

**SIME DARBY BERHAD**  
(Registration No. 200601032645 (752404-U))  
(Incorporated in Malaysia)

**MINUTES OF THE FIFTEENTH ANNUAL GENERAL MEETING OF SIME DARBY BERHAD  
HELD VIRTUALLY ON THURSDAY, 18 NOVEMBER 2021 AT 10.00 A.M.**

- Present : Members/Proxies - Participation via Remote Participation and Voting Facilities
- 857 members/corporate representatives and  
74 proxy holders  
(as listed in the attendance sheet)
- Physically Present : YBhg Tan Sri Samsudin Osman - Chairman  
YBhg Tan Sri Ahmad Badri Mohd Zahir  
YBhg Datuk Wan Selamah Wan Sulaiman  
YBhg Dato' Sri Abdul Hamidy Abdul Hafiz  
YBhg Dato' Ahmad Pardas Senin  
Mr Thayaparan Sangarapillai  
Ms Moy Pui Yee  
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  
Ms Pauline Ho, Partner
- Representative of Tricor Investor & Issuing House Services Sdn Bhd  
Ms Saw Wai Chuan, Executive Director, Investor Services
- Representative of Coopers Professional Scrutineers Sdn Bhd  
Mr Chuah Poo Sian, Director
- Virtually Present via Video Conference : YBhg Dato' Lawrence Lee Cheow Hock  
YBhg Dato' Dr Nirmala Menon  
YBhg Datuk Thomas Leong Yew Hong, Group Chief Strategy  
Puan Roselaini Faiz, Group Chief Human Resource Officer  
Mr Dean Mehmet, Managing Director - Industrial Division  
Mr Andrew Basham, Managing Director - Motors Division  
Mr Liew Thiam Huat, Managing Director – Logistics Division  
Mr Peter Hong Kah Peng, Managing Director - Healthcare Division  
Mr Goh Hai Peow, Group Chief Information & Digital 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.

## 2.0 **QUORUM**

- 2.1 The requisite quorum being present, the Chairman called the Meeting to order at 10.00 a.m. and welcomed all persons present at the Fifteenth Annual General Meeting (“15<sup>th</sup> AGM” or “Meeting”) of Sime Darby.
- 2.2 The Chairman informed that in line with the Conditional Movement Control Order imposed by the Government, the AGM of Sime Darby was held virtually and was streamed live from the broadcast venue, being the Company’s office at Ara Damansara, Petaling Jaya Selangor (“Broadcast Venue”). Only essential individuals were physically present at the Broadcast Venue.
- 2.3 The Chairman added that necessary steps had been taken at the Broadcast Venue and that the physical distancing practice was fully observed. He proceeded to introduce members of the Board of Directors (“Board”) and the management team. The Chairman further informed that the representative from PricewaterhouseCoopers PLT (“PwC”), the Auditors of the Company, the representative from Tricor Investor & Issuing House Services Sdn Bhd (“Tricor”), the Company’s Share Registrar, and the representative from Coopers Professional Scrutineers Sdn Bhd (“CPS”), the Scrutineers, were also present at the 15th AGM.

## 3.0 **GENERAL INSTRUCTIONS ON MEETING PROCEDURES**

- 3.1 The Chairman briefed the Meeting as follows:
- (i) shareholders and proxy holders who attended the 15th AGM remotely would have submitted questions for the Board in advance through Tricor’s TIH Online before the closing date on 17 November 2021 at 10.00 a.m. Shareholders and proxy holders could also pose questions to the Board through a real time submission of typed texts in the query box during the proceeding of the 15th AGM;
  - (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 20 minutes and after the end of the polling and verification process, CPS, being the Scrutineers would declare the poll results of the AGM; and
  - (v) the information on the Company, its activities, results and financial position as at 30 June 2021 were set out in the Company’s Annual Report 2021, which was uploaded on the Company’s website on 20 October 2021.

#### 4.0 **NOTICE OF ANNUAL GENERAL MEETING**

4.1 The Chairman informed the Meeting that the Notice of AGM as set out on pages 328 to 334 of the Annual Report 2021 had been sent to all shareholders, Bursa Malaysia Securities Berhad (“Bursa Securities”) and the Auditors of the Company in accordance with the Constitution of the Company. With the consent of the shareholders and proxy holders present, the Notice of AGM was taken as read.

#### 5.0 **CHAIRMAN’S ADDRESS**

5.1 The Chairman informed the Meeting that:

- (i) 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 8 November 2021;
- (ii) a total of 780 valid proxy forms were lodged within the stipulated timeframe, representing 5,685,577,947 ordinary shares or 83.58% of the total ordinary shares of Sime Darby of 6,802,537,377; and
- (iii) 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; and
- (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 The Chairman also briefed the Meeting on the programme outline of the AGM's agenda which would commence with a brief review of Sime Darby's performance by the Group Chief Executive Officer ("GCEO"), to be followed by a brief presentation on the questions received from the Minority Shareholders Watch Group ("MSWG") and the Company's response, presentation of all the resolutions set out in the Notice of AGM, questions and answers session, adjournment of the AGM and commencement of the AGM polling process via RPV, declaration of the poll results of the AGM and conclusion of the AGM.

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

6.1 The Chairman invited YBhg 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) the Group's business was divided into four industries being Motors, Industrial, Logistics and Healthcare. The Group has operations in 19 countries and was one of the largest BMW dealer and Caterpillar dealer globally. The Group was currently operating seven hospitals across Malaysia and Indonesia. In addition to that, the Group also has port operations in China, lands in Labu, Malaysia Vision Valley area ("MVV Land") and insurance broking businesses;
- (ii) the Company was a large multinational company with approximately 88% of its revenue generated from outside of Malaysia. China, being the largest market, contributed approximately 40% of the Group's revenue. Australia, contributed approximately 30% of the Group's revenue, largely from the mining industry;
- (iii) the Group aimed to be the leading Motors and Industrial player in Asia Pacific. The Group's value creation plan included the following:
  - (a) revenue growth through increased car sales and equipment sales to the mining industry, digitalisation to grow market share and the focus on after-sales and used cars. The rapid development in China had created high demand for luxury cars;
  - (b) operational excellence and the turning around of underperforming businesses through continuous cost optimisation initiatives, improvement in processes and inventory and balance sheet management;
  - (c) business expansion into new geographies and marques through greenfield expansion and mergers & acquisitions;

- (d) the divestment of non-core assets. The Group has successfully divested the Jining ports, the 30% stake in Tesco Stores (Malaysia) Sdn Bhd (“Tesco Malaysia”) as well as the stake in Eastern & Oriental Berhad. The plan was to continue to rationalise the Company’s portfolio and to redeploy capital into core businesses; and
  - (e) Healthcare expansion. In FY2021, Ramsay Sime Darby Health Care Sdn Bhd successfully acquired Manipal Hospitals Klang to extend the Group’s healthcare network.
- (iv) Despite the Covid-19 pandemic, the Group’s results were still strong. The Group’s financial results for FY2021 were as follows:
- (a) revenue for FY2021 increased by 20% to RM44.5 billion compared to RM36.9 billion in FY2020;
  - (b) core profit registered an increase to RM1,248 million from RM1.04 million in the previous year;
  - (c) return on equity was 9% from 5.5% in FY2020;
  - (d) net profit registered at RM1,425 million, an increase by 73.8% from last year’s net profit of RM820.0 million;
  - (e) debt to equity ratio was at a manageable rate of 26%; and
  - (f) basic earnings per share was 12.1 sen whilst dividend per share was at 15 sen or 72% of net profit.
- (v) Motors China performed exceptionally well largely due to strong demand for premium and luxury items. In Australia, Singapore and Malaysia, the demand was largely driven by the government’s various stimulus packages;
- (vi) acquisitions and business expansions included the following:
- (a) aggressive greenfield expansion of luxury showrooms for BMW in China (Shanghai, Chengdu, Changsha, Qijing, Kunming, Dongguan, Foshan and Jiangmen) and Volvo (Shenzhen, Kunming, Guangzhou, Ara Damansara and Brisbane);
  - (b) secured the first Porsche assembly rights outside of Europe. The first assembled Cayenne was expected to roll-out in 2022;
  - (c) the acquisition of Salmon Earthmoving Holdings, a dry-hire earthmoving equipment rental business in Australia, which would enable further diversification into the construction sector for the Group’s Industrial business;
  - (d) completion of the acquisition of Manipal Hospitals, Klang; and

- (e) investment in Socar and Carro, with an initial investment of USD5.0 million each, partly to gain knowledge and experience of start-ups in the “new industry”.
- (vii) the total shareholders’ return of 5.2% was above the FBM KLCI index of 4.3%.

6.3 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) the introduction of a special one-off tax i.e. “Cukai Makmur” for Budget 2022 was only applicable to individual companies with a chargeable income of more than RM100 million in FY2022. None of the Group’s companies in Malaysia has profits of more than RM100 million, and therefore, this tax would unlikely to have a material impact to the Group;
- (ii) the Finance Bill 2021 tabled for the first reading on 9 November 2021 in relation to the proposed tax of foreign-sourced income received in Malaysia would likely to impact the Group’s dividend pay-out in the future due to the fact that more than 88% of the Group’s revenues were generated outside of Malaysia. However, the actual impact of the proposal on future dividends could not be accurately ascertained at this juncture pending further clarification on the application of the proposal;
- (iii) the automotive industry was at a pivotal juncture, given the rapid advancement of technology and the emerging trends such as EVs, omni-channel sales, ride-sharing platforms and autonomous vehicles. The Group was planning to future-proof its business.

Socar was a start-up car rental company. It was considered a strategic partner to the Group and was currently an existing partner of Sime Darby Motors with collaborations in new and used car sales, mobile servicing, and fleet management. The investment would bring more opportunities with Socar.

A total of USD5.0 million has been invested in Socar.

- (iv) The Salmon Earthmoving Holdings Pty Ltd acquisition would contribute annual revenues of approximately AUD68 million (or RM210 million) annually, which was around 1.3% of the Industrial Division’s revenue.

The letter from MSWG and the Company’s response dated 5 November 2021 and 10 November 2021, respectively, had been posted on the Company’s website.

A copy of the letter from MSWG and the Company’s response are enclosed as Appendix I and Appendix II, respectively.

6.4 The GCEO concluded his presentation and thanked all the shareholders and proxy holders for their attention.

6.5 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 2021 TOGETHER WITH THE REPORTS OF THE DIRECTORS AND THE AUDITORS THEREON**

7.1 The Chairman informed the Meeting that the Annual Report 2021 incorporated the Audited Financial Statements of the Company for the financial year ended 30 June 2021 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.

7.3 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:

7.3.1 Comment raised by Shareholders (Mr Stephen Lye Tuck Meng, Ms Chin Pui Ching, Ms Lee Choon Meng, Ms Foong Siew Chin and others)

- (i) Kindly provide e-vouchers, food vouchers or e-wallet, and not discount vouchers, for being loyal shareholder attending this live streaming AGM and remote voting.

Response

- (i) The Company would continue to focus on delivering sustainable dividend yields. This was reflected in 15 sen per share dividend declared for FY2021, which translated to a respectable dividend yield. This was the real value to the shareholders of the Company. It was the Company's policy to distribute a dividend of not less than 50% of the net profit each financial year. The total dividend pay-out for FY2021 was RM1.02 billion, equivalent to 72% of the net profit for the year. Further, the Company has performed positively against the KLCI for the first nine months this year.

7.3.2 Question raised by Shareholder (Mr Teo Cher Ming)

- (i) What were the plans for the huge RM2.4 billion cash position as at 30 June 2021?

### Response

- (i) There were plans to utilise the RM2.4 billion for investments, loan repayments and distribution of dividends to shareholders.

#### 7.3.3 Questions/comments raised by Shareholder (Mr Venkatachdan Alagappan)

- (i) Why has the Company been selling non-core assets and what were the plans to utilise proceeds from the sale of non-core assets?
- (ii) Would the Company consider a share buy-back?
- (iii) There seemed to be increasing concentration on assets in China and Australia. Were there plans to broaden the geographical distribution of the assets?

### Response

- (i) The disposal of non-core assets was very much part of the Group's strategy to focus on the trading business. With the disposal of its stake in Tesco Malaysia, the gains of RM272 million has been given back to shareholders by way of a special dividend during the financial year.
- (ii) Approval was granted by the shareholders for the Company to buy up to 10% of its issued and paid-up shares. The amount of share buy-back that the Company would undertake would depend on the Company's financial position and market conditions.
- (iii) The main area of growth has been in China. However, the two large economies in this region were India and Indonesia with a massive population and fast-growing economy. The Group has started to consider opportunities to invest in India and Indonesia.

#### 7.3.4 Question raised by Shareholder (Mr Venkatachdan Alagappan)

- (i) Any plans to expand the healthcare business organically considering the acquisition of hospitals were rather expensive?

### Response

- (i) There were pros and cons of acquiring new businesses. At this point in time, it would be more viable for the Group to acquire existing hospitals.

#### 7.3.5 Question/comment raised by Shareholder (Mr Teo Cher Ming)

- (i) Budget 2022 introduced a slew of incentives for people to buy EV. What was the Company's reaction to this announcement?



Response

- (i) Demand for EVs in Malaysia was not as strong as in Europe and China. The Group currently has a good line-up of EV to be rolled-out such as BMWs, Porsche, Jaguar and Hyundai. Sime Darby Motors was committed to be a leader in EVs.

7.3.6 Question raised by Shareholder (Ms Koh Chooi Peng)

- (i) Was the listing of the Healthcare business still in the pipeline?

Response

- (i) Preliminary reviews of the strategic growth options has been carried out and a decision would be made by the Company in due course.

7.3.7 Question raised by Shareholder (Mr Teo Cher Ming)

- (i) How did the Company ensure that it has the right product at the right place to capture the market in China for growth opportunities?

Response

- (i) Motors China's outstanding performance was evidence that the Group was aware of the needs in the China market. More BMW and Volvo showrooms were being set-up and the initiatives in the mobility, assembly and EV spaces were also progressing

7.3.8 Questions raised by Shareholder (Mr Teo Cher Ming)

- (i) On the Motors business, how did Management see the change from the current dealership model to the agency model?
- (ii) Has the chip shortages affected delivery and production of vehicles to customers?

Response

- (i) Management believed that dealerships would still play a critical role in the premium and luxury segments. OEMs might pivot to an "agency model" where they take control of the online sales process and an agent would undertake to deliver the car and earn a commission. This, however, might be a good thing as (i) margins on new car sales were relatively slim currently, and (ii) it would mean that dealers would not need to acquire inventory. Nevertheless, as a large and established dealer group, there was a need for the Group to enhance other parts of the value chain such as used cars and after sales.

- (ii) There has been some disruption to the supply chain as a result of the chip shortages.

7.3.9 Question raised by Shareholder (Mr Teo Cher Ming)

- (i) Has the ban on Australian coal by China and plunging iron ore price affected Australia's heavy equipment business?

Response

- (i) Australian coal was some of the highest quality coal in the world. The cost of production was also relatively low. As such, any shortfall in demand from China has been taken up by other consumers such as Japan, Korea, Taiwan and India. Also, the Group's exposure was mainly towards metallurgical coal, an important component of steel making.

7.3.10 Questions/comment raised by Shareholder (Ms Koh Chooi Peng)

- (i) Based on the disclosure on page 313 of the Annual Report 2021, the sale of the 760 acres of the MVV Land for RM280 million was at RM368,421 per acre. What was the reason that the Net Book Value ("NBV") of the entire MVV Land being only RM9.0 million, and when would the proposal on the disposal be expected to be completed and receipt of disposal gain?

Response

- (i) The NBV was low mainly because the land was acquired by the Sime Darby Group several years ago due to the adjustment of intercompany transaction i.e. when the land was transferred from Sime Darby Plantation Berhad to Kumpulan Sime Darby Berhad during the demerger exercise in 2017.

The sale was expected to be completed within 12 to 15 months in the financial year 2022.

7.3.11 Question/comment raised by Shareholder (Encik Mohamad Akmal Arif bin Mohd Zulkifli)

- (i) Was there a plan for the financial year of the Company to be streamlined with the financial year of Sime Darby Plantation Berhad and Sime Darby Property Berhad?

Response

- (i) There was no apparent necessity to change the financial year of the Company.

7.3.12 Question/comment raised by Shareholder (Ms Foong Siew Chui)

- (i) Was there any plan for the AGM of the Company to be conducted in Bahasa Malaysia since the Deputy Human Resources Minister has encouraged national citizens and private sectors to communicate in the national language?

Response

- (i) The best mode of communication was in the English language as the Company has many foreign investors and aspired to be a leading regional MNC player. Today, 88% of the Group's revenue was generated from outside of Malaysia.

7.3.13 Question raised by Shareholder (Mr Teh Peng Tin)

- (i) What was the cost of conducting this virtual AGM including remote participation and voting?

Response

- (i) The cost of conducting this virtual AGM was RM171,000 as compared to RM153,000 in the previous year. The increase was due to the increase in the number of Board members attending at the AGM physically and hence, increased in the logistics requirements.

7.3.14 Question raised by Shareholder (Mr Lim San Kim)

- (i) What was the percentage of shareholders with less than 1,000 shares to below 5,000 shares and shareholders below 10,000 shares? Were there foreign shareholdings in the Company's shares?

Response

- (i) The analysis of shareholdings was published on pages 304 and 305 of the Annual Report 2021. In summary, there were approximately 25,000 shareholders holding less than 10,000 shares, representing less than 1% of the issued share capital of the Company. And for shareholders holding within 1,000 shares to 10,000 shares was 45% of the total shareholding, 34% of which was holding less than 1,000 shares. Foreign shareholders like Blackrock Institutional Trust Company, Norges Bank, State Street Bank & Trust Company and People's Bank of China owned approximately 18% of the issued share capital of the Company.

7.3.15 Questions raised by Shareholders (Ms Fong Lee Yong)

- (i) What was the reason that the shares of the Company not increasing in value?

Response

- (i) The share price was highly dependent on market sentiments although analysts were of the view that the value of shares of the Company should be higher.

7.3.16 Question raised by Shareholder (Mr Tan Keng Chok)

- (i) Has the Company carried out any special Corporate Social Responsibility programme arising from the Covid-19 pandemic?

Response

- (i) Yayasan Sime Darby, to which the Company donated RM20 million per annum, has contributed about RM20 million to support many CSR programmes arising from the Covid-19 pandemic. This included the provision of computers supplies to children in the rural areas as well as the research on Covid-19 at the hospitals.

7.3.17 Question raised by Shareholder (Mr Tan Keng Chok)

- (i) The Covid-19 crisis could be turned into an opportunity for the Company if Management made the right investment decisions. What were the plans and strategies of the Company to tap on the opportunities for the benefit of the shareholders?

Response

- (i) The Company was focusing on continuing to investment in more dealerships like BMW and Caterpillar, and the possibility of investment in the mining industry.

7.3.18 Question/comment raised by Shareholder (Encik Mohamad Akmal Arif bin Mohd Zulkifli)

- (i) Since the announcement on 28 July 2021 pertaining to the appointment of CGS-CIMB Securities Sdn Bhd as a stockbroker for the share buy-back exercise, there have been no activity on the buy-back. Did the Company intend to exercise share buy-back in the future?

Response

- (i) The appointment was made in preparation if there was a need to exercise the share buy-back. There were strict criteria to be considered before embarking on the exercise, among others, as follows:

- (a) The Company's share price – the current share price was between RM2.20 to RM2.30 per share and the Net Tangible Asset was approximately RM2.06 per share. Management would consider embarking on the share buy-back exercise should the share price fall below this level.
- (b) Excess cash should be available to allow the Company to undertake the share buy-back after setting aside for dividend payments and capital expenditure for expansion. Currently there was no intention to carry out the share buy-back exercise.

7.3.19 Question/comment raised by Shareholder (Mr Venkatachalam Alagappan)

- (i) Besides the disposal of MVV Land to Sime Darby Property Berhad, was there any other sale of non-core assets that the Company was undertaking?

Whether there was a timeframe for that the Company to sell all of its non-core assets? If there was no timeframe, what was the Company's current strategy in relation to the disposal?

Response

- (i) The Company has a list of core and non-core assets. There have been a series of divestments in the past. However, any proposed disposal of assets would depend on the ability of the Company to maximise the value to its shareholders. Hence, non-core assets which were profitable would be maintained until such time it could unlock a good value for shareholders.

7.3.20 Questions/comments raised by Shareholder (Ms Koh Chooi Peng)

- (i) Sime Darby Motors China operations recorded a significant increase in its profit before taxation to RM478 million in FY2021. What were the reasons for the big improvement in profitability?
- (ii) What was the total sales target units in FY2022?
- (iii) Whether the profitability in FY2021 could be sustained or improved in FY2022?

Response

- (i) Sime Darby Motors China operations did extremely well in FY2021. The big improvement in the profitability was mainly due to the increased demand in luxury cars in China as there was a lot of disposable income available for spending due to travelling restrictions arising from the Covid-19 pandemic.

- (ii) For FY2021, 44,000 units of cars were sold in China and the target for FY2022 was expected to be 49,000 units.
- (iii) The profitability in FY2022 would be dependent on the product supply as demand seem to remain strong.

7.3.21 Question/comment raised by Shareholder (Mr Tan Yoke San)

- (i) Would the Company consider exploring downstream in EV charging stations to popularise EV?

Response

- (i) The Group was currently looking at the cost implication of developing the whole network of charging stations. The Group has been the distributor of EV charging stations and the fact that it was already in the business in Singapore and Malaysia albeit on a small scale.

7.3.22 Question/comment raised by Shareholder (Mr Ong LiSin)

- (i) Was the Group in the vehicle leasing business or financing market to complement the current business?

Response

- (i) The Group did not own a finance company for car financing. However, the Group has a vehicle leasing business under the Hertz franchise i.e., Sime Darby Rent-A-Car in Malaysia.

7.3.23 Question/comment raised by Shareholder (Ms Koh Chooi Peng)

- (i) Page 79 of the Annual Report 2021 stated that thermal coal was expected to be an important source of energy in the future. With the latest development at the UN COP 26, there would be a drastic reduction in the usage of coal in the near term. Please provide an update on the status.

What was the value and percentage of the renewal of Product Support contribution to Sime Darby Industrial in FY 2021?

Response

- (i) Metallurgical coal was used for steel-making. There was no substitute for coal as yet. And therefore, demand for metallurgical coal would remain strong. Metallurgical coal was relatively cleaner than thermal coal. Most ESG concerns were targeted at thermal coal. Nevertheless, thermal coal was the cheapest source of fuel for electricity whereby many power plants were dependent on thermal coal. Management was confident that the demand in coal would remain strong for another few more years.

- (ii) The Group has invested in Mine Energy Solution Pty Ltd (“MES”), a start-up company which provides end-to-end energy solutions to the mobile mining industry by replacing diesel with High Density Compressed Natural Gas (HDCNG) which was cleaner. The use of alternative fuel aimed to lower carbon emissions and deliver cost savings to customers. Management was concerned about global warming and has put in place an ESG blueprint which includes carbon reduction targets for the Group. The Group was also investing in greener and energy efficient products.

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

## 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 RM4,400,000 from the 15<sup>th</sup> 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 15<sup>th</sup> AGM until the next AGM of the Company as explained under Explanatory Note 3 of the Notice of the AGM in the Annual Report.
- (iii) Re-election of Tan Sri Samsudin Osman, Dato’ Lee Cheow Hock Lawrence, Ms Moy Pui Yee and Encik Mohamad Idros Mosin, pursuant to Rule 103 of the Company’s Constitution.
- (iv) Re-appointment of PricewaterhouseCoopers PLT as the Auditors of the Company for the financial year ending 2022 and the authorisation to the Directors to fix their remuneration pursuant to Section 271 of the Companies Act 2016.
- (v) Proposed renewal of Share Buy Back Authority for the Company to purchase its own shares of up to 10% of the total number of issued shares of the Company, of which the details of the proposal were as that set out in the Share Buy-Back Statement dated 20 October 2021.
- (vi) 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, details as per Section 2.3 of Part B of the Circular to Shareholders dated 20 October 2021.

9.0 **ANY OTHER BUSINESS**

9.1 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.

10.0 **POLLING THROUGH REMOTE PARTICIPATION AND VOTING**

10.1 The Chairman urged 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 11.0 a.m.

11.0 **ADJOURNEMENT OF THE ANNUAL GENERAL MEETING**

11.1 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.

11.2 With the consent of the shareholders and proxy holders present, the AGM was adjourned at 11.40 a.m.

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

12.1 The Chairman resumed the Meeting at 12.16 p.m. and called the Meeting to order for the declaration of the poll results in respect of each of the resolution.

12.2 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 RM4,400,000 from the Fifteenth AGM until the next AGM of the Company.	For Against	1,414 189	5,684,264,276 2,658,460	99.9533 0.0467	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 Fifteenth AGM until the next AGM of the Company.	For Against	1,404 201	5,684,268,269 2,665,249	99.9531 0.0469	Approved
Ordinary Resolution 3	To elect Tan Sri Samsudin Osman who retires in accordance with Rule 103 of the Constitution of the Company.	For Against	1,402 217	5,510,134,520 175,761,160	96.9088 3.0912	Approved



Resolution	Description	Voted	No. of Shareholders	No. of Shares	% of Voted Shares	Results
Ordinary Resolution 4	To elect Dato' Lee Cheow Hock Lawrence who retires in accordance with Rule 103 of the Constitution of the Company.	For Against	1,491 128	5,662,581,881 24,482,789	99.5695 0.4305	Approved
Ordinary Resolution 5	To re-elect Ms Moy Pui Yee who retires in accordance with Rule 103 of the Constitution of the Company.	For Against	1,499 119	5,675,325,244 11,739,407	99.7936 0.2064	Approved
Ordinary Resolution 6	To re-elect Encik Mohamad Idros Mosin who retires in accordance with Rule 103 of the Constitution of the Company.	For Against	1,427 192	5,608,176,930 78,887,617	98.6129 1.3871	Approved
Ordinary Resolution 7	To re-appoint Messrs PricewaterhouseCoopers PLT as Auditors of the Company for the financial year ending 30 June 2022 and to authorise the Directors to determine their remuneration.	For Against	1,524 92	5,667,831,070 18,152,854	99.6807 0.3193	Approved
Ordinary Resolution 8	To approve the Proposed Renewal of Share Buy-Back Authority for the Company to Purchase its Own Shares.	For Against	1,507 111	5,661,915,858 17,946,845	99.6840 0.3160	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	1,485 122	2,200,099,603 2,551,070	99.8842 0.1158	Approved
Ordinary Resolution 10	To approve the 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 Interest of Bermaz Auto Berhad.	For Against	1,486 117	2,200,086,218 2,538,598	99.8847 0.1153	Approved

13.0 **CONCLUSION**

13.1 The Chairman concluded the business at the Fifteenth AGM of the Company and declared the Fifteenth AGM closed at 12.30 p.m. On behalf of the Board and Management, the Chairman thanked all shareholders and proxy holders for their virtual attendance and participation.



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

9 November 2021

**BY 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: 15<sup>th</sup> Annual General Meeting (“AGM”) of Sime Darby Berhad (“Sime Darby” or the “Company”) to be held on Thursday, 18 November 2021**

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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. The Group's net profit rose by 74% YoY to RM1.4 billion (2020: RM820 million) on the back of strong performance from the Motors Division, particularly in China (page 17 of Annual Report 2021 (“AR2021”). The total dividend pay-out for FY2021 amounts to RM1.02 billion, equivalent to over 70% of the Group's net profit for the year (page 18 of AR2021).

The Government introduced a special one-off tax, 'Cukai Makmur' under the recently announced Budget 2022 which is expected to impact the Group's bottom line for financial year 2022. How and to what extent will it impact the Group dividend payout for financial year ending 2022? Will shareholders be able to continue enjoying similar dividend payout or even better, notwithstanding the higher taxation to be paid by the Group?

**BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD**

(Incorporated in Malaysia . Company No:524989-M)

TINGKAT 11, BANGUNAN KWSP, NO.3, CHANGKAT RAJA CHULAN, OFF JALAN RAJA CHULAN,  
50200 KUALA LUMPUR. TEL: (603)20709090 FAX: (603)20709107

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

2. In the second half of 2021, the Group made strategic capital investments in SOCAR, illustrating its commitment to grow in the mobility space (page 7 of AR2021). The Group participated in SOCAR Mobility Malaysia's Series B fundraising in September 2021 (page 65 of AR2021).

What was the investment amount for SOCAR? What are the Group's plans in terms of participating in SOCAR's future fundraising?

3. In July 2021, the Industrial Division entered into an agreement to acquire Salmon Earthmoving Holdings Pty Ltd for approximately RM325 million. The acquisition was completed on 1 October 2021 (page 65 of AR2021).

To what extent in terms of estimated percentage of revenue contribution will Salmon Earthmoving Holdings Pty Ltd be contributing to the Group for financial year ending 2022?

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 2021

**BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD**

(Incorporated in Malaysia . Company No:524989-M)

TINGKAT 11, BANGUNAN KWSP, NO.3, CHANGKAT RAJA CHULAN, OFF JALAN RAJA CHULAN,  
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15 November 2021

**MINORITY SHAREHOLDERS WATCH GROUP**

Tingkat 11, Bangunan KWSP  
No. 3, Changkat Raja Chulan  
Off Jalan Raja Chulan  
50200 Kuala Lumpur

**Attention: Mr Devanesan Evanson**  
**Chief Executive Officer**

Dear Sirs,

**FIFTEENTH ANNUAL GENERAL MEETING (“15<sup>TH</sup> AGM”) OF SIME DARBY BERHAD TO BE HELD ON 18 NOVEMBER 2021**

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We thank you for your letter dated 9 November 2021 on the issues that the Minority Shareholders Watch Group (“MSWG”) raised in relation to the 15<sup>th</sup> AGM of Sime Darby Berhad (“SDB”) to be held on Thursday, 18 November 2021.

As requested, we enclose SDB’s response to the matters raised by MSWG in the letter.

Thank you.

Yours faithfully,  
**SIME DARBY BERHAD**



**NOOR ZITA HASSAN**  
Group Secretary

1. **The Group's net profit rose by 74% YoY to RM1.4 billion (2020: RM820 million) on the back of strong performance from the Motors Division, particularly in China (page 17 of Annual Report 2021 ("AR2021")). The total dividend pay-out for FY2021 amounts to RM1.02 billion, equivalent to over 70% of the Group's net profit for the year (page 18 of AR2021).**

**The Government introduced a special one-off tax, 'Cukai Makmur' under the recently announced Budget 2022 which is expected to impact the Group's bottom line for financial year 2022. How and to what extent will it impact the Group dividend payout for financial year ending 2022? Will shareholders be able to continue enjoying similar dividend payout or even better, notwithstanding the higher taxation to be paid by the Group?**

- The special one-off tax, "Cukai Makmur", is only applicable to individual companies with chargeable income of more than RM100 million in FY2022. As such, the introduction of such one-off tax is unlikely to materially impact the Group's dividend for FY2022.
- The Finance Bill 2021 tabled for first reading on 9 November 2021 also proposes to tax foreign source income received in Malaysia. As the Group has significant foreign operations, the taxing of the foreign dividend income would likely impact the Group's dividend payout in the future. The actual impact of this proposal on future dividends cannot be accurately ascertained at the moment pending further clarification on the application of this proposal.

2. **In the second half of 2021, the Group made strategic capital investments in SOCAR, illustrating its commitment to grow in the mobility space (page 7 of AR2021). The Group participated in SOCAR Mobility Malaysia's Series B fundraising in September 2021 (page 65 of AR2021).**

**What was the investment amount for SOCAR? What are the Group's plans in terms of participating in SOCAR's future fundraising?**

- The automotive industry is at a pivotal juncture given the rapid advancement of technology from emerging trends such as electric vehicles, omni-channel sales portals, ride sharing platforms and autonomous vehicles.
- Our investment into SOCAR is part of our strategy to grow in the mobility space and future-ready our core Motors business against emerging shifts in the industry. Besides securing future profit pools in car sharing, the investment allows us to "stay on the pulse" of the evolution of the auto industry to see how consumer preferences are changing.
- Furthermore, SOCAR is already an existing strategic partner of Sime Darby Motors in the mobility ecosystem, with collaborations in new and used car sales, mobile servicing, and fleet management. This investment will bring more such opportunities with SOCAR and solidifies our partnership from a business angle.
- Overall, we have invested USD5 million in SOCAR's fundraising exercise. We will monitor the performance of our investment and keep an eye on the evolving mobility landscape, in determining whether we wish to participate in future rounds of fund raising.

3. In July 2021, the Industrial Division entered into an agreement to acquire Salmon Earthmoving Holdings Pty Ltd for approximately RM325 million. The acquisition was completed on 1 October 2021 (page 65 of AR2021).

**To what extent in terms of estimated percentage of revenue contribution will Salmon Earthmoving Holdings Pty Ltd be contributing to the Group for financial year ending 2022?**

- Salmon Earthmoving Holdings Pty Ltd is predominately a dry-hire earthmoving equipment rental business operating in Queensland and New South Wales, Australia.
- Sime Darby completed the acquisition of Salmon Earthmoving Holdings Pty Ltd on 1 October 2021, following approval from the Australian Foreign Investment Review Board (FIRB).
- The acquisition supports our Industrial Division's overall strategy to become the market leader in the General Construction equipment rental space in Australia. This will be achieved by offering an expanded product range, extending our geographic footprint down the east coast of Australia (importantly New South Wales), gaining access to new customers across both the construction and resource sectors, whilst capitalising on the industry growth that is anticipated. Increased Government investment in civil infrastructure projects, along with ongoing demand for high quality metallurgical coal, is expected to drive demand for General Construction equipment rental.
- The Salmon acquisition is forecasted to contribute AUD 68 million (approx. RM 210 million) in revenue, which roughly translates to 1.3% of Industrial Division's revenue.