



**MINORITY SHAREHOLDERS WATCH GROUP**  
Shareholder Activism and Protection of Minority Interest

7 November 2022

**BY EMAIL/FAX/HAND**  
(Fax No: 603- 7623 2100)

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: Cik Noor Zita Hassan**  
**Company Secretary**

Dear Directors,

**Re: 16<sup>th</sup> Annual General Meeting (“AGM”) of Sime Darby Berhad (“Sime Darby” or the “Company”) to be held on Tuesday, 15 November 2022**

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

**Operational & Financial Matters**

1. In relation to Sime Darby's Motors Division, the Malaysian operations which benefitted from the extended sales tax exemption, had an outstanding year. (page 22 of AR2022)

Given that the sales tax holiday has ended, to-date has all the backlog of orders for cars ordered before 30 June 2022 been delivered? How many remain outstanding?

2. The Group have set up a new business unit, KINETA which supplies and installs EV chargers and EV charging solutions in Malaysia and Hong Kong. (page 19 of AR2022)

**BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD**

Incorporated in Malaysia Registration No: 200001022382 (524989-M)

LEVEL 23, UNIT 23-2, MENARA AIA SENTRAL

No. 30, JALAN SULTAN ISMAIL

50250 KUALA LUMPUR

TEL: (603) 27320010

E-mail: [mwatch@mswg.org.my](mailto:mwatch@mswg.org.my) Website: [www.mswg.org.my](http://www.mswg.org.my)

- (a) To-date, how many EV chargers and EV charging solutions have the Group provided in Malaysia and Hong Kong?
  - (b) How many EV chargers does the Group plan to install in Malaysia and Hong Kong for financial year ending 2023?
3. Inventory write-down and provision (net) increased to RM73 million (2021: RM44 million). (page 185 of AR2022)
- (a) What comprises the inventory that has been written down? How much of the written down inventory is still saleable?
  - (b) Given that the Group inventories have increased to RM9.2 billion (2021: RM8.3 billion) (page 180 of AR2022), what is the probability of higher inventory write-down and provision in financial year ending 2023?
4. The implementation of the new amendments to the Employment Act 1955, which include the reduction of weekly working hours in Malaysia from 48 to 45 hours and raising the monthly salary threshold for employees' entitlement to overtime benefits from RM2,000 to RM4,000, have been postponed to 1 January 2023.

To what extent do the amendments impact the Group financially when the new amendments are enforced?

### **Corporate Governance Matters**

5. In FY2022, total cost incurred for the internal audit function at the Group was RM13.9 million (FY2021: RM16.5 million). (page 146 of AR2022)

What is the reason for the decrease in internal audit cost by RM2.6 million?

6. Sime Darby has departed from adopting Practice 5.9 of the Malaysian Code on Corporate Governance (MCCG), which encourages a board to comprise at least 30% of women directors.

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Currently, Sime Darby's Board comprises twelve directors, out of whom three are female directors, representing 25% female representation at the Board level. The Company newly appointed a male Independent Non-Executive Director on 8 June 2022, to the Board (page 21 of AR2022).

Did the Nomination & Remuneration Committee consider any female candidate as potential director, prior to appointing a male director?

Please present the questions raised herein, and the related answers, to the shareholders present at the forthcoming AGM. At the same time, we await a written reply as soon as possible for our records.

Thank you.

Yours sincerely



**Devanesan Evanson**

Chief Executive Officer

DE/ECYL/SIMEDARBY/AGM 2022

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