

SIME DARBY BERHAD

(Registration No. 200601032645 (752404-U))

(Incorporated in Malaysia)

MINUTES OF THE SEVENTEENTH ANNUAL GENERAL MEETING OF SIME DARBY BERHAD HELD VIRTUALLY THROUGH LIVE STREAMING FROM THE BRADCAST 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, 16 NOVEMBER 2023 AT 10.00 A.M.

Present : Members/Proxies - Participation via Remote Participation and Voting Facilities

1,117 members/corporate representatives/proxy holders
(as listed in the attendance sheet)

Physically Present : YBhg Tan Sri Samsudin Osman – Chairman
Mr Thayaparan Sangarapillai
YBhg Tan Sri Ahmad Badri Mohd Zahir
YBhg Dato' Lawrence Lee Cheow Hock
Ms Moy Pui Yee
Encik Mohamad Idros Mosin
YBhg Dato' Dr Nirmala Menon
YBhg Tan Sri Muhammad Shahrul Ikram Yaakob
Encik Edree Ahmad (*Alternate Director to Encik Mohamad Idros Mosin*)
YBhg Dato' Jeffri Salim Davidson, Group Chief Executive Officer
Encik Mustamir Mohamad, Group Chief Financial Officer
Cik Noor Zita Hassan, Group Secretary

Representative of PricewaterhouseCoopers PLT

Mr Irvin Menezes, Partner

Representative of Tricor Investor & Issuing House Services Sdn Bhd

Ms Wong Yoke Fun, Executive Director, Investor Services

Representative of Coopers Professional Scrutineers Sdn Bhd

Mr Chuah Poo Sian, Director

Absent with Apologies : YBhg Tengku Dato' Sri Azmil Zahrudin Raja Abdul Aziz

Virtually Present via Video Conference : Mr Scott William Cameron
YBhg Datuk Thomas Leong Yew Hong, Group Chief Strategy Officer
Puan Roselaini Faiz, Group Chief Human Resource Officer
Mr Dean Mehmet, Managing Director - Industrial Division
Mr Andrew Basham, Managing Director - Motors Division
Mr Deny Rahardjo, Group Chief Information & Digital Officer
Mr Glenn Sheahan, Group Chief Safety & Sustainability Officer

1.0 **OPENING REMARKS BY THE CHAIRMAN**

1.1 Tan Sri Samsudin Osman, the Chairman of Sime Darby Berhad (“Sime Darby” or “Company”), presided as Chairman of the Meeting and welcomed all persons present at the Seventeenth Annual General Meeting (“17th AGM” or the “Meeting”) of Sime Darby.

1.2 The Chairman informed the Meeting that the 17th AGM of the Company was conducted virtually and live-streamed from the broadcast venue at Sime Darby’s office at Menara Sime Darby, Oasis Corporate Park, Jalan PJU 1A/2, Ara Damansara, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia.

1.3 The Chairman added that the Company would do its best to ensure a smooth live streaming. However, the quality of the broadcast was dependent on the participant’s bandwidth and stability of the internet connection.

2.0 **QUORUM**

2.1 The requisite quorum being present, the Chairman called the Meeting to order at 10.00 a.m.

2.2 The Chairman proceeded to introduce members of the Board of Directors (“Board”) and the management team. The Chairman also introduced the representative from PricewaterhouseCoopers PLT (“PwC”), the auditors of the Company, Tricor Investor & Issuing House Services Sdn Bhd (“Tricor”), the Company’s Share Registrar, and Coopers Professional Scrutineers Sdn Bhd (“CPS”), the Scrutineers, who were also present at the broadcast venue.

3.0 **PRELIMINARY**

3.1 The Chairman informed the Meeting:

- (i) That the Notice of Annual General Meeting was issued to all Shareholders on 18 October 2023 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 2023 was uploaded on the Company’s website for all the Shareholders and released to Bursa Malaysia Securities Berhad (“Bursa Securities”) on 18 October 2023.
- (iii) That information on the Company, its activities, results, and financial position for the financial year ended 30 June 2023 were set out in the Annual Report 2023.

4.0 **NOTICE OF MEETING**

4.1 With the consent of the Shareholders and proxy holders present, the Notice of AGM was taken as read.

5.0 **GENERAL INSTRUCTIONS ON MEETING PROCEDURES**

5.1 The Chairman briefed the Meeting as follows:

- (i) Shareholders and proxy holders who attended the 17th AGM remotely would have submitted questions for the Board in advance through Tricor's TIIH Online before the closing date on 15 November 2023 at 10.00 a.m. Shareholders and proxy holders could pose questions to the Board through a real time submission of typed texts during the proceeding of the 17th AGM by posting the questions in the query box.
- (ii) Shareholders and proxy holders were encouraged to take the opportunity to participate in the affairs of the Company by deliberating and voting on the resolutions which would be put to vote via electronic poll via remote participation and voting facilities ("RPV") provided by Tricor.
- (iii) The online remote voting via RPV was accessible to Shareholders and proxy holders from 10.00 a.m. onwards until the closing of the voting session.
- (iv) The polling and verification process would take approximately 30 minutes and after the end of the polling and verification process, CPS, being the Scrutineers would declare the poll results of the AGM.
- (v) In accordance with the Notice of AGM, the cut-off date to determine those who were qualified to attend, speak and vote at the Meeting was on 7 November 2023.
- (vi) A total of 691 valid proxy forms were lodged within the stipulated timeframe, representing 5,662,441,558 ordinary shares or 83.08% of the total ordinary shares of Sime Darby of 6,815,597,577.
- (vii) In his capacity as the Chairman of the Meeting, he had received proxies from members whom he would vote for as indicated in the proxy forms. Where a proxy vote had been given to the Chairman without any voting instructions, the Chairman expressed his intention to vote in favour of the resolutions set out in the Notice of AGM.

5.2 The Chairman further informed the Meeting of the procedures on poll voting:

- (i) In accordance with the Main Market Listing Requirements of Bursa Securities ("Listing Requirements"), all resolutions set out in the Notice of AGM would be voted by way of electronic poll.

- (ii) Each share would represent one (1) vote in the polling which would be carried out by way of electronic voting via RPV.
- (iii) The poll voting for all resolutions set out in the Notice of AGM would commence after the adjournment of the Meeting. All questions posed on the resolutions would be dealt with prior to the commencement of the polling process.
- (iv) A total of 10 resolutions were to be voted for at the Meeting, all of which were proposed as ordinary resolutions which required a simple majority in order for the resolutions to be passed.
- (v) Tricor had been appointed as the Poll Administrator to conduct the polling process and CPS as the Scrutineers to verify the poll results.

5.3 A short video outlining the RPV process was played.

5.4 The Chairman also briefed the Meeting on the programme outline of the 17th AGM.

6.0 **PRESENTATION BY THE GROUP CHIEF EXECUTIVE OFFICER**

6.1 The Chairman invited Dato' Jeffri Salim Davidson, the GCEO, to present the Company's performance and key events during the financial period under review.

6.2 The following was the summary from the GCEO's presentation:

- (i) Sime Darby is an Asian Pacific multinational corporation, operating in 17 countries. The core focus of the Group is on the distribution of motor cars and industrial equipment. Its comprehensive portfolio encompasses car and heavy equipment sales, complemented by robust after-sales support and rental fleets. With a strong presence in Malaysia, Australia and China, Sime Darby is a partner of choice for renowned brands like Caterpillar, BMW, Porsche, and most recently, BYD, a prominent Chinese Electric Vehicle ("EV") Original Equipment Manufacturer ("OEM").
- (ii) Revenue is largely generated in the key markets in Australia (37%), China (35%) and Malaysia.
- (iii) The overarching purpose of the Group is to provide the best products and solutions, to enable the development of the Asia Pacific region.
- (iv) Financial year ("FY") 2023 was a challenging year for the Group. Global market conditions, marked by inflation and rising interest rates, impacted several markets, particularly China where a price war in the auto sector has significantly affected margins and overall results. However, the Malaysian auto market performed well, driven by the Malaysian Government's support for EVs, while Australia thrived on the back of high commodity prices.

- (v) Despite the challenging market conditions, revenue grew from RM42 billion to RM48 billion. Net profit reached a RM1.4 billion and the return on invested capital improved from 8.8% to 9.6%. The Group maintains a dividend payout policy of at least 50%. The Group exceeded its promised dividend percentage, providing a dividend payout of 61% in FY2023.
- (vi) The Group's strategic focus centres on a five-year plan initiated post-2017, namely "Operational Excellence", "Growth & Business Expansion", "Non-Core Asset Rationalisation" and "Unlock Value in Healthcare".
- (vii) The first pillar, Operational Excellence, emphasises efficient management, capital utilisation, and cost control. The Group saw a 30% increase in revenue, improved returns and increased sales volume.
- (viii) The second pillar focusses on growth. Collaborative efforts with BMW has led to the doubling of the Group's footprint in China over the past four years. The securing of the Porsche assembly operations in Malaysia was a significant accomplishment, given Porsche's limited assembly locations outside Europe. Additionally, the acquisition of the BYD dealership for Malaysia and the expansion in the industrial space through the acquisitions of the Caterpillar Gough dealership in New Zealand, Salmon Engineering (a rental business) and Onsite Rental demonstrated the Group's proactive stance in growth.
- (ix) The third pillar involves Rationalising Non-Core Assets. The Group divested its stakes in Tesco Malaysia and Eastern & Oriental, exited non-essential land holdings in Hong Kong and Malaysia, and successfully withdrew from the ports business in China.
- (x) The fourth pillar addresses the future of Ramsay Sime Darby Health Care, leading to the recent announcement on the divestment of its 50% stake of its hospital business.
- (xi) The changing landscape of the automotive industry will offer opportunities for the Group in the future like the selling of EVs and collaborating with EV OEMs. There will also be opportunities associated with mining, infrastructure development such as EV charging stations, and the potential for bringing battery manufacturers to Malaysia.
- (xii) The Group entered into a sale and purchase agreement with TPG/Hong Leong, for the divestment of Ramsay Sime Darby Health Care, which will result in a gain of around RM2 billion. The proceeds from the transaction are earmarked to fund the UMW acquisition.
- (xiii) The recent acquisition of Cavpower, a reputable Caterpillar dealer based in South Australia, holds significant strategic importance, due to the region's rich abundance of copper deposits. This strategic positioning is well-aligned with the anticipation of a surge in copper demand, driven by the increasing adoption of EVs. The acquisition of Cavpower is viewed as a pivotal step in positioning the Group to capitalise on the expanding market for minerals.

- (xiv) Onsite Rental, which is Australia's second-largest rental services company and which provides rental services to the mining, oil & gas and construction industries, is another important acquisition for the Group. South Australia is, strategically, an important territory due to the abundance of copper deposits.
 - (xv) Sime Darby's share price has persistently hovered around RM2.00 to RM2.20 for the past year. The Group has demonstrated robust performance, consistently delivering an above-average total shareholder return over the past four years. Recently, there has been an uptick in the share price, reaching a high of RM2.42. This positive momentum is believed to be influenced by favourable news and recent developments within the Group.
- 6.3 The GCEO expressed his gratitude towards the executive team for their contribution to the Group's successes throughout the past financial year.
- 6.4 The Chairman informed the Meeting that the Company had received a letter from MSWG. With permission from the Shareholders and proxy holders, the GCEO summarised the Company's responses to MSWG's queries as follows:
- (i) 17.8% of the total new vehicles sold by the Group in FY2023 were EVs, an increase from the previous year's 5%. Out of the EVs sold, approximately half were in China, a quarter were in Malaysia and the remaining in other markets like Singapore, Australia, and New Zealand.
 - (ii) The Group primarily operates in the luxury segments distinguishing itself from the smaller mass-market Chinese OEMs like Neta V and Cherry. The introduction of electric models by established brands like BMW, Volvo, and Hyundai in Malaysia has contributed to the Group's success in EV car sales and positioning Sime Darby as a leading layer in this segment.
 - (iii) The strong Malaysian Government support has made EVs more affordable contributing to the rise in EV sales from 5% to 18%. However, the challenges in the charging infrastructure in Malaysia underscores the pressing need for additional investments in charging facilities to align with the growing market for EVs.
 - (iv) The Group's business expansion into Indonesia is in the early stages. The Group is optimistic on the Indonesian market.
- 6.5 The letter from MSWG and the Company's response dated 8 November 2023 and 14 November 2023, respectively, have been posted on the Company's website.
- 6.6 A copy of the letter from MSWG and the Company's response are enclosed as Appendix I and Appendix II, respectively.
- 6.7 The GCEO concluded his presentation and thanked all the Shareholders and proxy holders for their attention.

6.8 The Chairman thanked the GCEO for his presentation and proceeded with the items in the Agenda of the AGM.

7.0 **AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 TOGETHER WITH THE REPORTS OF THE DIRECTORS AND THE AUDITORS THEREON**

7.1 The Chairman informed the Meeting that the Annual Report 2023 incorporated the Audited Financial Statements of the Company for the financial year ended 30 June 2023 together with the Reports of the Directors' and Auditors thereon had been sent to all the Shareholders in accordance with the Constitution of the Company.

7.2 The Chairman further informed that pursuant to Section 340(1)(a) of the Companies Act 2016 and Rule 162(d) of the Constitution of the Company, the Audited Financial Statements were not required to be formally approved by the Shareholders. Therefore, the Audited Financial Statements were not tabled for voting but were tabled for discussion only.

8.0 **RESOLUTIONS**

8.1 The Chairman proceeded to put forward the resolutions as set out in the Notice of AGM for Shareholders and proxy holders to consider and vote as follows:

- (i) Payment of fees to the Non-Executive Directors of up to an amount of RM4,600,000 from the 17th AGM until the next AGM of the Company as explained under Explanatory Note 2 of the Notice of the AGM in the Annual Report.
- (ii) Payment of benefits to the Non-Executive Directors of up to an amount of RM1,500,000 from the 17th AGM until the next AGM of the Company as explained under Explanatory Note 2 of the Notice of the AGM in the Annual Report.
- (iii) Election of Mr Scott William Cameron and Tengku Dato' Sri Azmil Zahrudin Raja Abdul Aziz pursuant to Rule 82.2 of the Company's Constitution.
- (iv) Re-election of Dato' Jeffri Salim Davidson, Dato' Dr Nirmala Menon and Tan Sri Ahmad Badri Mohd Zahir pursuant to Rule 103 of the Company's Constitution.
- (v) Re-appointment of PricewaterhouseCoopers PLT as the Auditors of the Company for the financial year ending 2024 and the authorisation to the Directors to fix their remuneration pursuant to Section 271 of the Companies Act 2016.

- (vii) Proposed renewal of existing 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 interest of Amanahraya Trustee Berhad – Amanah Saham Bumiputera and Bermaz Auto Berhad, details as per Section 2.3 of the Circular to Shareholders dated 18 October 2023.

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

9.1 The Chairman invited questions and views from the Shareholders and proxy holders for the Board and Management to address or note accordingly. A summary of the questions and comments raised and the Company's responses thereto was as follows:

9.1.1 Question raised by *Ronald Danker, Daberah Ann Danker and several others*

- (i) Any door gifts for shareholders?

Response

- (i) The Company has consistently adhered to maximise shareholder value. It believes that shareholders are best served through its efforts to enhance the Group's overall performance and to deliver robust financial results as opposed to allocating resources to door gifts or other non-essential expenditure. Management strives to create value through holistic shareholder returns and strong dividend yields. The Group's proven track record substantiates this commitment, as evidenced by noteworthy dividends of 13 sen in FY2023 and 12 sen in FY2022.

9.1.2 Comments and question raised by *Teo Cher Ming*

- (i) EV is the future of motor industry, and it is also featured heavily in the Annual Report. What are the opportunities and threats to Sime Darby? Considering that charging points are still quite lacking and Sime Darby's portfolio of brands are predominantly in ICE offerings.

Response

- (i) It appears that the growth in demand for EVs has remained strong. Sime Darby, as the dealer for globally recognised OEMs like BMW, Volvo and Hyundai, is in a unique position to capitalise on the opportunities afforded by the introduction of new EV and ICE models into the market. The Group is also in a position to explore assembly opportunities with leading Chinese EV OEMs like BYD and Nio to potentially produce right-hand drive EVs for the Malaysian and ASEAN markets.
- (ii) Through its subsidiary, Kineta Sdn Bhd, Sime Darby is also involved in the supply, installation and maintenance of EV charging infrastructure.

- (iii) In assessing potential threats, the transition to EVs will likely reduce after-sales service requirements due to the inherent simplicity of EVs. However, in mitigation, demand for ICE will continue to remain strong for the foreseeable future.
- (iv) Recognising the existing shortage of charging stations, there is a need for increased investments in charging infrastructure.

9.1.3 Comment and question raised by *Teo Cher Ming*

- (i) Sime Darby has quite a big presence in China. However, the recent property market crisis and issues at some large property companies showed that the economy is slowing down. Does Sime Darby see any impact in terms of car sales or issues for car buyers to obtain financing for their vehicle purchase?

Response

- (i) Despite macroeconomic concerns, demand for luxury products, particularly among the expanding middle class, remains robust. The Group's car sales in China have shown an increase from 58,000 the previous year to 66,000 units last year. The current challenge in the Chinese automotive market stems largely from supply issues where OEMs have over-produced in anticipation of a surge in demand, post the Covid lockdowns. This has led to widespread discounting, significantly impacting profit margins.
- (ii) Looking ahead, Sime Darby is confident in the resilience of the Chinese consumer market. The overall outlook for the Chinese automotive market remains optimistic. The anticipation is for a gradual achievement of a more balanced supply-demand equilibrium in the coming years to improve profit margins.

9.1.4 Questions raised by *Teo Cher Ming*

- (i) What kind of challenges that the company is expected to face with the shift to agency model? As of now which market has adopted this model?

Response

- (i) Many OEMs, including BMW, are experimenting with the agency model. For example, the agency model was successfully introduced in South Africa where the local BMW dealers have experienced increased profitability. In Europe, the agency model is being introduced, largely to address the issue of over-dealerisation which has led to stiff competition and reduced dealer margins. The agency model is also being tested in China with the MINI brand.

- (ii) From a financial perspective, the shift to the agency model does not necessarily impact dealer profitability. The agency fees or commissions received is largely comparable to the margins under the traditional dealership model. One notable advantage is the elimination of inventory, potentially leading to a substantial reduction in the Company's working capital requirements. Overall, whilst there will be a need for operational adjustments, the Group is optimistic that the shift to the agency model will unlikely pose a major profitability challenge for Sime Darby.

9.1.5 Comment and question raised by *Teo Cher Ming*

- (i) The company has gone on a shopping spree in Australasia acquiring companies in FY2023. However, one main risk could be "the end of resources boom in Australia" from a government survey released in July 2023. Is the company worried about this and hence the dreaded "impairment" word might pop up?

Response

- (i) The energy transition and the resultant increase in demand for minerals like copper and "battery metals" is likely to offer significant opportunity in the mining space for many years in the future.
- (ii) A major concern is around the future of thermal coal mining where demand is likely to fall with the global shift towards cleaner energy sources. However, the Group is more exposed to metallurgical coal, where the outlook remains relatively positive. Metallurgical coal is a key ingredient in steel production. And demand is expected to persist as demand for steel continue to increase.
- (iii) In any acquisition, there is an element of goodwill that will reside on the balance sheet. This is unavoidable. And, of course, goodwill is subject to an annual impairment test. In challenging market conditions, there will always be a risk that an impairment may be required. However, despite the potential for impairments, Sime Darby maintains an optimistic outlook on the mining sector in Australia for the foreseeable future.

9.1.6 Question raised by *Chong Swee Moi*

- (i) When will the company start having physical AGM?

Response

- (i) There is a prevailing global trend among major corporations towards virtual AGMs. It is regarded as a more effective means of reaching a broader shareholder audience.

9.1.7 Questions raised by Teo Cher Ming

- (i) Why is the market price of the company declining? What steps are taken to improve the market price of the company?

Response

- (i) The recent share price is near its historical high. This has been attributed to the recent announcements on the UMW and healthcare transactions.
- (ii) Share prices are affected by many external factors including the global shift of funds towards safer assets. Funds are being re-allocated from equities to fixed income instruments. And from markets like Malaysia to the United States. This has had an impact on the share price of Malaysian companies, including ours. Internally, the Company is focussed on improving returns through operational efficiency and better capital management.

9.1.8 Comment and question raised by Teo Cher Ming

- (i) Last weekend The Edge reported that Proton Holdings and its vendors are in a dispute and the article indicate a unit of Sime Darby is also involved in this. Can the management further clarify and enlighten shareholder about this dispute and the financial impact to the company?

Response

- (i) The Company is not directly part of the legal action. We believe that this is a matter between Proton's vendor association and Proton.

9.1.9 Question raised by Lim San Kim

- (i) Which areas make profit and which sectors are making losses?

Response

- (i) In the FY2023, the industrial equipment business in Australia reported strong results, largely driven by the mining boom and demand for equipment maintenance services. The Malaysian motors business also performed well on the back of demand. Conversely, the China Motor businesses encountered challenges, as it grappled with the repercussions of compressed margins.

9.1.10 Comment and question raised by Koh Chooi Peng

- (i) During the financial year, the group wrote down and provided an amount of RM213 million as compared to FY2022 of RM73 million for inventories (Note 32 - Page 329 of AR). (i) Which business segments of which the inventories were written down? (ii) Reasons for huge increase in inventories written down compared to FY2022.

Response

- (i) The impairment in inventories is attributed to the Industrial business (RM94 million) and the Motors business (RM114 million). The increase is primarily at Industrial - Australia and the Motors – Malaysia, due largely to higher inventory levels, including aged inventories accumulated during the period.
- (ii) The increase in inventories is attributed to a corresponding growth in revenue. While acknowledging the inherent dynamics of the trading business where inventory fluctuations are a common occurrence, the Group is actively engaged in initiatives to enhance working capital management, with a specific emphasis on optimising inventory level. Management assures that strict policies are in place to effectively manage aging inventory.

9.1.11 Question raised by Tan Yoke San

- (i) With the UMW acquisition, does this mean that the company has to divest in Komatsu agency as it conflicts with Caterpillar?

Response

- (i) It is still premature to determine specific actions, like the possible divestment of the Komatsu dealership business. The Company will conduct a comprehensive review of all businesses within UMW to assess potential conflicts once the transaction is completed.

9.1.12 Question raised by Seng Chong Boon

- (i) What is your opinion on 2024 market outlook?

Response

- (i) The outlook for the upcoming year is optimistic, with an overall positive sentiment conveyed. The mining sector is anticipated to remain strong, potentially mitigating challenges in the Chinese automotive market. The Malaysian automotive industry has been surprisingly resilient and is expected to remain so for FY2024. However, the New Zealand market may encounter a slowdown, attributed to factors like interest rates and inflation. Despite regional variations, the overall expectation is positive.

9.1.13 Question raised by Hiu Chee Keong

- (i) How minimum wage affect the company?

Response

- (i) The impact of the minimum wage on the Company is minimal as the Company already pays wages above the minimum level.

9.1.14 Question raised by Lee Choon Meng

- (i) How about the company progressive salary policy to all staff, especially low and middle level stuff?

Response

- (i) The Company maintains a progressive salary policy and regularly benchmarking salaries to ensure they are competitive. The annual benchmarking exercises across different countries is to ensure that salaries are at or slightly above local market rates. In Malaysia, there may be a need for a slight upward adjustment, particularly for starting salaries at the lower end, but overall, the Company is perceived as paying competitive market rates for its employees. Attrition rates are well within market norms.

9.1.15 Question raised by Koh Chooi Peng

- (i) The effective interest in Jining Port and Shipping Services Company Limited was further reduced to 29.4% in FY2023. (i) What was the proceeds received from the disposal of 14.7% equity interest in Jining Port? (ii) What is the rationale for retaining a minority stake in Jining after disposing Weifang Port?

Response

- (i) The proceeds from the disposal of the first stake (14.7%) in Jining Port and Shipping Services Company Limited amounted to RM44 million. The divestment process is gradual, with the remaining proceeds expected to be received over two years, concluding with the final stake in FY2024. The decision to retain a minority stake was part of a negotiated agreement with the buyer. The Group will complete the divestment and receive the final amount in the next financial year.

9.1.16 Comment and question raised by Koh Chooi Peng

- (i) The Group CFO's Review reported that the Group's total cash and cash equivalents increased from RM1.66 billion to RM2.94 billion mainly due to proceeds from disposals on Weifang Port and Hong Kong properties. (i) Please provide a breakdown of the proceeds from Weifang Port and Hong Kong properties. (ii) Location of Hong Kong properties disposed and the rationale for this disposal.

Response

- (i) The detailed breakdown of the divestment proceeds from Weifang Port and Hong Kong properties, as outlined in Note 46A on page 341 of the Annual Report 2023, amounts to a total of RM1.3 billion. This includes an intercompany repayment of RM244 million. As for the Hong Kong properties, four pieces of land in Tai Yuen, Yuen Long, were sold for RM253 million. These properties, no longer essential to the Motors business, are currently being utilised by the Group's multi-franchise group business in Hong Kong.

9.1.17 Question raised by *Lee Choon Meng*

- (i) Does the Company intend to raise product price and service charge in the near future to cover the costs of inflation and maximise return to shareholder?

Response

- (i) The Company regularly evaluates the possibility of adjusting product prices and service charges in response to inflationary pressures. However, the decision to raise prices is not a simple one and involves a comprehensive assessment of competitive factors. The Company takes into account the actions of competitors and maintains a continuous review of market dynamics.

9.1.18 Questions raised by *Teh Sue Wei*

- (i) How much does the Company spend on this virtual meeting? Since the Company is disposing the hospital, would the BOD kindly give e-wallet as a token of appreciation for attending this meeting? May I know what is the rationale for the disposal? Please explain.

Response

- (i) The decision to divest non-core businesses, including the hospitals, aligns with the Group's focus on its core businesses of trading. The favourable market conditions, with strong valuations and high demand from international investors, further supported the decision to sell.
- (ii) In response to the suggestion of offering e-wallets as tokens of appreciation, the preference is to prioritise shareholder returns through increased dividends.
- (iii) Regarding the cost of the virtual AGM, the combined expense for both the AGM and Extraordinary General Meeting ("EGM") in the current year amounted to approximately RM223,000, representing an increase from the RM147,000 spent solely on the AGM in the previous year.

9.1.19 Questions raised by *Lee Choon Meng*

- (i) Why shareholders do not need to vote in respect of Ramsay Sime Darby disposal of its of 100% equity interest to Columbia Asia Healthcare?

Response

- (i) The transaction falls below the prescribed thresholds outlined in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. As a result, the size of the transaction does not meet the criteria necessitating shareholders' approval.

9.1.20 Questions raised by *Tan Bee Ching and Chua Chia Cheng @ Chua Chia Kwee*

- (i) After disposing Ramsay Sime Darby Health Care, is there any intention to give a special dividend to shareholders?
- (ii) Source of fund to take over UMW.

Response

- (i) There is no intention to provide a special dividend to shareholders after the disposal of Ramsay Sime Darby Health Care. The funds from the disposal will be utilised to finance the UMW acquisition.

9.1.21 Question raised by *Yong Woon Ngiap*

- (i) After UMW acquisition is done, what is Sime Darby's vision for Perodua EV?

Response

- (i) Sime Darby acknowledges that Perodua is a highly successful and well-run business, holding a leading position in the Malaysian market with 30% market share, robust cash flow, and a strong dividend stream. There is currently no urgent need to make significant changes to Perodua.
- (ii) The focus in the coming months will involve the collaboration opportunities between UMW and Perodua, as well as engagements with the Ministry of Investment, Trade and Industry (MITI).

9.1.22 Question raised by *Lim San Kim*

- (i) What are the problems faced to take over UMW?

Response

- (i) Sime Darby also acknowledges that UMW is a successful and well-run business, strong market share, robust cash flows, and a strong dividend stream. Aside from the normal issues around the integration of the businesses, for example from a culture perspective, we do not foresee too many problems around the integration of UMW with Sime Darby. Of course, these are early days. We will need some time to assess the various operations at UMW.

9.1.23 Question raised by *Lim San Kim*

- (i) What will be the value benefits of acquiring UMW to Sime Darby?

Response

- (i) A thorough explanation of the value benefits linked to the acquisition of UMW will be provided during the forthcoming EGM. This presentation will include the detailed rationale for the deal, the strategic significance of the acquisition and financial data. Shareholders can expect a comprehensive and insightful explanation at the EGM, scheduled to convene following the conclusion of this AGM.

9.1.24 Comment and question raised by *Koh Chooi Peng*

- (i) The other operating income reported an increase in dividend income from financial assets from RM48 million in FY2022 to RM194 million in FY2023 (Note 10 - Page 295 of AR). What are the reasons for the increase in dividend income from financial assets despite no signature increase in such assets as shown in the Balance Sheets?

Response

- (i) The substantial increase in dividend income from financial assets, specifically from the 49% stake held in BMW Malaysia.
- (ii) The rise in dividend income is primarily a result of higher dividends from BMW Malaysia, driven by the strong sales performance. This is linked to increased deliveries and sales of BMW cars in Malaysia during the tail end of the SST exemptions and higher sales of EVs in 2022.

9.1.25 Question raised by *Koh Chooi Peng*

- (i) With the exit of the healthcare segment, will Sime be looking at other business segments to venture into?

Response

- (i) The Group remains committed to its core businesses of automotive and industrial equipment trading. It has no plans to venture beyond these areas. However, the possibility of exploring additional investments within the automotive sector such as new car dealerships will always be considered.

9.1.26 Questions raised by Koh Chooi Peng

- (i) Sime Darby still have “legacy” properties, such as the industrial land and building in Jalan Tandang, Petaling Jaya (Page 397 of AR). (i) What is the current use of this property? (ii) Is it considered as non-core and will it be disposed of in the future?

Response

- (i) The industrial land and building in Jalan Tandang is a legacy property owned by Sime Darby for many years. Currently, it is on a long-term lease to Continental Tyres. There are no immediate plans to dispose it given the existing long-term lease agreement. Any decisions regarding its future will be evaluated when the lease approaches expiration.

9.1.27 Questions raised by Koh Chooi Peng

- (i) In the list of properties of the group, there is a piece of land in Fanling, New Territories, Hong Kong with a book value of RM90 million, which was acquired in 2015 and described as land held for development. (i) Why is this piece of land acquired and held for development as Sime is not in property development business? (ii) Will it be disposed of in the future?

Response

- (i) The Fanling land was acquired in 2015 as part of the plan to expand or relocate some of Sime Darby Motors’ operations in Hong Kong. Currently, there are no immediate plans for disposal, and the Company will continue to retain the land on its books, assessing future business performance in Hong Kong before making any decisions.

9.2 As there were no further questions and/or comments from shareholders and proxy holders, the Chairman thanked the GCEO and Management, and proceeded with the remaining business on the Agenda of the AGM.

10.0 **ANY OTHER BUSINESS**

10.1 The Chairman informed 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 not voted to cast their votes accordingly. The voting session was opened for 10 minutes and closed at 11.37 a.m.

12.0 **ADJOURNEMENT OF THE ANNUAL GENERAL MEETING**

12.1 The Chairman informed that the AGM would be adjourned for 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 Scrutineers.

12.2 With the consent of the Shareholders and proxy holders present, the AGM was adjourned at 11.37 a.m.

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

13.1 The Chairman resumed the Meeting at 11.57 a.m. and called the Meeting to order for the declaration of the poll results in respect of each of the resolution.

13.2 The poll results of the AGM were 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 Seventeenth AGM until the next AGM of the Company.	For Against		5,664,677,230 2,828,852	99.9501 0.0499	Approved
Ordinary Resolution 2	To approve the payment of benefits to the Non-Executive Directors up to an amount of RM1,500,000 from the Sixteenth AGM until the next AGM of the Company.	For Against		5,664,597,080 2,909,637	99.9487 0.0513	Approved
Ordinary Resolution 3	To elect Scott William Cameron who retires in accordance with Rule 82.2 of the Constitution of the Company.	For Against		5,170,746,116 496,856,968	91.2334 8.7666	Approved
Ordinary Resolution 4	To elect Tengku Dato' Sri Azmil Zahruddin Raja Abdul Aziz who retires in accordance with Rule 103 of the Constitution of the Company.	For Against		5,633,891,533 33,707,563	99.4053 0.5947	Approved
Ordinary Resolution 5	To elect Dato' Jeffri Salim Davidson who retires in accordance with Rule 103 of the Constitution of the Company.	For Against		5,632,732,439 34,867,645	99.3848 0.6152	Approved
Ordinary Resolution 6	To elect Dato' Dr Nirmala Menon who retires in accordance with Rule 103 of the Constitution of the Company.	For Against		5,481,019,385 186,579,711	96.7080 3.2920	Approved

Resolution	Description	Voted	No. of Shareholders	No. of Shares	% of Voted Shares	Results
Ordinary Resolution 7	To elect Tan Sri Ahmad Badri Mohd Zahir who retires in accordance with Rule 103 of the Constitution of the Company.	For Against		5,496,244,940 96.9766	96.9766 3.0234	Approved
Ordinary Resolution 8	To re-appoint Messrs PricewaterhouseCoopers PLT as Auditors of the Company for the financial year ending 30 June 2023 and to authorise the Directors to determine their remuneration.	For Against		5,653,443,266 14,164,220	99.7501 0.2499	Approved
Ordinary Resolution 9	To approve the Proposed Renewal of Existing 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 Interest of AmanahRaya Trustees Berhad - Amanah Saham Bumiputera.	For Against		2,448,144,803 2,650,380	99.8919 0.1081	Approved
Ordinary Resolution 10	To approve the Proposed Renewal of Existing 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 Interest of Bermaz Auto Berhad.	For Against		2,448,144,864 2,647,728	99.8920 0.1080	Approved

13.3 Based on the poll results verified and announced by the Scrutineers, the Chairman declared that all the resolutions tabled at the AGM were carried.

14.0 **CONCLUSION**

14.1 The Chairman concluded the business at the 17th AGM of the Company and declared the 17th AGM closed at 12.10 p.m. On behalf of the Board and Management, the Chairman thanked all Shareholders and proxy holders for their virtual attendance and participation.

Date: 29 December 2023