**(2,874)**	(2,494)
- Investment tax allowance		**(28,180)**	1,022
- Other temporary differences		**24,261**	3,382
- Property, plant and equipment		**(38,557)**	(114,436)
- Provisions		**195,220**	(56,790)
- Receivables		**(2,937)**	4,204
- Tax losses		**115,741**	1,834
		87,693	23,650
Charged to other comprehensive income	10		
- Fair value changes of investment securities: financial assets at FVOCI		**(15,047)**	(76)
At end of the financial year		**207,465**	131,485
Subject to income tax			
Deferred tax assets (before offsetting)			
Capital allowances		**100,779**	344,161
Financing of customers		**29,781**	24,342
Inventories		**4,389**	1,822
Investment securities		**-**	5,362
Investment tax allowance		**25,013**	53,193
Other temporary differences		**36,623**	12,362
Property, plant and equipment		**39,312**	32,431
Provisions		**419,041**	220,487
Receivables		**754**	705
Tax losses		**150,975**	35,234
		806,667	730,099
Offsetting		**(345,311)**	(366,921)
Deferred tax assets (after offsetting)		**461,356**	363,178

19 DEFERRED TAXATION (CONTINUED)

	Note	2025 RM'000	2024 RM'000
Group			
Subject to income tax			
Deferred tax liabilities (before offsetting)			
Future taxable profits		**(196,457)**	(188,785)
Intangible assets		**(74,683)**	(142,750)
Investment properties		**(27,139)**	(24,265)
Investment securities		**(9,685)**	-
Property, plant and equipment		**(288,146)**	(242,708)
Receivables		**(3,092)**	(106)
		(599,202)	(598,614)
Offsetting		**345,311**	366,921
Deferred tax liabilities (after offsetting)		**(253,891)**	(231,693)
Presented after appropriate offsetting as follows:			
Deferred tax assets		**461,356**	363,178
Deferred tax liabilities		**(253,891)**	(231,693)
		207,465	131,485
Company			
At beginning of the financial year		**(12,079)**	(13,905)
Credited/(charged) to profit or loss	10		
- Investment properties		**(1,413)**	(1,414)
- Receivables		**-**	3,240
		(1,413)	1,826
At end of the financial year		**(13,492)**	(12,079)
Subject to income tax			
Deferred tax liabilities			
- Investment properties		**(13,492)**	(12,079)

Material accounting policy information

Where investment properties are carried at fair value, the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying values at the reporting date. In all other cases, the amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the asset and liabilities, using tax rate enacted at the reporting date.

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20 INVESTMENT SECURITIES

(a) Investment securities: financial assets at FVTPL

	2025 RM'000	2024 RM'000
Group		
Banking – held by a banking subsidiary		
Unquoted Securities		
Private equity funds	**10,195**	75,187
Malaysian Government Investment Certificate	**50,576**	-
Unit trusts	**21,597**	7,188
Islamic Private Debt Securities	**-**	7,700
Total (Current)	**82,368**	90,075
Non-banking – held by other subsidiary		
Fund investment	**29,385**	5,698
Unquoted shares in Malaysia	**6,379**	6,379
	35,764	12,077
Non-current	**6,379**	6,379
Current	**29,385**	5,698
	35,764	12,077

(b) Investment securities: financial assets at FVOCI

	2025 RM'000	2024 RM'000
Group		
Banking – held by a banking subsidiary		
Debt instruments		
Malaysian Government Investment Certificate	**5,290,606**	3,932,518
Quoted Securities		
Shares in Malaysia	**84,863**	136,877
Unquoted Securities		
Islamic Private Debt Securities	**1,753,436**	2,671,595
Cagamas sukuk	**764,164**	749,164
Shares in Malaysia	**4,631**	4,631
Total	**7,897,700**	7,494,785

20 INVESTMENT SECURITIES (CONTINUED)

(b) Investment securities: financial assets at FVOCI (continued)

	2025 RM'000	2024 RM'000
Group		
Banking – held by a banking subsidiary (continued)		
Non-current	**6,348,706**	6,524,060
Current	**1,548,994**	970,725
	7,897,700	7,494,785
Non-banking – held by other subsidiaries		
Unquoted Securities		
Shares in Malaysia	**56,928**	55,758
Shares outside Malaysia	**21,582**	19,828
Total (Non-current)	**78,510**	75,586

(c) The currency exposure profile of investment securities is as follows:

	2025 RM'000	2024 RM'000
Group		
- Ringgit Malaysia	**8,006,113**	7,522,218
- US Dollar	**88,229**	150,305
Total	**8,094,342**	7,672,523

(d) Material accounting policy information:

The Group has opted for the irrevocable election at initial recognition for particular investment in equity instruments that would be measured at FVOCI with no recycling of cumulative gains or losses that had been recognised in other comprehensive income to profit or loss upon disposal. Upon option for the irrevocable election has been made at initial application, the Group shall apply for the accounting treatment consistently. This election is made on investment-by-investment basis.

Government financing scheme and government financing facility held by a banking subsidiary

Financing under a government scheme is recognised and measured in accordance with MFRS 9 *Financial Instruments*, with the benefit at a below market and concession rate measured as the difference between the initial carrying amount or fair value of the financing and the amount received. The Government financing facility is measured in accordance with the amount received.

The benefit of a financing or a facility under a government scheme that addresses identified costs or expenses incurred by the banking subsidiary is recognised in the

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20 INVESTMENT SECURITIES (CONTINUED)

(d) Material accounting policy information: (continued)

Government financing scheme and government financing facility held by a banking subsidiary (continued)

profit or loss in the same financial period when the costs or expenses are recognised, and when the required conditions are fulfilled in accordance with MFRS 120 *Accounting for Government Grants and Disclosure of Government Assistance*.

21 OTHER ASSETS

	2025 RM'000	2024 RM'000
Group		
Golf memberships, at cost less accumulated impairment	**2,617**	2,618

22 BANKING-RELATED ASSETS - FINANCING OF CUSTOMERS

	2025 RM'000	2024 RM'000
Group		
Cash line	**838,055**	639,324
Term financing		
- Home financing	**12,745,841**	12,004,205
- Hire purchase receivables	**3,158,741**	2,253,200
- Syndicated financing	**442,048**	482,076
- Personal financing	**7,989,549**	8,409,232
- Other term financing	**3,743,265**	4,183,094
Revolving financing	**1,944,123**	1,948,330
Claims on customers under acceptance credits	**1,468,705**	1,223,469
Staff financing	**167,127**	137,887
Trust receipts	**31,365**	51,468
Ar-Rahnu	**969,964**	551,566
Credit card	**185,159**	105,248
Fair value changes arising from fair value hedge	**7,763**	10,868
	33,691,705	31,999,967
Less: Allowance for impaired financing:		
- Stage 1 - 12-month expected credit losses (ECL)	**(107,889)**	(119,844)
- Stage 2 - Lifetime ECL not credit impaired	**(82,292)**	(37,239)
- Stage 3 - Lifetime ECL credit impaired	**(154,658)**	(98,189)
Total net financing	**33,346,866**	31,744,695

22 BANKING-RELATED ASSETS - FINANCING OF CUSTOMERS (CONTINUED)

	2025 RM'000	2024 RM'000
Group		
Non-current	**29,363,919**	25,151,758
Current	**3,982,947**	6,592,937
	33,346,866	31,744,695

(a) Included in total net financing is financing at fair value through profit or loss amounting to RM288,554,000 (2024: RM337,972,000), which mainly comprises a financing facility established by Bank Negara Malaysia to provide relief and support recovery for the recovery of small and medium enterprises ("SMEs") in the services sector affected by the containment measures since June 2020.

(b) The currency exposure profile of financing of customers is as follows:

	2025 RM'000	2024 RM'000
Group		
- Ringgit Malaysia	**33,344,489**	31,726,667
- US Dollar	**2,377**	18,028
Total	**33,346,866**	31,744,695

(c) The table below shows the credit quality for financing of customers exposed to credit risk, based on the banking subsidiary's internal credit ratings:

	2025 RM'000	2024 RM'000
Neither past due nor impaired		
- Good	**30,837,127**	29,899,833
- Satisfactory	**1,435,288**	1,015,314
1 to 60 days past due not impaired	**907,669**	736,847
61 to 90 days past due not impaired	**24,330**	6,794
Past due not impaired	**931,999**	743,641
Impaired	**487,291**	341,179
Sub-total	**33,691,705**	31,999,967
Allowance for impaired financing	**(344,839)**	(255,272)
	33,346,866	31,744,695

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22 BANKING-RELATED ASSETS - FINANCING OF CUSTOMERS (CONTINUED)

(c) (continued)

Financing of customers that are neither past due nor impaired

Financing of customers which are neither past due nor impaired are identified into two grades. Good grade refers to financing of customers which are neither past due nor impaired in the last six months and have never undergone any rescheduling or restructuring exercise previously. Satisfactory grade refers to financing of customers which may have been past due but not impaired or impaired during the last six months or have undergone a rescheduling or restructuring exercise previously.

Financing of customers that are past due but not impaired

Financing of customers which are past due but not impaired refers to customers who have failed to make principal or profit payment or both after the contractual due date for more than one day but less than three months.

Financing of customers that are impaired

Financing of customers which are impaired refers to customers that have failed to make principal or profit payment or both after the contractual due date for more than three months. These balances will be assessed under Stage 3 - Lifetime ECL credit impairment of the ECL model.

(d) The movements of the allowance for impaired financing during the financial year are as follows:

	Stage 1 - 12-month ECL	Stage 2 - Lifetime ECL not credit impaired	Stage 3 - Lifetime ECL credit impaired	Total
	RM'000	RM'000	RM'000	RM'000
Group				
At 1 January 2025	**119,844**	**37,239**	**98,189**	**255,272**
Transferred to Stage 1	**25,240**	**(11,402)**	**(13,838)**	**-**
Transferred to Stage 2	**(12,586)**	**22,012**	**(9,426)**	**-**
Transferred to Stage 3	**(30,596)**	**(5,532)**	**36,128**	**-**
Changes in credit risk	**(33,929)**	**41,188**	**137,596**	**144,855**
New financing originated	**55,079**	**-**	**-**	**55,079**
Financing derecognised	**(15,163)**	**(1,213)**	**(3,502)**	**(19,878)**
Written off	**-**	**-**	**(90,489)**	**(90,489)**
At 31 December 2025	**107,889**	**82,292**	**154,658**	**344,839**

22 BANKING-RELATED ASSETS - FINANCING OF CUSTOMERS (CONTINUED)

(d) The movements of the allowance for impaired financing during the financial year are as follows: (continued)

	Stage 1 - 12-month ECL	Stage 2 - Lifetime ECL not credit impaired	Stage 3 - Lifetime ECL credit impaired	Total
	RM'000	RM'000	RM'000	RM'000
Group				
At 1 January 2024	120,238	23,258	79,024	222,520
Transferred to Stage 1	14,360	(5,978)	(8,382)	-
Transferred to Stage 2	(10,476)	21,390	(10,914)	-
Transferred to Stage 3	(14,601)	(2,751)	17,352	-
Changes in credit risk	(33,953)	1,896	184,380	152,323
New financing originated	60,777	-	-	60,777
Financing derecognised	(16,501)	(576)	(1,916)	(18,993)
Written off	-	-	(161,355)	(161,355)
At 31 December 2024	119,844	37,239	98,189	255,272

(e) Collateral and other credit enhancements

The amount and type of collateral required depends on assessment of credit risk of the counterparty. Guidelines are implemented regarding the acceptability of types of collateral and valuation parameters. The collateral obtained by the banking subsidiary are charges over properties and vehicles under financing, pledges over investment securities and charges over the business assets.

The financial effect of collateral (i.e., quantification of the extent to which collateral and other credit enhancements mitigate credit risk) held for financing of customers for the banking subsidiary is at 51.08% as at the reporting date (2024: 51.24%).

As at the reporting date, the fair value of collateral that the banking subsidiary holds relating to financing of customers individually determined to be impaired amounted to RM76,965,000 (2024: RM83,639,000). The collateral consists of cash, securities, letters of guarantee and properties.

(f) Repossessed collateral

It is the banking subsidiary's policy that dictates disposal of repossessed collateral to be carried out in an orderly manner. The proceeds are used to reduce or pay the outstanding balance of financing. Collateral repossessed is subject to disposal as soon as it is practicable to do so. At the reporting date, the banking subsidiary does not occupy repossessed properties for its own business use.

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23 BANKING-RELATED ASSETS - STATUTORY DEPOSIT WITH BANK NEGARA MALAYSIA

The statutory deposit is maintained with Bank Negara Malaysia in compliance with Section 26(2)(c) and Section 26(3) of the Central Bank of Malaysia Act 2009, the amount of which is determined at set percentages of total eligible liabilities.

24 INVENTORIES

	Note	2025 RM'000	2024 RM'000
Group			
Raw materials		**1,021,504**	815,670
Work-in-progress		**283,806**	127,178
Finished goods		**624,323**	566,892
Goods-in-transit		**198,263**	174,297
Parts and accessories		**181,482**	212,646
Land held for property development	(a)	**2,214,011**	2,091,400
Property development costs	(b)	**65,194**	107,940
Completed units of unsold properties/land		**45,741**	21,633
		4,634,324	4,117,656
Non-current		**2,214,011**	2,091,400
Current		**2,420,313**	2,026,256
		4,634,324	4,117,656

(a) Land held for property development

At beginning of the financial year			
Land		**2,035,237**	2,038,234
Development costs		**56,163**	73,521
		2,091,400	2,111,755
Add: Costs incurred during the financial year			
- Land		**111,890**	3,793
- Development costs		**5,736**	3,355
		117,626	7,148
Transfer from/(to) property development costs			
- Land		**-**	(4,759)
- Development costs		**4,985**	(20,713)
	(b)	**4,985**	(25,472)
Write-down during the financial year			
- Land		**-**	(2,031)
At end of the financial year		**2,214,011**	2,091,400

24 INVENTORIES (CONTINUED)

	Note	2025 RM'000	2024 RM'000
(a) Land held for property development (continued)			
At end of the financial year			
Land		**2,147,127**	2,035,237
Development costs		**66,884**	56,163
		2,214,011	2,091,400

(i) During the financial year, a subsidiary received land titles for three parcels of exchange land amounting to RM111,890,000 from the Government of Malaysia as consideration for the construction of infrastructure and a broadcast system under the Concession Agreement.

(ii) Certain land held for property development of the Group, with carrying amounts of RM822,374,000 (2024: RM867,466,000), was charged as security for bank borrowings (Notes 37 and 43).

	Note	2025 RM'000	2024 RM'000
(b) Property development costs			
At beginning of the financial year			
Land		**37,740**	332,553
Development costs		**211,484**	386,805
Accumulated costs charged to profit or loss		**(141,284)**	(650,317)
		107,940	69,041
Less: Completed developments in previous years			
- Land		**(14,202)**	(298,093)
- Development costs		**(18,046)**	(265,080)
- Accumulated costs charged to profit or loss		**32,248**	563,173
		-	-
Add: Costs incurred during the financial year			
- Land		**212**	-
- Development costs		**63,250**	82,410
		63,462	82,410
Transfer to inventories			
- Land		**(7,535)**	(62)
- Development costs		**(53,967)**	(2,246)
		(61,502)	(2,308)

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24 INVENTORIES (CONTINUED)

		Note	2025 RM'000	2024 RM'000
(b)	Property development costs (continued)			
	Transfer (to)/from land held for property development			
	- Land		**-**	4,759
	- Development costs		**(4,985)**	20,713
		(a)	**(4,985)**	25,472
	Transfer to property, plant and equipment			
	- Land		**-**	(1,417)
	- Development costs		**-**	(11,118)
		13	**-**	(12,535)
	Less: Costs recognised as expense in profit or loss during the financial year		**(39,721)**	(54,140)
	At end of the financial year		**65,194**	107,940
	At end of the financial year			
	Land		**16,215**	37,740
	Development costs		**197,736**	211,484
	Accumulated costs charged to profit or loss		**(148,757)**	(141,284)
			65,194	107,940

(c) Material accounting policy information:

Inventories are stated at the lower of cost and net realisable value. The cost of inventories is principally determined on a first-in first-out or weighted average basis depending on the nature of inventories.

25 TRADE AND OTHER RECEIVABLES

		Group		Company	
	Note	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Non-current					
Trade receivables	(b)	**300**	19,101	**-**	-
Other receivables	(c)	**18,057**	35,880	**651,197**	609,935
Lease receivables		**1,087**	-	**-**	-
Contract assets	(e)	**1,374,802**	1,508,808	**-**	-
		1,394,246	1,563,789	**651,197**	609,935

25 TRADE AND OTHER RECEIVABLES (CONTINUED)

	Note	Group 2025 RM'000	Group 2024 RM'000	Company 2025 RM'000	Company 2024 RM'000
Current					
Trade receivables	(b)	**2,348,840**	1,838,284	**-**	-
Other receivables	(c)	**384,467**	321,089	**725,502**	401,761
Lease receivables		**1,158**	-	**-**	-
Contract assets	(e)	**177,022**	175,480	**-**	-
Contract cost assets	(f)	**-**	258	**-**	-
		2,911,487	2,335,111	**725,502**	401,761
Total		**4,305,733**	3,898,900	**1,376,699**	1,011,696

(a) Certain receivables of the Group have been charged as security for bank borrowings (Notes 37 and 43).

(b) Trade receivables of the Group are analysed as follows:

	2025 Non-current RM'000	2025 Current RM'000	2024 Non-current RM'000	2024 Current RM'000
Group				
Third parties	**-**	**1,867,728**	-	1,399,347
Amount due from:				
- joint ventures	**-**	**104,417**	-	115,421
- associates	**-**	**31,909**	-	32,169
- related parties	**-**	**51,760**	18,971	27,256
Warranty receivables	**-**	**192,637**	-	171,694
Accrued receivables	**-**	**21,129**	-	10,783
Deposits	**-**	**53,210**	-	59,484
Prepayments	**300**	**25,519**	130	21,059
Others	**-**	**531**	-	1,071
	300	**2,348,840**	19,101	1,838,284

(i) Trade receivables of the Group are non-interest-bearing and are recognised at their original invoice amounts, which represent their fair values on initial recognition. The Group's normal trade credit terms are disclosed in Note 4(a) to the financial statements. Other credit terms are assessed and approved on a case-by-case basis.

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25 TRADE AND OTHER RECEIVABLES (CONTINUED)

(c) Other receivables of the Group and of the Company are analysed as follows:

	2025		2024	
	Non-current	Current	Non-current	Current
	RM'000	RM'000	RM'000	RM'000
Group				
Third parties	**264**	**152,824**	348	143,648
Amount due from:				
- joint ventures	**8,400**	**9,826**	18,600	9,540
- associates	**-**	**7,742**	-	12,880
- related parties	**-**	**906**	-	2,281
Dividend receivables	**-**	**32,976**	-	8,997
Deposits	**9,393**	**39,076**	12,153	39,872
Prepayments	**-**	**135,863**	4,779	100,128
Others	**-**	**5,254**	-	3,743
	18,057	**384,467**	35,880	321,089
Company				
Third parties	**-**	**1,531**	-	2,540
Amount due from:				
- subsidiaries	**642,797**	**701,134**	596,935	386,260
- joint venture	**8,400**	**2,261**	13,000	3,245
- associates	**-**	**607**	-	548
Dividend receivables	**-**	**19,795**	-	8,997
Deposits	**-**	**80**	-	80
Prepayments	**-**	**94**	-	91
	651,197	**725,502**	609,935	401,761

(i) The non-current portion of the amounts due from a joint venture of the Group and of the Company is unsecured and interest-bearing. The interest rate is at 5.58% (2024: 5.86%) per annum.

(ii) Included in the current portion of dividend receivables of the Group and of the Company are amounts of RM32,976,000 (2024: RM8,997,000) due from an associate and a joint venture of the Group, and RM19,795,000 (2024: RM8,997,000) due from subsidiaries and a joint venture of the Company, as at the reporting date.

(iii) The non-current portion of the amounts due from subsidiaries of the Company is unsecured and interest-bearing. The interest rates range from 5.38% to 6.26% (2024: 5.66% to 6.26%) per annum.

25 TRADE AND OTHER RECEIVABLES (CONTINUED)

(c) Other receivables of the Group and of the Company are analysed as follows: (continued)

(iv) The current portion of amounts due from subsidiaries, joint ventures and associates of the Group and of the Company is unsecured, non-interest-bearing and repayable on demand.

(d) The currency exposure profile of trade and other receivables is as follows:

	2025 RM'000	2024 RM'000
Group		
- Ringgit Malaysia	**3,695,958**	3,535,882
- US Dollar	**392,023**	252,779
- Pound Sterling	**208,156**	101,100
- Renminbi	**5,326**	223
- Euro	**1,754**	3,895
- Indonesian Rupiah	**299**	4,003
- Other currencies	**2,217**	1,018
Total	**4,305,733**	3,898,900
Company		
- Ringgit Malaysia	**1,376,699**	1,011,696

(e) The breakdown of the Group's contract assets is as follows:

	2025 RM'000	2024 RM'000
Construction contracts	**1,530,651**	1,651,904
Property development activities	**18,886**	22,010
Others	**2,287**	10,374
Total	**1,551,824**	1,684,288

(i) The decrease in contract assets is mainly due to progress billings issued to purchasers based on the stage of completion. Progress billings are issued when billing milestones are achieved, and revenue is recognised as the related performance obligations are satisfied.

(ii) Included in construction contracts is amount due from the Government of Malaysia for the construction of infrastructure and broadcast systems, which are repayable over a period of 8 to 20 years upon completion of the construction. This also includes liquidated ascertained damages (LAD) payable to the Government under the Supply, Installation and Lease Agreement in respect of Pusat Berita Bersepadu and Pusat Penyiaran Antarabangsa ("SILA 1") amounting to RM5,677,000 (2024: RM4,803,000).

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25 TRADE AND OTHER RECEIVABLES (CONTINUED)

(f) The capitalised contract costs relate to land-related costs attributable to the units sold and are expected to be recoverable. These costs are amortised to profit or loss when the related revenue is recognised. In the previous financial year, amortisation amounting to RM1,718,000 was recognised.

(g) An impairment analysis is performed at each reporting date using a provision matrix to measure ECL. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by product type, customer type and rating, and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date regarding past events, current conditions and forecasts of future economic conditions.

The allowance for ECL and ageing analysis of the Group's trade receivables from third parties are as follows:

	Total gross carrying amount RM'000	**ECL RM'000**	**Total net carrying amount RM'000**
2025			
Current	**1,062,820**	**(699)**	**1,062,121**
1 to 30 days past due	**191,183**	**(345)**	**190,838**
31 to 60 days past due	**102,065**	**(962)**	**101,103**
61 to 90 days past due	**123,835**	**(357)**	**123,478**
More than 90 days past due	**471,358**	**(81,170)**	**390,188**
Total	**1,951,261**	**(83,533)**	**1,867,728**
2024			
Current	604,707	(918)	603,789
1 to 30 days past due	173,418	(354)	173,064
31 to 60 days past due	96,560	(269)	96,291
61 to 90 days past due	72,017	(214)	71,803
More than 90 days past due	535,496	(81,096)	454,400
Total	1,482,198	(82,851)	1,399,347

25 TRADE AND OTHER RECEIVABLES (CONTINUED)

(h) The movements of the allowance for ECL of the Group's trade receivables from third parties during the financial year are as follows:

	2025 RM'000	2024 RM'000
At beginning of the financial year	**82,851**	109,084
Charge/(write-back)	**17,707**	(17,116)
Write-off for balances previously provided for	**(14,487)**	(8,551)
Currency translation differences	**(2,538)**	(566)
At end of the financial year	**83,533**	82,851

(i) Included in the other receivables, amounts due from joint ventures, associates and related parties, the movements of the allowance for ECL of the Group during the financial year are as follows:

	2025 RM'000	2024 RM'000
At beginning of the financial year	**130,857**	123,060
Acquisition of a subsidiary	**9,693**	-
Disposal of a subsidiary	**-**	(1,768)
Charge	**1,807**	16,339
Write-off for balances previously provided for	**(42,855)**	(6,774)
Currency translation differences	**(63)**	-
At end of the financial year	**99,439**	130,857

(j) Included in the amount due from subsidiaries, the movements of the allowance for ECL of the Company during the financial year are as follows:

	2025 RM'000	2024 RM'000
At beginning of the financial year	**245,000**	-
Charge	**121,565**	245,000
At end of the financial year	**366,565**	245,000

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26 BANKING-RELATED ASSETS - CASH AND SHORT-TERM FUNDS

	2025 RM'000	2024 RM'000
Group		
Money at call and interbank placements maturing within one month	**2,363,067**	1,787,040
Cash and balances with licensed banks and other financial institutions	**226,119**	330,115
Licensed Islamic banks	**501,361**	502,166
	3,090,547	2,619,321
Allowance for expected credit losses	**(188)**	(555)
Total	**3,090,359**	2,618,766

(a) The allowance for expected credit losses is assessed based on Stage 1 under the ECL model and the movements during the financial year are as follows:

	2025 RM'000	2024 RM'000
At beginning of the financial year	**555**	258
Charge	**41**	1,060
Write-back	**(408)**	(763)
At end of the financial year	**188**	555

(b) The currency exposure profile of cash and short-term funds is as follows:

	2025 RM'000	2024 RM'000
Group		
- Ringgit Malaysia	**2,889,853**	2,295,889
- US Dollar	**144,457**	137,966
- Japanese Yen	**36,618**	40,072
- Euro	**5,832**	56,260
- Canadian Dollar	**3,218**	4,388
- Swiss Franc	**2,295**	68,565
- Australian Dollar	**2,187**	1,438
- Pound Sterling	**2,159**	2,130
- Other currencies	**3,740**	12,058
	3,090,359	2,618,766

(c) The weighted average effective profit rates of money at call and interbank placements maturing within one month is 2.80% (2024: 3.20%) per annum.

26 BANKING-RELATED ASSETS - CASH AND SHORT-TERM FUNDS (CONTINUED)

(d) As of the reporting date, the weighted average effective profit rates and weighted average maturity period of cash and balances with Islamic banks were 3.27% (2024: 3.66%) per annum and 62 days (2024: 48 days), respectively.

27 SHORT-TERM DEPOSITS

(a) The short-term deposits of the Group and of the Company are denominated in Ringgit Malaysia with an average maturity period of 83 days (2024: 94 days) and 69 days (2024: 69 days), respectively.

(b) Deposits placed with licensed banks and financial institutions of the Group and of the Company with maturity profile above three months amounting to RM87,929,000 (2024: RM200,029,000) and RM85,029,000 (2024: RM200,029,000), respectively, are excluded from cash and cash equivalents.

(c) The weighted average effective annual interest rates of short-term deposits at the reporting date are as follows:

	Group		Company	
	2025	**2024**	**2025**	**2024**
Deposits placed with licensed banks (%)	**3.28**	3.62	**3.49**	3.86

28 CASH AND BANK BALANCES

(a) Bank balances are deposits held at call with licensed banks and are non-interest-bearing.

(b) Included in cash and bank balances of the Group are bank accounts maintained pursuant to the Housing Developers (Control & Licensing) Act 1966, amounting to RM42,480,000 (2024: RM56,837,000).

(c) Included in cash and bank balances of the Group are cash restricted for payment of project expenditure held by a subsidiary amounting to RM6,583,000 (2024: RM17,088,000).

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28 CASH AND BANK BALANCES (CONTINUED)

(d) The currency exposure profile of cash and bank balances is as follows:

	2025 RM'000	2024 RM'000
Group		
- Ringgit Malaysia	**2,050,787**	1,031,289
- US Dollar	**250,291**	96,518
- Pound Sterling	**95,445**	4,098
- Euro	**5,896**	6,191
- Renminbi	**3,950**	3,440
- Thai Baht	**2,450**	1,070
- Other currencies	**2,065**	1,274
	2,410,884	1,143,880
Company		
- Ringgit Malaysia	**154,111**	122,608
- Pound Sterling	**14**	14
	154,125	122,622

29 DERIVATIVE FINANCIAL INSTRUMENTS

	Contract/ Notional value RM'000	Fair value	
		Assets RM'000	Liabilities RM'000
Group			
2025			
Financial instruments at fair value through profit or loss			
Currency forward foreign exchange contracts	**1,136,482**	**6,232**	**27,391**
Currency swaps foreign exchange contracts	**485,799**	**7,317**	**34**
Share put option	**1,626**	**1,626**	**-**
	1,623,907	**15,175**	**27,425**

29 DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

	Contract/ Notional value RM'000	Fair value	
		Assets RM'000	Liabilities RM'000
Group			
2024			
Financial instruments at fair value through profit or loss			
Currency forward foreign exchange contracts	1,451,006	18,960	16,346
Currency swaps foreign exchange contracts	726,063	4,790	3,594
Share put option	1,626	1,626	-
	2,178,695	25,376	19,940

(a) There is no significant change for the financial derivatives in respect of the following since the previous financial year ended 31 December 2024:

(i) the credit risk, market risk and liquidity risk associated with these financial derivatives;

(ii) the cash requirements of the financial derivatives; and

(iii) the policy in place for mitigating or controlling the risks associated with these financial derivatives.

(b) Disclosure of gain/loss arising from fair value changes of financial derivatives

During the financial year, the Group recognised a total net loss of RM17,686,000 (2024: total net gain of RM12,239,000) in profit or loss arising from the fair value changes on the currency forward foreign exchange contracts, currency swaps foreign exchange contracts and share put option which are marked to market as at the reporting date.

(c) Share put option refers to the fair value for an irrevocable and unconditional put option at any time in an associate of the Group.

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30 ASSETS HELD FOR SALE

In accordance with MFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*, an automotive subsidiary under the mobility segment reclassified the machinery from assets held for sale back to property, plant and equipment following the abandonment of the planned sale during the financial year. The details of the assets held for sale are set out below:

	Note	2025 RM'000	2024 RM'000
Group			
Transfer from property, plant and equipment:	13		
- Freehold land		**144**	144
- Machinery		**-**	351
		144	495

31 SHARE CAPITAL

	Number of shares '000	Monetary value RM'000
Group and Company		
Issued and fully paid with no par value:		
Ordinary shares		
At 31 December 2025	**1,933,237**	**1,740,302**
At 31 December 2024	1,933,237	1,740,302

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets.

32 PERPETUAL SUKUK

(a) The Perpetual Sukuk relates to the Company's Sukuk Musharakah Programme of up to RM2,000,000,000 in nominal value, which was approved by the Securities Commission Malaysia on 27 November 2014. The Perpetual Sukuk is under the Islamic principle of Musharakah.

As at the reporting date, the total outstanding of Perpetual Sukuk issued by the Company is RM550,000,000 (2024: RM550,000,000) and the unutilised Perpetual Sukuk is RM1,450,000,000 (2024: RM1,450,000,000).

32 PERPETUAL SUKUK (CONTINUED)

(a) (continued)

Series	Date of issue	First call date	Total RM'000
1	30 December 2014	5th anniversary of issue date	415,000
		7th anniversary of issue date	300,000
2	27 February 2015	5th anniversary of issue date	100,000
3	15 April 2015	5th anniversary of issue date	100,000
4	15 May 2015	5th anniversary of issue date	50,000
5	12 August 2015	5th anniversary of issue date	75,000
6	26 August 2022	5th anniversary of issue date	350,000
7	24 August 2023	5th anniversary of issue date	200,000
			1,590,000
	Redemption of 1st series of Tranche 1 of Perpetual Sukuk on 30 December 2019		(415,000)
	Redemption of 2nd series of Perpetual Sukuk on 27 February 2020		(100,000)
	Redemption of 3rd series of Perpetual Sukuk on 15 April 2020		(100,000)
	Redemption of 4th series of Perpetual Sukuk on 15 May 2020		(50,000)
	Redemption of 5th series of Perpetual Sukuk on 12 August 2020		(75,000)
	Redemption of 1st series of Tranche 2 of Perpetual Sukuk on 30 December 2021		(300,000)
	As at 31 December 2025		550,000

The Perpetual Sukuk holders are conferred a right to receive distribution on a semi-annual basis from their issuance date at 6.75% (2024: 6.75%) per annum, subject to a step-up rate of 1% after the 1st call date of the tranche.

The Perpetual Sukuk has no fixed maturity and is redeemable in whole or in part, at the Company's option on their respective 1st call date together with any accrued, unpaid or deferred distributions. While any distributions are unpaid or deferred, the Company will not declare, pay dividends or make similar periodic payments in respect of, or redeem, buy-back or otherwise acquire any securities of lower or equal rank. Based on its terms, the Perpetual Sukuk has been classified as an equity instrument.

The Perpetual Sukuk was issued for the Company's working capital purposes as well as to finance investments such as purchase of shares, land, buildings and property and development and construction costs.

32 PERPETUAL SUKUK (CONTINUED)

(b) On 19 September 2023, Bank Muamalat established a Sukuk Wakalah Programme of RM5,000,000,000 in nominal value under the Shariah principle of Wakalah Bi Al-Istithmar ("Sukuk Wakalah Programme") for the issuance of (i) Senior Sukuk Wakalah and/or (ii) Tier-2 Subordinated Sukuk Wakalah and/or (iii) Additional Tier-1 Capital Sukuk Wakalah which was lodged with the Securities Commission Malaysia on 24 August 2023. The Sukuk Wakalah is recognised in the consolidated statement of changes in equity as of the reporting date.

On 29 September 2023, Bank Muamalat issued RM350,000,000 of Additional Tier-1 Capital Sukuk Wakalah from its Sukuk Wakalah Programme. The net proceeds arising from the issuance (after the deduction of expenses incidental to Sukuk Wakalah issuance) were utilised to finance its working capital requirements, investment activities and Islamic financing activities.

33 REDEEMABLE CONVERTIBLE CUMULATIVE PREFERENCE SHARES

On 6 June 2016, PROTON entered into a conditional subscription agreement with GOVCO Holdings Berhad ("GOVCO"), a 99.99% company owned by Minister of Finance Incorporated, for the issuance of up to 1,250,000,000 redeemable convertible cumulative preference shares (RCCPS) of RM0.01 each in PROTON at an issue price of RM1.00 per RCCPS to GOVCO ("Initial Subscription Agreement"). The Initial Subscription Agreement was completed on 7 June 2016 ("Initial Subscription RCCPS").

On 5 September 2016, PROTON entered into another conditional subscription agreement with GOVCO for the issuance of up to 250,000,000 RCCPS at an issue price of RM1.00 per RCCPS to GOVCO. At the Extraordinary General Meeting on 29 September 2016, the shareholders of DRB-HICOM Berhad approved the issuance of up to 250,000,000 RCCPS by PROTON. On 22 June 2017, GOVCO completed the subscription of the 250,000,000 RCCPS ("Subsequent Subscription RCCPS").

The key salient terms of the Initial Subscription RCCPS and Subsequent Subscription RCCPS are as follows:

Tenure	Up to 15 years after the date of issuance of the Initial Subscription on 7 June 2016.
Dividend rate	4% per annum on a cumulative basis, subject to the availability of profit.
Grace period	5 years from the date of issuance of the Initial Subscription RCCPS.
Conversion rights	PROTON has the option to convert partially or wholly any outstanding RCCPS into new ordinary shares of PROTON at any time after the grace period.
Conversion ratio	1 RCCPS : 1.152 new ordinary shares of PROTON.

On 5 October 2017, the Company signed the definitive agreement with GOVCO for the purchase of the first principal tranche of RM300,000,000 RCCPS issued by PROTON due on 6 June 2023 and the RCCPS dividend entitlement for the period ended 6 June 2017 amounting to RM50,000,000 from GOVCO (collectively known as "RCCPS Purchase"). The RCCPS Purchase was completed on 6 October 2017. On the same day, the Company also executed an Asset Exchange Agreement with GOVCO for the creation of an asset pool comprising landed properties, designated shares or cash ("Asset Pool"), whereby GOVCO has the option to:

33 REDEEMABLE CONVERTIBLE CUMULATIVE PREFERENCE SHARES (CONTINUED)

(i) require the Company to transfer the Asset Pool to GOVCO in consideration for GOVCO transferring the PROTON ordinary shares to be received from the conversion of GOVCO's unredeemed principal amount of the RCCPS at the tenure expiry date of 6 June 2031, or

(ii) terminate the Asset Exchange Agreement and keep the new PROTON ordinary shares to be received.

Effectively, the Company had issued a put option to GOVCO in relation to new PROTON ordinary shares to be received from the conversion of the unredeemed principal of the RCCPS of RM1,200,000,000. The put option will give rise to a financial liability at the Group under MFRS 132 *Financial Instruments: Presentation*.

On 5 October 2017, the unredeemed principal amount of the RCCPS was RM1,200,000,000 and the initial carrying amount of the RCCPS liability was RM529,599,000 being the net present value of the redemption value of the RCCPS of RM1,200,000,000 discounted at the Company's borrowing rate of 6% per annum. Accordingly, the Group reclassified RM529,599,000 from RCCPS equity to RCCPS liability. Accretion of discounts related to RCCPS of RM50,367,000 (2024: RM47,441,000) was recognised to profit or loss during the financial year.

34 DEFERRED INCOME

	Note	2025 RM'000	2024 RM'000
Grant			
Group			
At beginning of the financial year		**6,818**	6,888
Acquisition of a subsidiary	48(i)(d)	**67,042**	-
Received		**3,970**	14,605
Utilised		**(3,220)**	(14,305)
Amortisation	6	**(393)**	(462)
Interest receivable		**98**	92
Currency translation differences		**(428)**	-
At end of the financial year		**73,887**	6,818
Non-current		**66,592**	2,669
Current		**7,295**	4,149
		73,887	6,818

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34 DEFERRED INCOME (CONTINUED)

Material accounting policy information

The Group elected to present government grants related to capital expenditure as deferred income.

35 PROVISION FOR LIABILITIES AND CHARGES

	Note	Warranty RM'000	Sales returns RM'000	Provision for claims from suppliers RM'000	Total RM'000
Group					
At 1 January 2025		**290,499**	**139**	**105,914**	**396,552**
Charged	6	**33,596**	**258**	**57,656**	**91,510**
Unused amounts reversed	6	**(231)**	**(263)**	**-**	**(494)**
Utilised		**(83,372)**	**(5)**	**(4,939)**	**(88,316)**
Warranties reimbursable from suppliers		**64,237**	**-**	**-**	**64,237**
At 31 December 2025		**304,729**	**129**	**158,631**	**463,489**
Non-current		**194,558**	**-**	**-**	**194,558**
Current		**110,171**	**129**	**158,631**	**268,931**
Total		**304,729**	**129**	**158,631**	**463,489**
At 1 January 2024		314,699	136	133,310	448,145
Charged	6	26,411	251	-	26,662
Unused amounts reversed	6	(383)	(69)	(21,309)	(21,761)
Utilised		(64,113)	(179)	(6,087)	(70,379)
Warranties reimbursable from suppliers		13,885	-	-	13,885
At 31 December 2024		290,499	139	105,914	396,552
Non-current		197,829	-	-	197,829
Current		92,670	139	105,914	198,723
Total		290,499	139	105,914	396,552

36 POST-EMPLOYMENT BENEFIT OBLIGATIONS

The Group operates unfunded defined benefit plans for eligible employees of certain subsidiaries and a funded defined benefit plan in respect of a foreign subsidiary. The carrying amount of the Group's post-employment benefit obligations is based on the valuations by actuaries. The level of benefits provided depends on members' length of service and salary in the final years prior to retirement.

(a) The amount shown in the statement of financial position is presented as follows:

	2025 RM'000	2024 RM'000
Group		
Present value of funded obligations	**195**	184
Present value of unfunded obligations	**3,015**	3,174
Benefit liabilities	**3,210**	3,358
Non-current	**2,468**	3,021
Current	**742**	337
	3,210	3,358

(b) Changes in present value of defined benefit obligations are as follows:

	2025 RM'000	2024 RM'000
Group		
At beginning of the financial year	**3,358**	3,470
Current service costs	**152**	57
Interest costs	**131**	132
Actuarial (gain)/loss on obligations:		
- effect of experience gain on liabilities	**(39)**	104
Currency translation differences	**(22)**	(2)
Benefits paid	**(370)**	(403)
At end of the financial year	**3,210**	3,358

(c) The expenses recognised in profit or loss are analysed as follows:

	Note	2025 RM'000	2024 RM'000
Group			
Current service costs		**152**	57
Interest costs		**131**	132
Staff costs	8	**283**	189

Notes To The Financial Statements
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36 POST-EMPLOYMENT BENEFIT OBLIGATIONS (CONTINUED)

(d) The principal actuarial assumptions used in the latest actuarial valuation are as follows:

	2025	2024
Group		
Discount rate (%)	**3.20 - 5.87**	3.70 - 7.04
Expected rate of salary increase (%)	**3.00 - 5.00**	3.00 - 5.00

(e) The following table demonstrates the sensitivity of the Group's defined benefit obligations to a reasonably possible change in significant assumptions as at the reporting date:

	Increase RM'000	Decrease RM'000
Group		
2025		
Discount rate (0.5% movement)	**(274)**	**296**
Future salary (0.5% movement)	**237**	**(215)**
2024		
Discount rate (0.5% movement)	(271)	296
Future salary (0.5% movement)	229	(206)

(f) The maturity profile of defined benefit obligations is as follows:

	2025	2024
Group		
Average duration of the defined benefit obligations (years)	**4.38 - 19.00**	5.22 - 24.00

(g) The expected contributions to defined benefit obligations are as follows:

	2025 RM'000	2024 RM'000
Group		
Within the next 12 months	**832**	340
Between two and five years	**277**	1,162
Between five and ten years	**1,311**	969
Beyond ten years	**892**	1,153
Total expected payments	**3,312**	3,624

37 LONG-TERM BORROWINGS

	Note	2025 RM'000	2024 RM'000
Group			
Secured			
Hire purchase		**106,026**	95,300
- Portion repayable within 12 months included under bank borrowings	43	**(30,583)**	(24,802)
		75,443	70,498
Long-term loans		**404,595**	358,968
- Portion repayable within 12 months included under bank borrowings	43	**(52,801)**	(33,329)
		351,794	325,639
Long-term loans under Islamic financing		**6,164,128**	5,509,325
- Portion repayable within 12 months included under bank borrowings	43	**(796,991)**	(493,561)
		5,367,137	5,015,764
Unsecured			
Long-term loans		**171,427**	-
- Portion repayable within 12 months included under bank borrowings	43	**(52,288)**	-
		119,139	-
Long-term loans under Islamic financing		**807,858**	807,369
- Portion repayable within 12 months included under bank borrowings	43	**(8,216)**	(8,150)
		799,642	799,219
		6,713,155	6,211,120
Company			
Secured			
Long-term loans under Islamic financing		**3,330,676**	3,144,801
- Portion repayable within 12 months included under bank borrowings	43	**(414,312)**	(314,574)
		2,916,364	2,830,227
Unsecured			
Long-term loans		**171,427**	-
- Portion repayable within 12 months included under bank borrowings	43	**(52,288)**	-
		119,139	-
		3,035,503	2,830,227

Notes To The Financial Statements
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37 LONG-TERM BORROWINGS (CONTINUED)

(a) The long-term borrowings of the Group and of the Company are denominated in Ringgit Malaysia.

(b) The hire purchases are secured against the respective assets acquired as disclosed in Note 13(d).

(c) The secured term loans are secured by letter of undertaking, corporate guarantee, fixed and floating charges over property, plant and equipment, investment properties, inventories, receivables and contract assets including certain short-term deposits and cash and bank balances as disclosed in Notes 13, 14, 15, 24, 25 and Note (c) to the statements of cash flows.

(d) Long-term loans (secured and unsecured)

Group

(i) The outstanding term loan of RM50,000,000 (2024: RM50,000,000) obtained by a subsidiary was used to finance capital expenditure. The term loan has a tenure of up to seven years from the date of first drawdown and bears an interest rate of 1.15% per annum above the effective cost of funds. Principal repayments commence from the 24th month after the date of first drawdown. The term loan facility is subject to the following financial covenants:

- A debt service cover ratio of not less than 1.50 times; and
- A gearing ratio of not more than 1.50 times.

The subsidiary has complied with all covenants throughout the reporting period, and there are no indications that it will encounter difficulties in meeting the covenants when they are next tested as at 31 December 2026.

(ii) Medium Term Notes ("MTN") of RM340,000,000 were issued with maturities ranging from 36 months to 192 months. The MTN was issued by a subsidiary to finance the construction costs of the Immigration, Customs, Quarantine and Security Complex at Bukit Kayu Hitam. As at the reporting date, the outstanding MTN amounted to RM235,000,000 (2024: RM260,000,000) and bears fixed interest rates ranging from 5.00% to 5.50% (2024: 4.80% to 5.50%) per annum, with full repayment due on 29 August 2033.

The MTN is secured by a letter of undertaking, fixed and floating charges over property, plant and equipment, receivables and contract assets, as well as certain cash and bank balances of the subsidiary.

Under the terms of the MTN, the following financial covenants apply at the end of each annual and interim reporting period:

- A debt-to-equity ratio of not more than 80:20; and
- A debt service cover ratio of not less than 1.50 times.

The subsidiary has complied with all covenants throughout the reporting period, and there are no indications that it will encounter difficulties in meeting the covenants when they are next tested as at 31 December 2026.

37 LONG-TERM BORROWINGS (CONTINUED)

(d) Long-term loans (secured and unsecured) (continued)

Group (continued)

(iii) During the financial year, a subsidiary drew down term loans totalling RM51,055,000 under a new banking facility to finance its capital expenditure and investment requirements. The term loans carry tenures ranging from four to five years and bear interest rates ranging from 1.50% to 2.50% per annum above the effective cost of funds. As at the reporting date, the effective interest rate was 5.56% per annum. The following financial covenants apply at the end of each annual reporting period:

- A consolidated gearing ratio of not more than 1.0 time.

The subsidiary has complied with all covenants throughout the reporting period, and there are no indications that it will encounter difficulties in meeting the covenant when it is next tested as at 31 December 2026.

(iv) The outstanding term loan of RM62,116,000 (2024: RM63,105,000) of a subsidiary bears an interest rate of 1.75% per annum above the effective cost of funds. The term loan was obtained to finance the capital expenditure and working capital requirements. As at the reporting date, the effective interest rate ranged from 5.45% to 6.11% (2024: 5.51% to 5.91%) per annum. The following financial covenants apply at the end of each interim reporting period:

- A gearing ratio of not more than 1.30 times; and
- A ratio of net finance cost to EBITDA not more than 110%.

The subsidiary has complied with all covenants throughout the reporting period, and there are no indications that it will encounter difficulties in meeting the covenant when it is next tested as at 30 June 2026.

Company

On 28 March 2025, the Company drew down a term loan of RM200,000,000 with a tenure of five years from the date of first drawdown. The term loan was obtained to finance the Group's present and future investments and/or capital expenditure, working capital requirements, and the repayment and/or refinancing of borrowings. The term loan bears an interest rate of 1.50% per annum above the effective cost of funds, with principal repayments commencing from the sixth month after the date of first drawdown. As at the reporting date, the effective interest rate was 5.25% per annum. The term loan facility is subject to the following financial covenants:

- A debt-to-equity ratio of not more than 1.35 times; and
- A group debt-to-equity ratio of not more than 1.50 times.

The Company has complied with all covenants throughout the reporting period, and there are no indications that it will encounter difficulties in meeting the covenants when they are next tested as at 31 December 2026.

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37 LONG-TERM BORROWINGS (CONTINUED)

(e) Long-term loans under Islamic financing (secured and unsecured)

Group

(i) The outstanding term loan of RM54,343,000 (2024: RM73,892,000) of a subsidiary bears a profit rate of 0.36% (2024: 1.75%) per annum above the effective cost of funds and is repayable in 18 (2024: 30) monthly instalments. The term loan was obtained to finance the development costs of DRB-HICOM University of Automotive Malaysia. As at the reporting date, the effective profit rates ranged from 5.00% to 5.36% (2024: 5.00% to 6.75%) per annum. The following financial covenants apply at the end of each annual and interim reporting period:

- A debt-to-equity ratio of not more than 80:20; and
- A finance service cover ratio of not less than 1.20 times.

The subsidiary has complied with all covenants throughout the reporting period, and there are no indications that it will encounter difficulties in meeting the covenants when they are next tested as of 31 December 2026.

(ii) The outstanding Commodity Murabahah Term Financing-i of RM151,000,000 (2024: RM153,000,000) was obtained by a subsidiary for Shariah-compliant general capital and operating expenditure requirements of the e-commerce and courier businesses. As at the reporting date, the effective profit rates ranged from 4.69% to 5.52% (2024: 5.27% to 5.52%) per annum. The following financial covenants apply at the end of each annual reporting period:

- A finance-to-equity ratio of not more than 1.75 times; and
- A finance service coverage ratio of not less than 1.25 times.

The subsidiary has complied with all covenants throughout the reporting period, and there are no indications that it will encounter difficulties in meeting the covenants when they are next tested as at 31 December 2026.

37 LONG-TERM BORROWINGS (CONTINUED)

(e) Long-term loans under Islamic financing (secured and unsecured) (continued)

Group (continued)

(iii) A RM800,000,000 (2024: RM800,000,000) Subordinated Sukuk of a subsidiary comprises two tranches of Subordinated Sukuk Murabahah (Series 2 and Series 3), which qualify as Tier-2 capital for the purpose of Bank Negara Malaysia's capital adequacy requirements. The Sukuk carries a tenure of 10 years from the date of issuance and is callable on the fifth anniversary from the date of issuance and on every profit payment date thereafter. Below is a summary of the Subordinated Sukuk:

Issue date	Callable date	Maturity date	Profit rate (% p.a.)	Nominal value
15 June 2021	15 June 2026	15 June 2031	4.50% payable semi-annually	RM500,000,000
20 July 2022	20 July 2027	20 July 2032	5.33% payable semi-annually	RM300,000,000

The subsidiary may redeem, in whole or in part, the Subordinated Sukuk Murabahah prior to maturity on the call date, subject to the redemption conditions set out in the principal terms and conditions of the Subordinated Sukuk Programme.

(iv) During the financial year, a subsidiary drew down a term loan amounting to RM464,198,000 under a new banking facility to finance the acquisition of a new subsidiary, as disclosed in Note 48(i)(d). The term loan carries a tenure of ten years, with a grace period of 18 months from the date of first disbursement and bears a profit rate of 1.25% per annum above the effective cost of funds. As at the reporting date, the effective profit rate was at 5.06% per annum. The following financial covenants apply at the end of each annual reporting period:

- A debt-to-equity ratio of not more than 1.25 times; and
- A financing service cover ratio of not less than 1.25 times.

The subsidiary has complied with all covenants throughout the reporting period, and there are no indications that it will encounter difficulties in meeting the covenants when they are next tested as at 31 December 2026.

(v) An Islamic Medium Term Notes ("IMTN") Programme of up to RM4,000,000,000 in nominal value and an Islamic Commercial Paper ("ICP") Programme of up to RM1,000,000,000 in nominal value were established by a subsidiary, with a combined aggregate nominal value capped at RM4,000,000,000 (collectively referred to as the "Sukuk Wakalah Programmes"). Issuances under the IMTN Programme may have maturities of up to 30 years from the date of the first IMTN issuance, while issuances under the ICP Programme may have maturities of up to seven years from the date of the first ICP issuance.

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37 LONG-TERM BORROWINGS (CONTINUED)

(e) Long-term loans under Islamic financing (secured and unsecured) (continued)

Group (continued)

(v) (continued)

As at the reporting date, the total IMTN issued amounted to RM1,650,000,000 (2024: RM1,650,000,000), bearing profit rates ranging from 3.99% to 5.31% (2024: 3.99% to 5.31%) per annum. Details of the IMTN issuances are set out below.

			2025	2024
Instrument	Issued date	Date of maturity	Amount RM'000	Amount RM'000
IMTN	28 December 2021	28 December 2026	135,000	135,000
IMTN	28 December 2021	28 December 2028	315,000	315,000
IMTN	30 June 2022	30 June 2027	250,000	250,000
IMTN	30 June 2022	29 June 2029	450,000	450,000
IMTN	28 May 2024	28 May 2029	150,000	150,000
IMTN	28 May 2024	28 May 2031	350,000	350,000
Total			1,650,000	1,650,000

The proceeds raised from the Sukuk Wakalah Programmes are mainly utilised for the following Shariah-compliant purposes:

a. financing general corporate purposes, including capital expenditure, working capital requirements, and fees and expenses in relation to the Sukuk Wakalah Programmes;

b. funding the Sukuk trustee's reimbursement accounts under the Sukuk Wakalah Programmes; and/or

c. refinancing outstanding Islamic financings, conventional borrowings, and future Islamic financings.

The IMTN Programme is subject to the following financial covenants:

- A finance service cover ratio of not less than 1.50 times; and
- A gearing ratio of not more than 1.50 times.

The subsidiary has complied with all covenants throughout the reporting period, and there are no indications that it will encounter difficulties in meeting the covenants when they are next tested as at 31 December 2026.

37 LONG-TERM BORROWINGS (CONTINUED)

(e) Long-term loans under Islamic financing (secured and unsecured) (continued)

Group (continued)

(vi) The RM733,000,000 Tawarruq financing facility ("TWQ"), comprising four tranches, was provided to subsidiaries to finance the construction and development of new infrastructure and facilities at the existing Angkasapuri Complex into a new Media City under the Ministry of Communications and Multimedia Malaysia ("Project'). In March 2025, an RM200,000,000 drawdown from Tawarruq Assets financing facility ("TWA") was obtained to reimburse shareholders' advances for additional costs incurred to complete the Project. Details of the TWQ and TWA borrowings are set out below:

	2025	2024		
	Amount RM'000	Amount RM'000	Profit rate (% p.a.)	Repayment term
TWQ 1	201,219	238,656	0.50% above the effective cost of funds	Repayable by 162 monthly instalments upon expiry of the Availability Period ("AP") of 73 months and a grace period of six months
TWQ 2	80,315	89,029	0.50% above the effective cost of funds	Repayable by 156 monthly instalments upon expiry of the AP of 40 months and a grace period of six months
TWQ 3	-	39,633	0.50% above the effective cost of funds	Repayable by 84 monthly instalments upon expiry of the AP of 12 months and a grace period of six months
TWQ 4	13,398	26,014	0.50% above the effective cost of funds	Repayable by 84 monthly instalments upon expiry of the AP of 46 months and a grace period of six months
TWA	157,285	-	1.00% above the effective cost of funds*	Repayable by 144 monthly instalments
Total	452,217	393,332		

* A 1% profit rate subsidy has been granted in accordance with a government support initiative.

As at the reporting date, the effective profit rates ranged from 4.49% to 4.98% (2024: 6.90% to 7.10%) per annum.

Under the terms of the TWQ and TWA, the following financial covenants apply at the end of each annual and interim reporting period:

- A debt-to-equity ratio of not more than 78:22 at all times; and
- A finance service cover ratio of at least 1.50 times for any distribution of share capital or declaration or payment of dividends.

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37 LONG-TERM BORROWINGS (CONTINUED)

(e) Long-term loans under Islamic financing (secured and unsecured) (continued)

Group (continued)

(vi) (continued)

The subsidiary has complied with all covenants throughout the reporting period, and there are no indications that it will encounter difficulties in meeting the covenants when they are next tested as at 31 December 2026.

Company

The Company lodged with the Securities Commission Malaysia ("SC"), pursuant to the SC's Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework, for the establishment of a Sukuk Wakalah Programme of up to RM3,500,000,000 on 25 October 2019. The Sukuk Wakalah Programme is structured with a duration of up to 30 years from the date of first issuance. The Sukuk Wakalah bears profit at rates determined at the point of issuance, payable semi-annually in arrears from the date of issuance, with the final profit payment due upon maturity.

On 14 July 2025, the Company issued RM500,000,000 in nominal value under the Sukuk Wakalah Programme. The net proceeds were utilised to finance capital expenditure, working capital requirements, investment activities, and other general corporate purposes. Separately, on 29 August 2025, the Company repaid RM150,000,000 in nominal value from an earlier tranche of the Sukuk Wakalah. As at the reporting date, a total of RM2,680,000,000 (2024: RM2,330,000,000) of Sukuk Wakalah had been issued by the Company. The Sukuk Wakalah bears profit rates ranging from 3.88% to 5.57% (2024: 4.29% to 5.57%) per annum and is repayable between December 2026 and July 2035.

			2025	2024
Instrument	Issued date	Date of maturity	Amount RM'000	Amount RM'000
IMTN	12 December 2019	12 December 2026	250,000	250,000
IMTN	12 December 2019	12 December 2029	700,000	700,000
IMTN	1 September 2020	29 August 2025	-	150,000
IMTN	1 September 2020	30 August 2030	250,000	250,000
IMTN	6 August 2021	4 August 2028	230,000	230,000
IMTN	6 August 2021	6 August 2031	160,000	160,000
IMTN	27 April 2023	26 April 2030	290,000	290,000
IMTN	13 November 2024	13 November 2031	200,000	200,000
IMTN	13 November 2024	13 November 2034	100,000	100,000
IMTN	14 July 2025	14 July 2032	200,000	-
IMTN	14 July 2025	13 July 2035	300,000	-
Total			2,680,000	2,330,000

37 LONG-TERM BORROWINGS (CONTINUED)

(e) Long-term loans under Islamic financing (secured and unsecured) (continued)

Company (continued)

The purposes of the Sukuk Wakalah are to:

a. refinance existing financing/or borrowings of the Company;

b. finance the Company's capital expenditure and working capital requirements and/or investments, as well as for general corporate purposes; and

c. pay all fees and expenses in connection with the Sukuk Wakalah.

The Company also secured a ten-year syndicated term loan of up to RM1,500,000,000. The syndicated term loan bears profit at rates of 1.75% per annum (from Year 1 to Year 5 after the first drawdown) and 2.00% per annum (from Year 6 to Year 10 after the first drawdown) above the effective cost of funds, and is repayable annually commencing from November 2021. The facility was obtained to refinance existing financing or borrowings of the Group. As at the reporting date, a total of RM665,000,000 (2024: RM832,000,000) was outstanding, bearing an effective profit rate of 5.53% (2024: 6.01%) per annum.

The aggregate issuance under the Sukuk Wakalah Programme and drawdowns from the syndicated term loan must not exceed RM3,500,000,000 at any point in time.

The Sukuk Wakalah Programme and the syndicated term loan are subject to the following financial covenants:

- A finance-to-equity ratio of not more than 1.35 times;
- A group finance-to-equity ratio of not more than 1.50 times; and
- A finance service cover ratio of not less than 1.50 times.

The Company has complied with all financial covenants throughout the reporting period, and there are no indications that it will encounter difficulties in meeting the covenants when they are next tested as at 31 December 2026.

(f) The weighted average effective annual interest/profit rates at the reporting date are as follows:

	2025 %	2024 %
Group		
Hire purchase	**3.09**	2.91
Long-term loans	**5.25**	5.22
Long-term loans under Islamic financing	**4.69**	4.97
Company		
Long-term loans	**5.20**	-
Long-term loans under Islamic financing	**4.94**	5.23

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37 LONG-TERM BORROWINGS (CONTINUED)

(g) The exposure of long-term borrowings to interest/profit rate risk is as follows:

		Maturity profile			
	Carrying amount	Between 1 to 2 years	Between 2 to 3 years	Between 3 to 4 years	Beyond 4 years
	RM'000	RM'000	RM'000	RM'000	RM'000
Group					
2025					
Fixed-rate					
Hire purchase	**75,443**	**29,948**	**25,582**	**15,927**	**3,986**
Long-term loans	**240,792**	**33,369**	**33,369**	**38,369**	**135,685**
Long-term loans under Islamic financing	**5,227,796**	**286,542**	**602,069**	**1,350,803**	**2,988,382**
	5,544,031	**349,859**	**661,020**	**1,405,099**	**3,128,053**
Floating-rate					
Long-term loans	**230,141**	**73,293**	**75,989**	**46,915**	**33,945**
Long-term loans under Islamic financing	**938,983**	**229,953**	**213,713**	**199,015**	**296,301**
	1,169,124	**303,246**	**289,702**	**245,930**	**330,246**
	6,713,155	**653,105**	**950,722**	**1,651,029**	**3,458,299**
2024					
Fixed-rate					
Hire purchase	70,498	23,878	22,111	17,214	7,295
Long-term loans	272,494	33,369	33,369	33,369	172,387
Long-term loans under Islamic financing	4,638,937	885,845	253,992	545,370	2,953,730
	4,981,929	943,092	309,472	595,953	3,133,412
Floating-rate					
Long-term loans under Islamic financing	1,229,191	409,053	293,109	277,155	249,874
	6,211,120	1,352,145	602,581	873,108	3,383,286

37 LONG-TERM BORROWINGS (CONTINUED)

(g) The exposure of long-term borrowings to interest/profit rate risk is as follows: (continued)

		Maturity profile			
	Carrying amount	**Between 1 to 2 years**	**Between 2 to 3 years**	**Between 3 to 4 years**	**Beyond 4 years**
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Company					
2025					
Fixed-rate					
Long-term loans under Islamic financing	**2,425,398**	**-**	**229,861**	**697,527**	**1,498,010**
Floating-rate					
Long-term loans	**119,139**	**52,288**	**52,286**	**14,565**	**-**
Long-term loans under Islamic financing	**490,966**	**164,616**	**164,610**	**161,740**	**-**
	610,105	**216,904**	**216,896**	**176,305**	**-**
	3,035,503	**216,904**	**446,757**	**873,832**	**1,498,010**
2024					
Fixed-rate					
Long-term loans under Islamic financing	2,174,645	247,551	-	228,195	1,698,899
Floating-rate					
Long-term loans under Islamic financing	655,582	164,616	164,616	164,610	161,740
	2,830,227	412,167	164,616	392,805	1,860,639

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38 LEASES

38.1 As a lessee

The Group has lease arrangements for leasehold land, buildings, plant and machinery, motor vehicles and office equipment. The Group holds the land titles for the leasehold land together with certain buildings, with lease terms ranging from 2 to 99 years (2024: 2 to 99 years). Lease contracts are typically entered into for fixed periods of 1 to 50 years (2024: 1 to 30 years) and may include extension options, as described in (c) below.

Except for short-term leases and leases of low-value underlying assets, each lease is recognised in the statement of financial position as a right-of-use asset included within property, plant and equipment, with a corresponding lease liability. Variable lease payments that do not depend on an index or a rate (such as lease payments based on a percentage of Group's sales) are excluded from the initial measurement of the lease liability and right-of-use asset and are expensed as incurred.

Each lease generally imposes restrictions on the use of the underlying asset such that, unless the Group has a contractual right to sublease the asset to another party, the right-of-use assets may only be used by the Group. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. Certain leases also contain options to purchase the underlying asset at the end of the lease term or to extend the lease for a further period.

(a) Lease liabilities

	Interest rate (%)	Maturity	RM'000
Group			
2025			
Non-current	**3.00 - 7.80**	**2027 - 2043**	**209,982**
Current	**3.00 - 7.80**	**2026**	**91,653**
			301,635
2024			
Non-current	3.00 - 7.65	2026 - 2043	219,085
Current	3.00 - 7.65	2025	85,497
			304,582

(b) Lease payments not recognised as a liability

The Group has elected not to recognise lease liabilities for short-term leases (leases with an expected term of twelve months or less) and for leases of low-value assets. Payments made under such leases are expensed on a straight-line basis over the lease term. In addition, certain variable lease payments do not qualify for recognition as lease liabilities and are expensed as incurred.

38 LEASES (CONTINUED)

38.1 As a lessee (continued)

(b) (continued)

The expenses relating to payments not included in the measurement of the lease liability during the financial year are as follows:

	2025 RM'000	2024 RM'000
Group		
Expenses relating to short-term leases (included in cost of sales and administrative expenses)	**60,142**	46,696
Expenses relating to leases of low-value assets (included in cost of sales and administrative expenses)	**22,786**	19,020
Variable lease payments (included in cost of sales)	**1,990**	1,967

The Group had total cash outflows for leases of RM203,333,000 (2024: RM186,870,000) during the financial year.

As at the reporting date, the Group was committed to short-term leases and leases of low-value assets and the total commitments were RM3,880,000 (2024: RM3,686,000) and RM10,777,000 (2024: RM14,509,000), respectively.

(c) The Group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased assets portfolio and to align with the Group's business needs.

Set out below are the undiscounted potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease term:

	Within five years RM'000	More than five years RM'000	Total RM'000
Group			
2025			
Extension options expected not to be exercised	**87,023**	**-**	**87,023**
2024			
Extension options expected not to be exercised	49,375	62	49,437

38 LEASES (CONTINUED)

38.1 As a lessee (continued)

(d) Material accounting policy information:

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component based on their relative stand-alone prices. However, for leases of properties in which the Group is a lessee, it has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

Lease payments associated with short term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss over the lease term. Short-term leases are leases with a lease term of twelve months or less. Low-value assets are those assets valued at less than RM20,000 each when purchased new.

38.2 As a lessor

The Group and the Company have entered into commercial leases of property, plant and equipment and investment properties. These non-cancellable leases have remaining lease terms from two months to five years (2024: three months to five years). All leases include clauses that allow for upward revision of rental charge on an annual basis, based on prevailing market conditions.

The future minimum rentals receivable under non-cancellable operating leases as at the reporting date are as follows:

	2025 RM'000	2024 RM'000
Group		
Receivable within one year	**41,535**	59,112
Receivable within two to five years	**66,140**	70,154
	107,675	129,266
Company		
Receivable within one year	**9,118**	11,520
Receivable within two to five years	**12,926**	31,966
	22,044	43,486

Material accounting policy information

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. It assesses the classification of a sublease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease, it classifies the sublease as an operating lease.

39 BANKING-RELATED LIABILITIES - DEPOSITS FROM CUSTOMERS AND INVESTMENT ACCOUNTS

	2025 RM'000	2024 RM'000
Group		
(i) Deposits from customers		
Savings deposits		
Qard	**926,213**	881,921
Tawarruq	**846,597**	774,783
	1,772,810	1,656,704
Demand deposits		
Qard	**4,316,801**	4,451,933
Tawarruq	**6,164,713**	4,508,695
	10,481,514	8,960,628
Term deposits		
Fixed-term accounts Tawarruq	**13,200,296**	12,755,158
Short-term accounts	**11,070,710**	12,457,270
General investment deposits	**-**	3,021
	24,271,006	25,215,449
Other deposits	**72,823**	59,612
(ii) Investment accounts		
Mudharabah	**277,033**	245,707
Wakalah	**935,950**	-
	1,212,983	245,707
Total	**37,811,136**	36,138,100
Non-current	**335,179**	732,197
Current	**37,475,957**	35,405,903
	37,811,136	36,138,100

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39 BANKING-RELATED LIABILITIES - DEPOSITS FROM CUSTOMERS AND INVESTMENT ACCOUNTS (CONTINUED)

(a) The currency exposure profile of deposits from customers and investment accounts is as follows:

	2025 RM'000	2024 RM'000
Group		
- Ringgit Malaysia	**37,688,703**	35,782,265
- US Dollar	**121,909**	180,682
- Euro	**370**	154,071
- Other currencies	**154**	21,082
	37,811,136	36,138,100

(b) The maturity period of the deposits from customers and investment accounts is as follows:

	2025 RM'000	2024 RM'000
Group		
- not later than six months	**30,811,324**	29,223,135
- later than six months and not later than one year	**6,664,633**	6,145,805
- later than one year and not later than five years	**335,179**	769,160
	37,811,136	36,138,100

(c) The weighted average effective annual profit rates of deposits from customers and investment accounts as at the reporting date are 3.00% (2024: 3.20%) and 3.10% (2024: 0.10%) per annum, respectively.

40 BANKING-RELATED LIABILITIES - DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	2025 RM'000	2024 RM'000
Group		
Non-Mudharabah		
Bank Negara Malaysia	**381,987**	385,413
Licensed banks	**584,958**	453,308
	966,945	838,721
Non-current	**333,457**	388,152
Current	**633,488**	450,569
	966,945	838,721

(a) The currency exposure profile of deposits and placements of banks and other financial institutions is as follows:

	2025 RM'000	2024 RM'000
Group		
- Ringgit Malaysia	**682,309**	435,417
- US Dollar	**284,636**	356,359
- Euro	**-**	46,945
	966,945	838,721

(b) These balances include an amount of RM269,652,000 (2024: RM313,527,000) received under government financing schemes for the purpose of SMEs lending at below-market and concessionary rates, with maturities ranging from 5.5 to 8.5 years and repayable between 2026 and 2031 (2024: maturities ranging from 5.5 to 8.5 years and repayable between 2026 and 2031).

41 BANKING-RELATED LIABILITIES - RECOURSE OBLIGATION ON FINANCING SOLD TO CAGAMAS

This represents proceeds received from housing financing sold directly to Cagamas Berhad, with recourse to the banking subsidiary. Under the agreements, the banking subsidiary undertakes to administer the financing on behalf of Cagamas Berhad and to repurchase any financing that is regarded as defective, based on prudential criteria set by Cagamas Berhad. These financial liabilities are stated at amortised cost.

Notes To The Financial Statements
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42 TRADE AND OTHER PAYABLES

	Note	Group 2025 RM'000	Group 2024 RM'000	Company 2025 RM'000	Company 2024 RM'000
Non-current					
Trade payables	(a)	**3,729**	4,331	**-**	-
Other payables	(b)	**46,608**	49,564	**-**	-
Other provisions	(c)	**1,491**	622		
Contract liabilities	(d)	**29,635**	25,638	**-**	-
		81,463	80,155	**-**	-
Current					
Trade payables	(a)	**1,823,785**	1,857,701	**-**	-
Other payables	(b)	**2,232,459**	1,955,939	**54,255**	74,145
Other provisions	(c)	**343,827**	367,846		
Contract liabilities	(d)	**116,813**	63,381	**-**	-
		4,516,884	4,244,867	**54,255**	74,145
Total		**4,598,347**	4,325,022	**54,255**	74,145

(a) Trade payables of the Group are analysed as follows:

	2025 Non-current RM'000	2025 Current RM'000	2024 Non-current RM'000	2024 Current RM'000
Group				
Third parties	**-**	**1,379,882**	-	1,577,492
Amount due to:				
- joint ventures	**-**	**277,191**	-	150,244
- associates	**-**	**13,989**	-	17,815
- related parties	**3,729**	**152,723**	4,331	112,150
	3,729	**1,823,785**	4,331	1,857,701

(i) Trade payables are non-interest-bearing and unsecured. The Group's normal trade payables terms range from 30 to 180 days (2024: 30 to 180 days).

(ii) Amounts due to joint ventures, associates and related parties are unsecured and non-interest-bearing. The normal credit terms range from 1 to 60 days (2024: 1 to 60 days).

42 TRADE AND OTHER PAYABLES (CONTINUED)

(a) Trade payables of the Group are analysed as follows: (continued)

(iii) Supply chain financing arrangement ("SCF") in an automotive subsidiary

Under this arrangement, banks agree to settle invoices owed by the subsidiary to participating suppliers and receive settlement from the subsidiary at a later date. The principal purpose of the arrangement is to facilitate efficient payment processing and enable participating suppliers to receive payment from the bank prior to the invoice due date.

The subsidiary has not derecognised the original liabilities subject to the arrangement as neither a legal release was obtained nor were the original liabilities substantially modified upon entering into the arrangement. From the subsidiary's perspective, the arrangement does not significantly extend payment terms beyond those agreed with non-participating suppliers, and no additional interest is incurred with the bank on the amounts due to suppliers. Accordingly, amounts subject to the SCF arrangement continue to be presented within trade payables as their nature and function remain consistent with other trade payables, with disaggregated disclosures provided in the notes. All payables under the SCF arrangement are classified as current as at 31 December 2025 and 31 December 2024.

	2025	**2024**
	RM'000	**RM'000**
Group		
Carrying amount of liabilities that are part of SCF		
Presented within trade payables		
- of which suppliers have received payment from finance provider	**48,917**	196,581
Range of payment due dates		
Liabilities that are part of SCF	**90 days from invoice date**	90 days from invoice date
Trade payables that are not part of SCF	**60 days from invoice date**	60 days from invoice date

Payments made by the subsidiary to the banks are included within operating cash flows as they form part of the normal operating cycle and retain their operating nature, being payments for the purchase of goods and services. Payments made by the banks to suppliers amounting to RM48,917,000 (2024: RM196,581,000) are treated as non-cash transactions.

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42 TRADE AND OTHER PAYABLES (CONTINUED)

(b) Other payables of the Group and of the Company are analysed as follows:

	2025		2024	
	Non-current	Current	Non-current	Current
	RM'000	RM'000	RM'000	RM'000
Group				
Third parties	**46,608**	**599,117**	49,564	451,234
Amount due to:				
- joint ventures	**-**	**17**	-	11
- associates	**-**	**1,130**	-	1,422
- related parties	**-**	**850**	-	910
Accruals	**-**	**1,511,122**	-	1,392,183
Deposits refundable	**-**	**84,066**	-	79,196
GST payable	**-**	**134**	-	120
Interest payable	**-**	**33,134**	-	27,666
Payment in advance	**-**	**2,889**	-	3,197
	46,608	**2,232,459**	49,564	1,955,939

	2025	2024
	Current	Current
	RM'000	RM'000
Company		
Third parties	**926**	503
Amount due to subsidiaries	**17,217**	43,090
Accruals	**1,905**	1,994
Deposits refundable	**1,390**	1,390
Interest payable	**32,817**	27,168
	54,255	74,145

(i) Included in the amount due to subsidiaries of the Company is an amount of RM8,063,000 (2024: RM28,259,000) which is unsecured and interest-bearing. The interest rates range from 3.15% to 5.91% (2024: 3.00% to 5.81%) per annum.

(c) Included in other provisions is a provision for liquidated ascertained damages ("LAD") amounting to a net balance of RM45,477,000 (2024: RM99,408,000) related to a project with a customer. An amount owing from the said customer of RM39,904,000 had been set off against the total LAD provision recognised, with a further set-off of RM53,929,000 during the financial year. The arbitrary set-off forms part of the ongoing discussions with the customer to finalise the LAD amount, if any.

42 TRADE AND OTHER PAYABLES (CONTINUED)

(d) The breakdown of contract liabilities is as follows:

	2025 RM'000	2024 RM'000
Group		
Construction contracts	**8,181**	10,061
Deferred revenue	**99,029**	50,410
Property development activities	**36,227**	25,537
Others	**3,011**	3,011
Total	**146,448**	89,019

The increase in contract liabilities is primarily attributable to consideration received from vehicle sales that is allocated to goods sold and free services to be rendered in future periods, as well as progress billings issued to customers for land sales.

(e) The currency exposure profile of trade and other payables is as follows:

	2025 RM'000	2024 RM'000
Group		
- Ringgit Malaysia	**3,841,099**	3,638,056
- US Dollar	**320,957**	376,111
- Renminbi	**232,652**	267,028
- Pound Sterling	**153,195**	7,292
- Thai Baht	**38,899**	26,271
- Japanese Yen	**6,121**	13
- Euro	**2,563**	8,892
- Indonesian Rupiah	**1,119**	558
- Other currencies	**1,742**	801
Total	**4,598,347**	4,325,022
Company		
- Ringgit Malaysia	**54,255**	74,145

43 BANK BORROWINGS

	Note	2025 RM'000	2024 RM'000
Group			
(i) Bank overdrafts - Secured		**911**	930

Notes To The Financial Statements
– 31 December 2025

43 BANK BORROWINGS (CONTINUED)

	Note	2025 RM'000	2024 RM'000
Group			
(ii) Other bank borrowings			
Secured			
Bankers' acceptances		**25,926**	66,477
Revolving credits		**62,547**	88,431
Short-term loans		**38,032**	36,557
Short-term Islamic financing		**98,364**	1,727
Hire purchase - portion repayable within 12 months	37	**30,583**	24,802
Long-term loans - portion repayable within 12 months	37	**52,801**	33,329
Long-term loans under Islamic financing - portion repayable within 12 months	37	**796,991**	493,561
Sub-total		**1,105,244**	744,884
Unsecured			
Bankers' acceptances		**423,976**	264,709
Revolving credits		**45,500**	50,000
Long-term loans - portion repayable within 12 months	37	**52,288**	-
Long-term loans under Islamic financing - portion repayable within 12 months	37	**8,216**	8,150
Sub-total		**529,980**	322,859
Total (Others - Secured and Unsecured)		**1,635,224**	1,067,743
Total bank borrowings		**1,636,135**	1,068,673
Company			
Other bank borrowings			
Secured			
Long-term loans under Islamic financing - portion repayable within 12 months	37	**414,312**	314,574
Unsecured			
Long-term loans - portion repayable within 12 months	37	**52,288**	-
Banker's acceptance	(a)	**-**	3,077
		52,288	3,077
Total bank borrowings		**466,600**	317,651

43 BANK BORROWINGS (CONTINUED)

(a) The banker's acceptance facility of the Company is on clean basis and is available for utilisation by the Company's subsidiaries via third party arrangements.

(b) The currency exposure profile of bank overdrafts and other bank borrowings is as follows:

	2025 RM'000	2024 RM'000
Group		
- Ringgit Malaysia	**1,633,723**	1,041,872
- US Dollar	**2,412**	26,801
	1,636,135	1,068,673
Company		
- Ringgit Malaysia	**466,600**	317,651

(c) The secured bank overdrafts and other bank borrowings are secured by fixed and floating charges over shares in a subsidiary, property, plant and equipment, investment properties, inventories and receivables, including short-term deposits and cash and bank balances as disclosed in Notes 3, 13, 14, 15, 24, 25 and Note (c) to the statements of cash flows.

(d) The weighted average effective annual interest/profit rates of the bank overdrafts and other bank borrowings as at the reporting date are as follows:

	2025 %	2024 %
Group		
Bank overdrafts	**8.35**	8.35
Bankers' acceptances	**4.07**	4.27
Revolving credits	**4.78**	5.20
Short-term loans	**5.62**	5.82
Short-term Islamic financing	**4.47**	5.77
Company		
Banker's acceptance	**-**	4.41

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44 BANKING-RELATED LIABILITIES - BILLS AND ACCEPTANCES PAYABLE

(a) The currency exposure profile of bills and acceptances payable is as follows:

	2025 RM'000	2024 RM'000
Group		
- Ringgit Malaysia	**11,375**	6,027

(b) The average maturity period of bills and acceptances payable ranges from one to three months (2024: one to three months).

45 MERGER RESERVE

Pursuant to Section 60(4)(a) of the former Companies Act 1965, the share premiums arising from shares issued by the Company as consideration for the acquisition of certain subsidiaries in the financial year ended 31 March 2001 were not recognised as share premium. Accordingly, the difference between the issue price and the nominal value of the shares issued was classified as merger reserve.

46 OTHER RESERVES

	2025 RM'000	2024 RM'000
Non-distributable		
Group		
Asset revaluation reserve on step-up acquisition of subsidiaries	**21,101**	21,101
Fair value reserve on property, plant and equipment	**206,681**	152,779
Redemption of Perpetual Sukuk	**(8,267)**	(8,267)
Reserve on valuation of post-employment benefit obligations	**(921)**	(963)
Share of joint ventures' reserves	**(1,211)**	(511)
Share of subsidiaries' reserves	**92,552**	108,678
Share of an associate's reserves	**-**	2,400
	309,935	275,217
Company		
Redemption of Perpetual Sukuk	**(8,267)**	(8,267)

47 RETAINED EARNINGS

The retained earnings of the Company as at 31 December 2025 is available for distribution as dividends.

48 SUMMARY OF EFFECTS OF ACQUISITION, INCORPORATION AND RE-ORGANISATION OF COMPANIES

2025

(i) Subsidiaries

(a) On 6 June 2025, Proton International Corporation Sdn. Bhd. ("PICorp") was incorporated by Perusahaan Otomobil Nasional Sdn. Bhd., an indirect 50.1% owned subsidiary of the Group. As a result, PICorp became an indirect 50.1% owned subsidiary of the Group. PICorp will be principally involved in the sales of vehicles, parts and accessories for the global market.

(b) On 31 July 2025, HICOM Holdings Berhad ("HHB"), a direct wholly-owned subsidiary of the Group, entered into a conditional share sale agreement ("SSA") with Arah Kiara Sdn. Bhd. for the acquisition of 10,491,000 ordinary shares, representing the remaining 30% equity interest in Scott & English (Malaysia) Sdn. Bhd. ("SEM") for a cash consideration of RM20,000,000. As a result, SEM became an indirect wholly-owned subsidiary of the Group.

(c) On 28 November 2025, Proton Capital Sdn. Bhd. ("Proton Capital") was incorporated by PROTON, a direct 50.1% owned subsidiary of the Group. As a result, Proton Capital became an indirect 50.1% owned subsidiary of the Group. Proton Capital will be principally involved in the hire purchase, rental, leasing and subscription of motor vehicles, and the provision of services related to the automotive industry, including vehicle insurance and maintenance services.

(d) As disclosed in Note 54(a), CTRM AeroSystems Sdn. Bhd. ("CTRM AeroSystems" and formerly known as Spirit AeroSystems Malaysia Sdn. Bhd.) became an indirect wholly-owned subsidiary of the Group on 8 December 2025. Details of cash flow arising from the acquisition are as follows:

	RM'000
Purchase consideration	**464,198**
Cash and cash equivalents arising from acquisition of CTRM AeroSystems	**(77,594)**
Cash outflow from acquisition of CTRM AeroSystems	**386,604**

The purchase consideration was fully settled in cash and was funded through bank borrowings, as disclosed in Note 37(e)(iv).

The acquisition-related costs of RM7,466,000 were expensed and included under administrative expenses. The attributable costs of the bank borrowings amounting to RM6,930,000 have been capitalised as part of the bank borrowings.

The subsidiary acquired during the financial year contributed revenue of approximately RM114,912,000 and profit after taxation of approximately RM6,449,000 to the Group for the period from the date of acquisition to 31 December 2025. Had the acquisition taken effect at the beginning of the financial year, the revenue and profit after taxation contributed to the Group would have been RM1,259,276,000 and RM53,073,000, respectively.

48 SUMMARY OF EFFECTS OF ACQUISITION, INCORPORATION AND RE-ORGANISATION OF COMPANIES (CONTINUED)

2025 (continued)

(i) Subsidiaries (continued)

(d) (continued)

Details of identifiable assets acquired, liabilities assumed and negative goodwill arising from the acquisition are as follows:

	Note	RM'000
Property, plant and equipment	13	**139,611**
Deferred tax assets	19	**3,350**
Inventories		**542,556**
Trade and other receivables		**371,039**
Tax recoverable		**2,777**
Cash and bank balances		**77,594**
Trade and other payables		**(265,999)**
Deferred grant income	34	**(67,042)**
Lease liabilities		**(5,273)**
Share of net assets acquired		**798,613**
Negative goodwill		**(334,415)**
Total purchase consideration		**464,198**

The business combination of CTRM AeroSystems was accounted for using the provisional fair values of its identifiable assets and liabilities. In accordance with MFRS 3 *Business Combinations*, the Group will carry out the Purchase Price Allocation ("PPA") exercise within 12 months from the acquisition date.

(e) On 30 December 2025, Pos Malaysia, a 53.5% owned subsidiary of the Group, completed the acquisition of the entire equity interest comprising 5,000,000 ordinary shares of RM1.00 each in PSH Express Sdn. Bhd. ("PSHE") from Posmen Sdn. Bhd., its wholly-owned subsidiary, via an internal reorganisation. As a result, PSHE became a direct wholly-owned subsidiary of Pos Malaysia.

(ii) Joint venture

(a) On 6 June 2025, New Energy Asia Sdn. Bhd. ("NEA") was incorporated pursuant to a joint venture agreement entered into on 11 April 2025 between HICOM Engineering Sdn. Bhd., an indirect wholly-owned subsidiary of the Group, and Hangzhou Flash Charging New Energy Co., Limited. As a result, NEA became an indirect 49% owned joint venture of the Group. NEA will be principally involved in the distribution, research and development, and manufacturing of electric vehicle charging equipment and battery energy storage systems.is classified as a joint venture and accounted using the equity method.

48 SUMMARY OF EFFECTS OF ACQUISITION, INCORPORATION AND RE-ORGANISATION OF COMPANIES (CONTINUED)

2024

(iii) Subsidiaries

(a) On 6 February 2024, Comtrac Sdn. Bhd. ("Comtrac"), an indirect wholly-owned subsidiary of the Group, completed the transfer of 1,750,000 ordinary shares and 276,940 redeemable preference shares representing 35% equity interest in Glenmarie Cove Development Sdn. Bhd. ("GCD") to HICOM Berhad ("HB"), an indirect wholly-owned subsidiary of the Group, via an internal re-organisation. As a result, GCD became a wholly-owned subsidiary of HB.

(b) On 26 February 2024, Pos Malaysia & Services Holdings Berhad, an indirect 53.5% owned subsidiary of the Group, completed the acquisition of 100% equity interest in Prima Pegun Sdn. Bhd. ("Prima Pegun") from CIMB Islamic Trustee Berhad for a cash consideration of RM2. As a result, Prima Pegun became an indirect 53.5% owned subsidiary of the Group.

(c) On 29 May 2024, AHTV Ventures Sdn. Bhd. ("AHTV Ventures") was incorporated by HHB, and as a result, AHTV Ventures became an indirect wholly-owned subsidiary of the Group.

(d) On 1 August 2024, Pos Logistics Berhad ("PLB"), an indirect 53.5% owned subsidiary of the Group, completed the acquisition of 100% equity interest in PNSL Risk Management Sdn. Bhd. ("PNSL Risk Management") from PNSL Berhad, the wholly-owned subsidiary of PLB, for a cash consideration of RM500,000 via an internal re-organisation. As a result, PNSL Risk Management became a direct wholly-owned subsidiary of PLB.

(e) On 13 August 2024, ACOTech (Thailand) Co., Ltd. ("ACOTech (Thailand)") was incorporated by ACO Tech Sdn. Bhd. ("ACO Tech"), an indirect 30.06% owned subsidiary of the Group, and as a result, ACOTech (Thailand) became an indirect 30.06% owned subsidiary of the Group. ACOTech (Thailand) has yet to commence its operation and will provide connectivity services for Original Equipment Manufacturers, cloud services, mobile application development, dealer management system development, and information technology services.

(f) On 29 October 2024, HB Property Development Sdn. Bhd., an indirect wholly-owned subsidiary of the Group, completed the acquisition of 100% equity interest in Dengkir Maju Security Services Sdn. Bhd. ("Dengkir Maju") from individual shareholders for a cash consideration of RM1,800,000. As a result, Dengkir Maju became an indirect wholly-owned subsidiary of the Group.

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48 SUMMARY OF EFFECTS OF ACQUISITION, INCORPORATION AND RE-ORGANISATION OF COMPANIES (CONTINUED)

2024 (continued)

(iii) Subsidiaries (continued)

(f) (continued)

Details of cash flow arising from the acquisition were as follows:

	RM'000
Purchase consideration, settled in cash	1,800
Cash and cash equivalents arising from acquisition of Dengkir Maju	(40)
Cash outflow from acquisition of Dengkir Maju	1,760

The subsidiary acquired during the financial year contributed revenue of approximately RM216,000 and profit after taxation of approximately RM45,000 to the Group for the period from the date of acquisition to 31 December 2024. Had the acquisition taken effect at the beginning of the financial year, the revenue and profit after taxation contributed to the Group would have been RM833,000 and RM36,000, respectively.

Details of identifiable assets acquired, liabilities assumed and goodwill arising from the acquisition were as follows:

	Note	Carrying value RM'000	Fair value RM'000
Trade and other receivables		185	185
Tax recoverable		96	96
Cash and bank balances		40	40
Trade and other payables		(98)	(98)
Share of net assets acquired		223	223
Goodwill	18		1,577
Total purchase consideration			1,800

During the financial year ended 31 December 2025, the Group has completed the PPA exercise to determine the fair values of the identifiable net assets of Dengkir Maju within the stipulated time period, i.e., 12 months from the acquisition date, which is 29 October 2024. The final goodwill of RM1,577,000 comprises the value of expected synergies arising from the acquisition, which is not separately recognised. Goodwill is allocated entirely to the services segment.

The adjusted fair values of Dengkir Maju's identifiable assets and liabilities have been reflected in the Consolidated Statement of Financial Position as at 31 December 2024.

48 SUMMARY OF EFFECTS OF ACQUISITION, INCORPORATION AND RE-ORGANISATION OF COMPANIES (CONTINUED)

2024 (continued)

(iii) Subsidiaries (continued)

(g) On 26 November 2024, ACO Tech (Hubei) Co. Ltd. ("ACO Tech (Hubei)") was incorporated by ACO Tech. As a result, ACO Tech (Hubei) became an indirect 30.06% owned subsidiary of the Group.

(iv) Joint ventures

(a) On 30 July 2024, AHTV Ventures entered into a joint venture agreement with Geely International Holdings (Malaysia) Sdn. Bhd. to incorporate a joint venture company, AHTV Alliance Sdn. Bhd. ("AHTV Alliance") and as a result, AHTV Alliance became an indirect 50.1% owned joint venture company of the Group.

(b) On 29 November 2024, pursuant to an internal re-organisation exercise, HESB completed the acquisition of 45% equity interest in HICOM-YAMAHA Manufacturing Malaysia Sdn. Bhd., by way of issuance and allotment of 7,829,313 new ordinary shares to HHB.

49 SUMMARY OF EFFECTS OF DILUTION AND DISPOSAL OF COMPANIES

2025

(i) Joint venture

(a) On 21 January 2025, HICOM-HONDA Manufacturing Malaysia Sdn. Bhd. ("HHMM"), an indirect 48% owned dormant joint venture of the Group was dissolved, and as a result, HHMM ceased to be a joint venture of the Group.

(ii) Associates

(a) On 2 April 2025, CEN Sdn. Bhd. ("CEN"), an indirect 22.74% owned dormant associate of the Group, was dissolved. As a result, CEN ceased to be an associate of the Group.

(b) On 2 September 2025, Faurecia HICOM Emissions Control Technologies (M) Sdn. Bhd. ("Faurecia HICOM"), an indirect 35% owned dormant associate of the Group, was dissolved by court order. As a result, Faurecia HICOM ceased to be an associate of the Group.

49 SUMMARY OF EFFECTS OF DILUTION AND DISPOSAL OF COMPANIES (CONTINUED)

2024

(iii) Subsidiaries

(a) On 28 February 2024, HHB completed the disposal of 9,000,000 ordinary shares and 147,910 preference shares in Comtrac to Ng Tet Min for a cash consideration of RM2. As a result, Comtrac ceased to be an indirect wholly-owned subsidiary of the Group.

The effect of the disposal as above up to the date of disposal on the results of the Group were shown below:

	RM'000
Revenue	500
Cost of sales	(213)
Gross profit	287
Other income	925
Administrative expenses	(11)
Finance costs	(8)
Profit before taxation representing net profit	1,193

Below was the effect of the disposal on the financial position and the cash flows of the Group:

	RM'000
Inventories	736
Tax recoverable	170
Short-term deposits	615
Cash and bank balances	64
Trade and other payables	(1,130)
Bank overdrafts	(220)
Non-controlling interests	(322)
Share of net assets disposed	(87)
Gain on disposal of a subsidiary	87
Sale consideration	*
Less: short-term deposits, cash and bank balances and bank overdrafts of the subsidiary disposed	(459)
Net cash outflow from disposal of a subsidiary	(459)

** Represents RM2.*

(b) On 28 May 2024, DRB-HICOM SPV (Labuan) Limited ("SPV Labuan"), a direct wholly-owned subsidiary of the Group, was voluntarily wound up via members' voluntary winding up, and as a result, SPV Labuan ceased to be a subsidiary of the Group.

49 SUMMARY OF EFFECTS OF DILUTION AND DISPOSAL OF COMPANIES (CONTINUED)

2024 (continued)

(iv) Associates

(a) On 3 January 2024, Suzuki Motorcycle Malaysia Sdn. Bhd. ("SMM"), an indirect 29% owned dormant associate of the Group, was wound up. As a result, SMM ceased to be an indirect 29% owned associate of the Group.

(b) On 1 August 2024, Pos Malaysia, a direct 53.5% owned subsidiary of the Group, disposed its entire 50% equity interest in Pospay Exchange Sdn. Bhd. ("Pospay") to Fask Capital Sdn. Bhd. for a cash consideration of RM1. As a result, Pospay ceased to be an indirect 26.75% owned associate of the Group.

50 SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES

(a) Identity of related parties

For the purposes of these financial statements, parties are considered to be related to the Group or the Company if the Group or the Company has the ability, directly or indirectly, to control or jointly control the party, or to exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel, being those persons having authority and responsibility for planning, directing, and controlling the activities of the Group, either directly or indirectly, as well as entities that provide key management personnel services to the Group. Key management personnel comprise all the Directors of the Group and certain members of senior management of the Group.

The Group's and the Company's related parties include holding company, subsidiaries, joint ventures, associates and key management personnel.

Other than the disclosure set out in Notes 1 and 3, respectively, the following are other parties that have relationship with the Group and the Company, including parties with common shareholders, with whom the Group and the Company have significant related party transactions.

Related parties		Relationship
• Alam Flora Sdn. Bhd.	-	Companies with a common Shareholder
• Aliran Ihsan Resources Berhad	-	Companies with a common Shareholder
• Anglo-Oriental (Annuities) Sdn. Bhd.	-	Companies with a common Shareholder
• Big Tree Outdoor Sdn. Bhd.	-	Companies with a common Shareholder
• Changxing Geely Automobile Sales Co., Ltd.	-	Subsidiary of Zhejiang Geely Holding Group Co., Ltd. ("ZGH"), corporate shareholder of PROTON
• Central Sugars Refinery Sdn. Bhd.	-	Companies with a common Shareholder
• Commerce Dot Com Sdn. Bhd.	-	Companies with a common Shareholder

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50 SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

(a) Identity of related parties (continued)

Related parties		Relationship
• Gas Malaysia Berhad	-	Companies with a common Shareholder
• Gas Malaysia Energy Advance Sdn. Bhd.	-	Companies with a common Shareholder
• Geely Automobile International Corporation	-	Subsidiary of ZGH
• Hunan Geely Automobile International Corporation	-	Subsidiary of ZGH
• Jasmine Food Corporation Sdn. Bhd.	-	Companies with a common Shareholder
• Johor Port Berhad	-	Companies with a common Shareholder
• Kapar Energy Ventures Sdn. Bhd.	-	Companies with a common Shareholder
• Malakoff Radiance Sdn. Bhd.	-	Companies with a common Shareholder
• Manjara Sdn. Bhd.	-	Companies with a common Shareholder
• Media Prima Berhad	-	Companies with a common Shareholder
• Media Prima Omnia Sdn. Bhd.	-	Companies with a common Shareholder
• Metropolitan TV Sdn. Bhd.	-	Companies with a common Shareholder
• MMC Corporation Berhad	-	Companies with a common Shareholder
• MYTV Broadcasting Sdn. Bhd.	-	Companies with a common Shareholder
• Ningbo Geely Automobile Research and Development Co., Ltd.	-	Subsidiary of ZGH
• Ningbo Geely Royal Engine Components Co., Ltd.	-	Subsidiary of ZGH
• Padiberas Nasional Berhad	-	Companies with a common Shareholder
• Penang Port Sdn. Bhd.	-	Companies with a common Shareholder
• Percetakan Nasional Malaysia Berhad	-	Companies with a common Shareholder
• Puncak Hartanah Intelek Sdn. Bhd.	-	Companies with a common Shareholder
• Puncak Tegap Sdn. Bhd.	-	Companies with a common Shareholder
• REV Social Malaysia Sdn. Bhd.	-	Companies with a common Shareholder
• Sistem Televisyen Malaysia Berhad	-	Companies with a common Shareholder
• STMB Properties Sdn. Bhd.	-	Companies with a common Shareholder
• Syarikat Faiza Sdn. Bhd.	-	Companies with a common Shareholder
• Tanjung Bin Power Sdn. Bhd.	-	Companies with a common Shareholder
• Tanjung Bruas Port Sdn. Bhd.	-	Companies with a common Shareholder
• Tradewinds Plantation Berhad	-	Companies with a common Shareholder
• Geely Changxing Automatic Transmission Co., Ltd.	-	Subsidiary of ZGH
• Zhejiang Geely Auto Engineering Technology Development Co., Ltd.	-	Subsidiary of ZGH

50 SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

(b) Significant transactions and balances with related parties

In addition to the related party disclosures presented elsewhere in the financial statements, set out below are other related party transactions that were entered into in the normal course of business under negotiated trade terms.

Outstanding balances as at the end of the reporting period are unsecured and settlement is expected to be in cash, unless otherwise stated. As at the reporting date, impairment assessments are performed by evaluating the financial position of the related parties and the markets in which they operate. The balances arising from the transactions below are presented in Notes 25 and 42, respectively.

	Group		Company	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
(i) With subsidiaries				
Dividend income	**-**	-	**84,752**	174,423
Interest income	**-**	-	**57,849**	52,838
Year-end balances				
- Short-term deposits with Bank Muamalat	**-**	-	**86,860**	80,000
(ii) With joint ventures				
Sale of goods/services	**206,384**	153,972	**-**	-
Purchase of goods/services	**783,127**	681,062	**-**	-
Dividend income	**-**	-	**13,589**	17,994
(iii) With associates				
Sale of goods/services	**222,942**	**310,920**	**-**	-
Purchase of services	**85,653**	**87,970**	**-**	-
Dividend income	**-**	-	**142,120**	123,420
Year-end balances - banking				
- Short-term deposits with Bank Muamalat	**80,862**	80,795	**-**	-
(iv) With related parties				
Sale of goods/services				
- Alam Flora Sdn. Bhd.	**64,683**	5,855		
- Padiberas Nasional Berhad	**24,807**	27,096	**-**	-

Notes To The Financial Statements
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50 SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

(b) Significant transactions and balances with related parties (continued)

		Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
(iv)	**With related parties: (continued)**				
	Sale of goods/services (continued)				
	- Percetakan Nasional Malaysia Berhad	**18,015**	14,565	**-**	-
	- Central Sugars Refinery Sdn. Bhd.	**4,787**	11,813	**-**	-
	Purchase of goods/services				
	- Changxing Geely Automobile Sales Co., Ltd.	**213,729**	456,034	**-**	-
	- Geely Automobile International Corporation	**403,076**	444,994	**-**	-
	- Hunan Geely Automobile International Corporation	**491,891**	291,258	**-**	-
	- Ningbo Geely Automobile Research and Development Co., Ltd.	**127,972**	109,519	**-**	-
	- Geely Changxing Automatic Transmission Co., Ltd.	**113,106**	-	**-**	-
	- Zhejiang Geely Auto Engineering Technology Development Co., Ltd.	**117,422**	-	**-**	-
	- Ningbo Geely Royal Engine Components Co., Ltd.	**33,508**	55,480	**-**	-
	- Gas Malaysia Berhad	**12,349**	14,604	**-**	-
	- Malakoff Radiance Sdn. Bhd.	**-**	10,421	**-**	-

50 SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

(b) Significant transactions and balances with related parties (continued)

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
(iv) With related parties: (continued)				
Year-end balances - banking				
- Short-term deposits with Bank Muamalat				
- Penang Port Sdn. Bhd.	**180,273**	-	**-**	-
- Padiberas Nasional Berhad	**159,696**	59,748	**-**	-
- Media Prima Omnia Sdn. Bhd.	**61,338**	42,148	**-**	-
- MMC Corporation Berhad	**60,608**	176,155	**-**	-
- Media Prima Berhad	**50,149**	22,346	**-**	-
- Tradewinds Plantation Berhad	**32,838**	150,000	**-**	-
- Percetakan Nasional Malaysia Berhad	**17,331**	-	**-**	-
- Alam Flora Sdn. Bhd.	**16,768**	123,075	**-**	-
- REV Social Malaysia Sdn. Bhd.	**16,249**	15,709	**-**	-
- Sistem Televisyen Malaysia Berhad	**13,095**	20,275	**-**	-
- Metropolitan TV Sdn. Bhd.	**11,809**	11,416	**-**	-
- Big Tree Outdoor Sdn. Bhd.	**10,713**	30,959	**-**	-
- MYTV Broadcasting Sdn. Bhd.	**8**	12,477	**-**	-
- Tanjung Bin Power Sdn. Bhd.	**-**	183,091	**-**	-
- Revolving financing with Bank Muamalat				
- Anglo-Oriental (Annuities) Sdn. Bhd.	**342,910**	453,112	**-**	-
- Tradewinds Plantation Berhad	**75,137**	75,170	**-**	-
- Padiberas Nasional Berhad	**74,371**	-	**-**	-

Notes To The Financial Statements
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50 SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

(b) Significant transactions and balances with related parties (continued)

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
(iv) With related parties: (continued)				
Year-end balances - banking (continued)				
- Revolving financing with Bank Muamalat (continued)				
- Central Sugars Refinery Sdn. Bhd.	**30,085**	170,201	**-**	-
- Aliran Ihsan Resources Berhad	**25,438**	26,331	**-**	-
- Term loans with Bank Muamalat				
- Puncak Tegap Sdn. Bhd.	**295,091**	256,751	-	-
- STMB Properties Sdn. Bhd.	**112,499**	119,999	**-**	-
- Media Prima Berhad	**100,390**	105,285	**-**	-
- Commerce Dot Com Sdn. Bhd.	**66,748**	-	**-**	-
- Puncak Hartanah Intelek Sdn. Bhd.	**19,080**	-	**-**	-
- Gas Malaysia Energy Advance Sdn. Bhd.	**18,179**	22,044	**-**	-
- Manjara Sdn. Bhd.	**-**	24,167	**-**	-
- Tanjung Bruas Port Sdn. Bhd.	**10,081**	12,412	**-**	-
- Trade line with Bank Muamalat				
- Padiberas Nasional Berhad	**258,299**	328,307	**-**	-
- Jasmine Food Corporation Sdn. Bhd.	**78,882**	66,967	**-**	-
- Syarikat Faiza Sdn. Bhd.	**45,356**	62,441	**-**	-
- Central Sugars Refinery Sdn. Bhd.	**-**	170,201	**-**	-

50 SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

(b) Significant transactions and balances with related parties (continued)

	Group		Company	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
(iv) With related parties: (continued)				
- Trade line with Bank Muamalat (continued)				
- Commerce Dot Com Sdn. Bhd.	**-**	99,035	**-**	-
- Kapar Energy Ventures Sdn. Bhd.	**-**	8,482	**-**	-
- Cash line with Bank Muamalat				
- Puncak Tegap Sdn. Bhd.	**11,955**	-	**-**	-
(v) Key management compensation				
- Salaries, bonuses, allowances and other benefits	**10,252**	12,185	**-**	-
- Defined contribution plan	**1,593**	1,895	**-**	-

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51 CAPITAL AND OTHER COMMITMENTS

(a) Non-banking

Capital commitments as at the reporting date are as follows:

	2025 RM'000	2024 RM'000
Group		
Capital expenditure for property, plant and equipment and intangible assets, not provided for in the financial statements		
- Authorised and contracted for	**462,888**	548,860
- Authorised but not contracted for	**3,310,771**	3,664,624
	3,773,659	4,213,484

(b) Banking

In the normal course of business, the banking subsidiary enters into various commitments and incurs certain contingent liabilities with legal recourse to its customers. No material losses are expected to arise from these transactions. The risk-weighted exposures of the banking subsidiary are as follows:

	Principal amount RM'000	Credit equivalent amount RM'000	Total risk weighted amount RM'000
2025			
Contingent liabilities			
Direct credit substitutes	**964,294**	**964,294**	**933,859**
Trade-related contingencies	**387,443**	**77,489**	**9,422**
Transaction related contingencies	**496,576**	**248,288**	**233,613**
Commitments			
Credit extension commitment:			
- Maturity within one year	**906,304**	**181,261**	**161,252**
- Maturity exceeding one year	**1,352,362**	**676,181**	**311,145**
Other miscellaneous commitments & contingencies	**561,878**	**90,151**	**67,750**
Islamic derivative financial instruments			
Foreign exchange related contracts	**1,571,402**	**37,100**	**28,005**
	6,240,259	**2,274,764**	**1,745,046**

51 CAPITAL AND OTHER COMMITMENTS (CONTINUED)

(b) Banking (continued)

	Principal amount RM'000	Credit equivalent amount RM'000	Total risk weighted amount RM'000
2024			
Contingent liabilities			
Direct credit substitutes	643,892	643,892	630,620
Trade-related contingencies	676,873	135,375	1,745
Transaction related contingencies	442,614	221,307	210,053
Commitments			
Credit extension commitment:			
- Maturity within one year	748,737	149,747	132,074
- Maturity exceeding one year	1,382,862	691,431	363,400
Other miscellaneous commitments & contingencies	349,722	57,459	43,094
Islamic derivative financial instruments			
Foreign exchange related contracts	1,850,608	45,625	36,350
	6,095,308	1,944,836	1,417,336

52 GROUP SEGMENT REPORTING

During the financial year under review, Management reassessed the Group's reportable operating segments in accordance with MFRS 8 *Operating Segments*. The reassessment considered the identification of the Chief Operating Decision Maker (CODM) and the availability of discrete financial information for the Group's key business activities. Following this review, Management introduced a new Mobility segment to reflect the Group's strategic shift towards an integrated mobility ecosystem, encompassing new energy vehicles, air mobility, connected platforms and related solutions. Based on their similar economic characteristics, integrated value chains, regulatory environment and strategic alignment, the Automotive and Aerospace and Defence businesses were aggregated into the Mobility segment. The Mobility segment now comprises automotive distribution, manufacturing and engineering, composite manufacturing and defence assembly under a unified mobility-driven strategy. Accordingly, the Group's reportable segments were reduced from six to five. Correspondingly, the comparatives have been restated to conform with the current year's reportable segments.

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52 GROUP SEGMENT REPORTING (CONTINUED)

Business segment	Description
Mobility	Manufacturing, assembly, vehicle importation, vehicle pre-delivery inspection, vehicle leasing, distribution and sale of motor vehicles, sale of motorcycles, composite manufacturing, sale of military vehicles and special-purpose vehicles (including sale of related spare parts and services), and yard-management services.
Postal	Mail, courier, retail, airport ground handling business, integrated logistics and inventory solutions, and others.
Banking	Islamic banking and related financial services.
Services	Vehicles inspection services, higher education and vocational training institution and security services.
Properties	Property concession, holding and development.

Investment Holding and Others comprise investment holding activities, corporate headquarter and corporate assets.

The Management Committee, which acts as the CODM, monitors the operating results of the Group's business units separately for the purpose of resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with the profit or loss in the consolidated financial statements.

(a) Primary reporting format - business segments

Inter-segment revenue comprises revenue from transactions with other business segments, carried out in the normal course of business under negotiated terms.

Segment results represent segment revenue less segment expenses. Unallocated expenses represent corporate operating and administrative expenses.

Segment assets consist primarily of property, plant and equipment, investment properties, inventories (including land held for property development and property development costs), receivables, investment securities, banking-related assets, cash and bank balances and derivative assets. Segment liabilities comprise mainly payables, banking-related liabilities, provisions for liabilities and charges, lease liabilities and derivative liabilities. Unallocated liabilities comprises accruals for corporate operating and administrative expenses.

Capital expenditure comprises additions to property, plant and equipment, investment properties, intangible assets, land held for property development, and property development costs.

(b) Secondary reporting format - geographical segment

The Group's secondary format by geographical location is not presented, as the Group's activities are predominantly conducted in Malaysia and the overseas segment does not contribute more than 10% of the consolidated revenue and assets.

52 GROUP SEGMENT REPORTING (CONTINUED)

The information of each of the Group's business segments for the financial year ended 31 December 2025 is as follows:

Primary reporting format - business segment

	Mobility RM'000	Postal RM'000	Banking RM'000	Services RM'000	Properties RM'000	Investment holding and Others RM'000	Group RM'000
Revenue							
Total revenue	**12,814,101**	**1,826,047**	**2,229,181**	**217,043**	**301,710**	**30,369**	**17,418,451**
Inter-segment revenue	**(23,570)**	**(26,726)**	**(22,997)**	**(2,756)**	**(2,505)**	**(30,369)**	**(108,923)**
External revenue	**12,790,531**	**1,799,321**	**2,206,184**	**214,287**	**299,205**	**-**	**17,309,528**
Results							
Segment profit/(loss)	**283,059**	**(164,893)**	**330,362**	**(8,063)**	**120,953**	**63,038**	**624,456**
Unallocated expenses							**(118,320)**
Interest income	**50,664**	**635**	**-**	**337**	**3,639**	**14,799**	**70,074**
Negative goodwill arising from acquisition of a subsidiary	**334,415**	**-**	**-**	**-**	**-**	**-**	**334,415**
Finance costs	**(169,221)**	**(20,932)**	**(93,995)**	**(3,117)**	**(43,396)**	**(183,808)**	**(514,469)**
Share of results of joint ventures (net of tax)	**120,994**	**-**	**-**	**-**	**(5,249)**	**-**	**115,745**
Share of results of associates (net of tax)	**141,988**	**(6)**	**-**	**-**	**-**	**-**	**141,982**
Profit before taxation							**653,883**
Taxation	**62,800**	**(21,643)**	**(73,220)**	**(4,781)**	**(25,639)**	**(2,645)**	**(65,128)**
Net profit for the financial year							**588,755**
Attributable to:							
Owners of the Company							**397,973**
Holders of Perpetual Sukuk							**37,125**
Non-controlling interests							**153,657**

52 GROUP SEGMENT REPORTING (CONTINUED)

Primary reporting format - business segment (continued)

	Mobility RM'000	Postal RM'000	Banking RM'000	Services RM'000	Properties RM'000	Investment holding and Others RM'000	Group RM'000
Other information							
Segment assets	**10,472,207**	**1,714,349**	**45,321,264**	**194,953**	**5,467,706**	**220,349**	**63,390,828**
Interest-bearing short-term deposits							**328,218**
Taxation assets							**516,365**
Joint ventures	**592,503**	**-**	**-**	**-**	**2,417**	**-**	**594,920**
Associates	**897,908**	**40,946**	**-**	**-**	**-**	**-**	**938,854**
Assets held for sale	**144**	**-**	**-**	**-**	**-**	**-**	**144**
Total assets							**65,769,329**
Segment liabilities	**4,676,518**	**706,859**	**40,420,475**	**97,640**	**355,399**	**46,229**	**46,303,120**
Bank borrowings							**8,349,290**
Taxation liabilities							**265,486**
Unallocated liabilities							**27,258**
Total liabilities							**54,945,154**
Capital expenditure	**923,745**	**51,626**	**60,507**	**17,955**	**6,746**	**364**	**1,060,943**
Depreciation and amortisation	**1,017,082**	**127,335**	**61,377**	**20,474**	**10,537**	**3,668**	**1,240,473**
Impairment loss/(reversal of impairment loss)	**349,214**	**3,015**	**(365)**	**-**	**-**	**-**	**351,864**

52 GROUP SEGMENT REPORTING (CONTINUED)

The information of each of the Group's business segments for the financial year ended 31 December 2024 is as follows:

Primary reporting format - business segment

	Mobility RM'000	Postal RM'000	Banking RM'000	Services RM'000	Properties RM'000	Investment holding and Others RM'000	Group RM'000
Revenue							
Total revenue	11,938,191	1,839,669	2,128,326	190,446	211,122	25,402	16,333,156
Inter-segment revenue	(12,893)	(70,195)	(14,329)	(858)	(18,715)	(25,402)	(142,392)
External revenue	11,925,298	1,769,474	2,113,997	189,588	192,407	-	16,190,764
Results							
Segment profit/(loss)	363,362	(148,554)	201,050	(17,330)	102,165	48,714	549,407
Unallocated expenses							(100,758)
Interest income	41,208	956	-	513	5,135	13,602	61,414
Finance costs	(170,491)	(22,139)	(86,154)	(2,166)	(53,691)	(184,831)	(519,472)
Share of results of joint ventures (net of tax)	100,131	-	-	-	(2,354)	-	97,777
Share of results of associates (net of tax)	158,937	85	-	-	-	-	159,022
Profit before taxation							247,390
Taxation	(59,605)	(21,976)	(34,035)	(2,519)	(21,526)	(1,957)	(141,618)
Net profit for the financial year							105,772
Attributable to:							
Owners of the Company							22,554
Holders of Perpetual Sukuk							37,227
Non-controlling interests							45,991

52 GROUP SEGMENT REPORTING (CONTINUED)

Primary reporting format - business segment (continued)

	Mobility RM'000	Postal RM'000	Banking RM'000	Services RM'000	Properties RM'000	Investment holding and Others RM'000	Group RM'000
Other information							
Segment assets	8,495,612	1,804,088	43,069,240	189,570	5,455,636	263,796	59,277,942
Interest-bearing short-term deposits							990,046
Taxation assets							417,571
Joint ventures	554,358	-	-	-	7,666	-	562,024
Associates	974,868	40,952	-	-	-	-	1,015,820
Assets held for sale	495	-	-	-	-	-	495
Total assets							62,263,898
Segment liabilities	4,386,776	806,263	38,784,463	86,412	314,378	33,988	44,412,280
Bank borrowings							7,279,793
Taxation liabilities							256,857
Unallocated liabilities							27,764
Total liabilities							51,976,694
Capital expenditure	624,835	52,472	69,475	27,082	26,773	3,411	804,048
Depreciation and amortisation	927,163	149,215	58,622	27,632	24,422	3,494	1,190,548
Impairment loss/(reversal of impairment loss)	370	(5,577)	45,069	-	179	-	40,041

53 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated by the Directors and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future events and hence, resulting in accounting estimates. To enhance the information content of the estimates, certain key assumptions that are expected to have a material impact to the Group's financial performance and financial position are subjected to sensitivity analysis based on changes in the underlying assumptions. The estimates and assumptions that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below:

(a) Impairment of property, plant and equipment and other intangible assets

The Group tests property, plant and equipment and other intangible assets for impairment whenever there are indicators of impairment. The recoverable amounts are determined based on the higher of VIU and FVLCD. Estimation of recoverable amounts using the VIU approach involves forecasting future cash inflows and outflows derived from the assets or CGUs and discounting them at an appropriate discount rate. Determination of recoverable amounts using the FVLCD method involves significant judgement and the use of unobservable inputs and assumptions.

(b) Impairment of goodwill under intangible assets

The Group tests goodwill for impairment at least annually. For the purpose of impairment assessment, goodwill is allocated to CGUs that are expected to benefit from the synergies of the business combination in which the goodwill originated. The recoverable amounts of goodwill are determined based on the higher of VIU and FVLCD. Significant judgement is required in estimating he present value of future cash flows to be generated by the CGUs, as the assessment involves uncertainties and is highly sensitive to assumptions relating to future cash flows and discount rates. Changes in these assumptions could materially affect the outcome of the Group's goodwill impairment assessments.

(c) Impairment of loans and receivables

The Group applies the simplified approach under MFRS 9 to measure expected credit losses, which requires the use of a lifetime expected loss allowance for all trade receivables and contract assets. In measuring the expected credit losses, trade receivables and contract assets are grouped based on shared credit risk characteristics and days past due. Contract assets relate to unbilled work-in-progress and have substantially similar risk characteristics to the trade receivables arising from the same types of contracts.

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53 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(d) Impairment of banking-related assets - financing of customers

Significant financing to customers are reviewed individually at each reporting date to assess whether an impairment loss should be recognised in profit or loss. Management judgement is required in estimating the amount and timing of future cash flows when determining impairment losses. In estimating these cash flows, judgements are made regarding the customer's financial position and the net realisable value of collateral. These estimates are based on a number of assumptions and actual outcomes may differ, resulting in future changes to the impairment allowances. The ECL calculations under MFRS 9 are derived from complex models that incorporate multiple assumptions, including the selection of variable inputs and their interdependencies.

The exposures of financing to customers that have been assessed individually but for which no impairment is required, together with individually insignificant financing exposures, are assessed collectively by grouping assets with similar credit risk characteristics. This collective assessment is performed to determine whether impairment losses should be recognised for expected loss events for which there is objective evidence, but the effects of which are not yet evident. The collective assessment takes into account data from the financing portfolio, such as credit quality, levels of arrears, credit utilisation, financing-to-collateral ratios and other relevant factors, as well as management judgement on the impact of risk concentrations, including the performance of different customer segments.

(e) Impairment of investment in subsidiaries

The Company tests its investments in subsidiaries for impairment whenever there is an indication of impairment. The recoverable amounts are determined based on the higher of VIU and FVLCD. Where the recoverable amount is determined using the VIU method, significant judgement is required in estimating the present value of future cash flows expected to be generated by the subsidiaries. This assessment involves inherent uncertainties and is sensitive to assumptions and judgements applied in estimating future cash flows and discount rates. Where the recoverable amount is determined using the FVLCD method, the key inputs and assumptions applied are disclosed in Note 15(e).

(f) Construction contracts and property development activities

The Group recognises revenue using the percentage-of-completion method. The stage of completion is measured by reference to the costs incurred to date relative to the estimated total costs. Judgement is required in determining the stage of completion, the extent of costs incurred, the estimated total revenue (other than for fixed-price contracts) and estimated total costs, as well as the recoverability of receivables. In making these judgements, the Group relies on past experience and, where appropriate, the work of specialists.

53 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(g) Estimate of fair value of investment properties

The Group and the Company estimate the fair values of their investment properties using the investment and market comparison methods. The fair values of the investment properties are determined by independent professional valuers who have appropriate recognised professional qualifications and recent experience in the location and category of the properties being valued. The independent professional valuers provide annual valuations of the Group's and the Company's investment property portfolios. The principal assumptions underlying these valuations are further disclosed in Note 55(c)(v).

(h) Fair value estimation of derivative financial instruments, investment securities: financial assets at FVTPL and FVOCI

For financial instruments measured at fair value, where fair values cannot be derived from active markets, the fair values are determined using a variety of valuation techniques, including the use of mathematical models. While the Group generally applies widely recognised valuation models using market-observable inputs, judgement is required where observable market data are not available. Such judgement typically incorporates assumptions that market participants would use in their valuations, including assumptions relating to profit rate yield curves, exchange rates, volatilities, and prepayment and default rates.

(i) Determining the lease term of contracts with renewal and termination options - Group as lessee

The Group determines the lease term as the non-cancellable period of the lease, together with any periods covered by an option to extend the lease where it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease where it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. Judgement is applied in assessing whether it is reasonably certain that the Group will exercise an option to extend or terminate a lease. In making this assessment, the Group considers all relevant facts and circumstances that create an economic incentive to exercise, or not to exercise, such options. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise, or not to exercise, an extension or termination option (for example, the construction of significant leasehold improvements or significant customisation of the leased asset).

Renewal periods are included as part of the lease term for leases of plant and machinery with shorter non-cancellable periods. The Group typically exercises renewal options for these leases, as failure to renew would result in a significant negative impact on production where replacement assets are not readily available. Conversely, renewal periods for leases of plant and machinery with longer non-cancellable periods are not included as part of the lease term, as these options are not considered reasonably certain to be exercised. In addition, renewal options for leases of motor vehicles are not included in the lease term, as the Group typically leases motor vehicles for periods not exceeding five years and does not ordinarily exercise renewal options.

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53 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(i) Determining the lease term of contracts with renewal and termination options - Group as lessee (continued)

Periods covered by termination options are included as part of the lease term only when it is reasonably certain that such options will not be exercised. Information on undiscounted potential future lease payments relating to periods following the exercise date of extension and termination options that are not included in the lease term is disclosed in Note 38.

(j) Classification of leases - as lessor

The Group, as the lessor, has entered into long-term leasing agreements for certain motor vehicles with its customers as lessees. In assessing the classification of these leases, the Group considered the following factors:

(i) The legal titles to the motor vehicles is not transferred to the lessees at the end of the lease term;

(ii) The lessees do not have options to purchase the motor vehicles;

(iii) The lease terms do not represent a major part of the economic lives of the motor vehicles;

(iv) At lease inception, the present value of the minimum lease payments does not amount to substantially all of the fair value of the leased motor vehicles; and

(v) The leased motor vehicles are not of a specialised nature.

Based on the above assessment, management concluded the Group retains substantially all the significant risks and rewards incidental to ownership of the motor vehicles. Accordingly, the leasing agreements are accounted for as operating leases.

(k) Provision for claims from suppliers

The provision for claims from suppliers is determined based on the shortfall between actual order volumes and the volumes required for vendors to recover their tooling costs. The provision recognised represents management's estimate of the expected settlement amounts for such claims, which are subject to negotiation with suppliers on a case-by-case basis. It is expected that the majority of the provision for claims from suppliers relating to vehicle models will be utilised within one to three years from the reporting date. Any deviations from the original estimates will result in adjustments to the carrying amount of the provision and will be recognised in profit or loss in the period in which the estimates are revised.

The carrying amount of the provision for claims from suppliers is disclosed in Note 35.

53 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(l) Provision for product warranties

Certain subsidiaries recognise provisions for product warranties based on assessments of historical experience and industry averages for defective production. The quantification of warranty obligations requires the application of judgement and estimates. Any deviations from the original estimates will result in adjustments to the carrying amount of the provision and will be recognised in profit or loss in the period in which the estimates are revised.

The carrying amount of the provision for product warranties for defective works is disclosed in Note 35.

(m) Deferred tax assets

Deferred tax assets are recognised for unutilised tax losses, unabsorbed capital allowances, unutilised reinvestment allowances, unutilised investment tax allowances and other deductible temporary differences to the extent that it is probable that future taxable profit will be available against which the losses and tax allowances can be utilised. Significant management judgement is required in determining the amount of deferred tax assets that can be recognised, based on the expected timing and level of future taxable profits; as well as future tax planning strategies.

(n) Revenue from contracts with customers

The Group applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

(i) Identifying performance obligations in a bundled sale of goods and services

The Group enters into various revenue contracts with customers which includes bundled goods or services. Significant management judgement is required to determine whether these bundled goods or services are separate performance obligations. Accordingly, management has outlined a two-step process to determine whether a contract with bundled goods or services shall be recognised separately as follows:

i. Consideration at the level of the individual goods or services of whether the customers can benefit from the goods or service on its own or with other readily available resources; and

ii. Consideration of whether the goods or services are separately identifiable from other promises in the contract.

Both of these criteria must be met to conclude that the goods or services shall be accounted for as a separate unit of account, i.e., a performance obligation.

53 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(n) Revenue from contracts with customers (continued)

(ii) Determining method to estimate variable consideration and assessing the constraint

Certain contracts for the sale of goods include volume rebates that give rise to variable consideration. In estimating variable consideration, the Group is required to apply either the expected value method or the most likely amount method, depending on which method better predicts the amount of consideration to which the Group expects to be entitled.

The Group has determined that the expected value method is appropriate for estimating variable consideration arising from sales of goods with rights of return, given the large number of customer contracts with similar characteristics. In estimating variable consideration for sales of goods with volume rebates, the Group has determined that a combination of the most likely amount method and the expected value method is appropriate. The method selected is driven primarily by the number of volume thresholds specified in the contract and the method that best predicts the amount of variable consideration.

The most likely amount method is applied to contracts that contain a single volume threshold, while the expected value method is applied to contracts that contain more than one volume threshold.

(iii) Principal versus agent considerations

The Group enters into contracts with customers to acquire goods produced by foreign suppliers on the customers' behalf. Under these arrangements, the Group provides procurement services, including coordinating the selection of suitable suppliers and managing the ordering and delivery of the goods. The Group has determined that it does not control the goods before they are transferred to customers, as it does not have the ability to direct the use of the goods or obtain substantially all of the benefits from them. The following factors indicate that the Group does not control the goods prior to transfer to customers and, accordingly, acts as an agent in these arrangements:

- The Group is not primarily responsible for fulfilling the promise to provide the goods to customers.

- The Group does not bear inventory risk before or after the goods are transferred to customers, as purchases are made only upon customer approval and the foreign suppliers ship the goods directly to the customers.

- The Group does not have discretion in establishing the prices of the specified goods. The Group's consideration under these contracts is limited to the difference between the maximum purchase price quoted by the customer and the final price negotiated by the Group with the foreign suppliers.

In addition, the Group concluded that control over its services, being the arrangement for the provision of goods from foreign suppliers, is transferred at a point in time upon receipt of the goods by the customers, as this is when the customers obtain the benefits of the Group's agency services.

53 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(n) Revenue from contracts with customers (continued)

(iv) Consideration of significant financing component in a contract

The Group has determined that certain construction contracts contain significant financing components. Accordingly, the transaction prices of these contracts are discounted to reflect the effects of the significant financing components.

In determining the interest rate to be applied to the consideration, the Group concluded that the interest rate implicit in the contract, being the rate that discounts the transaction price (the consideration agreed with the customer before adjusting for any financing component) to the cash selling price of the construction services at contract inception, is appropriate. This rate is considered commensurate with the rate that would be reflected in a separate financing transaction between the Group and its customer at the inception of the contract.

54 SIGNIFICANT AND SUBSEQUENT EVENTS

(a) On 8 August 2025 and 23 October 2025, Composites Technology Research Malaysia Sdn. Bhd. ("CTRM" and now known as CTRM Holdings Sdn. Bhd.), a direct wholly-owned subsidiary of DRB-HICOM Berhad ("DRB-HICOM"), entered into a conditional Share Purchase Agreement ("SPA") and a supplemental agreement ("Amendment SPA") (collectively referred to as the "SPA") with Spirit AeroSystems, Inc. and Spirit AeroSystems International Holdings, Inc. to acquire the entire equity interest in Spirit AeroSystems Malaysia Sdn. Bhd. ("Spirit MY") (the "Proposed Acquisition").

The purchase consideration is based on an enterprise value of USD95,200,000, subject to adjustments for Spirit MY's cash, indebtedness, and any excess or shortfall in net working capital measured as at the end of the day immediately prior to the SPA completion date, against a target net working capital of USD155,000,000. No adjustment will be made if Spirit MY's net working capital at that time falls between USD140,000,000 and USD170,000,000 (both figures inclusive).

The Proposed Acquisition was subject to the fulfilment of the closing conditions under the SPA, which include, among others:

(i) approval from the European Commission, which was obtained on 14 October 2025;

(ii) shareholders' approval, which was obtained at the Extraordinary General Meeting convened on 14 November 2025; and

(iii) approval from the United States Federal Trade Commission, which was obtained on 4 December 2025.

On 4 December 2025, the estimated purchase consideration of USD110,618,000 (equivalent to RM464,198,000) was determined in accordance with the SPA.

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54 SIGNIFICANT AND SUBSEQUENT EVENTS (CONTINUED)

(a) (continued)

Upon the fulfilment of all closing conditions and completion of the Proposed Acquisition on 8 December 2025, Spirit MY became an indirect wholly-owned subsidiary of DRB-HICOM. On 15 January 2026, Spirit MY changed its name to CTRM AeroSystems Sdn. Bhd.

(b) On 26 February 2026, Pos Malaysia Berhad, a direct 53.5% owned subsidiary of the Group, announced the establishment of a subordinated perpetual Islamic notes programme with a nominal value of RM1,000,000,000 under the Shariah principle of Wakalah Bi Al-Istithmar. The programme is intended to finance the capital expenditure, investment activities, working capital requirements, and other general corporate purposes. The issuance of the first tranche amounting to RM300,000,000 was successfully completed on 17 March 2026.

55 FAIR VALUE MEASUREMENT

(a) Financial and non-financial instruments measured at fair value.

The table below provides the fair value measurement hierarchy of the Group's and of the Company's assets and liabilities:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Group				
2025				
Assets measured at fair value:				
Investment securities: financial assets at FVOCI	**84,862**	**7,886,717**	**4,631**	**7,976,210**
Investment securities: financial assets FVTPL	**29,385**	**72,174**	**16,573**	**118,132**
Financing of customers	**-**	**-**	**288,554**	**288,554**
Derivative assets	**-**	**13,549**	**1,626**	**15,175**
Investment properties	**-**	**-**	**662,494**	**662,494**
	114,247	**7,972,440**	**973,878**	**9,060,565**
Liabilities measured at fair value:				
Derivative liabilities	**-**	**27,425**	**-**	**27,425**

55 FAIR VALUE MEASUREMENT (CONTINUED)

(a) Financial and non-financial instruments measured at fair value. (continued)

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Group				
2024				
Assets measured at fair value:				
Investment securities: financial assets at FVOCI	136,877	7,428,863	4,631	7,570,371
Investment securities: financial assets at FVTPL	5,698	7,188	89,266	102,152
Financing of customers	-	-	337,972	337,972
Derivative assets	-	23,750	1,626	25,376
Investment properties	-	-	467,042	467,042
	142,575	7,459,801	900,537	8,502,913
Liabilities measured at fair value:				
Derivative liabilities	-	19,940	-	19,940
Company				
2025				
Assets measured at fair value:				
Investment properties	**-**	**-**	**126,223**	**126,223**
RCCPS	**-**	**-**	**152,751**	**152,751**
RPS	**-**	**-**	**416,869**	**416,869**
	-	**-**	**695,843**	**695,843**
2024				
Assets measured at fair value:				
Investment properties	-	-	126,223	126,223
RCCPS	-	-	294,233	294,233
RPS	-	-	359,053	359,053
	-	-	779,509	779,509

There is no transfer from Levels 1, 2 and 3 during the financial year.

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55 FAIR VALUE MEASUREMENT (CONTINUED)

(a) Financial and non-financial instruments measured at fair value. (continued)

For fair value measurements categorised within Levels 2 and 3 of the fair value hierarchy, fair values are determined using appropriate valuation techniques. These techniques include valuation models such as discounted cash flow models and option pricing models, comparisons with similar instruments for which observable market prices are available, and other relevant valuation methodologies. The valuation techniques applied incorporate assumptions relating to discount rates, profit rate yield curves, estimates of future cash flows and other relevant factors.

The reconciliation of financial and non-financial assets measured at Level 3 of the fair value hierarchy is set out below:

	2025 RM'000	2024 RM'000
Group		
At beginning of the financial year	**900,537**	940,316
Total loss through profit or loss	**(46,553)**	(13,936)
Additions	**3**	-
Disposals	**-**	(2,837)
Redemption	**(44,798)**	(9,235)
Transfer from/(to) property, plant and equipment	**172,487**	(9,426)
Currency translation differences	**(7,798)**	(4,345)
At end of the financial year	**973,878**	900,537
Company		
At beginning of the financial year	**779,509**	888,810
Redemption of RCCPS	**(150,000)**	(50,000)
Transfer of fair value changes upon redemption of RCCPS	**110**	2,516
Total gain/(loss) through other comprehensive income	**66,224**	(61,817)
At end of the financial year	**695,843**	779,509

55 FAIR VALUE MEASUREMENT (CONTINUED)

(b) Financial instruments that are not measured at fair value and for which carrying amounts are not reasonable approximation of fair value:

	Level 1	Level 2	Level 3	Total fair value	Carrying amount
	RM'000	RM'000	RM'000	RM'000	RM'000
Group					
2025					
Assets					
Financing of customers	-	-	**33,018,531**	**33,018,531**	**33,346,866**
Liabilities					
Hire purchase	-	**75,443**	-	**75,443**	**75,443**
Long-term loans (fixed-rate)	-	**249,108**	**41,667**	**290,775**	**240,792**
Long-term loans under Islamic financing (fixed-rate)	-	**5,052,008**	**391,960**	**5,443,968**	**5,227,796**
Bank borrowings (non-current)	-	**5,376,559**	**433,627**	**5,810,186**	**5,544,031**
Deposits from customers and investment accounts	-	-	**37,820,875**	**37,820,875**	**37,811,136**
	-	**5,376,559**	**38,254,502**	**43,631,061**	**43,355,167**
2024					
Assets					
Financing of customers	-	-	31,498,110	31,498,110	31,744,695

55 FAIR VALUE MEASUREMENT (CONTINUED)

(b) Financial instruments that are not measured at fair value and for which carrying amounts are not reasonable approximation of fair value: (continued)

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total fair value RM'000	Carrying amount RM'000
Group					
2024 (continued)					
Liabilities					
Hire purchase	-	68,094	-	68,094	70,498
Long-term loans (fixed-rate)	-	284,950	50,000	334,950	272,494
Long-term loans under Islamic financing (fixed-rate)		4,838,793	14,823	4,853,616	4,638,937
Bank borrowings (non-current)	-	5,191,837	64,823	5,256,660	4,981,929
Deposits from customers and investment accounts	-	-	36,153,856	36,153,856	36,138,100
	-	5,191,837	36,218,679	41,410,516	41,120,029
Company					
2025					
Liability					
Long-term loans under Islamic financing (fixed-rate)	**-**	**2,546,328**	**-**	**2,546,328**	**2,425,398**
2024					
Liability					
Long-term loans under Islamic financing (fixed-rate)	-	2,337,025	-	2,337,025	2,174,645

55 FAIR VALUE MEASUREMENT (CONTINUED)

(c) Determination of fair value

(i) Assets and liabilities that are not carried at fair value and whose carrying amounts are a reasonable approximation of fair value

The following classes of financial instruments are not carried at fair value and their carrying amounts are a reasonable approximation of their fair values.

	Note
Other assets	21
Banking-related assets - statutory deposit with Bank Negara Malaysia	23
Trade and other receivables	25
RCCPS (non-current liabilities)	33
Bank borrowings (non-current – floating-rate)	37
Banking-related liabilities - deposits and placements of banks and other financial institutions	40
Trade and other payables	42
Bank borrowings (current)	43

The carrying amounts of these financial assets and liabilities approximate their fair values due to their relating short-term nature or because they are floating-rate instruments that are repriced to market interest rates on or near the reporting date.

(ii) Amounts due from subsidiaries, loans to/from subsidiaries, finance lease obligations and fixed-rate bank loans

The fair values of these financial instruments are estimated by discounting the expected future cash flows using market lending rates applicable to similar lending, borrowing or leasing arrangements as at the reporting date.

(iii) Derivatives

Currency forward foreign exchange contracts, currency swap foreign exchange contracts and Islamic profit rate swaps are valued using valuation techniques that incorporate market-observable inputs, whereas share put options are valued using appropriate option valuation models. The valuation techniques most commonly applied include forward pricing models based on present value calculations. These models incorporate various inputs, including the credit quality of counterparties, foreign exchange spot rates and forward rate curves.

55 FAIR VALUE MEASUREMENT (CONTINUED)

(c) Determination of fair value (continued)

(iv) Banking-related assets - financing of customers

The fair values of financing provided to customers are estimated based on the expected future cash flows from contractual instalment payments, discounted at prevailing market rates offered at the reporting date for similar facilities granted to new customers with comparable credit profiles. For non-performing financing, the fair values are considered to approximate the carrying amounts, which are stated net of individually assessed allowances for impaired financing.

(v) Investment properties

The fair values of investment properties are generally determined using the investment method and the market comparison approach. The inputs used in determining the fair values of investment properties are categorised within Level 3 of the fair value hierarchy.

Under the investment method, fair value is derived by capitalising the net rental income of a property at an appropriate rate of return. Net rental income represents gross rental income after deducting service charges, property taxes and a reasonable allowance for vacancy. The significant unobservable inputs under this method include market rental rates, outgoings, vacancy rates, term yields and reversionary yields.

Under the market comparison approach, fair value is determined by reference to recent transaction prices of comparable properties, adjusted for differences in rentals, market yields, maintenance requirements, capitalisation rates and other relevant factors, including current prices in less active markets. Independent professional valuers are engaged to perform these valuations. Significant unobservable inputs under this approach include location, accessibility, size, shape, tenure, restrictions (if any) and other relevant characteristics. An increase or decrease in the adjustments applied to the unobservable inputs would result in a corresponding effect to the profit after tax of the Group and of the Company, respectively.

(vi) Investment securities: financial assets at FVOCI

The fair value of quoted equity shares in Malaysia is determined based on quoted (unadjusted) market prices in active markets for identical instruments.

The fair values of unquoted private debt securities and Malaysian Government Investment Certificates are determined based on Bond Pricing Agency Malaysia bid prices, adjusted for the accretion of discounts or the amortisation of premiums.

The fair values of unquoted equity shares in Malaysia, defaulted foreign Islamic corporate sukuk, RCCPS and RPS are generally determined using the discounted cash flow method, which approximates their fair values. The inputs used in determining these fair values are categorised within Level 3 of the fair value hierarchy.

55 FAIR VALUE MEASUREMENT (CONTINUED)

(c) Determination of fair value (continued)

(vi) Investment securities: financial assets at FVOCI (continued)

An increase or decrease in the adjustments to unobservable inputs would result in corresponding changes to the fair values, which are recognised through the other comprehensive income reserve of the Group.

(vii) Investment securities: financial assets at FVTPL

The fair value of investments in private equity funds is generally determined using the quoted share price, discounted cash flows and liquidation value approach. The Group has assessed that the reported net asset value represents the fair value as at the reporting date. The inputs used in determining the fair value are categorised within Level 3 of the fair value hierarchy. An increase or decrease in the adjustments to unobservable inputs would result in a corresponding effect to the Group's profit after tax.

(d) Material accounting policy information:

The Group applies settlement date accounting for regular purchase or sale of financial assets.

56 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The principal financial risks include credit risk, liquidity risk, interest rate risk, foreign exchange risk and market price risk. The Board of Directors reviews and establishes policies and procedures for the management of these risks, while the Risk Committee, in accordance with the Group's Enterprise Risk Management framework, provides independent oversight of the effectiveness of the risk management process.

It is, and has been throughout the current and preceding financial years, the Group's policy that derivative instruments are undertaken only for hedging purposes, where appropriate and cost-efficient. The Group and the Company do not apply hedge accounting.

The following sections set out details of the Group's and of the Company's exposure to the above financial risks, together with the objectives, policies and processes for managing these risks.

(a) Credit risk

Credit risk is the risk that a counterparty will fail to meet its obligations under a financial instrument or customer contract, resulting in a financial loss to the Group. The Group is exposed to credit risk arising from its operating activities, primarily trade receivables, as well as from its financing activities, including deposits placed with licensed banks and financial institutions, foreign exchange transactions and other financial instruments.

Notes To The Financial Statements
– 31 December 2025

56 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Credit risk (continued)

Trade receivables and contract assets

Customer credit risk is managed by each business unit in accordance with the Group's established policies, procedures and controls relating to customer credit risk management. A customer's credit quality is assessed using a comprehensive credit rating scorecard, and individual credit limits are determined based on this assessment. Outstanding trade receivables and contract assets are monitored on an ongoing basis.

An impairment assessment is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are determined based on days past due for groupings of customer segments that exhibit similar loss patterns, such as geographical region, product type, customer type and credit rating, and coverage by letters of credit or other forms of credit insurance. The calculation incorporates probability-weighted outcomes, the time value of money, and reasonable and supportable information available at the reporting date relating to past events, current conditions and forecasts of future economic conditions. Trade receivables are generally written off when they are past due for more than one year and are not subject to enforcement activities. In certain circumstances, 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 when there is no reasonable expectation of recovering the contractual cash flows.

The maximum exposure to credit risk at the reporting date is represented by the carrying amounts of each class of financial assets, as disclosed in Note 25. The Group does not hold collateral as security. The Group considers its exposure to concentration of credit risk to be low due to its diversified customer base.

Financing of customers

The banking subsidiary has implemented Credit Risk Mitigation Techniques to assess the adequacy and effectiveness of collateral and securities pledged for financing facilities. These techniques set out the criteria for eligibility and valuation, as well as the ongoing monitoring processes for collateral and securities pledged. Credit risk disclosures also encompass past-due and impaired financing, including the methodologies applied in determining individual and collective impairment allowances.

The assessment of whether there has been a significant increase in credit risk since initial recognition is critical in determining when to transition from measuring an allowance based on 12-month expected credit losses (ECL) to one based on lifetime ECL. This assessment requires both quantitative and qualitative analyses, which involve comparing the risk of default of a financial asset as at the reporting date with the risk of default as at the date of initial recognition.

56 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Credit risk (continued)

Financing of customers (continued)

Determining a significant increase in credit risk since initial recognition

The criteria for determining whether credit risk has increased significantly vary by portfolio and include quantitative factors, such as delinquency status, historical delinquency trends and changes in credit ratings, as well as qualitative factors and a delinquency-based backstop. For retail portfolio, a combination of delinquency status, historical delinquency trends and qualitative factors is applied to assess whether there has been a significant increase in credit risk. For non-retail portfolio, internally developed credit ratings are considered the most appropriate indicators of credit risk, while for financial securities, external credit ratings assigned by recognised rating agencies are used.

The banking subsidiary assigns credit ratings to each counterparty, financial security and financial instrument at initial recognition based on available information. Credit risk is considered to have increased significantly when the credit rating at the reporting date has deteriorated significantly compared to the credit rating at the date of initial recognition.

Notwithstanding changes in credit ratings, a backstop is applied whereby a financial asset is deemed to have experienced a significant increase in credit risk when it is more than 30 days past due on its contractual payments. In addition, the banking subsidiary may determine that an exposure has experienced a significant increase in credit risk based on certain qualitative factors, applying expert credit judgement and, where applicable, relevant historical experience, where such deterioration may not be fully captured by quantitative indicators.

The banking subsidiary has not applied the low credit risk exemption to any financial assets during the current financial year.

The banking subsidiary applies a three-stage approach based on the changes in the credit quality of a financial instruments since initial recognition, as described below:

3-Stage approach	Stage 1	Stage 2	Stage 3
Criterion	No significant increase in credit risk	Credit risk increased significantly	Credit-impaired assets
ECL approach	12-month ECL	Lifetime ECL	Lifetime ECL

Valuation of collateral held as security for financing of customers

The amount and type of collateral required are determined based on the assessment of the counterparty's credit risk. Guidelines are established to govern the acceptability of collateral types, valuation methodologies and monitoring processes.

56 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Credit risk (continued)

Financing of customers (continued)

Valuation of collateral held as security for financing of customers (continued)

The principal types of collateral held are as follows:

- Home financing - mortgages over residential properties;
- Syndicated financing - charges over the properties being financed;
- Hire purchase financing - charges over the vehicles financed; and
- Other financing - charges over business assets such as premises, inventories, trade receivables or deposits.

(b) Liquidity risk

Liquidity risk is the risk that the Group or the Company may encounter difficulty in meeting its financial obligations as they fall due because of a shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches between the maturities of financial assets and financial liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility using the stand-by credit facilities.

The table below summarises the maturity profile of the Group's and of the Company's liabilities as at the reporting date, based on contractual undiscounted repayment obligations.

	Current	Non-current		
	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
Group				
2025				
Bills and acceptances payable	**11,375**	**-**	**-**	**11,375**
Deposits from customers and investment accounts	**37,783,314**	**357,561**	**13,828**	**38,154,703**
Deposits and placements of banks and other financial institutions	**634,525**	**333,457**	**-**	**967,982**
Recourse obligation on financing sold to Cagamas	**-**	**1,350,395**	**-**	**1,350,395**
Banking-related liabilities	**38,429,214**	**2,041,413**	**13,828**	**40,484,455**

56 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Liquidity risk (continued)

	Current	Non-current		
	On demand or within one year RM'000	**One to five years RM'000**	**Over five years RM'000**	**Total RM'000**
Group				
2025				
Bank borrowings	**1,868,213**	**4,485,776**	**2,994,467**	**9,348,456**
Lease liabilities	**111,257**	**220,536**	**82,106**	**413,899**
Derivative liabilities	**27,425**	**-**	**-**	**27,425**
Trade and other payables	**4,055,094**	**50,653**	**-**	**4,105,747**
Total undiscounted financial liabilities	**44,491,203**	**6,798,378**	**3,090,401**	**54,379,982**
2024				
Bills and acceptances payable	6,027	-	-	6,027
Deposits from customers and investment accounts	35,397,952	850,049	-	36,248,001
Deposits and placements of banks and other financial institutions	700,484	385,413	-	1,085,897
Recourse obligation on financing sold to Cagamas	1,050,991	640,673	-	1,691,664
Banking-related liabilities	37,155,454	1,876,135	-	39,031,589
Bank borrowings	1,411,848	5,966,622	1,629,988	9,008,458
Lease liabilities	108,158	214,940	82,668	405,766
Derivative liabilities	19,940	-	-	19,940
Trade and other payables	3,813,641	53,531	-	3,867,172
Total undiscounted financial liabilities	42,509,041	8,111,228	1,712,656	52,332,925

Notes To The Financial Statements
– 31 December 2025

56 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Liquidity risk (continued)

	Current	Non-current		
	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
Company				
2025				
Trade and other payables	**54,494**	**-**	**-**	**54,494**
Bank borrowings	**528,972**	**2,234,648**	**1,000,620**	**3,764,240**
Total undiscounted financial liabilities	**583,466**	**2,234,648**	**1,000,620**	**3,818,734**
2024				
Trade and other payables	75,478	-	-	75,478
Bank borrowings	483,308	2,423,395	1,063,962	3,970,665
Total undiscounted financial liabilities	558,786	2,423,395	1,063,962	4,046,143

(c) Interest rate risk

Interest rate risk is the risk that the fair values or future cash flows of the Group's and of the Company's financial instruments will fluctuate as a result of changes in market interest rates.

The Group's and the Company's exposure to interest rate risk arises primarily from loans and borrowings that bear floating-interest rates. The Group manages its interest rate exposure by maintaining an appropriate mix of fixed-rate and floating-rate debts.

		Profit after tax	
	Basis point	(Decrease)/ increase 2025 RM'000	(Decrease)/ increase 2024 RM'000
Group			
Bank borrowings – floating-rates	**+50**	**(10,282)**	(7,747)
	-50	**10,282**	7,747

56 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Interest rate risk (continued)

	Basis point	Profit after tax (Decrease)/ increase 2025 RM'000	Profit after tax (Decrease)/ increase 2024 RM'000
Company			
Bank borrowings – floating-rates	**+50**	**(3,262)**	(3,795)
	-50	**3,262**	3,795

The assumed interest rate movements, expressed in basis points for the sensitivity analysis, are determined based on the prevailing observable market conditions.

(d) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. The Group is exposed to foreign currency risk arising from transactions denominated in currencies other than the functional currencies of its operating entities. Foreign exchange exposures from transactional currencies other than the functional currencies are managed and maintained at acceptable levels. Material foreign currency transaction exposures are hedged, primarily through the use of forward foreign exchange contracts.

A 10% weakening of the RM against the major foreign currencies would have resulted in a decrease in the Group's profit after tax by the amounts shown below. This sensitivity analysis is based on foreign exchange rate movements that the Group considers to be reasonably possible at the reporting date and assumes that all other variables, in particular interest rates, remain constant. The analysis also excludes the effects of forecasted sales and purchases.

	Profit after tax (Decrease)/ increase 2025 RM'000	Profit after tax (Decrease)/ increase 2024 RM'000
Group		
US Dollar	**26,728**	(1,607)
Pound Sterling	**11,595**	(4,107)
Thai Baht	**(2,641)**	(1,872)
Renminbi	**(16,977)**	(20,016)
Other currencies	**3,979**	12,710
	22,684	(14,892)

56 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(d) Foreign currency risk (continued)

Conversely, a 10% strengthening of the RM against the same foreign currencies at the reporting date would have resulted in an equal but opposite impact on the Group's profit after tax, assuming all other variables remained constant.

(e) Market price risk

Market price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate as a result of changes in market prices, other than those arising from interest rate or foreign exchange movements.

The Group is exposed to equity price risk primarily arising from its investments in quoted equity shares, which are mainly listed on Bursa Malaysia. These investments are classified as financial assets designated at FVTPL and FVOCI.

As at the reporting date, if the market prices of quoted equity shares listed on Bursa Malaysia had been 10% higher or lower, with all other variables held constant, the Group's total comprehensive income would have increased or decreased by approximately RM6,450,000 (2024: RM10,403,000), respectively, as a result of the corresponding changes in the fair values of the quoted equity shares.

57 CAPITAL MANAGEMENT

The primary objective of the Group's and the Company's capital management is to ensure that it maintains a strong credit rating and a healthy capital structure in order to support its business activities and maximise shareholders' value. The Group manages its capital structure and makes adjustments to it in response to changes in economic conditions.

The Group monitors its capital using the gearing ratio, which is calculated as total interest-bearing debts divided by total equity. Total debts comprise total bank borrowings, including both current and non-current borrowings, as presented in the consolidated statement of financial position. The Group's policy is to maintain the gearing ratio at an acceptable level.

	Note	2025 RM'000	2024 RM'000
Group			
Short-term borrowings	43	**1,636,135**	1,068,673
Long-term borrowings	37	**6,713,155**	6,211,120
Total bank borrowings		**8,349,290**	7,279,793
Total equity		**10,824,175**	10,287,204
Gross gearing (times)		**0.77**	0.71

57 CAPITAL MANAGEMENT (CONTINUED)

	Note	2025 RM'000	2024 RM'000
Company			
Short-term borrowings	43	**466,600**	317,651
Long-term borrowings	37	**3,035,503**	2,830,227
Total bank borrowings		**3,502,103**	3,147,878
Total equity		**6,687,804**	6,525,361
Gross gearing (times)		**0.52**	0.48

58 FINANCIAL INSTRUMENTS

58.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

(i) Fair value through profit or loss (FVTPL);
(ii) Amortised costs (AC); and
(iii) Fair value through other comprehensive income (FVOCI).

	Note	Carrying amount RM'000	FVTPL RM'000	AC RM'000	FVOCI RM'000
Group					
Financial assets					
2025					
Investment securities	20	**8,094,342**	**118,132**	**-**	**7,976,210**
Trade and other receivables (excluding contract assets, contract cost assets, lease receivables, prepayments, advances to suppliers and GST receivables included in other receivables)	25	**2,440,855**	**-**	**2,440,855**	**-**
Banking-related assets					
- Financing of customers	22	**33,346,866**	**-**	**33,346,866**	**-**
- Statutory deposit with Bank Negara Malaysia	23	**365,000**	**-**	**365,000**	**-**
- Cash and short-term funds	26	**3,090,359**	**-**	**3,090,359**	**-**
Short-term deposits	27	**328,218**	**-**	**328,218**	**-**
Cash and bank balances	28	**2,410,884**	**-**	**2,410,884**	**-**
Derivative assets	29	**15,175**	**15,175**	**-**	**-**

Notes To The Financial Statements
– 31 December 2025

58 FINANCIAL INSTRUMENTS (CONTINUED)

58.1 Categories of financial instruments (continued)

	Note	Carrying amount RM'000	FVTPL RM'000	AC RM'000	FVOCI RM'000
Group					
Financial assets					
2024					
Investment securities	20	7,672,523	102,152	-	7,570,371
Trade and other receivables (excluding contract assets, contract cost assets, lease receivables, prepayments, advances to suppliers and GST receivables included in other receivables)	25	2,084,924	-	2,084,924	-
Banking-related assets					
- Financing of customers	22	31,744,695	-	31,744,695	-
- Statutory deposit with Bank Negara Malaysia	23	680,000	-	680,000	-
- Cash and short-term funds	26	2,618,766	-	2,618,766	-
Short-term deposits	27	990,046	-	990,046	-
Cash and bank balances	28	1,143,880	-	1,143,880	-
Derivative assets	29	25,376	25,376	-	-
Financial liabilities					
2025					
Trade and other payables (excluding other provisions, contract liabilities and GST payables included in other payables)	42	**4,107,938**	**-**	**4,107,938**	**-**
Bank borrowings	37 & 43	**8,349,290**	**-**	**8,349,290**	**-**
RCCPS (non-current liabilities)	33	**866,989**	**-**	**866,989**	**-**
Banking-related liabilities					
- Deposits from customers and investment accounts	39	**37,811,136**	**-**	**37,811,136**	**-**
- Deposits and placements of banks and other financial institutions	40	**966,945**	**-**	**966,945**	**-**
- Recourse obligation on financing sold to Cagamas	41	**1,205,940**	**-**	**1,205,940**	**-**
- Bills and acceptances payable	44	**11,375**	**-**	**11,375**	**-**
Derivative liabilities	29	**27,425**	**27,425**	**-**	**-**

58 FINANCIAL INSTRUMENTS (CONTINUED)

58.1 Categories of financial instruments (continued)

	Note	Carrying amount RM'000	FVTPL RM'000	AC RM'000	FVOCI RM'000
Group					
Financial liabilities					
2024					
Trade and other payables (excluding other provisions, contract liabilities and GST payables included in other payables)	42	3,868,037	-	3,868,037	-
Bank borrowings	37 & 43	7,279,793	-	7,279,793	-
RCCPS (non-current liabilities)	33	816,622	-	816,622	-
Banking-related liabilities					
- Deposits from customers and investment accounts	39	36,138,100	-	36,138,100	-
- Deposits and placements of banks and other financial institutions	40	838,721	-	838,721	-
- Recourse obligation on financing sold to Cagamas	41	1,584,302	-	1,584,302	-
- Bills and acceptances payable	44	6,027	-	6,027	-
Derivative liabilities	29	19,940	19,940	-	-
Company					
Financial assets					
2025					
Subsidiaries	15				
- RCCPS		**152,751**	**-**	**-**	**152,751**
- RPS		**416,869**	**-**	**-**	**416,869**
Trade and other receivables (excluding prepayments)	25	**1,376,605**	**-**	**1,376,605**	**-**
Short-term deposits	27	**317,802**	**-**	**317,802**	**-**
Cash and bank balances	28	**154,125**	**-**	**154,125**	**-**
2024					
Subsidiaries	15				
- RCCPS		294,233	-	-	294,233
- RPS		359,053	-	-	359,053
Trade and other receivables (excluding prepayments)	25	1,011,605	-	1,011,605	-
Short-term deposits	27	417,510	-	417,510	-
Cash and bank balances	28	122,622	-	122,622	-

Notes To The Financial Statements
– 31 December 2025

58 FINANCIAL INSTRUMENTS (CONTINUED)

58.1 Categories of financial instruments (continued)

	Note	Carrying amount RM'000	FVTPL RM'000	AC RM'000	FVOCI RM'000
Company					
Financial liabilities					
2025					
Trade and other payables	42	**54,255**	**-**	**54,255**	**-**
Bank borrowings	37 & 43	**3,502,103**	**-**	**3,502,103**	**-**
2024					
Trade and other payables	42	74,145	-	74,145	-
Bank borrowings	37 & 43	3,147,878	-	3,147,878	-

58.2 Net gains and (losses) arising from financial instruments

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Financial assets at:				
- FVTPL	**(69,453)**	(11,008)	**-**	-
- AC	**(10,803)**	(154,741)	**(46,025)**	(169,629)
- FVOCI	**86,692**	25,872	**72,257**	22,989
Financial liabilities at:				
- FVTPL	**(4,234)**	2,280	**-**	-
- AC	**(477,046)**	(527,091)	**(181,767)**	(182,477)
- FVOCI	**(33)**	-	**-**	-
Net losses	**(474,877)**	(664,688)	**(155,535)**	(329,117)

59 APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 26 March 2026.

STATEMENT BY DIRECTORS

Pursuant to Section 251(2) of the Companies Act 2016

We, Tan Sri Wan Zulkiflee bin Wan Ariffin and Tan Sri Syed Faisal Albar bin Syed A.R Albar, being two of the Directors of DRB-HICOM Berhad, state that, in the opinion of the Directors, the financial statements set out on pages 285 to 472 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2025 and of their financial performance and the cash flows of the Group and of the Company for the financial year ended in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board ("MFRS Accounting Standards"), IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and the provisions of the Companies Act 2016 in Malaysia.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 26 March 2026.

TAN SRI WAN ZULKIFLEE BIN WAN ARIFFIN
Chairman

TAN SRI SYED FAISAL ALBAR BIN SYED A.R ALBAR
Group Managing Director

STATUTORY DECLARATION

Pursuant to Section 251(1)(b) of the Companies Act 2016

I, Aminah binti Othman, the officer primarily responsible for the financial management of DRB-HICOM Berhad, do solemnly and sincerely declare that the financial statements set out on pages 285 to 472 are, in my opinion, 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.

AMINAH BINTI OTHMAN
(MIA Membership No. 26147)

Subscribed and solemnly declared by the abovenamed Aminah binti Othman at Shah Alam in the State of Selangor Darul Ehsan on 26 March 2026.

Before me,
Commissioner for Oaths

PESURUHJAYA SUMPAH
B 799
NUR SYUHADA BINTI BAHARUM
1.1.2025 - 31.12.2027
MALAYSIA

B1-10A-L2, Space U8,
Persiaran Pasak Bumi,Taman Bukit Jelutong,
Seksyen U8, 40150 Shah Alam, Selangor.

INDEPENDENT AUDITORS' REPORT

To The Members of DRB-HICOM Berhad

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of DRB-HICOM Berhad, which comprise the statements of financial position as at 31 December 2025 of the Group and of the Company, and the 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 policy information, as set out on pages 285 to 472.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2025, and of their financial performance and their cash flows for the financial year then ended in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board ("MFRS Accounting Standards"), IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and the requirements of the Companies Act 2016 in Malaysia.

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 auditors' report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), as applicable to audits of financial statements of public interest entities and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

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 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.

1. Impairment of property, plant and equipment and right-of-use assets of certain postal cash generating units ("CGUs").	
Refer to Note 13 – Property, plant and equipment, Note 53 – Critical accounting estimates and judgements	
The key audit matter	**How the matter was addressed in our audit**
The Group has significant balances of property, plant and equipment (including right-of-use assets) as of 31 December 2025 amounting to RM5,240,236,000. The Group performed impairment assessment for Group entities that reported operating losses by comparing the carrying amount of the CGUs against the respective recoverable amount to determine the amount of impairment loss which should be recognised, if any. We identified the impairment of property, plant and equipment and right-of-use assets of certain postal CGUs as a key audit matter due to the following factors: - significance of the assets to the Group's statements of financial position; - the Group has applied significant judgement in estimating the fair values of properties, vessels and motor vehicles taking into consideration valuation reports prepared by independent professional valuers as well as available comparative market value, where applicable; and - key assumptions included in the impairment assessments are disclosed in Note 13.	Our audit procedures included the following, among others: • We evaluated the Group's assessment of indicators of impairment for property, plant and equipment and right-of-use assets based on our knowledge of the business, its operating environment and other information obtained during the audit. • We evaluated the competency, independence and qualification of the professional valuers used in determining fair value of properties and vessels. • We challenged the impairment model and assessed the significant assumptions used by the Group such as market price of property in vicinity compared and market value of comparable motor vehicles (considering the model, year of manufacturing and specification) to derive the fair value less cost of disposal. • We evaluated the completeness and accuracy of disclosures required by the relevant accounting standards.

Independent Auditors' Report
To The Members of DRB-HICOM Berhad (Continued)

Key audit matters *(continued)*

2. Impairment of Banking related assets – financing of customers	
Refer to Note 22 – Banking related assets – Financing of customers and Note 53 – Critical accounting estimates and judgements.	
The key audit matter	**How the matter was addressed in our audit**
The Group has banking related assets – financing of customers of RM33,346,866,000 as at 31 December 2025. We identified the potential impairment of banking related assets – financing of customers as a key audit matter due to the following factors: - significance of the assets to the Group's statement of financial position; and - the measurement of ECL requires the application of significant judgement and estimate by the Group. The ECL models developed by the Group internally are inherently complex and significant assumptions were used in the ECL model such as the expected future cash flows and forward-looking macroeconomic factors.	Our audit procedures included the following, among others: • We assessed the design of processes and operating effectiveness of internal controls over initiation, approval, recording and monitoring of banking related assets – financing of customers. • We evaluated the impairment criteria and assessed the methodologies, data and assumptions used by the Group in computing the expected credit losses ("ECL"). • Involved KPMG Financial Risk Management ("FRM") Specialists to review model documentation and validate material ECL model for appropriateness and consistency of methodology and compliance with MFRS 9, *Financial Instruments.* • For ECL calculated collectively using models, we assessed the reasonableness of the models taking into consideration the model input, model design and performance. We also assessed the reasonableness of forward-looking macroeconomic factors used in the computation. • For ECL calculated individually, we assessed the internal control over the assignment of credit grading and ECL computation. We evaluated the key assumptions and reasonableness of expected future cash flows used in the ECL computation. We also considered the appropriateness of the probability weighted outcome and forward-looking macroeconomic factors applied in Group's assessment. • We evaluated adequacy of ECL recorded and assessed the disclosures in the financial statements appropriately reflected the Group's exposure to credit risk.

Key audit matters *(continued)*

3. Impairment of cost of investment in subsidiaries and amount due from subsidiaries (Company level)	
Refer to Note 15 – Subsidiaries, Note 25 – Trade and other receivables and Note 53 – Critical accounting estimates and judgements.	
The key audit matter	**How the matter was addressed in our audit**
As disclosed in Note 15 and Note 25 to the financial statements, the Company's investment in subsidiaries and amounts due from subsidiaries are significant. The Company has investment in subsidiaries amounting to RM8,120,517,000 and amount due from subsidiaries amounting to RM1,343,931,000 as at 31 December 2025. We identified the potential impairment or reversal of impairment of certain investments in subsidiaries as a key audit matter due to the following factors: - significance of the assets to the Company's statement of financial position; - impairment model based on discounted future cash flows prepared by the Company are complex and contained assumptions, particularly in respect of revenue growth, profit margin, terminal growth rate, and discount rates that are inherently uncertain and subjective as they based on expectations of future; and - key assumptions included in the impairment assessments are highly sensitive as disclosed in Note 15 and Note 25.	Our audit procedures included the following, among others: • We challenged the Company's assessment in identifying investments that were having impairment indicators or vice versa by evaluating whether internal and external indicators had been considered. • We evaluated the impairment model by comparing it with the requirements of the relevant accounting standards. • Assessed those significant and highly sensitive assumptions by comparing them with internal and external sources of information. • We evaluated the estimation uncertainty and performed a sensitivity analysis on key assumptions. • We tested the mathematical accuracy of the Company's calculation of impairment losses and reversal of impairment losses. • We evaluated the adequacy of the disclosures of the assumptions applied, which are particularly sensitive, uncertain or require significant judgement, in the assessment of impairment of investments in subsidiaries and amount due from subsidiaries.

Independent Auditors' Report
To The Members of DRB-HICOM Berhad (Continued)

Key audit matters *(continued)*

4. Impairment of property, plant and equipment and intangible assets relating to certain vehicle models from an automotive subsidiary	
Refer to Note 13 – Property, plant and equipment, Note 18 – Intangible assets and Note 53 – Critical accounting estimates and judgements.	
The key audit matter	**How the matter was addressed in our audit**
As disclosed in Note 13 and Note 18 to the financial statements, the Group has significant balances of property, plant and equipment (including right-of-use assets) amounting to RM5,240,236,000 and intangible assets RM1,222,798,000 as of 31 December 2025. The Group performed impairment assessment on property, plant and equipment and intangible assets related to certain vehicle models from an automotive subsidiary that have declining sales due to weaker market demand by comparing their carrying amounts against the respective recoverable amounts to determine the amount of impairment loss which should be recognised, if any. We identified the impairment of property, plant and equipment and intangible assets relating to certain vehicle models from an automotive subsidiary as a key audit matter due to the following factors: - significance of the property, plant and equipment and intangible assets relating to certain vehicle models from an automotive subsidiary to the Group's statements of financial position; - the Group has applied significant judgement in estimating the recoverable amounts of the property, plant and equipment and intangible assets relating to certain vehicle models from an automotive subsidiary; and - key assumptions included in the impairment assessments are disclosed in Note 13.	Our audit procedures included the following, among others: • We obtained understanding of the Group's control and processes for impairment assessment of property, plant and equipment and intangible assets. • We evaluated the Group's assessment for indications of impairment by considering whether it had factored or considered relevant internal and external information. • We challenged the impairment model and assessed the key assumptions used by the Group such as revenue, gross profit margin and discount rate by comparing them with internal and external sources of information. • We evaluated the estimation uncertainty and performed a sensitivity analysis on key assumptions. • We evaluated the completeness and accuracy of disclosures required by the relevant accounting standards.

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 information included in the Directors' Report and Statement on Risk Management and Internal Control (but does not include the financial statements of the Group and of the Company and our auditors' report thereon), which we obtained prior to the date of this auditors' report, and the remaining parts of the annual report, which are expected to be made available to us after that date.

Our opinion on the financial statements of the Group and of the Company does not cover the annual report 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 identified above 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.

When we read the remaining parts of the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Directors of the Company and take appropriate actions in accordance with approved standards on auditing in Malaysia and International Standards on Auditing.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with MFRS Accounting Standards, IFRS Accounting 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 ability of the Group and of the Company 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.

Independent Auditors' Report
To The Members of DRB-HICOM Berhad (Continued)

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

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:

- 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.

- 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 internal control of the Group and of the Company.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- 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 ability of the Group or of the Company 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.

- 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 gives a true and fair view.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the financial statements of the Group. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current 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.

Independent Auditors' Report
To The Members of DRB-HICOM Berhad (Continued)

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 3 to the financial statements.

Other Matter

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.

KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants

Chan Chee Keong
Approval Number: 03175/04/2027 J
Chartered Accountant

Petaling Jaya

26 March 2026

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> — Douglas Conant
> Former CEO of Campbell Soup Company

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ADDITIONAL COMPLIANCE INFORMATION

(Pursuant to the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"))

1. UTILISATION OF PROCEEDS

Save as disclosed below, there were no new corporate funding proposals undertaken by the Group and the Company during the financial year ended 31 December 2025.

i. On 14 July 2025, the Company issued Sukuk Wakalah with a nominal value of RM500 million under its Sukuk Wakalah Programme, which was lodged with the Securities Commission Malaysia on 25 October 2019. The net proceeds from the issuance were utilised to finance capital expenditure, working capital requirements, investment activities and other general corporate purposes. Separately, on 29 August 2025, the Company repaid RM150 million in nominal value from an earlier tranche of the Sukuk Wakalah.

ii. Subsequent to the financial year end, on 26 February 2026, Pos Malaysia Berhad, a direct 53.5% owned subsidiary of the Group, announced the establishment of a subordinated perpetual Islamic notes programme with a nominal value of up to RM1.0 billion under the Shariah principle of *Wakalah Bi Al Istithmar*. The programme is intended to finance capital expenditure, investment activities, working capital requirements and other general corporate purposes. The issuance of the first tranche amounting to RM300 million was successfully completed on 17 March 2026.

2. AUDIT AND NON-AUDIT FEES

The particulars in relation to the audit and non-audit services rendered by KPMG PLT with local affiliates and member firms of the auditors to the Group and the Company for the financial year ended 31 December 2025 are as follows:

Type of Services	Group RM'000	Company RM'000
Statutory audit	5,052	462
Audit-related services	1,778	433
Non-audit services	1,811	36
Total	**8,641**	**931**

3. EMPLOYEES SHARE OPTION SCHEME

No Employees Share Option Schemes were granted by the Company during the financial year ended 31 December 2025.

4. MATERIAL CONTRACTS INVOLVING DIRECTORS'/CHIEF EXECUTIVES'/MAJOR SHAREHOLDERS' INTERESTS

There were no material contracts including contracts relating to any loans entered into by the Company and its subsidiaries involving Directors' and major shareholders' interests.

5. RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

At the 35th AGM of the Company held on 28 May 2025, the Company had obtained a Shareholders' Mandate to allow the Group to enter into recurrent related party transactions of a revenue or trading nature ("RRPT"). In accordance with Paragraph 10.09(2)(b) of the MMLR, details of the RRPT conducted during the financial year ended 31 December 2025 pursuant to the Shareholders' Mandate are as follows: -

No.	DRB-HICOM and/or its subsidiary companies	Transacting related party	Nature of relationship	Nature of transaction	Value of transaction from 1 January 2025 to 31 December 2025 (RM'000)
1	HICOM-Teck See Manufacturing Malaysia Sdn. Bhd. ("HTS")	Teck See Plastic Sdn. Bhd. ("Teck See Plastic")	A 49% shareholder of HTS	Supply of automotive plastic components by Teck See Plastic to HTS	58
		Compounding & Colouring Sdn. Bhd. ("Compounding & Colouring")	A related corporation of Teck See Plastic, a 49% shareholder of HTS	Supply of raw materials by Compounding & Colouring to HTS	2,372
2	Perusahaan Otomobil Nasional Sdn. Bhd. ("PONSB")	Zhejiang Geely Holding Group Co., Ltd ("Geely") Group	A 49.9% indirect shareholder of PROTON Holdings Berhad ("PROTON")	Provision of technical support, payment of royalties and supply of components for motor vehicles by Geely Group to PONSB	1,734,847
3	Bank Muamalat Malaysia Berhad ("Bank Muamalat")	Islamic Arts Museum Shop Sdn. Bhd. ("Islamic Arts")	A company owned by persons connected to Tan Sri Dato' Seri Syed Mokhtar Shah Syed Nor ("TSSM")	Purchase of all kinds of gifts and souvenirs by Bank Muamalat from Islamic Arts	90
	Edaran Otomobil Nasional Berhad ("EON") Group	Tradewinds Plantation Berhad ("Tradewinds Plantation") Group	A company in which TSSM is an indirect major shareholder	Supply of motor vehicles, accessories, spare parts and maintenance services as well as leasing of motor vehicles by EON Group to Tradewinds Plantation Group	7,648
	DRB-HICOM Group	Aurora Mulia Sdn. Bhd. ("Aurora Mulia") Group	A company 100% owned by TSSM	Provision of media-related businesses in newspapers, television and out-of-home advertising by Aurora Mulia Group to DRB-HICOM Group	2,869
		Gas Malaysia Berhad ("Gas Malaysia") Group	A 30.93% indirect associated company of MMC	Provision of supply of Natural Gas from Gas Malaysia Group to DRB-HICOM Group	19,625
		Alam Flora Sdn. Bhd. ("Alam Flora") Group	An indirect 97.37% owned company of Malakoff Corporation Berhad ("Malakoff")	Provision of integrated solid waste management services, recycling, integrated facility management services and related services from Alam Flora Group to DRB-HICOM Group	23,150
				Provision of rental of office spaces and service charges by DRB-HICOM Group to Alam Flora Group	2,752
		MMC Corporation Berhad ("MMC") Group	A company in which TSSM is an indirect major shareholder	Supply and leasing of machineries, motor vehicles including accessories, spare parts as well as maintenance services and bins by DRB-HICOM Group to MMC Group[(1)]	74,785
		Malakoff Group	A 38.45% associated company of MMC	Proposed development of rooftop solar photovoltaic project by Malakoff Group to DRB-HICOM Group	1,870

No.	DRB-HICOM and/or its subsidiary companies	Transacting related party	Nature of relationship	Nature of transaction	Value of transaction from 1 January 2025 to 31 December 2025 (RM'000)
	DRB-HICOM Group (continued)	Tradewinds International Insurance Brokers Sdn. Bhd. ("Tradewinds International Insurance Brokers")	100% owned subsidiary company of Tradewinds Corporation Berhad	Provision of insurance broker for direct insurance and reinsurance business by Tradewinds International Insurance Brokers to DRB-HICOM Group	2,195
		Souq Realty Sdn. Bhd. ("Souq")	A company in which TSSM is an indirect major shareholder	Provision of rental of Souq Commercial Centre including service charges by Souq to DRB-HICOM Group	855
		Prisma Dimensi Sdn. Bhd. ("Prisma Dimensi") Group	A company in which TSSM is an indirect major shareholder	Provision of rental of buildings and land by Prisma Dimensi Group to DRB-HICOM Group	3,612
				Provision of rental of land for parking and stockyard by Prisma Dimensi Group to DRB-HICOM Group	429
	EON Group	Prisma Dimensi Group	A company in which TSSM is an indirect major shareholder	Supply and leasing of machineries and motor vehicles including accessories, spare parts as well as maintenance services by EON Group to Prisma Dimensi Group	999
	Bank Muamalat	KHSB Marketing Sdn. Bhd. ("KHSB Marketing")	A company in which TSSM is an indirect major shareholder	Provision of rental of building space by KHSB Marketing to Bank Muamalat Group	512
	EON Group	Altel Group Sdn. Bhd. ("Altel Group")	A company in which TSSM is an indirect major shareholder	Development of Customer Relationship Management system and integration services by Altel Group to EON Group	966

Note:-

(1) Based on the Circular to Shareholders dated 29 April 2025, the shareholders' mandate on "Supply of motor vehicles, accessories, spare parts and maintenance services by EON Group to MMC Group" has been consolidated under the transaction on "Supply and leasing of machineries, motor vehicles including accessories, spare parts as well as maintenance services and bins by DRB-HICOM Group to MMC Group".

Notwithstanding the related party disclosures already presented in the audited financial statements in accordance with Malaysian Financial Reporting Standard 124 (MFRS 124), the above disclosures are made in order to comply with Paragraph 10.09 of the MMLR with regard to the value of RRPT conducted in accordance with the Shareholders' Mandate during the financial year, as the scope of related party relationships and disclosures contemplated by the MMLR are, to a certain extent, different from those of MFRS 124.

The shareholdings of the respective interested major shareholders as shown above are based on information disclosed in the Circular to Shareholders dated 29 April 2025 in relation to the Proposed renewal of existing shareholders' mandate for Recurrent Related Party Transactions of a revenue or trading nature and Proposed new shareholders' mandate for additional Recurrent Related Party Transactions of a revenue or trading nature.

6. DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING

Pursuant to Paragraph 9.25A of the Main Market Listing Requirements, below are the financial data that are relevant for purpose of Shariah screening by the Shariah Advisory Council of the Securities Commission Malaysia. These include financial data on Shariah non-permissible income arising from Group's business activities and interest-based financial position.

(a) Group Total Income and Total Assets

		Group	
Total Income	**Remarks**	**2025 (RM)**	**2024 (RM)**
Revenue		17,309,528,000	16,190,764,000
Other income		690,078,000	338,444,000
Interest/Finance income		70,074,000	61,414,000
Share of profit of associates		141,982,000	159,022,000
Share of profit of ventures		115,745,000	97,777,000
Total		**18,327,407,000**	**16,847,421,000**
Total Assets		**65,769,329,000**	**62,263,898,000**

(b) Business Activities

		Group	
Shariah Non-Compliant Activities	**Remarks**	**2025 (RM)**	**2024 (RM)**
Dividend income received from conventional instruments		3,907,000	3,397,000
Banking & finance and related services	Share of profit of ventures	5,387,000	(6,248,000)
Interest income		51,371,000	40,219,000
Insurance services	Income derived from conventional insurance arrangements (non-takaful)	58,461,000	57,308,000
Total		**119,126,000**	**94,676,000**

(c) Component of Financial Position

(i) Cash Component

		Group	
Islamic Account/Instruments	**Remarks**	**2025 (RM)**	**2024 (RM)**
Cash and bank balances (exclude cash in hand)		160,469,000	154,802,000
Short-term deposits		286,825,000	376,842,000
Cash held under Housing Development Accounts		10,909,000	6,729,000
Money market instruments		29,385,000	5,698,000
Total Cash		**487,588,000**	**544,071,000**

Conventional Account/Instruments	Remarks	Group 2025 (RM)	Group 2024 (RM)
Cash and bank balances (exclude cash in hand)		2,183,449,000	896,566,000
Other cash equivalents (please specify in the remarks column)	Cash in hand	24,486,000	35,675,000
Short-term deposits		41,393,000	613,204,000
Cash held under Housing Development Accounts		31,571,000	50,108,000
Total Cash		**2,280,899,000**	**1,595,553,000**

(ii) Debt Component

Islamic Financing	Remarks	Group 2025 (RM)	Group 2024 (RM)
Current			
Banker's acceptances		241,623,000	285,636,000
Revolving credit and loans		62,772,000	76,676,000
Term loans		903,571,000	511,672,000
Non-Current			
Term loans		6,166,779,000	5,814,983,000
Total Financing		**7,374,745,000**	**6,688,967,000**

Conventional Borrowing	Remarks	Group 2025 (RM)	Group 2024 (RM)
Current			
Banker's acceptances		208,279,000	45,549,000
Revolving credit and loans		45,275,000	61,755,000
Term loans		143,121,000	61,653,000
Hire purchase payables		30,583,000	24,802,000
Bank overdrafts		911,000	930,000
Non-Current			
Term loans		470,933,000	325,639,000
Hire purchase payables		75,443,000	70,498,000
Total Debt		**974,545,000**	**590,826,000**

ANALYSIS OF SHAREHOLDINGS

As at 26 March 2026

Class of Securities	:	Ordinary share
Total Number of Issued Shares	:	1,933,237,051 ordinary shares
Voting Rights	:	One (1) vote per ordinary share in the case of a poll
Number of Shareholders	:	36,914

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	Number of Shareholders	% of Shareholders	Number of Shares Held	% of Shares Held
1 - 99	1,000	2.71	13,753	0.00*
100 - 1,000	15,803	42.81	10,993,495	0.57
1,001 - 10,000	15,391	41.70	61,442,725	3.18
10,001 - 100,000	4,077	11.04	128,194,465	6.63
100,001 - 96,661,852 (Less than 5% of issued shares)	642	1.74	651,530,872	33.70
96,661,853 and above (5% and above of issued shares)	1	0.00*	1,081,061,741	55.92
Total	**36,914**	**100.00**	**1,933,237,051**	**100.00**

Note:-
** Less than 0.01%*

CATEGORY OF SHAREHOLDERS

Category of Shareholders	Number of Shareholders	% of Shareholders	Number of Shares Held	% of Shares Held
Individuals	31,206	84.54	256,331,550	13.26
Banks/Finance Companies	14	0.04	75,105,872	3.88
Investment Trusts/Foundations/Charities	93	0.25	1,692,200	0.09
Industrial and Commercial Companies	493	1.34	1,120,895,223	57.98
Government Agencies/Institutions	4	0.01	752,400	0.04
Nominees	5,103	13.82	478,459,805	24.75
Others	1	0.00*	1	0.00*
Total	**36,914**	**100.00**	**1,933,237,051**	**100.00**

Note:-
** Less than 0.01%*

TOP THIRTY SECURITIES ACCOUNT HOLDERS

(Based on the Record of Depositors without aggregating the securities from different securities accounts belonging to the same Depositor)

No.	Name	Number of Shares Held	% of Shares Held
1	Etika Strategi Sdn Bhd	1,081,061,741	55.92
2	Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board (Islamic)	86,547,911	4.48
3	Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board	86,265,043	4.46
4	Lembaga Tabung Haji	70,982,100	3.67
5	HSBC Nominees (Asing) Sdn Bhd - JPMCB NA For Vanguard Total International Stock Index Fund	11,974,631	0.62
6	Public Nominees (Tempatan) Sdn Bhd - Pledged Securities Account For Lim Hock Fatt (E-SS2)	11,700,000	0.61
7	HSBC Nominees (Asing) Sdn Bhd - JPMCB NA For Vanguard Emerging Markets Stock Index Fund	11,114,900	0.58
8	Tai Tak Estates Sdn Bhd	10,952,653	0.57
9	Citigroup Nominees (Asing) Sdn Bhd - Exempt An For Citibank New York (Norges Bank 14)	10,932,500	0.57
10	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad - Deutsche Trustees Malaysia Berhad For Eastspring Investmentssmall-Cap Fund	10,864,800	0.56
11	Citigroup Nominees (Tempatan) Sdn Bhd - Kumpulan Wang Persaraan (Diperbadankan) (Principal EQITS)	8,300,000	0.43
12	Teh Poo Seng	8,112,000	0.42
13	Maybank Nominees (Tempatan) Sdn Bhd - Cheng Mooi Soong	7,765,000	0.40
14	Maybank Nominees (Tempatan) Sdn Bhd - Etiqa Family Takaful Berhad (Family)	7,194,900	0.37
15	Citaria Sdn Bhd	6,924,572	0.36
16	Jasmurni Construction Sdn Bhd	6,700,000	0.35
17	Maybank Nominees (Tempatan) Sdn Bhd - Etiqa Life Insurance Berhad (Growth)	6,266,800	0.32
18	HSBC Nominees (Asing) Sdn Bhd - JPMCB NA For Vanguard Fiduciary Trust Company Institutional Total International Stock Market Index Trust II	6,116,086	0.32
19	Maybank Nominees (Tempatan) Sdn Bhd - Cheng Ken Shin	5,969,700	0.31
20	Maybank Nominees (Tempatan) Sdn Bhd - Lee Ai Chu	5,265,000	0.27
21	Citigroup Nominees (Tempatan) Sdn Bhd - Great Eastern Life Assurance (Malaysia) Berhad (Non Par 16)	5,200,000	0.27

No.	Name	Number of Shares Held	% of Shares Held
22	Maybank Nominees (Tempatan) Sdn Bhd - Etiqa Life Insurance Berhad (Dana EKT Prima)	4,269,400	0.22
23	Cimsec Nominees (Tempatan) Sdn Bhd - CIMB For Lee Keng Hong (PB)	4,000,000	0.21
24	RHB Capital Nominees (Tempatan) Sdn Bhd - Pledged Securities Account For Teh Poo Seng (CEB)	4,000,000	0.21
25	Nur Aliyah Binti Abdullah	3,787,300	0.20
26	Citigroup Nominees (Asing) Sdn Bhd - CBNY For Emerging Markets Core Equity 2 Portfolio Of DFA Investment Dimensions Group Inc.	3,633,300	0.19
27	Maybank Nominees (Tempatan) Sdn Bhd - Etiqa Family Takaful Berhad (Family PIF)	3,562,400	0.18
28	Maybank Nominees (Tempatan) Sdn Bhd - Etiqa Life Insurance Berhad (Life Par)	3,498,900	0.18
29	Citigroup Nominees (Asing) Sdn Bhd - CBNY For Dimensional Emerging Markets Value Fund	3,437,758	0.18
30	Cartaban Nominees (Asing) Sdn Bhd - The Bank Of New York Mellon For Acadian Emerging Markets Small Cap Equity Fund, LLC	3,386,700	0.18

SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS
(Based on the Register of Substantial Shareholders)

	Direct Interest		Indirect Interest		
Name	Number of Shares Held	% of Shares Held	Number of Shares Held	% of Shares Held	Total % of Shares Held
Etika Strategi Sdn. Bhd.	1,081,061,741	55.92	-	-	55.92
Employees Provident Fund Board	173,937,954	9.00	-	-	9.00
Tan Sri Dato' Seri Syed Mokhtar Shah bin Syed Nor (N1)	-	-	1,081,061,741	55.92	55.92

Note:-
(N1) Deemed interest by virtue of his interest in Etika Strategi Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.

DIRECTORS' SHAREHOLDINGS IN THE COMPANY AND ITS RELATED CORPORATIONS
(Based on the Register of Directors' Shareholdings)

None of the Directors of the Company has any interest in shares in the Company or its related corporations.

SENIOR MANAGEMENT'S SHAREHOLDINGS
(Based on the Record of Depositors)

None of the Senior Management of the Company has any interest in shares in the Company or its related corporations.

STATEMENT OF ASSURANCE ON SUSTAINABILITY PERFORMANCE DATA DISCLOSURES OF DRB-HICOM BERHAD

The Group Internal Audit & Integrity Division ("GIAID") of DRB-HICOM Berhad ("DRB-HICOM") has conducted an internal review on non-financial sustainability metrics disclosed in this Integrated Annual Report. The objective of this internal review is to provide internal assurance, based on review carried out in reference to the Institute of Internal Auditors' Global Internal Audit Standards ("GIAS"), on accuracy, completeness, and reliability of the sustainability performance metrics disclosed.

This Statement of Assurance issued by the GIAID of DRB-HICOM has been reviewed and endorsed by the Board Risk & Sustainability Committee ("BRSC") and subsequently approved by the Board. The issuance of this Statement of Assurance, is in compliance with Paragraph 6.2(e) of Practice Note 9 of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"), which requires a listed issuer to disclose whether the Sustainability Statement has been subjected to internal review or independent assurance, including the subject matters and scope covered.

Scope and Coverage

The boundary of the internal review covers all of DRB-HICOM's subsidiaries within the Mobility Segment operating in Malaysia and applies to the reporting period covered in this Integrated Annual Report.

The review encompassed the following sustainability matters and associated performance metrics:

Sustainability Matter	Sustainability Metric Reviewed
1. Cross-Industry Climate Metrics	• Total direct greenhouse gas ("GHG") emissions (Scope 1) • Total indirect GHG emissions (Scope 2), location based
2. Energy Management	• Total energy consumed • Percentage of grid electricity • Percentage of renewable energy
3. xEV Adoption	• Sales-weighted average passenger fleet fuel economy, by region • Total number of zero emission vehicles ("ZEV") sold • Total number of mild-hybrid vehicles ("HEV") sold

GIAID's conclusion has been formed on the basis of, and is subject to, the matters outlined in this assurance statement. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

PERFORMANCE DATA TABLE

No.	Indicator	Measurement Unit	Financial Year 2023	2024	2025
ISSB Sustainability Statement[1]					
1	Sales-weighted average passenger fleet fuel economy, by region[2 3]				
	i. Domestic	Kilometres per litre	-	-	**16.97**
	ii. Export	Kilometres per litre	-	-	**16.96**
2	Total energy consumed[2]	Gigajoules	-	-	**1,371,506**
3	Percentage of grid electricity[2]	Percentage	-	-	**88%**
4	Percentage of renewable energy[2]	Percentage	-	-	**12%**
5	Total GHG Emissions[2]	Tonnes CO_2e	-	-	**219,264**
	Total direct GHG emissions (Scope 1)[2]	Tonnes CO_2e	-	-	**27,561**
	Total indirect GHG emissions (Scope 2)[2] locations-based	Tonnes CO_2e	-	-	**191,703**
	Emissions from joint venture and associates (Operational Control)[2]	Tonnes CO_2e	-	-	**0**
6	Total number of xEV sold[2]	Number	-	-	**13,448**
	Zero emissions vehicles (zEV)[2]	Number	-	-	**10,727**
	Mild-hybrid vehicles (HEV)[2]	Number	-	-	**2,721**
Sustainability Report					
Products and Services Innovation					
1	Percentage of vehicle models rated by NCAP with an overall 5-star safety rating, by region	Percentage	75%	86%	**89%**
Climate Change					
1	Carbon Intensity	Tonnes CO_2e/ RM million	20.84	19.67	**17.58**
2	Total GHG emissions (Scope 1, 2 & 3)	Tonnes CO_2e	407,215	407,607	**426,605**
3	Total direct GHG emissions (Scope 1)	Tonnes CO_2e	71,745	68,253	**71,234**
4	Total indirect GHG emissions (Scope 2)	Tonnes CO_2e	258,651[3]	250,191[3]	**233,001**
5	Total other indirect GHG emissions (Scope 3)	Tonnes CO_2e	76,819	89,163	**122,370**
	Category 3: Fuel and energy related activities[4]	Tonnes CO_2e	-	-	**36,842**
	Category 6: Business Travel	Tonnes CO_2e	8	5,441	**3,369**
	Category 7: Employee Commuting	Tonnes CO_2e	76,811	83,722[5]	**82,159**
Energy Management					
1	Total energy consumption	Gigajoules	2,591,998	2,514,455	**2,228,187**
2	Total Non-RE Consumption	Gigajoules	2,481,367	2,401,478	**2,100,569**
	Liquefied Petroleum Gas	Gigajoules	12,089	24,180	**25,046**
	Natural Gas	Gigajoules	316,280	424,909	**335,688**
	Residual Fuel Oil	Gigajoules	365,541	338,441	**188,770**
	Diesel	Gigajoules	480,942	347,341	**335,613**
	Petrol	Gigajoules	95,014	92,557	**79,244**
	Purchased Electricity	Gigajoules	1,211,502	1,174,030	**1,136,207**
3	Total RE Consumption	Gigajoules	110,631	116,340	**127,618**
	Solar PV	Gigajoules	110,631	112,978	**127,531**
	Green Electricity Tariff	Gigajoules	-	3,362	**86**

No.	Indicator	Measurement Unit	Financial Year 2023	2024	2025
Water Management					
1	Total water withdrawal	Megalitres	3,309	3,141	**3,197**
	i. Surface water[6]	Megalitres	0	0	**8**
	ii. Groundwater	Megalitres	0	0	**0**
	iii. Seawater	Megalitres	0	0	**0**
	iv. Produced water	Megalitres	0	0	**0**
	v. Third party water (i.e. local municipal supply)	Megalitres	3,309	3,141	**3,189**
2	Total water discharged	Megalitres	383	542	**636**
	i. Surface Water	Megalitres	383	542	**636**
	ii. Groundwater	Megalitres	0	0	**0**
	iii. Seawater	Megalitres	0	0	**0**
	iv. Third-party water	Megalitres	0	0	**0**
3	Total water consumption	Megalitres	2,926	2,599	**2,561**
4	Total water-related non-compliance cases	Number	0	0	**0**
5	Total penalty or fines incurred related to water-related non-compliance cases	RM	0	0	**0**
Waste Management					
1	Total recyclable waste collected	Metric Tonnes	22.61	433.21	**316.06**
	i. Paper (including newspaper, magazines, tetrapak, cartons, etc.)	Metric Tonnes	19.13	215.04	**215.55**
	ii. Cooking oil	Metric Tonnes	1.06	2.52	**3.30**
	iii. Aluminum and other metals	Metric Tonnes	0.98	11.23	**2.65**
	iv. Plastics	Metric Tonnes	1.13	83.28	**29.23**
	v. E-waste	Metric Tonnes	0	4.32	**27.42**
	vi. Others	Metric Tonnes	0.31	116.82	**37.91**
2	Total waste-related non-compliance cases	Number	0	0	**1**
3	Total penalty or fines incurred related to waste-related non-compliance cases	RM	0	0	**2,000**
4	Total waste generated	Metric Tonnes	5,102	4,023	**3,760**
5	Total waste diverted from disposal	Metric Tonnes	5,050	3,981	**3,662**
6	Total waste directed to disposal	Metric Tonnes	52	42	**98**
Diversity and Inclusivity					
1	Total Workforce	Number	39,610	38,451	**37,616**
2	Percentage of employees that are contractors or temporary staff	Percentage	7	7	**7**
3	Workforce by employee category				
	i. Managerial	Percentage	8	9	**9**
	ii. Executive	Percentage	14	14	**14**
	iii. Non-executive	Percentage	78	77	**77**
4	Workforce by Gender				
	i. Male	Percentage	78	78	**78**
	ii. Female	Percentage	22	22	**22**
5	Workforce by Age Group				
	i. Below 30	Percentage	29	27	**26**
	ii. 31-40	Percentage	36	35	**35**
	iii. 41-50	Percentage	23	26	**26**
	iv. Above 50	Percentage	12	12	**13**
6	Percentage of employees by gender and age group, for each employee category				
	Age Group by Employee Category				
	i. Management Below 30	Percentage	2[7]	2	**4**
	ii. Management 31-40	Percentage	18[7]	29	**30**

No.	Indicator	Measurement Unit	Financial Year		
			2023	2024	2025
	iii. Management 41-50	Percentage	45[7]	42	**45**
	iv. Management Above 50	Percentage	35[7]	27	**21**
	v. Executive Below 30	Percentage	48[7]	29	**28**
	vi. Executive 31-40	Percentage	35[7]	40	**38**
	vii. Executive 41-50	Percentage	12[7]	22	**21**
	viii.Executive Above 50	Percentage	5[7]	9	**13**
	ix. Non-executive Below 30	Percentage	3[7]	29	**28**
	x. Non-executive 31-40	Percentage	49[7]	34	**35**
	xi. Non-executive 41-50	Percentage	31[7]	25	**25**
	xii. Non-executive Above 50	Percentage	17[7]	12	**12**
	Gender Group by Employee Category				
	i. Management Male	Percentage	67	66	**65**
	ii. Management Female	Percentage	33	34	**35**
	iii. Executive Male	Percentage	57	57	**57**
	iv. Executive Female	Percentage	43	43	**43**
	v. Non-executive Male	Percentage	83	83	**83**
	vi. Non-executive Female	Percentage	17	17	**17**
	Percentage of directors by gender and age group				
	i. Male	Percentage	83	67	**60**
	ii. Female	Percentage	17	33	**40**
	iii. Below 30	Percentage	0	0	**0**
	iv. 31-40	Percentage	0	0	**0**
	v. 41-50	Percentage	0	0	**0**
	vi. 51-60	Percentage	17	17	**0**
	vii. Above 60	Percentage	83	83	**100**
7	Workforce by Ethnicity				
	i. Malay	Percentage	94	94	**94**
	ii. Chinese	Percentage	2	2	**2**
	iii. Indian	Percentage	2	2	**2**
	iv. Others	Percentage	2	2	**2**
8	Workforce by Region				
	i. Northern	Number	8,357	8,783	**10,236**
	ii. Central	Number	22,616	21,580	**19,470**
	iii. Southern	Number	1,908	1,720	**1,766**
	iv. Eastern	Number	4,683	4,378	**4,177**
	v. Sabah & Labuan	Number	1,022	1,012	**1,021**
	vi. Sarawak	Number	1,024	978	**946**
9	New Hires	Number	4,160	3,638	**4,069**
10	New Hires by Gender				
	i. Male	Percentage	71	70	**78**
	ii. Female	Percentage	29	30	**22**
11	Women in Management	Percentage	33	34	**35**
12	Employees with Special Needs	Number	72	72	**81**
Talent Development and Employee Engagement					
1	Total Talent Pool by Gender				
	Total	Number	1,675	1,645	**1,302**
	i. Male	Percentage	63	66	**65**
	ii. Female	Percentage	37	34	**35**
2	Total number of employee turnover (All categories)	Number	4,205	3,160	**4,536**

No.	Indicator	Measurement Unit	Financial Year		
			2023	2024	2025
3	Percentage of employee turnover over total workforce	Percentage	11	8	**12**
4	Total number of employee turnover by employee category				
	i. Managerial	Number	335	317	**376**
	ii. Executive	Number	659	659	**927**
	iii. Non-executive	Number	3,211	2,184	**3,233**
5	Total training hours	Number	870,141	1,037,745	**952,530**
6	Total investment in training	RM	19.66 million	23.24 million	**24.70 million**
7	Number of trainings organised	Number	4,251	9,256	**6,151**
8	Average training hours per employee	Hours	21.97	29.54	**25.32**
9	Average training hours by gender				
	i. Male	Hours	19.86	24.12	**22.94**
	ii. Female	Hours	29.66	33.65	**33.61**
10	Total training hours by employee category				
	i. Managerial	Hours	114,303	153,240	**139,861**
	ii. Executive	Hours	226,328	230,238	**290,678**
	iii. Non-executive	Hours	529,509	654,268	**521,992**
11	Parental leave utilization by gender				
	Male employees that took parental leave	Number	1,611	1,027	**753**
	Female employees that took parental leave	Number	514	486	**381**
	Male employees that returned to work in the reporting period after parental leave ended	Number	1,592	1,026	**749**
	Female employees that returned to work in the reporting period after parental leave ended	Number	495	479	**367**
Occupational Safety and Health					
1	Recordable work-related injuries	Number	176	135	**119**
2	Number of work-related fatalities	Number	1	0	**1**
3	Accidents with Lost Time Injuries ("LTI")	Number	138	117	**109**
4	Lost time incident frequency rate ("LTIFR")	Rate	1.60	1.35[8]	**1.19**
5	Number of employees trained on health and safety standards	Number	15,817[8]	17,603	**17,802**
6	Certified SHE practitioners	Number	157	165	**533**
Human Rights					
1	Employees as Union Members	Number	19,939	18,602	**18,430**
2	Percentage of employees that are Union Members	Percentage	50	48	**49**
3	Total number of Unions	Number	24	24	**24**
4	Total number of Collective Agreements	Number	23	23	**23**
5	Number of substantiated complaints concerning human rights violations	Number	1[8]	1[8]	**0**
Supply Chain Management					
1	Proportion of Local and Foreign Vendors				
	i. Local	Percentage	95	95	**93**
	ii. Foreign	Percentage	5	5	**7**

No.	Indicator	Measurement Unit	Financial Year 2023	2024	2025
2	Proportion of Spending by Local and Foreign Vendors				
	i. Local	Percentage	80	71	**72**
	ii. Foreign	Percentage	20	29	**28**
3	Vendors assessed for environmental and social impacts	Number	14	12	**21**
Community Investment					
1	Total Corporate Responsibility Programmes	Number	217	201	**139**
2	Total amount invested in the community where the target beneficiaries are external to the listed issuer	RM	2.38 mil	2.20 mil	**2.69 mil**
3	Total number of beneficiaries of the investment in communities	Number	20,506	82,765	**90,761**
Data Privacy and Security[4]					
1	Percentage of employees' participation in internal cybersecurity trainings or assessment	Percentage	86	89	**100**
2	Total number of identified leaks, thefts, or losses of customer data	Number	1	0	**0**
3	Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	1	0	**0**
Governance and Ethics					
1	Percentage of employees who have received training on Anti-Bribery and Anti-Corruption ("ABAC") by employee category[7]				
	i. Management	Percentage	23	75	**87**
	ii. Executive	Percentage	38	90	**94**
	iii. Non-executive	Percentage	3	53	**38**
2	Percentage of operations assessed for corruption-related risks[9]	Percentage	100	65	**79**
3	Confirmed incidents of corruption and action taken[10]	Number	0	0	**0**
4	Fines, penalties or settlements in relation to corruption	RM	0	0	**0**
5	Hours of ABAC training completed[7]	Hours	388	1,055	**851**
6	Number of fines/settlements over the previous three years where each is valued > US $100 million	Number	0	0	**0**
7	Combined total value of fines/settlements over the previous three years where each is valued > US $100 million (RM)	RM	0	0	**0**

[1] *The data covers the Mobility segment.*
[2] *Applying the transition relief on disclosure comparative information in the first annual reporting period. Please refer to pages 4 and 102.*
[3] *Restated due to updates in Grid Emission Factors issued by Suruhanjaya Tenaga.*
[4] *The tracking of this data was initiated in 2025.*
[5] *Restated due to changes of calculation methodology from distance-based to average-data method.*
[6] *Value stated is for rainwater harvesting system installed with meters.*
[7] *The data covers HICOM Holdings Berhad only.*
[8] *Restated due to the adoption of enhanced data collection methodology.*
[9] *The measurement approach was refined in 2024 to assess corruption risks at the individual company level rather than at the sub-group level to enhance granularity and accuracy. As such, prior-year figures may not be directly comparable.*
[10] *A confirmed incident of corruption refers to any case involving the solicitation, acceptance, offering or giving of gratification; submission of false claims; abuse of power; failure to report bribery or corrupt transactions; collusion; or other corrupt practices, that has been convicted by a court of law, whether in Malaysia or internationally. Incidents that remain under investigation during the reporting period are excluded.*

ISSB IFRS S2 CONTENT INDEX

IFRS S2 Indicator	Disclosure Requirements – Core Content	Location	Page Reference	Remarks
S2.06(a)	**The governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities. Specifically, the entity shall identify that body(s) or individual(s) and disclose information about:**			
S2.06(a)(i)	How responsibilities for climate-related risks and opportunities are reflected in the terms of reference, mandates, role descriptions and other related policies applicable to that body(s) or individual(s);	ISSB Sustainability Statement – Governance	103-104	
S2.06(a)(ii)	How the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to climate-related risks and opportunities;	ISSB Sustainability Statement – Governance	103-104	
S2.06(a)(iii)	How and how often the body(s) or individual(s) is informed about climate-related risks and opportunities;	ISSB Sustainability Statement – Governance	103-104	
S2.06(a)(iv)	How the body(s) or individual(s) takes into account climate-related risks and opportunities when overseeing the entity's strategy, its decisions on major transactions and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities; and	ISSB Sustainability Statement – Board Oversight	103	
S2.06(a)(v)	How the body(s) or individual(s) oversees the setting of targets related to climate-related risks and opportunities, and monitors progress towards those targets, including whether and how related performance metrics are included in remuneration policies.	ISSB Sustainability Statement – Governance	103-104	
S2.06(b)	**Management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities, including information about:**			
S2.06(b)(i)	Whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee; and	ISSB Sustainability Statement – Management Role	103	
S2.06(b)(ii)	Whether management uses controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions.	ISSB Sustainability Statement – Management Role, Working Group	103-104	
	Strategy			
S2.09	**Specifically, an entity shall disclose information to enable users of general purpose financial reports to understand:**			
S2.09(a)	The climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects.	ISSB Sustainability Statement – Summary of Financial Effects for Climate-related Risks and Opportunities for the Mobility Segment, Outcome from Scenario Analysis	105-107, 108-109	

IFRS S2 Indicator	Disclosure Requirements – Core Content	Location	Page Reference	Remarks
S2.09(b)	The current and anticipated effects of those climate-related risks and opportunities on the entity's business model and value chain.	ISSB Sustainability Statement – Summary of Financial Effects for Climate-related Risks and Opportunities for the Mobility Segment	105-107	
S2.09(c)	The effects of those climate-related risks and opportunities on the entity's strategy and decision-making, including information about its climate-related transition plan	ISSB Sustainability Statement – Summary of Financial Effects for Climate-related Risks and Opportunities for the Mobility Segment, Outcome from Scenario Analysis	105-107, 108-109	
S2.09(d)	The effects of those climate-related risks and opportunities on the entity's financial position, financial performance and cash flows for the reporting period, and their anticipated effects on the entity's financial position, financial performance and cash flows over the short, medium and long term, taking into consideration how those climate-related risks and opportunities have been factored into the entity's financial planning	ISSB Sustainability Statement – Summary of Financial Effects for Climate-related Risks and Opportunities for the Mobility Segment	105-107	
S2.09(e)	The climate resilience of the entity's strategy and its business model to climate-related changes, developments and uncertainties, taking into consideration the entity's identified climate-related risks and opportunities	ISSB Sustainability Statement – Outcome of the Scenario Analysis	108-109	Qualitative climate scenario analysis has been undertaken to assess the resilience of the Group's strategy. Quantitative scenario modelling has not yet been applied, reflecting the use of reasonably available information without undue cost or effort in accordance with the proportionality provisions of IFRS S2 (Paragraph 22, B1).
Climate-related Risks and Opportunities				
S2.10	**An entity shall disclose information that enables users of general purpose financial reports to understand the climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects. Specifically, the entity shall:**			
S2.10(a)	Describe climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects.	ISSB Sustainability Statement – Summary of Financial Effects for Climate-related Risks and Opportunities for the Mobility Segment	105-107	
S2.10(b)	Explain, for each climate-related risk the entity has identified, whether the entity considers the risk to be a climate-related physical risk or climate-related transition risk.	ISSB Sustainability Statement – Summary of Financial Effects for Climate-related Risks and Opportunities for the Mobility Segment	105-107	
S2.10(c)	Specify, for each climate-related risk and opportunity the entity has identified, over which time horizons – short, medium or long term – the effects of each climate-related risk and opportunity could reasonably be expected to occur.	ISSB Sustainability Statement – Outcome of the Scenario Analysis	108-109	
S2.10(d)	Explain how the entity defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the entity for strategic decision-making.	ISSB Sustainability Statement – Overall Climate Transition Plan, Scenario Analysis	104, 107	

IFRS S2 Indicator	Disclosure Requirements – Core Content	Location	Page Reference	Remarks
Business Model and Value Chain				
S2.13	**An entity shall disclose information that enables users of general purpose financial reports to understand the current and anticipated effects of climate-related risks and opportunities on the entity's business model and value chain. Specifically, the entity shall disclose:**			
S2.13(a)	A description of the current and anticipated effects of climate-related risks and opportunities on the entity's business model and value chain.	ISSB Sustainability Statement – Summary of Financial Effects for Climate-related Risks and Opportunities for the Mobility Segment	105-107	
S2.13(b)	A description of where in the entity's business model and value chain climate-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets).	ISSB Sustainability Statement – Summary of Financial Effects for Climate-related Risks and Opportunities for the Mobility Segment, Outcome from Scenario Analysis	105-107, 108-109	Assessment of physical climate risk exposure across the Group's facilities and assets has not yet been undertaken to determine where climate-related risks and opportunities are concentrated within the business model and value chain. This will be progressively enhanced using approaches appropriate to the Group's current capabilities in accordance with IFRS S2 (Paragraph 22, B17).
Strategy and Decision-making				
S2.14	**An entity shall disclose information that enables users of general purpose financial reports to understand the effects of climate-related risks and opportunities on its strategy and decision-making. Specifically, the entity shall disclose:**			
S2.14(a)	Information about how the entity has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the entity plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation. Specifically, the entity shall disclose information about:			
S2.14(a)(i)	Current and anticipated changes to the entity's business model, including its resource allocation, to address climate-related risks and opportunities	ISSB Sustainability Statement – Summary of Financial Effects for Climate-related Risks and Opportunities for the Mobility Segment, Metrics of climate-related risks and opportunities, Green Mobility Performance	105-107, 110-112	
S2.14(a)(ii)	Current and anticipated direct mitigation and adaptation efforts	ISSB Sustainability Statement – Summary of Financial Effects for Climate-related Risks and Opportunities for the Mobility Segment	105-107	
S2.14(a)(iii)	Current and anticipated indirect mitigation and adaptation efforts	ISSB Sustainability Statement – Summary of Financial Effects for Climate-related Risks and Opportunities for the Mobility Segment	105-107	

IFRS S2 Indicator	Disclosure Requirements – Core Content	Location	Page Reference	Remarks
S2.14(a)(iv)	Any climate-related transition plan the entity has, including information about key assumptions used in developing its transition plan, and dependencies on which the entity's transition plan relies	ISSB Sustainability Statement – Outcome of Scenario Analysis, Metrics of climate-related risks and opportunities, Green Mobility Performance	108-109, 110-112	The Group has disclosed elements of its climate transition plan through its Net Zero roadmap, including key decarbonisation initiatives and targets. Implementation of the roadmap is supported by initiatives and performance related to fuel economy improvements, emissions management and green mobility, which contribute to the Group's progress towards its Net Zero ambitions. Further details on assumptions underpinning the plan are expected to evolve as the Group continues to develop its transition planning capabilities.
S2.14(a)(v)	How the entity plans to achieve any climate-related targets, including any greenhouse gas emissions targets.	ISSB Sustainability Statement – Climate-related Targets, Navigating towards Net Zero by 2050	110-111	
S2.14(b)	Information about how the entity is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 14(a).	ISSB Sustainability Statement – Summary of Financial Effects for Climate-related Risks and Opportunities for the Mobility Segment, Outcome from Scenario Analysis	105-107, 108-109	
S2.14(c)	Quantitative and qualitative information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 14(a).	ISSB Sustainability Statement – Metrics and Targets	110-112	
Financial position, financial performance and cash flows				
S2.15	**An entity shall disclose information that enables users of general purpose financial reports to understand:**			
S2.15(a)	The effects of climate-related risks and opportunities on the entity's financial position, financial performance and cash flows for the reporting period (current financial effects)	ISSB Sustainability Statement – Financial Effects of Climate-related Risks & Opportunities	105-107	
S2.15(b)	The anticipated effects of climate-related risks and opportunities on the entity's financial position, financial performance and cash flows over the short, medium and long term, taking into consideration how climate-related risks and opportunities are included in the entity's financial planning (anticipated financial effects).	ISSB Sustainability Statement – Financial Effects of Climate-related Risks & Opportunities	105-107	
S2.16	**Specifically, an entity shall disclose quantitative and qualitative information about:**			
S2.16(a)	How climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period	ISSB Sustainability Statement – Financial Effects of Climate-related Risks & Opportunities	105-107	
S2.16(b)	The climate-related risks and opportunities identified in paragraph 16(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements.	ISSB Sustainability Statement – Financial Effects of Climate-related Risks & Opportunities	105-107	

IFRS S2 Indicator	Disclosure Requirements – Core Content	Location	Page Reference	Remarks
S2.16(c)(i)	How the entity expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration: its investment and disposal plans, including plans the entity is not contractually committed to.	ISSB Sustainability Statement – Financial Effects of Climate-related Risks & Opportunities	105-107	
S2.16(c)(ii)	Its planned sources of funding to implement its strategy	ISSB Sustainability Statement – Financial Effects of Climate-related Risks & Opportunities	105-107	
S2.16(d)	How the entity expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.	ISSB Sustainability Statement – Financial Effects of Climate-related Risks & Opportunities	105-107	
	Climate Resilience			
S2.22(a)	**The entity's assessment of its climate resilience as at the reporting date, which shall enable users of general purpose financial reports to understand:**			
S2.22(a)(i)	The implications, if any, of the entity's assessment for its strategy and business model, including how the entity would need to respond to the effects identified in the climate-related scenario analysis	ISSB Sustainability Statement – Outcome of the Scenario Analysis	108-109	
S2.22(a)(ii)	The significant areas of uncertainty considered in the entity's assessment of its climate resilience	ISSB Sustainability Statement – Outcome of the Scenario Analysis	108-109	Physical-risk exposure assessment has not yet been completed, and the Group will progressively identify and evaluate relevant premises and assets. Consistent with the proportionality provisions of IFRS S2, the assessment reflects the use of reasonably available information without undue cost or effort.
S2.22(a)(iii)(1)	The entity's capacity to adjust or adapt its strategy and business model to climate change over the short, medium and long term, including: the availability of, and flexibility in, the entity's existing financial resources to respond to the effects identified in the climate-related scenario analysis, including to address climate-related risks and to take advantage of climate-related opportunities	ISSB Sustainability Statement – Outcome of the Scenario Analysis	108-109	The Group's capacity to adjust and adapt is supported by ongoing investment in energy transition initiatives, operational efficiency measures and EV-related expansion, although detailed financial modelling of adaptation capacity has not yet been completed. Current assessments draw on reasonably available information, with financial resources prioritised based on identified climate-related risks and opportunities in accordance with IFRS S2's proportionality provisions.
S2.22(a)(iii)(2)	The entity's ability to redeploy, repurpose, upgrade or decommission existing assets	ISSB Sustainability Statement – Outcome of the Scenario Analysis	108-109	The Group has begun integrating climate related considerations into asset planning, with the ability to redeploy, repurpose or upgrade selected facilities particularly those supporting energy transition initiatives and EV related activities while detailed asset level assessments have not yet been fully completed. Consistent with IFRS S2's proportionality provisions, the evaluation of physical risk exposure and required asset modifications will be expanded progressively using reasonably available information without undue cost or effort.

IFRS S2 Indicator	Disclosure Requirements – Core Content	Location	Page Reference	Remarks
S2.22(a)(iii) (3)	The effect of the entity's current and planned investments in climate-related mitigation, adaptation and opportunities for climate resilience	ISSB Sustainability Statement – Outcome of the Scenario Analysis	108-109	The Group's current and planned investments such as renewable energy initiatives, energy-efficiency measures and EV-related expansion support mitigation, adaptation and long-term climate resilience. However, the effect of these investments under different climate scenarios has not yet been assessed, as detailed scenario modelling has not been undertaken. Consistent with IFRS S2's proportionality provisions, the Group's assessment reflects reasonably available information and will be enhanced progressively as scenario-based analysis is developed.
S2.22 (b)	**How and when the climate-related scenario analysis was carried out, including:**			
S2.22(b)(i)	Information about the inputs the entity used, including:			
S2.22(b) (i)(1)	Which climate-related scenarios the entity used for the analysis and the sources of those scenarios	ISSB Sustainability Statement – Outcome of the Scenario Analysis	108-109	A detailed climate-related scenario analysis has not yet been undertaken, and therefore the entity has not identified specific scenarios, scenario sources, or the associated transition and physical risk pathways. In line with IFRS S2's proportionality provisions, the Group is relying on reasonably available information without undue cost or effort, and scenario selection, justification will be developed progressively as the Group enhances its analytical.
S2.22(b)(i) (2)	Whether the analysis included a diverse range of climate-related scenarios	ISSB Sustainability Statement – Outcome of the Scenario Analysis	108-109	
S2.22(b)(i) (3)	Whether the climate-related scenarios used for the analysis are associated with climate-related transition risks or climate-related physical risks	ISSB Sustainability Statement – Outcome of the Scenario Analysis	108-109	
S2.22(b)(i) (4)	Whether the entity used, among its scenarios, a climate-related scenario aligned with the latest international agreement on climate change	ISSB Sustainability Statement – Outcome of the Scenario Analysis	108-109	
S2.22(b)(i) (5)	Why the entity decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties	ISSB Sustainability Statement – Outcome of the Scenario Analysis	108-109	
S2.22(b)(i) (6)	The time horizons the entity used in the analysis	ISSB Sustainability Statement – Outcome of the Scenario Analysis	108-109	
S2.22(b)(i) (7)	What scope of operations the entity used in the analysis	ISSB Sustainability Statement – First Time Adoption and Additional Transition Reliefs (ATR)	102	Mobility Segment
	Risk Management			
S2.25(a)	**The processes and related policies the entity uses to identify, assess, prioritise and monitor climate-related risks, including information about:**			
S2.25(a)(i)	The inputs and parameters the entity uses (for example, information about data sources and the scope of operations covered in the processes)	ISSB Sustainability Statement – Organisational Boundary	102	
S2.25(a)(ii)	Whether and how the entity uses climate-related scenario analysis to inform its identification of climate-related risks	ISSB Sustainability Statement – Scenario Analysis, Outcome of Scenario Analysis	107-109	
S2.25(a)(iii)	How the entity assesses the nature, likelihood and magnitude of the effects of those risks	ISSB Sustainability Statement – Climate-related Risk and Opportunity Management Process	110	

IFRS S2 Indicator	Disclosure Requirements – Core Content	Location	Page Reference	Remarks
S2.25(a)(iv)	Whether and how the entity prioritises climate-related risks relative to other types of risk	ISSB Sustainability Statement – Climate-related Risk and Opportunity Management Process	110	
S2.25(a)(v)	How the entity monitors climate-related risks	ISSB Sustainability Statement – Governance, Climate-related Risk and Opportunity Management Process	103-104, 110	
S2.25(a)(vi)	Whether and how the entity has changed the processes it uses compared with the previous reporting period	-	N/A	No material changes.
S2.25(b)	The processes the entity uses to identify, assess, prioritise and monitor climate-related opportunities, including information about whether and how the entity uses climate-related scenario analysis to inform its identification of climate-related opportunities	ISSB Sustainability Statement – Scenario Analysis, Outcome of Scenario Analysis, Risk Management	104, 107-109, 110	
S2.25(c)	The extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the entity's overall risk management process	ISSB Sustainability Statement – Climate-related Risk and Opportunity Management Process	110	
Metrics and Targets				
Climate-related Metrics				
S2.29	**An entity shall disclose information relevant to the cross-industry metric categories of:**			
S2.29(a)(i)	Greenhouse gases – the entity shall disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tonnes of CO2 equivalent, classified as: (1) Scope 1 greenhouse gas emissions (2) Scope 2 greenhouse gas emissions (3) Scope 3 greenhouse gas emissions	ISSB Sustainability Statement – GHG Emissions Performance	112	
S2.29(a)(ii)	Measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or an exchange on which the entity is listed to use a different method for measuring its greenhouse gas emissions.	ISSB Sustainability Statement – Operational Boundary, Methodologies, Inputs and Assumptions	102, 113	
S2.29(a)(iii)	**Disclose the approach it uses to measure its greenhouse gas emissions including:**			
S2.29(a)(iii)(1)	The measurement approach, inputs and assumptions the entity uses to measure its greenhouse gas emissions.	ISSB Sustainability Statement – Methodologies, Inputs and Assumptions	113	
S2.29(a)(iii)(2)	The reason why the entity has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions	ISSB Sustainability Statement – Operational Boundary, Methodologies, Inputs and Assumptions	102, 113	
S2.29(a)(iii)(3)	Any changes the entity made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes	-	N/A	There were no changes to the methodologies, factors, boundaries, or assumptions from prior year.

IFRS S2 Indicator	Disclosure Requirements – Core Content	Location	Page Reference	Remarks
S2.29(a)(iv)	**For Scope 1 and Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 29(a)(i)(1) – (2), disaggregate emissions between:**			
S2.29(a)(iv)(1)	The consolidated accounting group (for example, for an entity applying IFRS Accounting Standards, this group would comprise the parent and its consolidated subsidiaries)	ISSB Sustainability Statement – GHG Emissions Performance	112	
S2.29(a)(iv)(2)	Other investees excluded from paragraph 29(a)(iv)(1) (for example, for an entity applying IFRS Accounting Standards, these investees would include associates, joint ventures and unconsolidated subsidiaries)	ISSB Sustainability Statement – GHG Emissions Performance	112	
S2.29(a)(v)	For Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 29(a)(i)(2), disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to inform users' understanding of the entity's Scope 2 greenhouse gas emissions	ISSB Sustainability Statement – GHG Emissions Performance	112	
S2.29(a)(vi)	**For Scope 3 greenhouse gas emissions disclosed in accordance with paragraph 29(a)(i)(3), and with reference to paragraphs B32–B57, disclose:**			
S2.29(a)(vi)(1)	The categories included within the entity's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011)	-	N/A	Not disclosed due to applied transition reliefs.
S2.29(a)(vi)(2)	Additional information about the entity's Category 15 greenhouse gas emissions or those associated with its investments (financed emissions), if the entity's activities include asset management, commercial banking or insurance	-	N/A	Not disclosed due to applied transition reliefs.
S2.29(b)	Climate-related transition risks—the amount and percentage of assets or business activities vulnerable to climate-related transition risks	ISSB Sustainability Statement – Summary of Financial Effects of Climate-related Risks & Opportunities, Outcome of Scenario Analysis	105-109	DRB-HICOM applies the principle of proportionality for quantitative scenario analysis as the Group's scenario assessment is currently qualitative in nature and will be progressively enhanced as analytical capabilities continue to be developed.
S2.29(c)	Climate-related physical risks—the amount and percentage of assets or business activities vulnerable to climate-related physical risks	ISSB Sustainability Statement – Summary of Financial Effects of Climate-related Risks & Opportunities, Outcome of Scenario Analysis	105-109	DRB-HICOM applies the principle of proportionality for quantitative scenario analysis as the Group's scenario assessment is currently qualitative in nature and will be progressively enhanced as analytical capabilities continue to be developed.
S2.29(d)	Climate-related opportunities—the amount and percentage of assets or business activities aligned with climate-related opportunities	ISSB Sustainability Statement – Summary of Financial Effects of Climate-related Risks & Opportunities, Outcome of Scenario Analysis	105-109	DRB-HICOM applies the principle of proportionality for quantitative scenario analysis as the Group's scenario assessment is currently qualitative in nature and will be progressively enhanced as analytical capabilities continue to be developed.
S2.29(e)	Capital deployment—the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities;	ISSB Sustainability Statement – Metrics of climate-related risks and opportunities	112	

IFRS S2 Indicator	Disclosure Requirements – Core Content	Location	Page Reference	Remarks
S2.29(f)	**Internal carbon prices – the entity shall disclose:**			
S2.29(f)(i)	An explanation of whether and how the entity is applying a carbon price in decision-making (for example, investment decisions, transfer pricing and scenario analysis).	ISSB Sustainability Statement – Internal Carbon Price and Carbon Credit	113	DRB-HICOM currently does not have an Internal Carbon Price ("ICP") in place. However, the Group continues to strengthen its climate-related assessment approach to support long-term decision making, including the potential future application of an ICP.
S2.29(f)(ii)	The price for each metric tonne of greenhouse gas emissions the entity uses to assess the costs of its greenhouse gas emissions.	ISSB Sustainability Statement – Internal Carbon Price and Carbon Credit	113	DRB-HICOM currently does not have an ICP in place. However, the Group continues to strengthen its climate-related assessment approach to support long-term decision making, including the potential future application of an ICP.
S2.29 (g)	**Remuneration – the entity shall disclose:**			
S2.29(g)(i)	A description of whether and how climate-related considerations are factored into executive remuneration.	ISSB Sustainability Statement – Climate Performance Compensation Incentive-linked	104	
S2.29(g)(ii)	The percentage of executive management remuneration recognised in the current period that is linked to climate-related considerations.	ISSB Sustainability Statement – Climate Performance Compensation Incentive-linked	104	
	Climate-related Targets			
S2.33	**An entity shall disclose the quantitative and qualitative climate-related targets it has set to monitor progress towards achieving its strategic goals, and any targets it is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target, the entity shall disclose:**			
S2.33(a)	The metric used to set the target	ISSB Sustainability Statement – Metrics & Targets	110-111	
S2.33(b)	The objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives)	ISSB Sustainability Statement – Metrics & Targets	110-111	
S2.33(c)	The part of the entity to which the target applies (for example, whether the target applies to the entity in its entirety or only a part of the entity, such as a specific business unit or specific geographical region)	ISSB Sustainability Statement – Metrics & Targets	110-111	
S2.33(d)	The period over which the target applies	ISSB Sustainability Statement – Metrics & Targets	110-111	
S2.33(e)	The base period from which progress is measured	ISSB Sustainability Statement – Metrics & Targets	110-111	
S2.33(f)	Any milestones and interim targets	ISSB Sustainability Statement – Metrics & Targets	110-111	
S2.33(g)	If the target is quantitative, whether it is an absolute target or an intensity target	ISSB Sustainability Statement – Metrics & Targets	110-111	
S2.33(h)	How the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target	ISSB Sustainability Statement – Metrics & Targets	110-111	

IFRS S2 Indicator	Disclosure Requirements – Core Content	Location	Page Reference	Remarks
S2.34	**An entity shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including:**			
S2.34(a)	Whether the target and the methodology for setting the target has been validated by a third party.	ISSB Sustainability Statement – Statement of Assurance	103	Not disclosed, but there are plans to pursue third party assurance in the future.
S2.34(b)	The entity's processes for reviewing the target.	ISSB Sustainability Statement – Metrics & Targets	110–111	
S2.34(c)	The metrics used to monitor progress towards reaching the target.	ISSB Sustainability Statement – Metrics & Targets	110–111	
S2.34(d)	Any revisions to the target and an explanation for those revisions.	ISSB Sustainability Statement – Metrics & Targets	110–111	There were no revisions to the targets from prior year.
S2.36	**For each greenhouse gas emissions target disclosed in accordance with paragraphs 33–35, an entity shall disclose:**			
S2.36(a)	Which greenhouse gases are covered by the target.	ISSB Sustainability Statement – Metrics & Targets	110–111	
S2.36(b)	Whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target.	ISSB Sustainability Statement – Metrics & Targets	110–111	
S2.36(c)	Whether the target is a gross greenhouse gas emissions target or net greenhouse gas emissions target. If the entity discloses a net greenhouse gas emissions target, the entity is also required to separately disclose its associated gross greenhouse gas emissions target	-	N/A	Not applicable as entity discloses Gross greenhouse gas emissions.
S2.36(d)	Whether the target was derived using a sectoral decarbonization approach	-	N/A	DRB-HICOM applies the principle of proportionality for quantitative scenario analysis as the Group's scenario assessment is currently qualitative in nature and will be progressively enhanced as analytical capabilities continue to be developed.
S2.36(e)	**The entity's planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. In explaining its planned use of carbon credits the entity shall disclose information including**			
S2.36(e)(i)	The extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits	ISSB Sustainability Statement – Internal Carbon Price and Carbon Credit	113	Not applicable for DRB-HICOM.
S2.36(e)(ii)	Which third-party scheme(s) will verify or certify the carbon credits	ISSB Sustainability Statement – Internal Carbon Price and Carbon Credit	113	Not applicable for DRB-HICOM.
S2.36(e)(iii)	The type of carbon credit, including whether the underlying offset will be nature-based or based on technological carbon removals, and whether the underlying offset is achieved through carbon reduction or removal	ISSB Sustainability Statement – Internal Carbon Price and Carbon Credit	113	Not applicable for DRB-HICOM.
S2.36(e)(iv)	Any other factors necessary for users of general purpose financial reports to understand the credibility and integrity of the carbon credits the entity plans to use (for example, assumptions regarding the permanence of the carbon offset)	ISSB Sustainability Statement – Internal Carbon Price and Carbon Credit	113	Not applicable for DRB-HICOM.

SASB SECTOR DISCLOSURE TOPICS AND METRICS

Auto Parts; Automobiles; Aerospace and Defence; Multiline and Specialty Retailers & Distributors

Topic	Code	Accounting Metric	Unit of Measure	Page reference
Energy Management	TR-AP 130a.1 RT-AE-130a.1 CG-MR-130a.1	(1) Total energy consumed	Gigajoules (GJ)	ISSB Sustainability Statement – Metrics and Targets, page 112 Performance Data Table, page 493 Sustainability Theme 2 – Protecting the Environment: Energy Management, page 147
		(2) percentage grid electricity and	Percentage (%)	ISSB Sustainability Statement – Metrics and Targets, page 112 Performance Data Table, page 493 Sustainability Theme 2 – Protecting the Environment: Energy Management, page 147
		(3) percentage renewable	Percentage (%)	ISSB Sustainability Statement – Metrics and Targets, page 112 Performance Data Table, page 493 Sustainability Theme 2 – Protecting the Environment: Energy Management, page 147
Fuel Economy & Use-phase Emissions	TR-AU-410a.1	Sales-weighted average passenger fleet fuel economy, by region	Mpg, L/km, gCO_2/km, km/L	ISSB Sustainability Statement – Metrics and Targets, page 112 Performance Data Table, page 493 Sustainability Theme 1 – Creating Customer Value: Products and Services Innovation, page 136
	TR-AU-410a.2	Number of (1) zero emission vehicle (ZEV)	Number	ISSB Sustainability Statement – Metrics and Targets, page 112 Performance Data Table, page 493
		(2) hybrid vehicles and	Number	ISSB Sustainability Statement – Metrics and Targets, page 112 Performance Data Table, page 493
	TR-AU-410a.3	Discussion of strategy for managing fleet fuel economy and emissions risks and opportunities	N/A	Sustainability Theme 1 – Creating Customer Value: Products and Services Innovation, page 136
Waste Management	TR-AP-150a.1 RT-AE-150a.1	Total waste generated	Metric Tonnes	Sustainability Theme 2 – Protecting the Environment: Waste Management, page 161 Performance Data Table, page 494
Data Security	RT-AE-230a.1 CG-MR-230a.2	(1) Number of data breaches	Number	Sustainability Theme 4 – Upholding Business Integrity: Data Privacy and Security, page 216 Performance Data Table, page 497
Workforce Diversity & Inclusion	CG-MR-330a.1	Percentage of (1) gender for (a) executive management, (b) non-executive management and (c) all other employees	Percentage (%)	Sustainability Theme 3 – Enriching People and Communities: Diversity and Inclusivity, page 172 Performance Data Table, pages 494-496
	CG-MR-330a.1	Percentage of for (2) diversity group representation for (a) executive management, (b) non-executive management and (c) all other employees	Percentage (%)	Sustainability Theme 3 – Enriching People and Communities: Diversity and Inclusivity, page 172 Performance Data Table, pages 494-496
Product Safety	TR-AU-250a.1	Percentage of vehicle models rated by NCAP with an overall 5-star safety rating, by region	Percentage (%)	Sustainability Theme 1 – Creating Customer Value: Products and Services Innovation, page 133 Performance Data Table, page 493

GRI CONTENT INDEX

Statement of Use	DRB-HICOM Berhad has reported the information cited in this GRI content index for the period [1 January 2025 to 31 December 2025] with reference to the GRI Standards.
GRI 1 Used	GRI 1: Foundation 2021

GRI Standards and Disclosure		**Location**
GRI 2: General Disclosure 2021		
2-1	Organisational details	Basis of This Report, pages 4-5 DRB-HICOM at a Glance, pages 6-12 Corporate Information, page 13 Group Corporate Structure, pages 14-15
2-2	Entities included in the organisation's sustainability reporting	Basis of This Report, pages 4-5
2-3	Reporting period, frequency and contact point	Basis of This Report, pages 4-5
2-4	Restatements of information	*Restatements of information are disclosed under the relevant sections and at the Performance Data table, where relevant and applicable*
2-5	External assurance	Basis of This Report, page 5
2-6	Activities, value chain and other business relationships	DRB-HICOM at a Glance, pages 6-12 Review of the Group's Segmental Contribution, pages 34-71 Strategic Alliances, pages 140-142
2-7	Employees	DRB-HICOM at a Glance, page 10 Value Creation Model, pages 80-81 Diversity and Inclusivity, pages 166 and 170-172 Performance Data Table, pages 494-495
2-8	Workers who are not employees	Diversity and Inclusivity, pages 170-172
2-9	Governance structure and composition	Corporate Governance Overview Statement, pages 238-249
2-10	Nomination and selection of the highest governance body	
2-11	Chair of the highest governance body	
2-12	Role of the highest governance body in overseeing the management of impacts	ISSB Sustainability Statement, pages 103-104 Approach to Sustainability, pages 121-122 Corporate Governance Overview Statement, pages 238-249
2-13	Delegation of responsibility for managing impacts	
2-14	Role of the highest governance body in sustainability reporting	
2-15	Conflicts of interest	Corporate Governance Overview Statement, pages 238-249
2-16	Communication of critical concerns	Diversity and Inclusivity, pages 166-166 Human Rights, pages 194-195 Governance and Ethics, page 219 Statement on Risk Management and Internal Control, pages 265-275
2-17	Collective knowledge of the highest governance body	Corporate Governance Overview Statement, pages 243-246

GRI Standards and Disclosure		Location
2-18	Evaluation of the performance of the highest governance body	Corporate Governance Overview Statement, pages 242 and 248
2-19	Remuneration policies	
2-20	Process to determine remuneration	
2-21	Annual total compensation ratio	*Information unavailable due to confidentiality constraints.*
2-22	Statement on sustainable development strategy	DRB-HICOM at a Glance, pages 6-12 Approach to Sustainability, pages 116-121 Value Creation Model, pages 80-81 ISSB Sustainability Statement, pages 110-111 Corporate Governance Overview Statement, pages 243-244
2-23	Policy commitments	Links to Policies disclosed under relevant sections across each Sustainability theme, pages 127-223
2-24	Embedding policy commitments	Human Rights, page 193 Governance and Ethics, page 220 Corporate Governance Overview Statement, pages 246-248
2-25	Processes to remediate negative impacts	Human Rights, pages 194-195
2-26	Mechanisms for seeking advice and raising concerns	Governance and Ethics, pages 219-220 Directors' Statement on Risk Management and Internal Control, pages 265-275
2-27	Compliance with laws and regulations	*There were no significant instances of non-compliance with laws and regulations, and no fines were incurred during the reporting period* Performance Data Table, page 497
2-28	Membership associations	Approach to Sustainability, pages 124-125
2-29	Approach to stakeholder engagement	What Matters To Our Stakeholders, pages 82-86
2-30	Collective bargaining agreements	Human Rights, pages 192-195
GRI 3: Material Topics 2021		
3-1	Process to determine material topics	What Matters To Our Stakeholders, pages 87-91
3-2	List of material topics	What Matters To Our Stakeholders, pages 87-91
3-3	Management of material topics	Sustainability in Action, pages 118-223
GRI 201: Economic Performance 2016		
201-1	Direct economic value generated and distributed	Group's 5-year Financial Highlights, pages 16-17 Value Creation Model, pages 80-81 Talent Management and Employee Engagement, page 177 Community Investment, page 211
201-2	Financial implications and other risks and opportunities due to climate change	ISSB Sustainability Statement, pages 106-110
201-3	Defined benefit plan obligations and other retirement plans	Notes to the Financial Statements, page 401
201-4	Financial assistance received from government	Notes to the Financial Statements, pages 398-340
GRI 203: Indirect Economic Impacts 2016		
203-1	Infrastructure investments and services supported	Community Investment, pages 206-211
203-2	Significant indirect economic impacts	Products and Services Innovation, pages 134-138 Community Investment, pages 206-211

GRI Standards and Disclosure		Location
GRI 204: Procurement Practices 2016		
204-1	Proportion of spending on local suppliers	Supply Chain Management, page 203 Performance Data Table, page 497
GRI 204: Anti-corruption 2016		
205-1	Operations assessed for risks related to corruption	Governance and Ethics, page 222 Performance Data Table, page 497
205-2	Communication and training about anti-corruption policies and procedures	
205-3	Confirmed incidents of corruption and actions taken	
GRI 302: Energy 2016		
302-1	Energy consumption within the organisation	ISSB Sustainability Statement, page 114 Energy Management, pages 147-148 Performance Data Table, page 493
302-2	Energy consumption outside of the organisation	Energy Management, pages 147-148
302-4	Reduction of energy consumption	Energy Management, pages 147-148
GRI 303: Water and Effluents 2018		
303-1	Interactions with water as a shared resource	Water Management, pages 150-153
303-2	Management of water discharge-related impacts	Water Management, pages 148-153
303-3	Water withdrawal	Water Management, page 153 Performance Data Table, page 494
303-4	Water discharge	Water Management, page 153 Performance Data Table, page 494
303-5	Water consumption	Water Management, page 153 Performance Data Table, page 494
GRI 304: Biodiversity 2016		
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Biodiversity, pages 162-164
304-2	Significant impacts of activities, products and services on biodiversity	Biodiversity, pages 162-164
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Biodiversity, pages 163-164
GRI 305: Emissions 2016		
305-1	Direct (Scope) 1 GHG emissions	ISSB Sustainability Statement, page 114 Energy Management, page 148 Performance Data Table, page 493
305-2	Energy indirect (Scope 2) GHG emissions	ISSB Sustainability Statement, page 114 Energy Management, page 148 Performance Data Table, page 493
305-3	Other indirect (Scope 3) GHG emissions	Energy Management, page 148 Performance Data Table, page 493
305-4	GHG emissions intensity	Performance Data Table, page 493
305-5	Reduction of GHG emissions	ISSB Sustainability Statement – Metrics and Targets, pages 114-115 Energy Management, pages 147-149
GRI 306: Waste 2020		
306-1	Waste generation and significant waste-related impacts	Waste Management, page 156
306-2	Management of significant waste-related impacts	Waste Management, pages 155-160

GRI Standards and Disclosure		Location
306-3	Waste generated	Waste Management, page 161 Performance Data Table, page 494
306-4	Waste diverted from disposal	Waste Management, page 161 Performance Data Table, page 494
306-5	Waste directed to disposal	Waste Management, page 161 Performance Data Table, page 494
GRI 308: Supplier Environmental Assessment 2016		
308-1	New suppliers that were screened using environmental criteria	Supply Chain Management, pages 198 and 200 Performance Data Table, page 496
308-2	Negative environmental impacts in the supply chain and actions taken	Supply Chain Management, pages 199-201 Performance Data Table, page 497
GRI 401: Employment 2016		
401-1	New employees hires and employee turnover	Diversity and Inclusivity, page 171 Talent Development and Employee Engagement, page 176 Performance Data Table, page 495
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Talent Development and Employee Engagement, page 183
401-3	Parental leave	Talent Development and Employee Engagement, page 184 Performance Data Table, page 496
GRI 403: Occupational Health and Safety 2018		
403-1	Occupational health and safety management system	Occupational Safety and Health, pages 186 and 188-189
403-2	Hazard identification, risk assessment, and incident investigation	Occupational Safety and Health, pages 188-189
403-3	Occupational health services	Occupational Safety and Health, pages 186-190 Talent Development and Employee Engagement, pages 179-183
403-4	Worker participation, consultation, and communication on occupational health and safety	Occupational Safety and Health, pages 186-190
403-5	Worker training on occupational health and safety	Occupational Safety and Health, page 189
403-6	Promotion of worker health	Occupational Safety and Health, pages 187-189 Talent Development and Employee Engagement, pages 179-183
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Safety and Health, pages 186-190
403-8	Workers covered by an occupational health and safety management system	Occupational Safety and Health, page 189
403-9	Work-related injuries	Occupational Safety and Health, page 188 Performance Data Table, page 496
403-10	Work-related ill health	Occupational Safety and Health, page 188
GRI 404: Training and Education 2016		
404-1	Average hours of training per year per employee	Talent Development and Employee Engagement, page 171 Performance Data Table, page 496
404-2	Programmes for upgrading employee skills and transition assistance programmes	Talent Development and Employee Engagement, pages 174-176
404-3	Percentage of employees receiving regular performance and career development reviews	Talent Development and Employee Engagement, page 175

GRI Standards and Disclosure		Location
GRI 405: Diversity and Equal Opportunity 2016		
405-1	Diversity of governance bodies and employees	Diversity and Inclusivity, pages 171-172 Corporate Governance Overview Statement, page 252 Performance Data Table, pages 494-495
405-2	Ratio of basic salary and remuneration of women to men	*Information unavailable due to confidentiality constraints.*
GRI 406: Non-discrimination 2016		
406-1	Incidents of discrimination and corrective actions taken	Human Rights, page 195 Performance Data Table, page 496
GRI 407: Freedom of Association and Collective Bargaining 2016		
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Human Rights, pages 192-193
GRI 408: Child Labor 2016		
408-1	Operations and suppliers at significant risk for incidents of child labor	Human Rights, pages 191 and 193
GRI 409: Forced or Compulsory Labor 2016		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Human Rights, pages 191 and 193
GRI 413: Local Communities 2016		
413-1	Operations with local community engagement, impact assessments, and development programmes	Community Investment, pages 204-211
413-2	Operations with significant actual and potential negative impacts on local communities	*Information unavailable due to confidentiality constraints.*
GRI 414: Supplier Social Assessment 2016		
414-1	New suppliers that were screened using social criteria	Supply Chain Management, pages 198 and 200
414-2	Negative social impacts in the supply chain and actions taken	Supply Chain Management, pages 199-201 Performance Data Table, page 497
GRI 416: Customer Health and Safety 2016		
416-1	Assessment of the health and safety impacts of product and service categories	Products and Services Innovation, page 133
GRI 418: Customer Privacy 2016		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Data Privacy and Security, page 216 Performance Data Table, page 497

MATERIAL PROPERTIES OF DRB-HICOM GROUP

As at 31 December 2025

No.	Location	Description/ existing use	Year of acquisition/ revaluation	Approximate age of building	Tenure	Approximate area	Group Net book value as at 31 December 2025 RM'000
1.	PTDs No. 154415, 177654 - 177655, 177668, 177680, 177684, 177686 - 178090, 178093 - 178492, 178498, 178505, 178521, 178526 - 178936, 178939, 178944 - 178947, 178957 - 179100, 179109 - 179111 Mukim Tebrau Daerah Johor Bahru Johor Darul Ta'zim	Land held for residential and commercial development	2020	-	Freehold	3,046,302 sq.m (Land)	1,650,850
2.	H.S.(D) B.P. 5653 and 5654 Bil PT 16162 and 10163 Mukim Ulu Bernam Timur District of Batang Padang Perak Darul Ridzuan	Automobile plant, administrative building and sports complex facilities	2013	23 years	Freehold	5,150,600 sq.m (Land)	617,632
3.	Lots No. 39617, 39619 and 46970 Mukim Damansara District of Petaling Selangor Darul Ehsan	Main office, main factory, engine factory, medium volume factory, canteen buildings, sports facilities, additional R&D laboratories building, car park for production cars and staff and semi-high speed test track	2013	29-41 years	Freehold	816,100 sq.m (Land)	380,689
4.	Lots 1341, 2645, 2646, 2649, 2714, 2715, 2726, 4115, 16275 and 16278 Mukim Pulau Sebang District of Alor Gajah Melaka	Land held for future development	2022	-	Freehold and leasehold 67 years expiring on 2033	1,140,485 sq.m (Land)	250,076

No.	Location	Description/ existing use	Year of acquisition/ revaluation	Approximate age of building	Tenure	Approximate area	Group Net book value as at 31 December 2025 RM'000
5.	PM 1362 Lot 15710 PM 1364 Lot 15712 PM 1365 Lot 15713 PM 1366 Lot 15714 *(now known as PM 1467 Lot 27208)* PM 1368 Lot 15716, PM 1369 Lot 15717, PM 1370 Lot 15718, PN 54215 Lot 26778 Mukim Batu Berendam District of Melaka Tengah Melaka	Industrial land with office and building	2014	11-29 years	Leasehold expiring on 2096	208,056 sq.m (Land and Building)	195,713
6.	H.S.(D) 4546 PT 13225 Mukim Pekan and PN 26159 Lot 15111 Mukim Langgar Daerah Pekan Pahang Darul Makmur	University, college campus and hostel	2010 and 2013	14 years	Leasehold 99 years expiring in years 2109 and 2112	257,831 sq.m (Land)	172,734
7.	H.S.(D) 305 PT 1580, 31D H.S.(D) 3365 PT 2205, H.S.(M) 1721 PT 2366, 31A H.S.(D) 2228 PT 413, 31B H.S.(D) 2227 PT 1814, 31C H.S.(D) 1950 PT 1490, and H.S.(D) 3421 PT 9770 Mukim Langgar Daerah Pekan Pahang Darul Makmur	Main office, paintshop, canteen, engineering workshop, inventory, body storage, paint mixer, assembly shop, sludge area shed, logistics, CKD yard, plastic parts spray booth, wastewater treatment, bumper pre-treatment and rework area	2012	12-40 years	Leasehold 66 years expiring on 2043 - 2057	428,130 sq.m (Land)	161,557
8.	H.S.(D) 22080 Lot PT 2018, H.S.(D) 22079 Lot PT 2017 Bandar Kota Perdana Mukim Bukit Kayu Hitam Daerah Kubang Pasu Kedah Darul Aman	Land held for future development	2015	-	Freehold	809,400 sq.m (Land)	137,182
9.	Lot 61821 Bandar Glenmarie District of Petaling Selangor Darul Ehsan	Office, factory, canteen buildings and sports facilities used for the casting plant	2013	29 years	Freehold	95, 443 sq.m (Land)	100,672
10.	Southern Support Zone KL International Airport Sepang Selangor Darul Ehsan	Head Office, Cargo Complex, Workshop and Inflight Catering	2000	-	Leasehold 50 years expiring in year 2048	55,985 sq.m (Land)	72,584

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 36th Annual General Meeting ("AGM") of DRB-HICOM Berhad ("DRB-HICOM" or "the Company") will be held at Glenmarie Ballroom, Hilton Shah Alam Glenmarie (formerly known as Glenmarie Hotel & Golf Resort), No. 1, Jalan Usahawan U1/8, Seksyen U1, 40250 Shah Alam, Selangor Darul Ehsan on Tuesday, 26 May 2026 at 10.00 a.m. for the purpose of transacting the following businesses:

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 December 2025, together with the Reports of the Directors and Auditors thereon.
   Please refer to Explanatory Note A

2. To re-elect the following Directors, who retire by rotation in accordance with Article 77 of the Company's Constitution and who being eligible, offer themselves for re-election:
   (i) Tan Sri Wan Zulkiflee Wan Ariffin **(Resolution 1)**
   (ii) Tan Sri Syed Faisal Albar Syed A.R Albar **(Resolution 2)**
   Please refer to Explanatory Note B

3. To re-elect Dato' Adnan Hisham Pawanteh who retires in accordance with Article 83 of the Company's Constitution and who being eligible, offers himself for re-election. **(Resolution 3)**
   Please refer to Explanatory Note C

4. To approve the payment of Directors' fees to the Non-Executive Chairman and Non-Executive Directors up to an amount of RM2,076,000 from 27 May 2026 until the next AGM of the Company. **(Resolution 4)**
   Please refer to Explanatory Note D

5. To approve the payment of benefits payable (excluding Directors' fees) to the Non-Executive Chairman and Non-Executive Directors up to an amount of RM1,286,000 from 27 May 2026 until the next AGM of the Company. **(Resolution 5)**
   Please refer to Explanatory Note E

6. To re-appoint KPMG PLT as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. **(Resolution 6)**
   Please refer to Explanatory Note F

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following Ordinary Resolution, with or without any modifications:

7. Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature **(Resolution 7)**

   "THAT in accordance with Paragraph 10.09 of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"), and subject to the Companies Act 2016 ("CA 2016"), the Constitution of the Company, other applicable laws, guidelines, rules and regulations, and the approvals of the relevant governmental and/or regulatory authorities, approval be hereby given to the Company and its subsidiary companies (collectively "DRB-HICOM Group") to enter into any of the recurrent related party transactions ("RRPTs") of a revenue or trading nature as set out in Section 2.2.3 of the Circular to Shareholders dated 27 April 2026, which are necessary for the day-to-day operations in the ordinary course of business of the DRB-HICOM Group, on normal commercial terms, which are not more favourable to the related parties than those generally available to the public, undertaken on an arm's length basis, and are not detrimental to the minority shareholders of the Company ("Shareholders' Mandate");

   THAT the Shareholders' Mandate shall continue to be in force until:

   (a) the conclusion of the next AGM of the Company, at which time the authority will lapse, unless the authority is renewed by a resolution passed at such general meeting;

   (b) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 340(2) of the CA 2016 (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the CA 2016); or

   (c) the Shareholders' Mandate is revoked or varied by an ordinary resolution passed by the shareholders of the Company at a general meeting;

   whichever is the earlier;

   AND THAT the Directors of the Company be hereby authorised to complete and do all such acts (including executing all such documents as may be required), as they may consider expedient or necessary to give effect to the Shareholders' Mandate."
   Please refer to Explanatory Note G

8. To transact any other business of which due notice shall have been given in accordance with the CA 2016 and the Company's Constitution.

By Order of the Board

SABARINA LAILA MOHD HASHIM
SSM PC No.: 201908001661
LS No.: 0004324
Company Secretary

Shah Alam, Selangor Darul Ehsan
27 April 2026

Notes:

1. Proxy and/or Authorised Representative

(a) Every Member including authorised nominees as defined under the Central Depositories Act and Exempt Authorised Nominees which holds ordinary shares in the Company for multiple beneficial owners in Omnibus Account, is entitled to:

(i) appoint another person as his proxy to exercise all or any of his rights to attend, participate, speak and vote instead of him at the meeting of Members and that such proxy need not be a Member; and

(ii) appoint more than one proxy in relation to the meeting provided that the Member specifies the proportion of his shareholdings to be represented by each proxy.

(b) Where a Member entitled to vote on a resolution has appointed more than one proxy, the proxies shall only be entitled to vote on poll provided that the Member specifies the proportion of his shareholdings to be represented by each proxy.

(c) Where a Member is an Exempt Authorised Nominee which holds ordinary shares under 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.

(d) The instrument appointing a proxy shall be in writing (in the common or usual form) ("Form of Proxy") under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under common seal of the corporation or under the hand of two authorised officers, one of whom shall be a Director, or of its attorney duly authorised in accordance with Section 66 of the CA 2016. A proxy may but need not be a Member of the Company and a Member may appoint any person without limitation to be his proxy. Form of Proxy authorises the proxy(ies) to demand or join in demanding a poll.

(e) The Form of Proxy and the power of attorney or other authority, if any, under which it is signed or a notarial certified copy of that power or authority shall be deposited at the office of the Share Registrar, Boardroom Share Registrars Sdn. Bhd., 11th Floor, Menara Symphony, No. 5, Jalan Professor Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan (Tel: 603-7890 4700), not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the Form of Proxy proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll, and in default the Form of Proxy shall not be treated as valid. Alternatively, the Form of Proxy can be deposited electronically through the Share Registrar's website, Boardroom Smart Investor Portal at https://investor.boardroomlimited.com before the proxy form lodgement cut-off time as mentioned above. Please refer to the Administrative Guide for further details.

2. Voting by Poll

Pursuant to Paragraph 8.29A(1) of the MMLR of Bursa Securities, all resolutions set out in this Notice will be put to vote by way of poll.

3. Members entitled to attend

For the purpose of determining a member who shall be entitled to attend the 36th AGM, the Company shall request Bursa Malaysia Depository Sdn. Bhd. to issue a General Meeting Record of Depositors as at 19 May 2026. Only a depositor whose name appears therein shall be entitled to attend the 36th AGM or appoint a proxy(ies) to attend and vote on such depositor's behalf.

4. Explanatory Note A

- Audited Financial Statements

This agenda item is meant for discussion only as the provision of Section 340(1)(a) of the CA 2016 does not require the Audited Financial Statements to be formally approved by the shareholders. Hence, this item is not put forward for voting.

5. Explanatory Note B

- Re-election of Directors who retire by rotation in accordance with Article 77 of the Company's Constitution

Article 77 of the Company's Constitution provides that one-third (1/3) or the number nearest to one-third (1/3) of the Directors for the time being, shall retire from office so that all the Directors shall retire from office once at least in every three years and shall be eligible for re-election. Based on the current Board composition, two (2) Directors are to retire in accordance with Article 77 of the Company's Constitution.

For the purpose of determining the eligibility of Directors standing for re-election at the 36th AGM, the Board through its Board Nomination and Remuneration Committee ("BNRC"), had assessed the retiring Directors' performance, contribution and independence via the annual Board Effectiveness Assessment ("BEA"), taking into consideration among others, the Directors' level of contribution to the Board's deliberations through their skills, experience and strength in qualities; demonstrated objectivity in the Board's decision-making process, gave valuable feedback through sharing of knowledge and experience and acted in the best interests of the Company.

The Board also agreed with the BNRC's assessment that the retiring Directors' performance and contribution in the discharge of their duties during the assessment period had been satisfactory and met the criteria in the Fit and Proper Policy of the Company, amongst others, probity, personal and financial integrity, competence and time management.

Based on the above, the Board approved the BNRC's recommendation that the Directors who retire by rotation in accordance with Article 77 of the Company's Constitution, namely Tan Sri Wan Zulkiflee Wan Ariffin and Tan Sri Syed Faisal Albar Syed A.R Albar are eligible to stand for re-election. The retiring Directors had abstained from the deliberation and decision on their respective eligibility to stand for re-election at the relevant Board/ BNRC meeting.

The profile of the Directors who are standing for re-election are set out in pages 226-227 of the Integrated Annual Report 2025.

6. Explanatory Note C

- Re-election of Director who retires in accordance with Article 83 of the Company's Constitution

Article 83 of the Company's Constitution provides that any Director appointed by the Board shall hold office only until the next AGM and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at the meeting.

Dato' Adnan Hisham Pawanteh was appointed as Independent Non-Executive Director of the Company on 1 December 2025 and hence, he is due for re-election at the forthcoming 36th AGM pursuant to Article 83 of the Company's Constitution.

The profile of the Director who is standing for re-election is set out in page 231 of the Integrated Annual Report 2025.

7. Explanatory Notes D and E

- Directors' Fees and Benefits

Section 230(1)(b) of the CA 2016 provides that the fees of the directors and any benefits payable to the directors of a listed company and its subsidiary companies shall be approved at a general meeting.

The Directors' fees and benefits payable to the Non-Executive Chairman and Non-Executive Directors ("NEDs") of the Company comprise fees and benefits payable to the Non-Executive Chairman and NEDs as members of the Board and Board Committees of the Company and its subsidiary companies, and the amount is estimated based on the following Directors' Remuneration Framework:

(A) Directors' Fees

(i) The Fee Framework for Board/Board Committees of DRB-HICOM

	Chairman (RM)	Member (RM)
Board	300,000	180,000
Board Audit Committee ("BAC")	60,000	40,000
Board Nomination and Remuneration Committee ("BNRC")	10,000	8,000
Board Risk and Sustainability Committee ("BRSC")	30,000	20,000

(ii) The Fee Framework of Subsidiary Companies that is applicable to the Members of DRB-HICOM Board who sits on Subsidiary Boards i.e. the Board of Pos Malaysia Berhad ("Pos Malaysia") or Bank Muamalat Malaysia Berhad ("Bank Muamalat")

Subsidiary Company	Fee (per annum)			
	Pos Malaysia		Bank Muamalat	
	Chairman (RM)	Member (RM)	Chairman (RM)	Member (RM)
Board	120,000	80,000	N/A	200,000
BAC	15,000	10,000	N/A	N/A
Board Committee (other than BAC)	8,000	6,000	N/A	N/A

Note:
N/A: Not Applicable

(B) Directors' Benefits

The Framework on Directors' Benefits of Board/Board Committee of DRB-HICOM and benefits applicable to Members of DRB-HICOM Board on Subsidiary Boards

Description	DRB-HICOM	Pos Malaysia	Bank Muamalat	
	Chairman & Member (RM)	Chairman & Member (RM)	Chairman (RM)	Member (RM)
Meeting Allowance (per meeting)				
Board	2,000	1,000	4,500	4,000
BAC	2,000	2,500	4,500	4,000
BNRC	2,000	1,000	4,500	4,000
BRSC/BRCC/ BRSCC[2]	2,000	1,000	4,500	4,000
Other Committees of Subsidiary Company[3]	N/A	1,000	4,500	40,00
Monthly Fixed Allowance[1]	70,000	N/A	N/A	N/A

Note:
[1] *Monthly fixed allowance to the Chairman is made, in recognition of the significant roles in leadership and oversight, and the wide-ranging scope of responsibilities as the Chairman of DRB-HICOM in all matters concerning the interests and businesses of the Group*
[2] *BRCC – Board Risk and Compliance Committee for Bank Muamalat*
[2] *BRSCC – Board Risk, Sustainability and Compliance Committee for Pos Malaysia*
[3] *The Other Committees of Pos Malaysia are the Board Tender Committee, Board Digital-First Committee, and Shareholders' Meeting.*
[3] *The Other Committees of Bank Muamalat are the Board Veto Committee, and Board Technology Committee*

The total amount of Directors' fees and benefits payable to the Non-Executive Chairman and NEDs are estimated to be up to RM2,076,000 and RM1,286,000 respectively, from 27 May 2026 to the next AGM in 2027, based on the abovementioned Framework on Directors' Fees and Benefits and are subject to the shareholders' approval.

In determining the estimated total amount of Directors' fees and benefits payable for the Non-Executive Chairman and NEDs, the Board has considered various factors, including the number of scheduled meetings for the Board and Board Committees based on the composition of NEDs, including a provisional sum as contingency for future appointment of NEDs on the Board and increase in number of Board and Board Committee meetings.

The proposed Resolutions 4 and 5, if passed, will give authority to the Company to pay the Directors' fees and benefits payable on a quarterly/monthly basis and/or as and when incurred. The Board opined that it is just and equitable for such payment to be made, since the Non-Executive Chairman and the NEDs have discharged their responsibilities and rendered their services to the Company and its subsidiary companies throughout the period.

8. Explanatory Note F

- Re-appointment of Auditors

The BAC, at its meeting held on 24 March 2026, conducted its annual assessment of the performance and independence of the external auditors, KPMG PLT ("KPMG"), in accordance with the Company's External Auditor Policy & Procedure and the recommendations of the Malaysian Code on Corporate Governance 2021.

The annual assessment provides the BAC with a structured basis for maintaining effective oversight of the external auditors' overall performance, including, among others, the adequacy of the audit team, independence, performance quality and audit scope. Based on the assessment, the BAC was satisfied with KPMG's performance, technical competence, and audit independence, in accordance with Paragraph 15.21 of the MMLR of Bursa Securities.

The Board, at its meeting held on 26 March 2026, approved the BAC's recommendation to seek shareholders' approval at the 36th AGM for the re-appointment of KPMG as the Company's external auditors under Resolution 6.

9. Explanatory Note G

- Proposed Shareholders' Mandate

The Proposed Ordinary Resolution 7, if passed, will enable DRB-HICOM Group to enter into RRPTs of a revenue or trading nature, which are necessary for the day-to-day operations of the DRB-HICOM Group as set out in Section 2.2.3 of the Circular to Shareholders dated 27 April 2026, subject to the transactions being in the ordinary course of business and at arm's length basis and 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.

Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the 36th AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxy(ies) and representative(s) appointed for the 36th AGM (including any adjournment thereof), and the preparation of attendance and compilation of the attendance lists, minutes and other documents relating to the 36th AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing requirements, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

STATEMENT ACCOMPANYING THE NOTICE OF ANNUAL GENERAL MEETING

(Pursuant to Paragraph 8.27(2) of the MMLR of Bursa Securities)

As at the date of this Notice, there are no individuals who are standing for election as Directors (excluding the above Directors who are standing for re-election) at this 36th AGM of the Company.

GLOSSARY

Abbreviation	Definition
AAPG	Audit and Assurance Practice Guide
ABAC	Anti-Bribery and Anti-Corruption
ABACMS	Anti-Bribery and Anti-Corruption Management Systems
ABMS	Anti-Bribery Management Systems
ADAS	Advanced Driver Assistance Systems
AGM	Annual General Meeting
AHTV	Automotive Hi-Tech Valley
AHU	Air Handling Units
AI	Artificial Intelligence
AIBIM	Association of Islamic Banking and Financial Institutions Malaysia
AICPA	American Institute of Certified Public Accountants
AMA	Advanced Modular Architecture
AMIC	Aerospace Malaysia Innovation Centre
AMP	Annual Management Plan
APEL	Accreditation of Prior Experiential Learning
ARM	Alternative Raw Material
ASCOPE	ASEAN Council on Petroleum
ASEAN	Association of Southeast Asian Nations
ATR	Additional Transition Reliefs
B2B	Business to Business
B2C	Business to Consumer
B40	Bottom 40% of households based on income
BAC	Board Audit Committee
BBS	Behaviour-Based Safety
BCWA	Breast Cancer Welfare Association
BEA	Board Effectiveness Assessment
BESS	Battery Energy Storage Systems
BEV	Battery Electric Vehicle
BLAST	Building Leadership and Strategic Transformation Programme
BNM	Bank Negara Malaysia
BNRC	Board Nomination and Remuneration Committee
Board	Board of Directors
BRSC	Board Risk and Sustainability Committee
CA	Certification Authority
CAVIS	Computerised Automated Vehicles Inspection System
CBU	Completely Built-Up
CCB	Cycle & Carriage Bintang Berhad
CCUS Act 2025	Carbon Capture, Utilisation and Storage Act 2025
CEO	Chief Executive Officer
CG	Corporate Governance
CG Framework	Corporate Governance Framework
CG Report	Corporate Governance Report
CGC	Credit Guarantee Corporation Malaysia Berhad
CGPP	Corporate Green Power Programme
CKD	Completely Knocked-Down
CO_2e	Carbon Dioxide Equivalent
COEBP	Code of Ethics and Business Practice

Abbreviation	Definition
COP 28	28th Conference of the Parties of the United Nations Framework Convention on Climate Change
COP 15	15th Conference of Parties of the United Nations Convention on Biological Diversity
CPOS	Chiller Plant Optimisation System
CR	Corporate Responsibility
CRA	Corruption Risk Assessment
CRM	Customer Relationship Management
CRMSA	Climate-related Scenario Analysis
CROP	Cost Reduction and Optimisation Programme
CRRO	Climate-related risks and opportunities
CRSO	Chief Risk and Sustainability Officer
CRST	Climate Risk Stress Testing
CSI	Customer Satisfaction Index
CSU	Corporate Sustainability Unit
DC	Direct Current
DOE	Department of Environment
DVTS	DHAS Vehicle Tracking System
EACG	Energy Audit Conditional Grant
EECA 2024	Energy Efficiency and Conservation Act 2024
EES	Employee Engagement Survey
EESG	Economic, Environmental, Social and Governance
EIA	Environmental Impact Assessment
e-KYC	Electronic Know-Your-Customer
ERM	Enterprise Risk Management
ERT	Emergency Response Teams
ERP	Emergency Response Plans
ESA	Environmentally Sensitive Area
ESG	Environmental, Social, and Governance
EV	Electric Vehicle
EEV	Energy Efficient Vehicle
FMM	Federation of Malaysian Manufacturers
FOD	Foreign Object Debris
FRIM	Forest Research Institute Malaysia
GJ	Gigajoules
GBF	Kunming-Montreal Global Biodiversity Framework
GDP	Gross Domestic Product
GCFO	Group Chief Financial Officer
GCOO	Group Chief Operating Officer
Geely Holding	Zhejiang Geely Holding Group Co., Ltd.
GET	Green Electricity Tariff
GHC	Group Human Capital
GHG	Greenhouse Gas
GHG Protocol	Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004)
GIAID	Group Internal Audit and Integrity Division
GMA	Global Modular Architecture
GMC	Group Management Committee
GMD	Group Managing Director
GRI	Global Reporting Initiative
GRMSD	Group Risk Management and Sustainability Division

Abbreviation	Definition
GSHE	Group Safety, Health and Environment
GTC	Group Talent Council
HEV	Hybrid Electric Vehicle
HiLEAD	HICOM Holdings Berhad Leadership Efficacy and Development Programme
HIRARC	Hazard Identification, Risk Assessment and Risk Control
IAMS	Internationally Accredited Management Systems
IAR	Integrated Annual Report
ICDM	Institute of Corporate Directors Malaysia
ICP	Internal Carbon Price
ICQS	Immigration, Customs, Quarantine, and Security
IETS	Industrial Effluent Treatment Systems
IFRS	International Financial Reporting Standards
IGU	Integrity and Governance Unit
i-GT	Intelligent Green Technology
IIAM	Institute of Internal Auditors Malaysia
IIUM	International Islamic University Malaysia
INED	Independent Non-Executive Director
INTAN	Institut Tadbiran Awam Negara
IPCC	Intergovernmental Panel on Climate Change
IROSHE	Integrated Reporting Occupational Safety, Health, and Environment system
IT	Information Technology
ISSB	International Sustainability Standards Board
ICQS	Immigration, Customs, Quarantine and Security
IUCN	International Union for Conservation of Nature
JD	Job Description
km/L	Kilometre per litre
KPI	Key Performance Indicator
KRI	Key Risk Indicator
KSDH	Kelab Sukan DRB-HICOM
KTMB	Keretapi Tanah Melayu Berhad
kWh	Kilowatt-hour
LAMP	Leadership Advancement & Mastery Programme
LXP	Learning Experience Platform
LOA	Limits of Authority
LTI	Lost Time Injury
LTIFR	Lost Time Injury Frequency Rate
LTM	Learning & Talent Management
LPG	Liquefied Petroleum Gas
M1	Muamalat First
M40	Middle 40% of households based on income
MACC	Malaysian Anti-Corruption Commission
MAIA	Malaysian Aerospace Industry Association
MAP	Muamalat Application Platform
MARCOP	Mechanisation and Automation Research Consortium of Oil Palm
MARii	Malaysia Automotive Robotics and IoT Institute
MASB	Malaysian Accounting Standards Board
MCCG	Malaysian Code on Corporate Governance
MCPs	Mission Critical Positions
MDA	Management Delegated Authority
MEF	Malaysian Employers Federation
MFRS	Malaysian Financial Reporting Standards
MHEV	Mild-Hybrid Electric Vehicle
MIA	Malaysian Institute of Accountants

Abbreviation	Definition
MICPA	Malaysian Institute of Certified Public Accountants
MIGHT	Malaysian Industry-Government Group of High Technology
MINDEF	Ministry of Defence
ML	Megalitre
MMA	Malaysian Automotive Association
MMC	MMC Corporation Berhad
MMLR	Main Market Listing Requirements
MoA	Memorandum of Agreement
MoU	Memorandum of Understanding
MREC	Malaysia Renewable Energy Certificate
MSME	Micro, Small and Medium Enterprise
MSOSH	Malaysian Society for Occupational Safety and Health
MSWG	Minority Shareholders Watch Group
MT or mt	Metric Tonnes
MWh	Megawatt-Hour
MWp	Megawatt Peak
NAICO	National Aerospace Industry Corporation Malaysia
NATC	National Automotive Test Centre
NCAP	New Car Assessment Programme
NDC	Nationally Determined Contribution
NDT	Non-Destructive Testing
NETR	National Energy Transition Roadmap
NEV	New Energy Vehicle
NGO	Non-Governmental Organisation
NIMP	New Industrial Master Plan
NPS	Net Promoter Score
NSRF	National Sustainability Reporting Framework
OACS	Organisational Anti-Corruption Strategy
ODL	Open and Distance Learning
OEM	Original Equipment Manufacturer
OPEC	Organization of the Petroleum Exporting Countries
OPR	Overnight Policy Rate
OSHA	Occupational Safety and Health Act 1994
OSHMS	Occupational Safety and Health Management System
OSH-C	Occupational Safety and Health Coordinators
PDPA	Personal Data Protection Act 2010
PHEV	Plug-in Hybrid Electric Vehicle
PKI	Public Key Infrastructure
PPA	Power Purchase Agreement
PPKI	Program Pendidikan Khas Integrasi
PRDC	PROTON R&D Centre
PUDO	Pick Up and Drop Off
PV	Photovoltaic
PYT	Proton Young Talent
RAC	Railway Assets Corporation
R&D	Research and Development
R&T	Research and Technology
RE	Renewable Energy
REC	Renewable Energy Certificate
RMC	Risk Management Committee
RPT	Related Party Transaction
RRPT	Recurrent Related Party Transaction
RTM	Radio Televisyen Malaysia
RWHS	Rainwater Harvesting System

Abbreviation	Definition
S2C	Source-to-Contract
S2P	Source-to-Pay
SASB	Sustainability Accounting Standards Board
SDG	Sustainable Development Goal
SHE	Safety, Health and Environment
SIAEC	SIA Engineering Company Ltd.
SLA	Service Level Agreements
smart	smart brand of electric vehicle
SME	Small- and Medium-Sized Enterprise
SOC	Security Operations Centre
SRM	Supplier Relationship Management
SSC	Sustainability Steering Committee
SSP	Shared Socioeconomic Pathways
SST	Sales and Service Tax
STEM	Science, Technology, Engineering and Mathematics
SWC	Sustainability Working Committee
TCAL	Transformational Coaching for Aspiring Leaders Programme
TCFD	Task Force on Climate-Related Financial Disclosures
tCO_2e	Metric Tonnes of Carbon Dioxide Equivalents
TIA	Term Investment Account
TIV	Total Industry Volume
TOR	Terms of Reference
TVET	Technical and Vocational Education and Training
UAV	Unmanned Aerial Vehicle
UCC	Unified Call Centre
UCUA	Unsafe Condition Unsafe Act reporting system
UiTM	Universiti Teknologi MARA
UN SDGs	United Nations Sustainable Development Goals
UNGC	United Nations Global Compact
USO	Universal Service Obligation
VBI	Value-Based Intermediation
VCOC	Vendor Code of Conduct
VPE	Vendor Performance Evaluation
WEF	World Economic Forum
WFM	Workforce Management
WOW	Working on Wellness

Companies Within the Group

Company	Entity Name
ACM	Automotive Corporation (Malaysia) Sdn. Bhd.
Avis Malaysia	DRB-HICOM EZ-Drive Sdn. Bhd.
CTRM	CTRM Holdings Sdn. Bhd.
Datapos	Datapos (M) Sdn. Bhd.
DEFTECH	DRB-HICOM Defence Technologies Sdn. Bhd.
DEFTECH Aviation	DEFTECH Aviation Sdn. Bhd.
DHAS	DRB-HICOM Auto Solutions Sdn. Bhd.
DHCV	DRB-HICOM Commercial Vehicles Sdn. Bhd.
DHU	DRB-HICOM University of Automotive Malaysia
EON	Edaran Otomobil Nasional Berhad
Euromobil	Euromobil Sdn. Bhd.
Glenmarie Properties	Glenmarie Properties Sdn. Bhd.
HAMM	HICOM Automotive Manufacturers (Malaysia) Sdn. Bhd.
HDSB	HICOM Diecastings Sdn. Bhd.
HESB	HICOM Engineering Sdn. Bhd.
HHB	HICOM Holdings Berhad
HHBPO	HICOM HBPO Sdn. Bhd.
HTS	HICOM-Teck See Manufacturing Malaysia Sdn. Bhd.
HYMM	HICOM-YAMAHA Manufacturing Malaysia Sdn. Bhd.
IHM	ISUZU HICOM Malaysia Sdn. Bhd.
Media City Development	Media City Development Sdn. Bhd.
MMM	Mitsubishi Motors Malaysia
MODENAS	Motosikal Dan Enjin Nasional Sdn. Bhd.
Northern Gateway	Northern Gateway Infrastructure Sdn. Bhd.
PHN	PHN Industry Sdn. Bhd.
Pos Ar-Rahnu	Pos Ar-Rahnu Sdn. Bhd.
Pos Aviation	Pos Aviation Sdn. Bhd.
Pos Digicert	Pos Digicert Sdn. Bhd.
Pos Logistics	Pos Logistics Berhad
Pos Malaysia	Pos Malaysia Berhad
PRO-NET	Proton New Energy Technology Sdn. Bhd.
PROTON	PROTON Holdings Berhad
PUSPAKOM	PUSPAKOM Sdn. Bhd.

DRB-HICOM

FORM OF PROXY

For the 36th Annual General Meeting

DRB-HICOM BERHAD
Registration No.:
199001011860 (203430-W)
(Incorporated in Malaysia)

Number of Shares Held	
CDS Account Number	- -

I/We _____ NRIC/Passport No./Company No.: _____
(Full Name as per NRIC/Certificate of Incorporation in Block Letters)

of _____ Telephone/Mobile Phone No.:_____
(Full Address)

Email address:_____

being a member/members of DRB-HICOM Berhad, hereby appoint the following:

Full Name (in Block Letters)		**Proportion of Shareholdings**	
NRIC/Passport No.		**No. of Shares**	**%**
Address			
Email Address			
Telephone/Mobile Phone No.			

and/or failing him/her

Full Name (in Block Letters)		**Proportion of Shareholdings**	
NRIC/Passport No.		**No. of Shares**	**%**
Address			
Email Address			
Telephone/Mobile Phone No.			

or failing him/her, the Chairman of the Meeting, as my/our proxy to attend and vote for me/us on my/our behalf at the 36th Annual General Meeting ("AGM") of the Company to be held at Glenmarie Ballroom, Hilton Shah Alam Glenmarie (formerly known as Glenmarie Hotel & Golf Resort), No. 1, Jalan Usahawan U1/8, Seksyen U1, 40250 Shah Alam, Selangor Darul Ehsan on Tuesday, 26 May 2026 at 10.00 a.m. and at any adjournment thereof.

My/our proxy is to vote on the resolutions as indicated by an "X" in the appropriate spaces below. If this form is returned without any indication as to how the proxy shall vote, the proxy shall vote or abstain as he/she thinks fit.

No.	Ordinary Resolution	For	Against
1.	Re-election of Tan Sri Wan Zulkiflee Wan Ariffin as a Director of the Company		
2.	Re-election of Tan Sri Syed Faisal Albar Syed A.R Albar as a Director of the Company		
3.	Re-election of Dato' Adnan Hisham Pawanteh as a Director of the Company		
4.	Approval of Directors' fees from 27 May 2026 until the next AGM of the Company		
5.	Approval of Directors' benefits (excluding Directors' fees) from 27 May 2026 until the next AGM of the Company		
6.	Re-appointment of KPMG PLT as Auditors of the Company		
7.	Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature		

Note: Please refer to the Notice of 36th Annual General Meeting for full details of the proposed Resolutions.

Dated this_____day of_____, 2026

.....

Signature(s) of shareholder(s) or
Common Seal of corporate shareholder

NOTES:-

(a) Every Member including authorised nominees as defined under the Central Depositories Act and Exempt Authorised Nominees which holds ordinary shares in the Company for multiple beneficial owners in Omnibus Account, is entitled to:

(i) appoint another person as his proxy to exercise all or any of his rights to attend, participate, speak and vote instead of him at the meeting of Members and that such proxy need not be a Member; and

(ii) appoint more than one proxy in relation to the meeting provided that the Member specifies the proportion of his shareholdings to be represented by each proxy.

(b) Where a Member entitled to vote on a resolution has appointed more than one proxy, the proxies shall only be entitled to vote on poll provided that the Member specifies the proportion of his shareholdings to be represented by each proxy.

(c) Where a Member is an Exempt Authorised Nominee which holds ordinary shares under 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.

(d) The instrument appointing a proxy shall be in writing (in the common or usual form) ("Form of Proxy") under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under common seal of the corporation or under the hand of two authorised officers one of whom shall be a Director, or of its attorney duly authorised in accordance with Section 66 of the Companies Act, 2016. A proxy may but need not be a Member of the Company and a Member may appoint any person without limitation to be his proxy. Form of Proxy authorises the proxy(ies) to demand or join in demanding a poll.

(e) Form of Proxy and the power of attorney or other authority, if any, under which it is signed or a notarial certified copy of that power or authority shall be deposited at the office of the Share Registrar, Boardroom Share Registrars Sdn. Bhd., 11th Floor, Menara Symphony, No. 5, Jalan Professor Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan (Tel: 603-7890 4700), not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the Form of Proxy proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll, and in default the Form of Proxy shall not be treated as valid. Alternatively, the Form of Proxy can be deposited electronically through the Share Registrar's website, Boardroom Smart Investor Portal at https://investor.boardroomlimited.com before the proxy form lodgement cut-off time as mentioned above. Please refer to the Administrative Guide for further details.

(f) For purpose of determining a member who shall be entitled to the 36th AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to issue a General Meeting Record of Depositors as at 19 May 2026. Only a depositor whose name appears therein shall be entitled to attend the 36th AGM or appoint a proxy(ies) to attend and vote on such depositor's behalf.

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Boardroom Share Registrars Sdn. Bhd.
Registration No: 199601006647 (378993-D)
Registrar for DRB-HICOM Berhad
11th Floor, Menara Symphony
No. 5, Jalan Professor Khoo Kay Kim, Seksyen 13
46200 Petaling Jaya, Selangor Darul Ehsan

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DRB-HICOM Berhad
Registration No: 199001011860 (203430-W)

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