

SIME DARBY BERHAD

(Registration No. 200601032645 (752404-U))

(Incorporated in Malaysia)

MINUTES OF THE EIGHTEENTH ANNUAL GENERAL MEETING (“MEETING” OR “18TH AGM”) OF SIME DARBY BERHAD (“SIME DARBY” OR “COMPANY”) HELD VIRTUALLY THROUGH LIVE STREAMING FROM THE BROADCAST VENUE AT FUNCTION ROOM, GROUND FLOOR, MENARA SIME DARBY, OASIS CORPORATE PARK, JALAN PJU 1A/2, ARA, DAMANSARA, 47301 PETALING JAYA, SELANGOR DARUL EHSAN, MALAYSIA ON THURSDAY, 14 NOVEMBER 2024 AT 10:00 A.M.

Present : Members/Proxy Holders - Participation via Remote Participation and Voting Facilities
1,003 members/proxy holders
(as listed in the attendance sheet)

Directors present at the Broadcast Venue

1. YBhg Tan Sri Samsudin Osman, Non-Independent Non-Executive Chairman (*Chairman*)
2. Mr Thayaparan Sangarapillai, Senior Independent Non-Executive Director
3. YBhg Tan Sri Ahmad Badri Mohd Zahir, Non-Independent Non-Executive Director
4. YBhg Tan Sri Muhammad Shahrul Ikram Yaakob, Independent Non-Executive Director
5. Encik Mohamad Idros Mosin, Non-Independent Non-Executive Director
6. YBhg Dato’ Lawrence Lee Cheow Hock, Non-Independent Non-Executive Director
7. Ms Moy Pui Yee, Independent Non-Executive Director
8. YBhg Tengku Dato’ Sri Azmil Zahrudin Raja Abdul Aziz, Independent Non-Executive Director
9. Professor Datuk Ts. Ir. Dr. Siti Hamisah Tapsir, Independent Non-Executive Director
10. Encik Edree Ahmad (*Alternate Director to Encik Mohamad Idros Mosin*)
11. YBhg Dato’ Jeffri Salim Davidson, Executive Director/ Group Chief Executive Officer (“GCEO”)

Directors present using remote platform

1. YBhg Dato’ Dr Nirmala Menon, Independent Non-Executive Director
2. Mr Scott William Cameron, Independent Non-Executive Director

Company Secretary present at the Broadcast Venue

Ms Chua Siew Chuan

In Attendance at the Broadcast Venue

1. External Auditors: PricewaterhouseCoopers PLT (“PwC”)
Mr. Irvin Menezes, Partner
2. Share Registrar & Poll Administrator: Tricor Investor & Issuing House Services Sdn Bhd (“Tricor”)
Puan Suzana Abdul Rahim, Executive Director, Investor Services
3. Independent Scrutineer: Representative of Coopers Professional Scrutineers Sdn Bhd (“CPS”)
Mr Chuah Poo Sian, Director
4. Management Team of Sime Darby Berhad:
Encik Muhammad Noor Abd Aziz @ Hashim, Group Chief Financial Officer

In Attendance using remote platform

Other Management Team of Sime Darby:

1. Encik Megat Shahrul Azmir Nordin, Group Chief Corporate Services Officer
2. Ms Alicia O’Donoghue, Group Chief Strategy Officer
3. Puan Roselaini Faiz, Group Chief Human Resource Officer
4. Mr Dean Mehmet, Managing Director - Industrial Division
5. Mr Andrew Basham, Managing Director - Motors Division
6. Encik Mustamir Muhamad, Managing Director, UMW Division
7. Mr Deny Rahardjo, Group Chief Information & Digital Officer

1.0 **OPENING REMARKS BY THE CHAIRMAN**

- 1.1 Tan Sri Samsudin Osman, the Chairman of Sime Darby, presided as Chairman of the Meeting and welcomed all persons present at the 18th AGM, a virtual annual general meeting of the Company from the Broadcast Venue.
- 1.2 The Chairman added that the Company would do its best to ensure a smooth live streaming. However, the broadcast quality depended on each participant’s bandwidth and the stability of their internet connection.

2.0 **QUORUM**

- 2.1 The requisite quorum being present as confirmed by the Company Secretary, the Chairman called the Meeting to order at 10:00 a.m.
- 2.2 The Chairman introduced members of the Board of Directors (“Board”), the Company Secretary, and the Management team. The Chairman also introduced the representatives from PwC, the external auditors of the Company, Tricor, the Company’s Share Registrar, and CPS, the Independent Scrutineers, who were also present at the Broadcast Venue.

3.0 **PRELIMINARY**

3.1 The Chairman informed the Meeting:

- (i) That the Notice of the 18th AGM was issued to all shareholders on 16 October 2024 and made available on the same day on the Company's website in accordance with the Company's Constitution.
- (ii) That the Company's Annual Report 2024 was uploaded on the Company's website for all the shareholders and released to Bursa Malaysia Securities Berhad on 16 October 2024.

4.0 **NOTICE OF MEETING**

4.1 With the consent of the shareholders and proxy holders, the Notice of the 18th AGM was taken as read.

5.0 **GENERAL INSTRUCTIONS ON MEETING PROCEDURES**

5.1 The Company Secretary briefed the Meeting as follows:

- (i) Shareholders and proxy holders who attended the 18th AGM could pose questions to the Board through a real-time submission of typed texts during the proceeding of the 18th AGM, in addition to questions received in advance to the Company through the Share Registrar's online platform before the closing date on 13 November 2024 at 10:00 a.m.
- (ii) All resolutions tabled at the Meeting would be put to vote electronically by poll through remote participation and voting facilities ("RPV") provided by Tricor. Each share would represent one (1) vote in the polling.
- (iii) The online remote voting via RPV was accessible to Shareholders and proxy holders at the start of the Meeting until the closing of the voting session.
- (iv) The polling and verification process would be administered by Tricor with CPS appointed as the Independent Scrutineers to validate the votes cast and declare the poll results of the 18th AGM.
- (v) In accordance with the Notice of the 18th AGM, the cut-off date to determine those qualified to attend, speak, and vote at the Meeting was 7 November 2024.
- (vi) A total of 778 valid proxy forms were lodged within the stipulated timeframe, representing 5,862,071,166 ordinary shares or 86.01% of the total 6,815,597,577 ordinary shares of Sime Darby.
- (vii) The Chairman of the Meeting had received proxies from shareholders for whom he would vote, as indicated in the proxy forms.

- (viii) A total of thirteen (13) resolutions were to be voted for at the Meeting, all of which were proposed as ordinary resolutions requiring a simple majority for the resolutions to be passed.
- 5.2 A short video outlining the RPV process was played for the benefit of the shareholders and proxies.
- 6.0 **PRESENTATION BY THE GROUP CHIEF EXECUTIVE OFFICER**
- 6.1 The Chairman invited the GCEO to present the Group's financial and operational highlights, key challenges, and outlook.
- 6.2 The GCEO provided the following summary of the Group's financial highlights for the financial year ("FY") 2024:
- (i) Sime Darby achieved a significant milestone in the financial year ("FY") 2024, marking it as a "breakthrough year".
 - (ii) The Group's revenue for FY 2024 increased by 39%, from RM48.0 billion recorded in FY 2023 to RM67 billion.
 - (iii) Reported net profit increased from RM1.5 billion in FY 2023 to RM3.3 billion in FY 2024, primarily driven by a RM2.0 billion gain from the divestment of Ramsay Sime Darby Health Care Sdn Bhd.
 - (iv) The Group's underlying businesses also performed well, with core net profit for FY 2024 increasing by 14% to RM1.3 billion from RM1.2 billion recorded in FY 2023. Despite challenges in China stemming from overcapacity and price discounting, the Industrial, Motors Malaysia, and UMW operations played a critical role in supporting the Group's performance, demonstrating the resilience of the Group's diversified portfolio.
 - (v) The Group had been active in mergers and acquisitions during the year, executing several major strategic transactions. This included the acquisitions of Cavpower and UMW and the successful divestment of its healthcare business as part of the Group's portfolio rationalisation. These initiatives broadened the Group's earnings base, secured a new strategic partnership with Toyota, and reinforced its footprint in Malaysia.
- 6.3 The GCEO highlighted the Group's priorities for FY 2025 which include enhancing return on equity ("ROE"), reducing debt levels, and effectively integrating recent acquisitions to drive long-term value creation.
- 6.4 The GCEO provided a detailed presentation covering the following areas, as outlined in **Appendix 1**:
- (i) Group Overview
 - (ii) Operations Overview
 - (iii) Key Financial Highlights
 - (iv) FY2024 Key Market Trends
 - (v) Key Projects

- (vi) 5-Year Strategies Masterplan
- (vii) Sustainability Targets

6.5 The Chairman informed the Meeting that the Company had received a letter dated 5 November 2024 from the Minority Shareholders Watch Group (“MSWG”). The questions raised by MSWG, along with the Company’s corresponding responses, were displayed on screen for the Shareholders’ and proxy holders’ reference. With the permission of the Shareholders and proxy holders, the GCEO read out the Company’s responses to MSWG’s questions. The details are attached as **Appendix 2**.

6.6 The GCEO concluded his presentation and expressed his appreciation to all Shareholders and proxy holders for their attention.

6.7 The Chairman thanked the GCEO for his presentation and proceeded with the remaining items on the AGM Agenda.

7.0 **AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024 TOGETHER WITH THE REPORTS OF THE DIRECTORS AND THE AUDITORS THEREON**

7.1 The Chairman informed that pursuant to Section 340(1)(a) of the Companies Act 2016, the Audited Financial Statements were not required to be formally approved by the Shareholders. Therefore, the matter was not put forward for voting but were meant for discussion only.

7.2 The Chairman then declared that the Audited Financial Statements of the Company for FYE 30 June 2024 together with the Reports of the Directors and Auditors thereon, be received.

7.3 The Chairman informed that the shareholders could pose any questions in relation to this Agenda in the query box, which would then be addressed after all the resolutions put forth have been dealt with.

8.0 **RESOLUTIONS**

8.1 The Chairman proceeded to put forward the following Ordinary Resolutions 1 to 3 as set out in the Notice of the 18th AGM for shareholders and proxy holders to consider and vote as follows:

- (i) Resolution 1: Payment of fees to the Non-Executive Directors of up to an amount of RM4,600,000 from the 18th AGM until the next AGM of the Company as explained under Explanatory Note 2 of the Notice of the 18th AGM in the Annual Report 2024.
- (ii) Resolution 2: Payment of benefits to the Non-Executive Directors of up to an amount of RM1,500,000 from the 18th AGM until the next AGM of the Company as explained under Explanatory Note 2 of the Notice of AGM in the Annual Report 2024.

- (iii) Resolution 3: Election of Professor Datuk Ts. Ir. Dr. Siti Hamisah Tapsir, pursuant to Rule 82.2 of the Company's Constitution.
- 8.2 Tan Sri Samsudin Osman then passed the chairman of the Meeting role to Mr Thayaparan Sangarapillai who presided as Chairman for the following Ordinary Resolution 4 relating to the re-election of Tan Sri Samsudin Osman as a Director.
- (iv) Resolution 4: Re-election of Tan Sri Samsudin Osman as a director pursuant to Rule 103 of the Company's Constitution.
- 8.3 Mr Thayaparan Sangarapillai handed the Chairman role for the Meeting back to Tan Sri Samsudin Osman who continued the Meeting as the Chairman of the Meeting and to deal with the remaining Ordinary Resolutions 5 to 8.
- (v) Resolution 5: Re-election of Dato' Lee Cheow Hock Lawrence as a director pursuant to Rule 103 of the Company's Constitution.
- (vi) Resolution 6: Re-election of Ms Moy Pui Yee as a director pursuant to Rule 103 of the Company's Constitution.
- (vii) Resolution 7: Re-election of Encik Mohamad Idros Mosin as a director pursuant to Rule 103 of the Company's Constitution.
- (viii) Resolution 8: Re-appointment of PwC as the auditors of the Company for the FY ending 30 June 2025 and the authorisation to the Directors to fix their remuneration pursuant to Section 271 of the Companies Act 2016.
- 8.4 The Chairman tabled and proposed the following Ordinary Resolutions 9 to 12.
- (ix) Proposed Shareholders' Ratification and Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature involving the interest of the following parties, details of which as specified in the Company's Circular to Shareholders dated 16 October 2024:
- Resolution 9: Toyota Motor Corporation,
Resolution 10: Toyota Tsusho Corporation,
Resolution 11: KYB Corporation, Japan, and
Resolution 12: Toyota Industries Corporation.
- The Chairman informed that the full text of the proposed resolutions 9 to 12 were set out in the Notice of AGM and declared that the said resolutions be taken as read.
- 8.5 The Chairman tabled and proposed the following Ordinary Resolution 13.
- (x) Resolution 13: Proposed Renewal of Existing Shareholders' Mandate and Proposed New Shareholders' Mandate for the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature with related parties involving the interest of Bermaz Auto Berhad, details of which as specified in the Company's Circular to Shareholders dated 16 October 2024.

The Chairman informed that the full text of the proposed resolution 13 was set out in the Notice of AGM and declared that the said resolution be taken as read.

9.0 **RESPONSE TO ADVANCE AND REAL-TIME QUESTIONS SUBMITTED BY SHAREHOLDERS**

9.1 The Chairman opened the floor for questions and views from Shareholders and proxy holders for the Board and Management to address or take note of, as appropriate. Both the advance and real-time questions, along with the Company's responses, are enclosed in **Appendix 3**.

9.2 The Chairman concluded the question-and-answer session and proceeded to the remaining business on the Agenda.

10.0 **ANY OTHER BUSINESS**

10.1 The Chairman informed the Meeting that there was no other business to be transacted of which due notice had been given in accordance with the Companies Act 2016.

11.0 **POLLING THROUGH REMOTE PARTICIPATION AND VOTING**

11.1 The Chairman reminded the Shareholders and proxy holders who had yet to vote to cast their votes accordingly. The voting session was open for ten (10) minutes and closed at 11:29 a.m.

12.0 **ADJOURNMENT OF THE ANNUAL GENERAL MEETING**

12.1 The Chairman informed that the AGM would be adjourned for twenty (20) minutes for the verification of votes and would resume upon the completion of the verification for the declaration of the results of the poll by the Independent Scrutineers.

12.2 With the consent of the Shareholders and proxy holders present, the AGM was adjourned at 11:19 a.m.

13.0 **ANNOUNCEMENT OF THE POLL RESULTS OF THE ANNUAL GENERAL MEETING**

13.1 The Chairman resumed the Meeting at 11:50 a.m. for announcement of the poll results in respect of each resolution. He invited Mr Chuah Poo Sian, the Independent Scrutineer, to read out the poll results that were displayed on the screen as follows:

Resolution	Description	Voted	No. of Shareholders	No. of Shares	% of Voted Shares	Results
Ordinary Resolution 1	To approve the payment of fees to the Non-Executive Directors up to an amount of RM4,600,000 from the 18 th AGM until the next AGM of the Company.	For Against	1,455 222	5,850,552,203 14,302,861	99.7561 0.2439	Carried
Ordinary Resolution 2	To approve the payment of benefits to the Non-Executive Directors up to an amount of RM1,500,000 from the 18 th AGM until the next AGM of the Company.	For Against	1,445 230	5,861,979,275 2,871,415	99.9510 0.0490	Carried
Ordinary Resolution 3	To elect Professor Datuk Ts. Ir. Dr. Siti Hamisah Tapsir, who retires in accordance with Rule 82.2 of the Constitution of the Company	For Against	1,532 151	5,846,896,292 17,868,700	99.6953 0.3047	Carried
Ordinary Resolution 4	To re-elect Tan Sri Samsudin Osman, who retires in accordance with Rule 103 of the Constitution of the Company.	For Against	1,421 271	5,694,606,034 139,450,416	97.6097 2.3903	Carried
Ordinary Resolution 5	To re-elect Dato' Lee Cheow Hock Lawrence, who retires in accordance with Rule 103 of the Constitution of the Company.	For Against	1,446 254	5,760,668,565 104,185,239	98.2236 1.7764	Carried
Ordinary Resolution 6	To re-elect Moy Pui Yee, who retires in accordance with Rule 103 of the Constitution of the Company.	For Against	1,411 287	5,632,663,823 232,149,204	96.0417 3.9583	Carried
Ordinary Resolution 7	To re-elect Mohamad Idros Mosin, who retires in accordance with Rule 103 of the Constitution of the Company.	For Against	1,239 458	5,436,504,874 428,288,841	92.6973 7.3027	Carried
Ordinary Resolution 8	To re-appoint PwC as auditors of the Company for the FY ending 30 June 2025 and to authorise the Directors to determine their remuneration.	For Against	1,546 140	5,851,998,273 12,564,632	99.7858 0.2142	Carried
Ordinary Resolution 9	To approve the Shareholders' Ratification and New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature with related parties involving the interest of Toyota Motor Corporation.	For Against	1,544 135	5,848,438,221 100,738	99.9983 0.0017	Carried
Carried Ordinary Resolution 10	To approve the Shareholders' Ratification and New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature with related parties involving the interest of Toyota Tsusho Corporation.	For Against	1,540 139	5,848,436,090 102,869	99.9982 0.0018	Carried
Ordinary Resolution 11	To approve the Shareholders' Ratification and New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature with related parties involving the interest of KYB Corporation, Japan.	For Against	1,541 138	5,848,436,720 102,239	99.9983 0.0017	Carried
Ordinary Resolution 12	To approve the Shareholders' Ratification and New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature with related parties involving the interest of Toyota Industries Corporation.	For Against	1,541 139	5,848,436,942 102,018	99.9983 0.0017	Carried

Resolution	Description	Voted	No. of Shareholders	No. of Shares	% of Voted Shares	Results
Ordinary Resolution 13	To approve the Renewal of Existing Shareholders' Mandate and New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature with related parties involving the interest of Bermaz Auto Berhad.	For Against	1,530 139	2,843,921,082 16,375,442	99.4275 0.5725	Carried

13.2 Based on the poll results verified and announced by the Independent Scrutineers, the Chairman declared that all the 13 Ordinary Resolutions tabled at the 18th AGM were carried.

14.0 **CONCLUSION**

14.1 There being no other business to be transacted, the 18th AGM of the Company ended at 11:54 a.m. On behalf of the Board and Management, the Chairman thanked all Shareholders and proxy holders for their virtual attendance and participation.

Date: 23 December 2024

SIME DARBY BERHAD 18TH ANNUAL GENERAL MEETING

14 November 2024

Accelerating forward
Driven by Growth





GROUP OVERVIEW

Leading trading company in Asia Pacific having strong partnerships with premium brands

FY2024 Financial Results

Revenue * RM67.1bn	PATAMI RM3.3bn	PBIT * RM2.8bn	Shareholders' equity RM19.4bn

>30,000

Employees

18

Countries & Territories

With operations across Asia Pacific, we continue to grow & deliver sustainable value to our stakeholders

Leading CAT dealer globally	Large BMW dealer worldwide	Leading auto players in Malaysia	Distributor of the World's Leading EV in Malaysia & Singapore

* From continuing operations

OUR UNIVERSE OF BRANDS

We are the partner of choice for many of the world's leading brands



Note: Brands listed are not exhaustive

OPERATIONS OVERVIEW

Our business is in retail & after-sales for industrial equipment & motors; acquired new capabilities with UMW acquisition



Industrial

Equipment sales & after-sales services

14 countries & territories

Supply to **mining & construction sectors**, among others

One of the **largest CAT** dealers globally

95 years experience with CAT



Motors

Retail, distribution, rental & assembly

10 markets with over **200 branches**

More than 30 brands from mass-market to luxury

One of the **largest BMW** dealers globally

50 years experience



UMW

Partnership with world-class brands such as **Toyota** and **Perodua**

Major shareholding (38%) in **Perodua**, **Malaysia's national car**

Automotive, equipment, manufacturing & engineering, and aerospace

Regional presence in **5 countries**

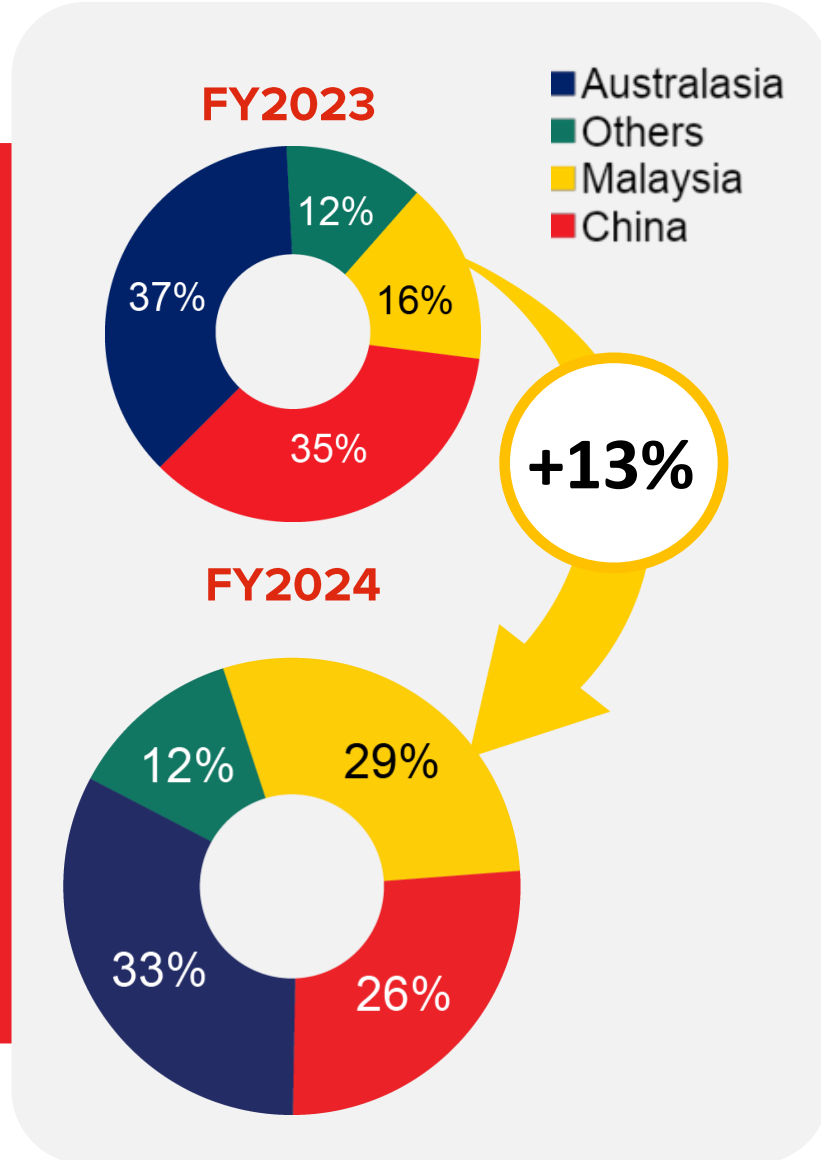
Malaysian automotive market share of **>50%**

REVENUE BY GEOGRAPHY

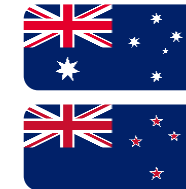
With the acquisitions, we have diversified our revenue



Sime Darby is a Malaysia-based multinational company with a balanced portfolio across Asia Pacific.



Home base is Malaysia and we are the largest automotive player in the country.



Second largest region is Australasia, contributing largely from the mining industry.



China contributes about a quarter of our revenue, from our dealerships under the Motors division.

Revenue by geography is closely balanced between Australasia, China and Malaysia post UMW acquisition.

STRATEGIC THEMES DRIVING OUR BUSINESS



Operating in Asia Pacific, a dynamic growth region

Asia is the **fastest growing** and most dynamic region in the world.



Leading Malaysia's automotive sector

With UMW, we have the **largest market share** in Malaysia automotive.



Exposure to strong demand for commodities

Australia is **resource rich** with minerals necessary for infrastructure development and energy transition.

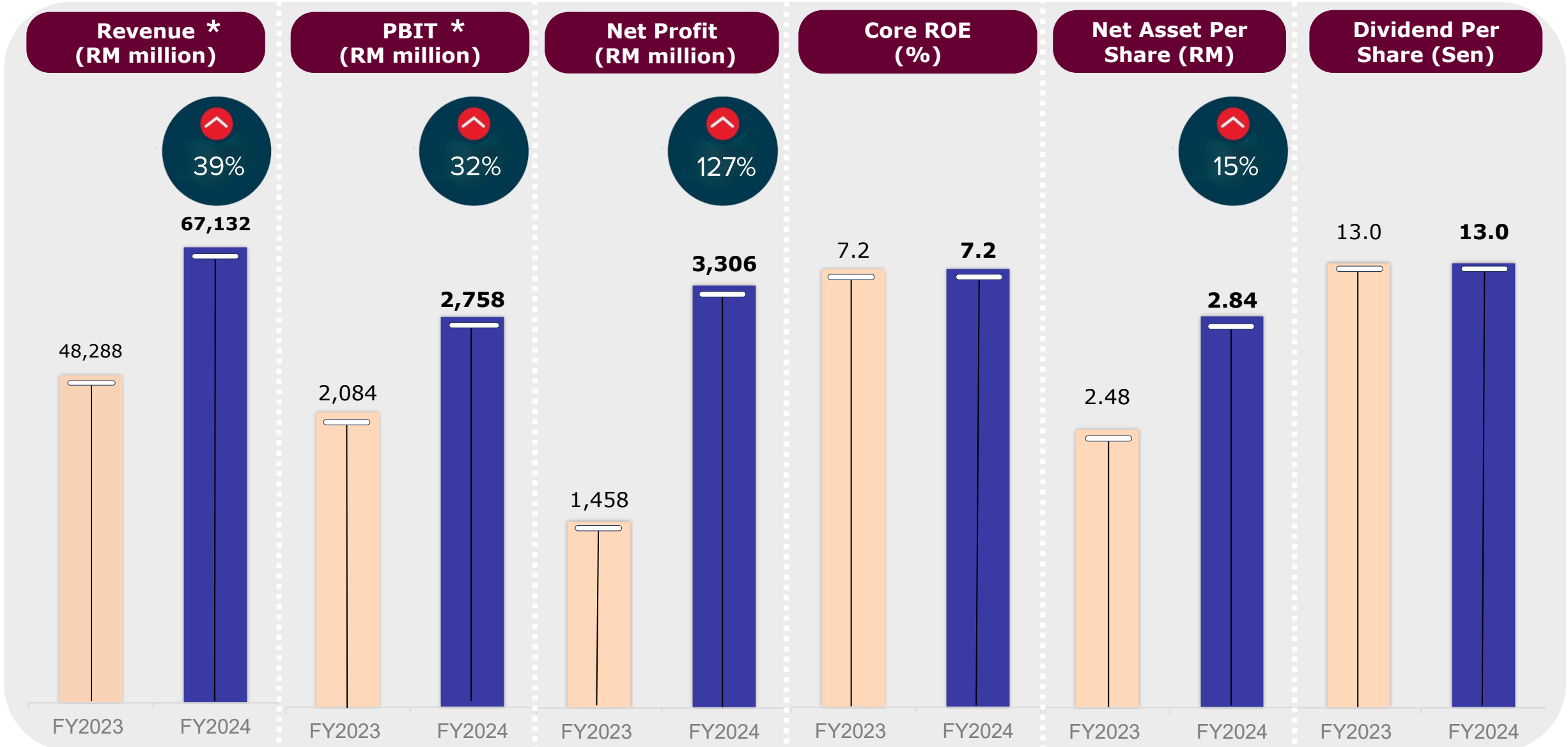


Serving Mobility Needs of the Growing Middle Class

Our **diversified brand portfolio & geographic** footprint allows us to capitalise on an expanding segment.

KEY FINANCIAL HIGHLIGHTS

Strong growth in revenue and earnings



* from continuing operations

FY2024 KEY MARKET TRENDS



Slowdown in China; bolstered by strong commodity demand and robust auto sales in Malaysia

Challenging automotive business in China



- Auto players are heavily discounting amidst overcapacity and low consumer sentiment.

Robust commodity demand and energy transition



- Our Industrial business has thrived due to strong commodity demand, leading to high equipment spending and after-sales.
- Our acquisition of Cavpower has significantly bolstered our presence in South Australia, a region vital for copper.

High Total Industry Volume (TIV) in Malaysia



- Record TIV in 2023: 800,000 units.
- Driven by strong consumer demand, a robust post-pandemic economic recovery, a stable socio-political environment and favourable government incentives.

UPDATES ON TRANSACTIONS



Recent transactions have enlarged the Group and enhanced its profile

MERGERS & ACQUISITIONS

ONSITE



Acquired For
RM1.9 Billion
FY2024 Revenue
RM1.1 Billion

Vertically integrated by entering equipment rental business.

Acquisition Completed,
April 2023

CAVPOWER



Acquired For
RM1.6 Billion
FY2024 Revenue
RM0.7 Billion

Expanded into South Australia to service critical mineral miners for energy transition.

Acquisition Completed,
November 2023

UMW



Acquired For
RM5.8 Billion
FY2024 Revenue*
RM9.4 Billion

Strengthened Malaysia base and became the leading automotive player in Malaysia.

Acquired,
100% by March 2024

* From continuing operations.

BUSINESS EXPANSION

STRATEGIC PARTNER TO CHINESE OEMS



Up to Oct 2024
> 10,000
units of BYD sold

To double BYD dealerships by 2024.
Local assembly for Chery vehicles.

Continuous

DIVESTMENTS

RAMSAY SIME DARBY HEALTHCARE



Divested For
RM2.84 Billion

Divested healthcare business to streamline our portfolio.

Divested,
December 2023

OUR PURPOSE



*Partnering with the best brands to enable
the region to grow*

“

*We bring the
best products &
solutions to
enable Asia
Pacific to Move
and Develop*

”

EXECUTIVE LEADERSHIP

Qualified & Experienced Management Team



**DATO' JEFFRI SALIM
DAVIDSON**
Group Chief Executive Officer



**MUHAMMAD NOOR
ABD AZIZ**
Group Chief Financial Officer



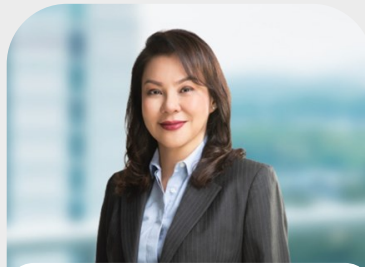
DEAN MEHMET
Managing Director,
Industrial Division



ANDREW BASHAM
Managing Director,
Motors Division



MUSTAMIR MOHAMAD
Managing Director,
UMW Division



ROSELAINI FAIZ
Group Chief
Human Resource Officer



DENY RAHARDJO
Group Chief
Information & Digital Officer



MEGAT SHAHRUL AZMIR
Group Chief
Corporate Services Officer



ALICIA O'DONOGHUE
Group Chief Strategy Officer



JUNAIDAH RAHIM
Group Secretary



LEE SMITH
Acting Head
Group Safety Officer

5-YEAR STRATEGY MASTERPLAN (FY24 – FY28)



The blueprint for the Sime Darby of tomorrow

Our Purpose

We Bring the Best Products & Solutions to Enable Asia Pacific to Move and Develop

Our Vision

“To be the leading Motors and Industrial Player in Asia Pacific”

Strategic Pillars



Strategic Enablers



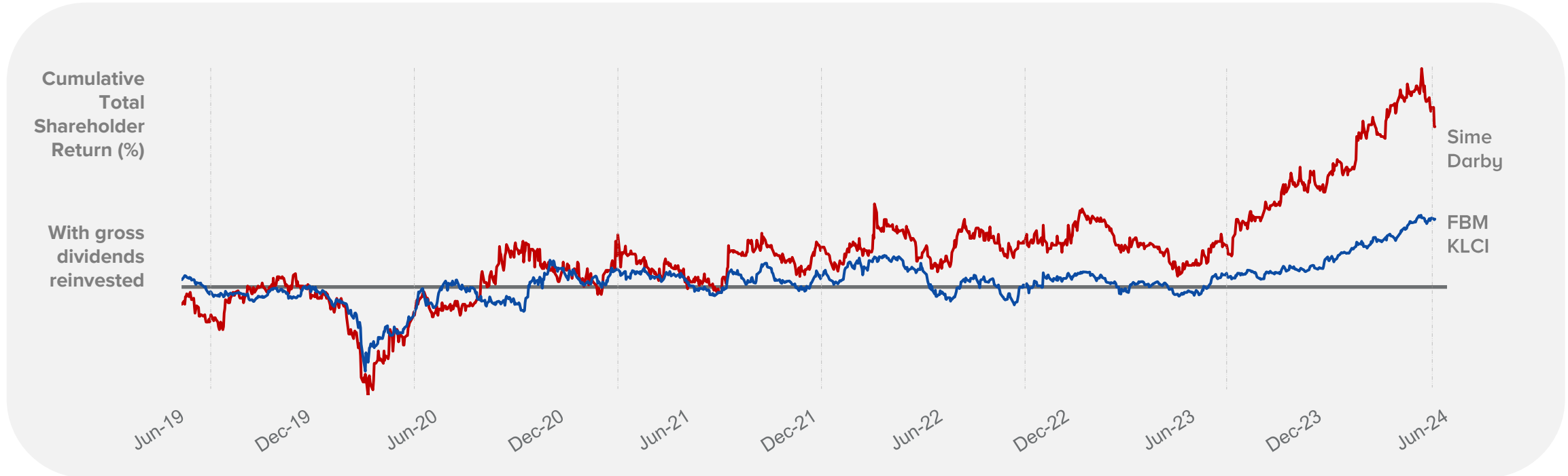
Core Values





TOTAL SHAREHOLDER RETURN: SIME DARBY VS. KLCI



Sime Darby TSR broadly outperforms the market



Yearly Analysis of KLCI vs SDB Total Shareholder Return by financial year – Sime Darby consistently delivers higher returns

	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
	(1.4)%	10.1%	3.4%	(0.6)%	35.2%
	(7.6)%	4.7%	(2.2)%	(0.9)%	20.5%

ESG & SUSTAINABILITY



In FY2024, Sime Darby charted significant progress in our Sustainability Targets



Net Zero

- 1. **Committed to Net Zero Carbon Emissions by 2050**, aligning with the global consensus on the need to transition to a low-carbon economy.
- 2. Addressing climate change will requires a **comprehensive effort across our entire value chain.**

SUSTAINABILITY BLUEPRINT

Target 1

30% Reduction of Emissions by 2030 from 2020 levels (Scope 1 & 2 only)

23,000

Tonnes of CO₂-eq avoided in FY2024. Additional 56,000 tonnes CO₂-eq avoidance required to meet FY30 target

Target 2

Minimum RM250 million investments in ESG innovation by 2025

60%

Achieved with RM150 million spent on ESG investments

Target 3

>50% products in our portfolio by 2025 are more energy efficient than the 2020 product portfolio

>70%

Group's products are more efficient for both Motors and Industrial Divisions

THANK YOU



5 November 2024

Reference: MSWG-CM-02-15/24
By Email

The Board of Directors
SIME DARBY BERHAD
Level 9, Menara Sime Darby
Oasis Corporate Park
Jalan PJU 1A/2, Ara Damansara
47301 Petaling Jaya
Selangor Darul Ehsan

Attention: **Ms Chua Siew Chuan**
Ms Chin Mun Yee
Company Secretaries

Dear Directors,

18th ANNUAL GENERAL MEETING (“AGM”) OF SIME DARBY BERHAD (“SIME DARBY” OR “THE COMPANY” OR “THE GROUP”) TO BE HELD ON THURSDAY, 14 NOVEMBER 2024

We welcome the Company’s achievement in FY2024, the Group reported another post-demerger record net profit of RM3.3 billion, 127% higher than the RM1.4 billion recorded in FY2023 mainly due to the RM2.0 billion gain on disposal of Ramsay Sime Darby Health Care. The Group also recorded its highest core net profit post demerger in FY2024 at RM1.3 billion, 14% higher than the RM1.154 billion recorded in FY2023.

Nevertheless, in consideration of the interest of minority shareholders and all other stakeholders of the Company, we would like to raise the following questions: -

A. OPERATIONAL & FINANCIAL MATTERS

1. According to Fortune on 21 October 2024, BMW AG is recalling nearly 700,000 vehicles in China due to coolant pump defects, a fresh setback for the German carmaker that’s reeling from other vehicle faults.
(Source: <https://fortune.com/europe/2024/10/21/bmw-recalls-almost-700000-cars-china/>)

Based on Reuters reporting on 16 August 2024, BMW and its joint venture will recall a combined 1.36 million locally produced and imported cars in China due to potential risks with the Takata airbag.

(Source: <https://www.reuters.com/business/autos-transportation/bmw-recall-more-1-million-units-china-due-airbag-risks-regulator-says-2024-08-16/>)

- (a) Based on the abovementioned vehicles faults, how and to what extent will the recalls impact the Group for financial year ending 2025?
 - (b) Given that China is a major market for BMW, recalls can damage brand reputation and affects customer loyalty as well as market share. Has the Group experience weaker sales for BMW vehicles due to the recalls negatively affecting consumer confidence? If yes, to what extent?
2. The Group's gearing increased significantly to over 60% after the UMW and Cavpower acquisitions. However, this was reduced to about 57% as at 30 June 2024, mainly through higher utilisation of cash balances to repay borrowings. Gearing is anticipated to reduce further in FY2025 with the expected proceeds from disposals of Malaysia Vision Valley land and UMW Komatsu Heavy Equipment Sdn Bhd (UKHE). (page 15 of AR2024)

How much has been set aside for repayment of borrowings in FY2025? What is the Group's optimal gearing ratio? To what extent will it affect the Company's dividend payout for financial year ending 2025?

B. SUSTAINABILITY MATTERS

3. The Group's disclosure of its sustainability performance under Bursa's prescribed format for Bursa (Anti-corruption), the confirmed incidents of corruption and action taken was two (2) for FY2024. (page 92 of AR2024)

What was the nature of these two corruption incidents? How has it impacted the Group? What actions have been taken by the Group?

C. CORPORATE GOVERNANCE MATTERS

4. The Board acknowledges Practice 5.9 of the MCCG 2021, which recommends that at least 30% of the Board be women and ongoing efforts are in place to identify and appoint suitable female candidates as board members. Currently, the Board comprises three female Directors, representing 25% of its composition. (page 110 of AR2024)

- (a) With 25% of the Board comprising women Director, up from 18% last year, in terms of Board diversity, what benefits has the Board experienced from the increased participation of women directors on board? How has the Board's performance been impacted in relation to these benefits?

- (b) Are there noticeable changes in the quality or diversity of perspectives in strategic discussions?

We look forward to your reply. Additionally, please present the questions raised and the related answers to the shareholders present at the forthcoming AGM.

Thank you.

Yours sincerely



MINORITY SHAREHOLDERS WATCH GROUP

A. Operational & Financial Matters

1. **According to Fortune on 21 October 2024, BMW AG is recalling nearly 700,000 vehicles in China due to coolant pump defects, a fresh setback for the German carmaker that's reeling from other vehicle faults. (Source: <https://fortune.com/europe/2024/10/21/bmw-recalls-almost-700000-cars-China/>).**

Based on Reuters reporting on 16 August 2024, BMW and its joint venture will recall a combined 1.36 million locally produced and imported cars in China due to potential risks with the Takata airbag. (Source: <https://www.reuters.com/business/autos-transportation/bmw-recall-more-1-million-units-china-due-airbag-risks-regulator-says-2024-08-16/>).

- (a) Based on the abovementioned vehicles faults, how and to what extent will the recalls impact the Group for financial year ending 2025?**

We do not anticipate any significant financial impact, as the recall costs and additional support will be covered by the principal.

- (b) Given that China is a major market for BMW, recalls can damage brand reputation and affects customer loyalty as well as market share. Has the Group experience weaker sales for BMW vehicles due to the recalls negatively affecting consumer confidence? If yes, to what extent?**

We do not believe the recalls have adversely affected consumer confidence for BMW in China.

2. **Group's gearing increased significantly to over 60% after the UMW and Cavpower acquisitions. However, this was reduced to about 57% as at 30 June 2024, mainly through higher utilisation of cash balances to repay borrowings. Gearing is anticipated to reduce further in FY2025 with the expected proceeds from disposals of Malaysia Vision Valley land and UMW Komatsu Heavy Equipment Sdn Bhd (UKHE). (page 15 of AR2024)**

How much has been set aside for repayment of borrowings in FY2025? What is the Group's optimal gearing ratio? To what extent will it affect the Company's dividend payout for financial year ending 2025?

The Group's gearing policy is based on a debt/equity limit of 60%. The repayment of borrowings will be based on cash flows generated from the business and proceeds from divestments. The repayment of borrowings will not affect the dividend payout ratio of the Group of at least 50% of profits.

B. Sustainability matters

3. **The Group's disclosure of its sustainability performance under Bursa's prescribed format for Bursa (Anti-corruption), the confirmed incidents of corruption and action taken was two (2) for FY2024. (page 92 of AR2024)**

What was the nature of these two corruption incidents? How has it impacted the Group?

We have zero tolerance for any breaches of our internal Anti-Bribery and Anti-Corruption Policy. The 2 incidents did not have material financial impact to the Group.

What actions have been taken by the Group?

They were addressed without delay through the Group's formal management process as well as our e-learning programme which equips employees with the knowledge and tools to make informed ethical decisions and contribute to a positive and transparent work environment.

C. Corporate Governance matters

4. **The Board acknowledges Practice 5.9 of the MCCG 2021, which recommends that at least 30% of the Board be women and ongoing efforts are in place to identify and appoint suitable female candidates as board members. Currently, the Board comprises three female Directors, representing 25% of its composition. (page 110 of AR2024)**

- (a) **With 25% of the Board comprising women Director, up from 18% last year, in terms of Board diversity, what benefits has the Board experienced from the increased participation of women directors on board? How has the Board's performance been impacted in relation to these benefits?**
- (b) **Are there noticeable changes in the quality or diversity of perspectives in strategic discussions?**

The appointment of women Director is based on capability and not by quota. Having the right skills and relevant professional experience matter to us in achieving a high performing Board.

ADVANCE QUESTIONS

No.	Question/Comment	Response
1.	Please give us some e-vouchers/e-wallet for attending this RPV as a token of appreciation.	The Group remains dedicated to delivering strong results and sustainable returns to its shareholders. This commitment is demonstrated by the tangible value provided by Sime Darby, including a dividend payout of 13 sen per share for FY 2024.
2.	Why is this year's AGM a virtual one? When will we be having a physical AGM?	<p>Holding a virtual AGM has proven to be both practical and cost-effective, allowing the Company to effectively engage with its broad base of shareholders.</p> <p>Following the recent announcement by the Securities Commission Malaysia and Bursa Securities mandating all public listed companies to conduct hybrid or physical general meetings effective 1 March 2025, the Company plans to transition to a hybrid or physical AGM next year.</p>
3.	With the excessive car inventory causing excessive discounting, have car manufacturers in China (especially brands that Sime Darby distributes) slowed down their production, or are they still producing cars at record numbers?	The excessive production of cars in China is primarily due to the influx of new entrants, including companies from other industries, such as phone manufacturers, now venturing into car manufacturing. This has led to a significant overproduction of vehicles. The industry is expected to undergo a significant shake-up, eventually shrinking to a more sustainable and reasonable scale.
4.	News reports mention that car sales are dropping and one CNN report mentions that it is no longer profitable for foreign brands in China and it is the era of EV/China-made EVs. Is saying goodbye to China an option? How much dividend/cash flow does China contribute to Sime Darby?	The Company's operations in China have historically contributed 30% to 40% of its profits, making it a highly profitable market for Sime Darby. Although the Company is currently facing challenges as both local and foreign-owned car dealerships navigate a competitive landscape, Sime Darby remains confident in its strong presence in the super-luxury segment in China. The Company recognises that there will always be demand and aspiration among Chinese consumers for premium products. As a result, Sime Darby has no plans to exit the China market.
5.	Could you please provide an overview of the recent performance of Drivecare? What strategies are being implemented to enhance your presence in the after-sales market? Would Management consider venturing into commercial vehicle maintenance service?	The Group's business model views car sales as the starting point. While margins on new car sales tend to be relatively low, the majority of profits are generated through subsequent revenue streams such as after-sales services, used car sales, insurance and financing. Sime Darby has long prioritized building a robust foundation in after-sales services, which has been a critical pillar of support, particularly during periods of low margins from new car sales. The Company remains committed to strengthening its investments in this area.

No.	Question/Comment	Response
		<p>As part of this commitment, the Drivecare brand was introduced to address a common challenge: customers often turn to alternative workshops for repairs once their warranties expire. Drivecare provides a dependable, cost-effective after-sales service option to retain these customers. It currently operates at three (3) locations in Malaysia and one (1) in Singapore, offering comprehensive diagnostic and repair services.</p> <p>Sime Darby has established a strong presence in the commercial vehicle services in New Zealand and Hong Kong, which have historically been key profit-generating segments for the Group.</p>
6.	<p>I recommend that the Management team quickly adopt the agency model to address the current competitive environment, especially in China. This way, the Company does not need to hold inventory, allowing for more liquidity and we can also offer car loans to generate revenue from financial services and increase the Company's profit margin.</p>	<p>The decision to adopt a traditional dealership or agency model rests with the Group's original equipment manufacturer ("OEM") partners. Over the past three (3) to four (4) years, several brands have experimented with the agency model in an attempt to replicate Tesla's success. These efforts have produced mixed results.</p> <p>In regions such as Europe and South Africa, transitioning from a dealership model to an agency model has shown some improvements.</p> <p>However, in many Asian markets, dealerships continue to play a pivotal role as the bridge between OEMs and customers. The relationships that sales personnel build with customers remain an essential element of the sales process in these markets.</p> <p>Sime Darby remains open to adopting the agency model but will ultimately align with the decisions of its OEM partners.</p>
7.	<p>What measures are being implemented to improve this situation and enhance the Company's overall profitability?</p>	<p>The recent acquisition has positively impacted the Group's profitability. However, operations in China have placed considerable pressure on profit margins. To mitigate this, the Company is implementing stringent cost management measures, including a hiring freeze, a review of operational efficiencies and the closure of under-performing operations in the region.</p>
8.	<p>What additional revenue streams is the Company exploring beyond vehicle sales in China? Specifically, how are we planning to leverage after-sales services, financial services, smart technology and partnerships to enhance profitability?</p>	<p>The Company places strong emphasis on after-sales service, extending its focus well beyond car sales. Efforts are concentrated on ensuring a seamless and enjoyable customer experience, fostering long-term relationships and encouraging customers to return to Sime Darby for servicing.</p>

No.	Question/Comment	Response
		To support this commitment, the Company closely monitors after-sales service retention rates and has made significant investments in process optimisation to enhance convenience for both customers and employees.

REAL-TIME QUESTIONS

No.	Question/Comment	Response
1.	I always look positive that Sime Darby will grow better in the near future, especially in the automation sector and I hope that all shareholders can receive a better dividend payout.	Thank you for your positive outlook.
2.	<p>(i) How much does our Company spend to hold this virtual AGM and RPV?</p> <p>(ii) Could our Company conduct our next AGM/Extraordinary General Meeting/other meetings physically?</p> <p>(iii) Could the Board of our Company be kind enough to give away meal e-vouchers to the event participants (particularly grateful to help minority shareholders improve their life qualities during the current high inflationary economy)?</p>	<p>(i) The Company incurred approximately RM58,000 for the 18th AGM, reflecting a significant reduction compared to 2023.</p> <p>(ii) Next year, the Company plans to hold either a physical or hybrid AGM.</p> <p>(iii) The Group remains committed to delivering strong performance and sustainable dividends.</p>
3.	Regarding the MVV land, is Management still seeking to monetise the landbank, given the possibility of HSR revival? If yes, what would be the timing for such monetisation and who would be the potential buyers (i.e., NS Corporation, Sime Darby Properties Berhad, or other parties)?	The Company owns a substantial amount of land in Negeri Sembilan, with approximately half of it monetised over the past five (5) years as part of its non-core asset strategy. Portions of the land were sold to Sime Darby Property Berhad, while a significant portion was acquired by the Negeri Sembilan government through NS Corporation. The Board has decided to retain the remaining land until ongoing developments in the surrounding area are realised, which is expected to enhance its value.

No.	Question/Comment	Response
4.	Sime Darby has diverse and vast investments in every aspect of the economy. Any plan to venture into the field of artificial intelligence (“AI”) on a big scale?	The Company is committed to serving as a strategic bridge between world-class OEMs and the Asia-Pacific market in the automotive and industrial equipment sectors. While there are no plans to pursue large-scale ventures in AI, the Company actively explores opportunities to leverage AI to enhance daily operations, improve efficiency and optimise processes. Significant efforts are underway in the Industrial and Motors Divisions to adopt the latest technologies, making operations more accessible, streamlined and cost-effective.
5.	How does minimum wage affect the Company?	The increase in the minimum wage from RM1,500 to RM1,700 has minimal impact on the Company, as it generally pays its employees above the minimum wage. Similarly, the adjustment has a limited effect on the Inokom plant, affecting only a small number of its workers.
6.	Post UMW merger, has Sime Darby made any strategic decisions to position UMW Toyota in a different way? In the past, UMW Toyota did not pursue a lot of new model launches/CKD opportunities, will there be a change moving forward?	<p>For UMW Toyota, in terms of model allocation in Malaysia, only a limited number of new completely knocked down (“CKD”) car models are planned for introduction over the next three (3) years. However, completely built units (CBU), including Lexus models, will continue to be imported from Thailand, Indonesia and Japan.</p> <p>Additionally, the Company is focused on strengthening its long-term relationship with its Japanese principal, with the goal of securing more favorable terms and increasing model allocations for local production in the future. New CKD car models are expected to be produced in Malaysia as part of this effort.</p>
7.	What is the latest status update on the BYD dealership?	The BYD dealerships have been performing well, with operations in Singapore for five (5) years and in Malaysia for several years.
8.	I noticed that our gross profit margin is relatively low, around 2.89%. Earnings before interest, taxes, depreciation and amortisation (“EBITDA”) margin is approximately 6.73%. I am concerned about the risks associated with operating at such a thin margin, especially in a highly competitive market. Could Management elaborate on the steps being taken to strengthen our resilience against market volatility and cost fluctuations? Are there specific initiatives to improve	<p>The Company’s EBITDA margin is currently below expectations, primarily due to the challenging market conditions in China.</p> <p>To address this, the Company focuses on cost rationalisation and inventory management across all its operations in China. While the challenges in China are expected to persist for another one (1) to two (2) years, the Company remains optimistic that stronger performance in other business areas will help balance overall results.</p>

No.	Question/Comment	Response
	efficiency, pricing strategy, or products that at least 10% will be better?	
9.	Do you expect the industrial segments' organic growth to be driven more by equipment sales, maintenance works, or equipment rentals?	Mining and construction activities across the regions will primarily drive the growth of the Industrial Division. This includes equipment sales fueled by the expansion of existing mines and the opening of new ones. Additionally, increased production and excavation activities will generate significant demand for after-sales services, including repair and maintenance work. With the recent acquisition, the Company is expanding its presence in the rental market, which is also expected to grow alongside the rise in mining and construction activities.
10.	<p>(i) Since Sime Darby has completed the acquisition of UMW Group, a new separate business division, "UMW Division", as disclosed in the Annual Report 2024. What is the rationale for having a separate division for the UMW operations despite the same nature of business, especially in the motor segment with the existing Sime Darby Motors Division?</p> <p>(ii) Does Sime Darby plan to "integrate" the UMW Division into the Motors Division in the future to maximise synergies and operational efficiencies?</p>	<p>(i) The Company has decided to maintain the two (2) businesses as separate divisions for the time being. This decision is primarily due to the distinct nature of their operations: Sime Darby's business is predominantly retail-focused, while UMW and Perodua are primarily engaged in distribution and manufacturing. These operational differences make it practical to manage them independently. Additionally, the substantial scale of the UMW business further supports keeping the divisions separate. This approach enables the Company to focus on the 55% of the market represented by the mass and mid-market segments, while Sime Darby continues to prioritise the retail and luxury segments.</p> <p>(ii) Currently, there are no plans to integrate Sime Darby with UMW.</p>
11.	Would the Company be able to cope with the multiple versions of cars to be marketed, given that the motor market situation is no longer as rosy as it used to be? Kindly elaborate if you can.	The market offers a diverse range of vehicles, including internal combustion engine (ICE) vehicles, battery electric vehicles (BEVs), plug-in hybrids and fully hybrid cars. However, this diversity does not present a challenge for the Company. Sime Darby is well-equipped to meet the demands of its principals in marketing and selling the full spectrum of brands and vehicle types it represents.
12.	(i) Can you share your Environmental, Social and Governance ("ESG") roadmap, particularly on your	(i) The Company has set a clear roadmap to achieve a 30% reduction in Scope 1 and Scope 2 emissions by 2030, using 2020 as the baseline. At present, this target does not include Scope 3 emissions. To support this goal, the Company has

No.	Question/Comment	Response
	<p>progress in meeting Scope 1, 2 and 3?</p> <p>(ii) What are your plans for the mobility business in the next one (1) to two (2) years?</p> <p>(iii) When will Sime Darby be reverting to AGM in person?</p>	<p>implemented initiatives such as replacing conventional light bulbs with energy-efficient alternatives and upgrading to more efficient air-conditioning systems.</p> <p>Another key initiative focuses on harnessing solar energy. The Company is installing solar panels at selected operational plants in Australia and plans to extend this initiative to the Inokom plant. The solar installation at Inokom is projected to generate between five (5) to six (6) megawatts of electricity, delivering significant savings on electricity costs while contributing to a substantial reduction in carbon dioxide (CO₂) emissions. In addition, the Company is transitioning its diesel trucks to electric vehicles (EVs) in New Zealand, capitalising on the fact that nearly 97% of the country's energy is derived from renewable sources.</p> <p>(ii) The Company operates a charging station business in both Hong Kong and Malaysia. In Malaysia, it offers comprehensive services, including the sales, installation, and maintenance of charging stations and home charging sockets. The Company collaborates with property developers, as well as partners like BYD and BMW, to promote and sell chargers. This business is progressing well and continues to gain momentum.</p> <p>(iii) The Company plans to hold either a physical or hybrid AGM next year.</p>
13.	<p>For the Directors' fees and benefits to the Non-Executive Directors, have the Remuneration Committee done the necessary assessment against compatible transactions with similar sizes of the Group? If yes, could the Board share it with us?</p>	<p>The Company evaluated the Directors' remuneration and benefits in comparison to the top thirty (30) companies listed on the FTSE Bursa Malaysia KLCI.</p>
14.	<p>The energy transition challenges disclosed on page 40 of the Annual Report 2024 disclosed that there will be a declining demand for fossil fuel and coal, which will be offset by the increasing demand for lithium, cobalt and copper. How will this impact Sime Darby's Industrial Division</p>	<p>There are two (2) types of coal i.e. thermal coal, used in power plants for electricity generation and metallurgical coal ("met coal"), which is a crucial component in steel production. Most of the mines in the regions where Sime Darby operates focus on extracting met coal for the steel industry. In Australia, met coal is renowned for its high quality, making it one of the best in the world.</p>

No.	Question/Comment	Response
	operations in Australia in view of the huge amount of business generated from coal mining operations there?	Given that there is currently no substitute for coal in steel production, demand for met coal from steel mills is expected to remain strong. In contrast, the use of thermal coal is projected to decline over the long term. However, Australian thermal coal is also among the highest quality globally and when mine closures occur, Australian mines are likely to be among the last to shut down. As a result, the Company believes it has significant growth potential for its operations in the coal sector.
15.	In China, should we expect more impairments to come upon the disposal of showrooms/offloading of brands?	In FY 2024, the Company made provisions for impairments, including the closure of certain underperforming operations in China facing significant challenges. These measures are considered sufficient for the time being. However, any further impairments will depend on the duration and severity of the ongoing situation in China.
16.	With the increasing interest in vehicle and equipment leasing as a flexible alternative to ownership, what is Management's view on the current and future leasing market? Does the Company see this as a strong growth area and if so, are there any strategies in place to expand our leasing offerings or partnerships to capture market share? Like Yinson, also doing the EV commercial vehicle leasing support business adopt the ESG.	<p>In the Malaysian market, Sime Darby's customers generally prefer vehicle ownership, financing their purchases through financial institutions, rather than opting for monthly lease payments, which are more common in other countries. However, Sime Darby does offer leasing options through its rental car business, including long-term leasing arrangements, particularly within the corporate sector.</p> <p>Additionally, the Company is experiencing growth in Australia and New Zealand, particularly in the commercial vehicle segment. While the Malaysian market remains stable, Sime Darby continues to explore opportunities for further expansion in this area.</p>
17.	<p>The brands represented by the Motors Division include Tesla, which is a direct competitor to BYD, which successfully dominated the EV market in Malaysia in 2024.</p> <p>As Tesla mostly markets its vehicles on its own, is Sime Darby a Tesla dealer? If yes, how many outlets are currently selling Tesla cars in Malaysia and countries where Sime Darby has a presence?</p>	Tesla does not use dealers. In China, Sime Darby has partnered with a body paint shop affiliated with Tesla.

No.	Question/Comment	Response
18.	What is the future plan to strengthen the financial position of the Group?	Sime Darby is in a strong financial position. The Company maintains a self-imposed gearing ratio of 60.6%, reflecting a conservative approach to leverage. Following recent acquisitions, the current gearing ratio stands below 57%. Sime Darby anticipates continued strong cash flow generation, which will enable the gearing ratio to decrease significantly over the next four (4) to five (5) years.