

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



TOYOTA



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



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

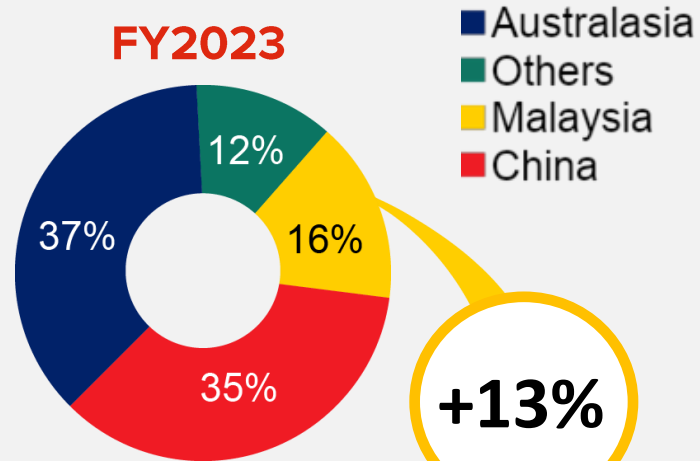


“

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

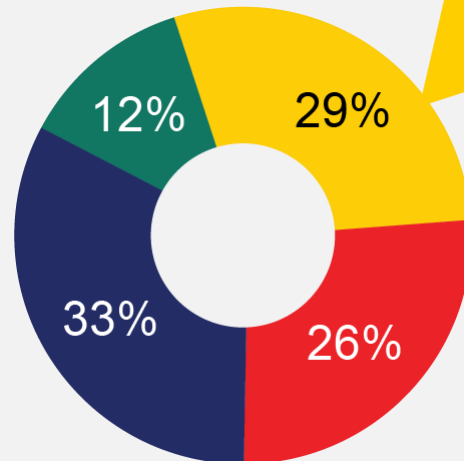
”

FY2023

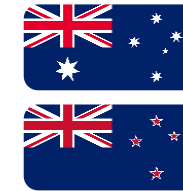


+13%

FY2024



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.

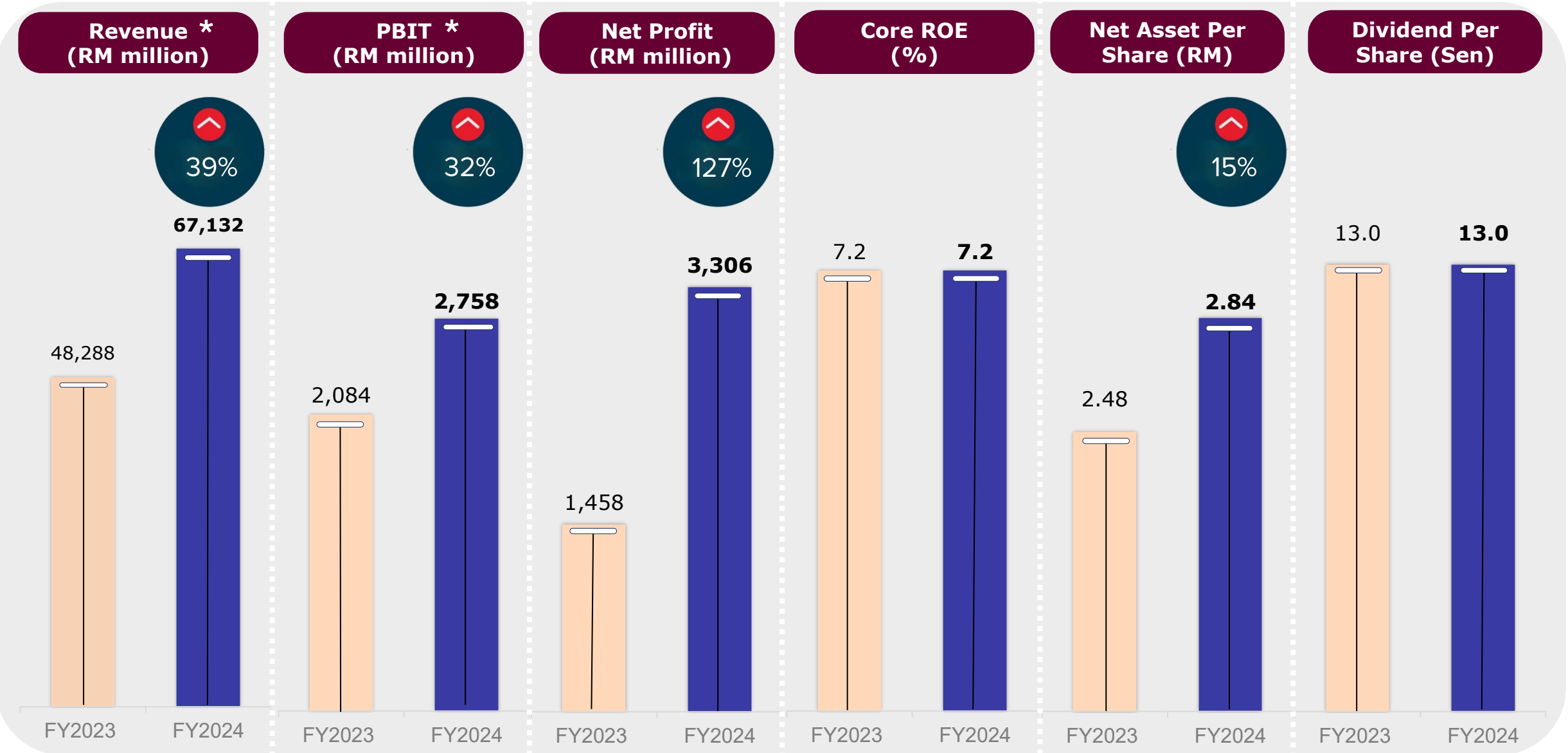


Serving Mobility Needs of
the Growing Middle Class

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

Our Vision

Strategic Pillars

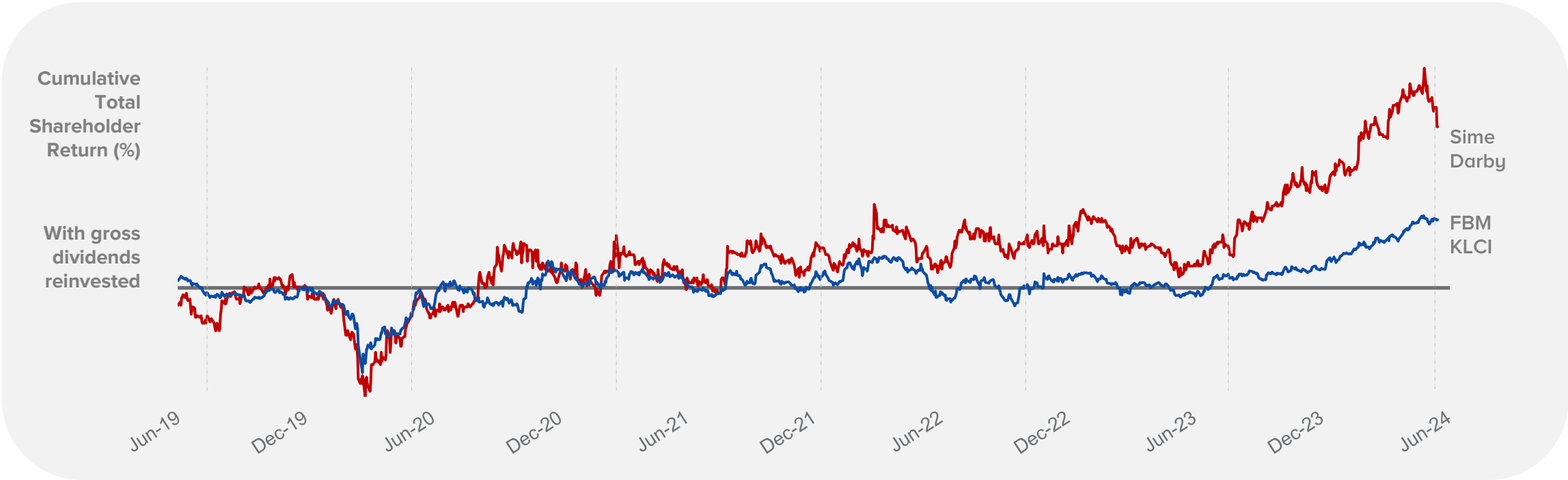
Strategic Enablers

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%

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



QUESTIONS RAISED BY MINORITY SHAREHOLDERS WATCH GROUP (MSWG)



QUESTION 1 OPERATIONAL & FINANCIAL MATTERS



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-carschina/>)

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.

QUESTION 2 OPERATIONAL & FINANCIAL MATTERS



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?

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.

QUESTION 3 SUSTAINABILITY MATTERS



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.

QUESTION 4 CORPORATE GOVERNANCE MATTERS



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.

RESOLUTIONS OF THE 18TH ANNUAL GENERAL MEETING



RESOLUTION 1

To approve the payment of fees to the Non-Executive Directors up to an amount of RM4,600,000 from the Eighteenth AGM until the next AGM of the Company.

RESOLUTION 2

To approve the payment of benefits to the Non-Executive Directors up to an amount of RM1,500,000 from the Eighteenth AGM until the next AGM of the Company.

RESOLUTION 3

To elect Professor Datuk Ts. Ir. Dr. Siti Hamisah Tapsir, who retires pursuant to Rule 82.2 of the Constitution of the Company.



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

Malaysian, Age 63, Female

Date of Appointment
8 March 2024

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

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

- Master of Science in Civil Engineering, from University of Lowell (now known as University of Massachusetts Lowell)
- Doctor of Philosophy, University of Leeds
- Advanced Management Programme, Harvard Business School
- Registered Professional Engineer, Board of Engineers, Malaysia

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

Present Directorship(s)

Other Listed Entities

- Malayan Cement Berhad
- Oppstar Berhad

Other Public Companies

Nil

Total Board Meetings Attended in FY2024

4/4*

Board Committee(s)

- Member, Nomination & Remuneration Committee

Areas of Expertise

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

Relevant Experience

Began her career as a lecturer at Universiti Teknologi Malaysia (UTM) in 1987. During her tenure at UTM, she held various roles, including Deputy Vice Chancellor and Campus Director of UTM International Campus. She left UTM in 2009 to join the Ministry of Higher Education, where she was promoted to Director General of Higher Education in 2017. After leaving the Ministry of Higher Education, she served as Secretary General of the Ministry of Science, Technology and Innovation (MOSTI) from 2019 to 2021. She was conferred the Emeritus Professor (Civil Engineering) by Universiti Teknologi Malaysia in 2021. Following her retirement from MOSTI, she joined UCSI University as Group Chief Executive Officer and Vice Chancellor.

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

RESOLUTION 4

To re-elect Tan Sri Samsudin Osman who retire pursuant to Rule 103 of the Constitution of the Company.



TAN SRI SAMSUDIN OSMAN
Non-Independent Non-Executive Chairman

Malaysian, Age 77, Male

Date of Appointment
19 December 2008

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

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

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

Present Directorship(s)
Other Listed Entities
Nil

Other Public Companies
Nil

Total Board Meetings Attended in FY2024
12/12

Board Committee(s)
Nil

Areas of Expertise
Public Administration and Fund Management

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

RESOLUTION 5

To re-elect Dato' Lee Cheow Hock Lawrence who retire pursuant to Rule 103 of the Constitution of the Company.



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

Singaporean, Age 70, Male

Date of Appointment
1 March 2018

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

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

- Fellow, Institute of Chartered Accountants in England and Wales

Present Directorship(s)
Other Listed Entities
Nil

Other Public Companies
Nil

Total Board Meetings Attended in FY2024
11/12

Board Committee(s)

- Member, Risk Management & Sustainability Committee
- Member, Investment Committee

Areas of Expertise
Automotive, Accounting and Management

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

RESOLUTION 6

To re-elect Moy Pui Yee who retire pursuant to Rule 103 of the Constitution of the Company.



MOY PUI YEE

Independent Non-Executive Director

Malaysian, Age 57, Female

Date of Appointment

2 July 2018

Length of Service (as at 30 September 2024)

6 years 3 months

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

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

Present Directorship(s)

Other Listed Entities

Nil

Other Public Companies

Nil

Total Board Meetings Attended in FY2024

15/16

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

Board Committee(s)

- Member, Risk Management & Sustainability Committee

Areas of Expertise

Legal and Corporate Finance

Relevant Experience

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

RESOLUTION 7

To re-elect Mohamad Idros Mosin who retire pursuant to Rule 103 of the Constitution of the Company.



MOHAMAD IDROS MOSIN

Non-Independent Non-Executive Director

Malaysian, Age 52, Male

Date of Appointment
15 November 2018

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

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

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

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

Present Directorship(s)

Other Listed Entities

Nil

Other Public Companies

- MIDF Property Berhad

Total Board Meetings Attended in FY2024

12/12

Board Committee(s)

- Chairman, Investment Committee
- Member, Nomination & Remuneration Committee

Areas of Expertise

Finance and Business Administration

Relevant Experience

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

RESOLUTION 8

To re-appoint Messrs
PricewaterhouseCoopers PLT as Auditors
of the Company for the financial year
ending 30 June 2025 and to authorise
the Directors to determine their
remuneration.

RESOLUTION 9

To approve Shareholders' Ratification and Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature with Related Parties Involving the Interest of Toyota Motor Corporation.

RESOLUTION 10

To approve Shareholders' Ratification and Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature with Related Parties Involving the Interest of Toyota Tsusho Corporation.

RESOLUTION 11

To approve Shareholders' Ratification and Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature with Related Parties Involving the Interest of KYB Corporation, Japan.

RESOLUTION 12

To approve Shareholders' Ratification and Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature with Related Parties Involving the Interest of Toyota Industries Corporation.

RESOLUTION 13

To approve Renewal of Existing Shareholders' Mandate and Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature with Related Parties Involving the Interest of Bermaz Auto Berhad (Bermaz).

Q & A SESSION



Please give us some e-vouchers/e-wallet for attending this Remote Participation & Voting (RPV) as a token of appreciation.

Why is this year's AGM a virtual one? When will we be having a physical AGM.

With the excessive car inventory causing excessive discounting, have car manufacturers in China (especially brands that Sime distribute) slowed down their production or still producing cars at record numbers?

News reports mention that car sales are dropping and one CNN report mention that it's no longer profitable for foreign brands in China and it's the era of EV/China made EV. Is saying goodbye to China an option? How much dividend/cashflow does China contribute to Sime Darby?

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?

I recommend that the management team quickly adopt the agency model to address the current competitive environment especially in China. This way, the company doesn't need to hold inventory, allowing for more liquidity, and we can also offer car loans to generate revenue from financial services, and increase company's profit margin.

What are the reasons for the low gross margins?
What measures are being implemented to improve this situation and enhance the company's overall profitability?

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?

THANK YOU

