

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

SUMMARY OF KEY MATTERS DISCUSSED AT THE THIRTEENTH ANNUAL GENERAL MEETING OF SIME DARBY BERHAD HELD AT THE GRAND BALLROOM, FIRST FLOOR SIME DARBY CONVENTION CENTRE 1A, JALAN BUKIT KIARA 1, 60000 KUALA LUMPUR, MALAYSIA ON THURSDAY, 14 NOVEMBER 2019 AT 10:00 A.M.

Present : Members/Proxies

1,491 members/corporate representatives and
499 proxy holders
(as listed in the attendance sheet)

1.0 OPENING REMARKS BY THE CHAIRMAN

1.1 Dato' Abdul Rahman Ahmad, the Chairman of Sime Darby Berhad ("Sime Darby" or the "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 Thirteenth Annual General Meeting ("AGM" or "Meeting") of Sime Darby.

2.2 The Chairman introduced members of the Board of Directors, management team and representatives from PricewaterhouseCoopers PLT ("PwC"), the Auditors of the Company. The Chairman further informed the Meeting that the representatives of Tricor Investor & Issuing House Services Sdn Bhd ("Tricor"), the Company's Share Registrar, Coopers Professional Scrutineers Sdn Bhd, the Scrutineers, and Messrs Skrine, the Solicitors, were also present at the Meeting.

3.0 GENERAL INSTRUCTIONS ON MEETING PROCEDURES

3.1 The Chairman briefed the Meeting as follows:

- (i) the 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 to be put to vote at the Meeting;
- (ii) information on the Company, its activities, results and financial position as at 30 June 2019 and the Chairman's Statement by the former Chairman, Tan Sri Dato' Sri Dr Wan Abdul Aziz Wan Abdullah, who had retired on 30 October 2019, were set out in the Annual Report 2019 and distributed to the shareholders on 16 October 2019; and

3.2 The Chairman put on record the Company's appreciation to Tan Sri Dato' Sri Dr Wan Abdul Aziz for his invaluable contribution and services to the Group during his tenure as a Director and the Chairman of Sime Darby.

4.0 NOTICE OF ANNUAL GENERAL MEETING

4.1 The Notice of AGM as out on pages 304 to 310 of the Annual Report 2019 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.

4.2 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 7 November 2019;
- (ii) as at to-date, the Company has a total issued shares of 6,801,447,777 ordinary shares;
- (iii) a total of 1,476 valid proxy forms were lodged within the stipulated timeframe, representing 5,323,388,947 ordinary shares or 78.28% of the total ordinary shares of Sime Darby; and
- (iv) 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, that:

- (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 poll;
- (ii) each share would represent one (1) vote in the polling which would be carried out by way of electronic voting (“e-voting”);
- (iii) the poll voting for all resolutions set out in the Notice of AGM would be commenced after the adjournment of the Meeting. All the questions posed on the resolutions would be dealt with prior to the commencement of the polling process;
- (iv) a total of eleven (11) resolutions to be voted for at the Meeting, of which the first ten (10) ordinary resolutions required a simple majority in order for the resolutions to be passed while resolution eleven (11) was proposed as a special resolution which required a majority of not less than seventy-five per centum (75%) in order for the special resolution to be passed; and
- (v) Tricor had been appointed as the Poll Administrator to conduct the polling process and CSP 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 review of the questions received from the Minority Shareholders Watch Group ("MSWG") on 7 November 2019 and the Company's response, the questions and answers session, presentation of all the resolutions set out in the Notice of AGM, adjournment of the AGM, commencement of the AGM polling process via e-voting, 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 Dato' Jeffri, the GCEO, for the presentation on 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 was involved in motorcar and heavy equipment distribution, healthcare and logistics. It was one of the largest BMW and Caterpillar dealers in the world. It owned six hospitals in Malaysia and Indonesia and four ports in China;
- (ii) 86% of the Group's revenue was generated from its businesses overseas, mainly from China and Australia;
- (iii) the Group has over 40 years' experience in the Motors business, involving retailing, distribution, rental and assembly of cars. The business spanned nine markets and carries 30 luxuries to mass market brands;
- (iv) the Industrial business comprised the sales of equipment and the provision of after sales services to customers in the mining and construction sectors through a network of 152 branches across 16 countries. The Group has been a Caterpillar dealer for 90 years;
- (v) the Healthcare business was a 50:50 joint venture between Sime Darby and Ramsay Health Care Limited, an Australian health care provider;
- (vi) the Logistics division managed and operated the Weifang Port and the three major river ports in Jining, Shandong Province;
- (vii) the Company's non-core business/assets included a 12% equity interest in Eastern & Oriental Berhad ("E&O"), a 30% equity interest in Tesco Store (Malaysia) Sdn Bhd ("Tesco") and 8,800 acres of land in the Malaysia Vision Valley Region;
- (viii) Caterpillar and BMW were the Group's anchor principals. However, the Group has other distributorships and dealerships and carries various other brands;
- (ix) the Group was supported by a strong management team focussed on ensuring business growth;

- (x) the Company had established a 5-year Value Creation Plan focussed on revenue enhancement, cost optimisation, business expansion, portfolio rationalisation and the expansion of the Healthcare business. The Company's plans for business expansion included amongst others, expanding the dealership network and its assembly plant capacity;
- (xi) the Group commenced its portfolio rationalisation/monetisation plan with the disposal of the Weifang Water business and its shared services company;
- (xii) the Group reported strong financial results for the financial year ("FY") 2019, mainly on the back of strong contributions from the Industrial businesses in Australia, China and Malaysia. A summary of the Group's financial results for FY2019 was reported as follows:

a.	Revenue	RM36.2 billion, 6.9% above year-on-year ("YoY")
b.	Profit Before Interest & Tax ("PBIT")	RM1.38 billion, 28.8% above YoY
c.	PATAMI (continuing operations)	RM948 million, 53.4% above YoY
d.	Return on Equity ("ROE")	6.5%, 2.2% above YoY
e.	Debt/Equity Ratio	17.03%, (FY2018 : 19.6%)
f.	Basic Earnings Per Share	13.9 sen
g.	Net Dividend Per Share	10 sen, 72% of Net Profit

- (xiii) the Group registered a cumulative Total Shareholder Return ("TSR") of 20.4% from the date of completion of the demerger until now (i.e. for the period between 30 November 2017 to 30 September 2019) and was ranked 3rd after Nestle and Dialog. The Company's share price closed at RM2.25 on 30 September 2019 as compared to its reference price of RM1.85 on 30 November 2017;
- (xiv) the Company had declared a dividend of RM680 million, representing 72% of its net profit, for the financial year ended 30 June 2019; and
- (xv) the Group recently acquired the New Zealand Caterpillar Dealership i.e. the Gough Group and three Trivett dealerships in Parramatta, Sydney. The Trivett dealerships represented the BMW, Mini, Jaguar, Land Rover and Volkswagen marques.

6.3 The GCEO 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 response to MSWG's queries as follows:

- (i) the plans undertaken to counter industry changes, such as introduction of autonomous trucks and the use of artificial intelligence for the provision of services;
- (ii) the future expansion plans for the Healthcare business, its share of medical tourism and the progress in introducing the use of artificial intelligence, the Internet of Things and virtual reality into the Healthcare business;
- (iii) the growth of the after-sales business for FY2019;
- (iv) the outlook for FY2020; and

- (v) the rationale behind retaining the equity stake in E&O.

The letter from MSWG and the Company's response dated 7 November 2019 and 11 November 2019, respectively, had been posted on the Company's website and hard copies were distributed to the shareholders and proxy holders before the commencement of the AGM.

A copy of the letter from MSWG and the Company's response were 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 2019 TOGETHER WITH THE REPORTS OF THE DIRECTORS AND THE AUDITORS THEREON

- 7.1 The Chairman informed the Meeting that the Annual Report 2019 incorporated the Audited Financial Statements of the Company for the financial year ended 30 June 2019 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 was 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 floor for the Board and Management to address or note accordingly. A summary of the questions and comments raised and the Company's responses thereto, where relevant, was as follows:

7.3.1 Questions/comments raised by Shareholder

- (i) The properties of the Company were valued based at its net book value, not at market value. This had resulted in the value to be grossly understated and may be perceived as an attempt to suppress the value of the Company's shares.
- (ii) The under-utilised vacant properties of the Group should be rented out to generate income.
- (iii) The internal auditors should be assigned to carry out physical checks on the properties of the Group and conduct land searches at the relevant land offices for confirmation of the Group's property ownership.
- (iv) The individual performance of the 225 subsidiaries of the Company should be reported in the financial statements to indicate their respective performances.

- (v) The shareholders acknowledged that the Company's decision to improve dividend pay-out to better reward the shareholders had benefited all shareholders. However, the Company should continue with its previous practice of giving vouchers to the shareholders who attended the Company's AGM as a show of appreciation for their attendance.
- (vi) Whether the amount to be recovered from the litigation cases would be sufficient to at least cover the legal costs incurred by the Company.
- (vii) Reasons for the lower audit fees and higher non-audit fees.
- (viii) Gains from the disposal of the four subsidiaries of the Company.
- (ix) The Company should look into the recovery of any unclaimed monies.

Response

- (i) The properties of the Group were recorded in the financial statements based on their respective net book values in accordance with the relevant accounting standards.
- (ii) The Group would always look into maximising the utilisation of its properties.
- (iii) The total dividend pay-out of RM680 million, representing 72% of the Company's net profit, was proof of the Company's commitment in ensuring better returns to the shareholders. Notwithstanding, the Board noted the shareholders' view on the Company's past practice of giving vouchers to the shareholders who attended the Company's AGM and might reconsider the matter.
- (iv) The Board assured that there had been no attempt whatsoever to suppress the value of the Company's share and that the Board remained focused on increasing the shareholders' value by improving the share price as well as ensuring a better dividend pay-out.
- (v) The performance of the Company's subsidiaries had been reported under the segmental results, by geography, in the Annual Report 2019. Such reporting would enable the shareholders to get a better understanding of the sources of the Group's income and revenue.
- (vi) The amount to be recovered from the legal cases may or may not be sufficient to cover the Group's legal fees depending on the decision of the Courts and ability of the defendants to pay the amount awarded. Several legal cases had been instituted by the Group as a matter of principal and involved a substantial amount of legal fees, which may or may not be recoverable.
- (vii) The audit fees were lower due to the reduced audit scope following the disposal of the Weifang Water business while the increase in the non-audit fees were due to broader scope of non-audit services provided by PwC.

- (viii) The Group registered a gain of RM78 million from the disposal of Weifang Water business.

7.3.2 Questions raised by Shareholder

- (i) The amount of the Company's investment in Tesco and its return.
- (ii) The management team managing/running Tesco business.

Response

- (i) The Group's investment in Tesco of RM77 million had been fully impaired four years ago. The Group had since stopped recognising further losses incurred by Tesco.
- (ii) Tesco Malaysia was being managed by a team of professionals appointed by Tesco UK Ltd. There were three management representatives from Sime Darby on the Board of Tesco.

7.3.3 Questions/comments raised by Shareholder

- (i) The price to book value of the Group's acquisition of the dealerships in Australia and New Zealand.
- (ii) The rationale for the acquisition of the property which constituted a significant portion of the purchase consideration for the Australian acquisition.
- (iii) The financing arrangements for the Australian and New Zealand acquisitions whether using internally generated funds or external borrowings and the necessary approvals to be obtained for the financing to be in place.
- (iv) The completion date of the Australian and New Zealand acquisitions.
- (v) The Company's return on average shareholders' equity ("ROE") had decreased from 7.4% in FY2018 to 6.5% in FY2019 as reported on page 43 of the Annual Report 2019. Comparatively, the Jardine Group, which was also involved in motorcar dealership business, had registered a higher ROE of 9.58%.
- (vi) The steps to be taken or implemented by the Company in order to fulfil the 30% female representation on the Board.
- (vii) The Board should seriously focus on the issue pertaining to the lack of talent to execute the Group's strategy as reported in the Annual Report 2019, and consider promoting more female executives to step up to fill in the gap.
- (viii) Whether training and development carried out by the Group was appropriate to enable the executives to step up to management roles.

- (ix) The basis for not identifying internal candidates as the successor for Dato' Lawrence Lee Cheow Hock, the former Managing Director of Motors, and the rationale for appointing an expatriate. From a cost saving's perspective, the Board should look into developing local internal candidates to fill in management roles.
- (x) As the Company had been strongly promoting occupational health and safety, it should look into ensuring a work-life balance for its employees in light of the concerns raised on long working hours required to be put in by the employees. The Board should consider assigning the two female Directors on to the Board to look into occupational health & safety and well-being of the employees as well as the succession planning for the Company.
- (xi) The Company should consider conducting an employee engagement survey on a confidential basis to enable the employees to raise any concerns or issues on an anonymous basis.
- (xii) The segmental information in the financial statements was commendable as it enabled the shareholders to monitor the performance of the Group. It was recommended that the performance of the Australian and New Zealand acquisitions be reported in the segmental information next year.

Response

- (i) The Board recognises the need for the Company to fulfil the 30% requirement on Board diversity. It had identified a female candidate whose appointment would be formalised soon.
- (ii) The price to book value of the New Zealand and Australian acquisitions were 1.0 time and 1.25 times to book, respectively.
- (iii) The dealership owned facilities in Paramatta, Sydney, a well-known automotive retail area. A valuation exercise was carried out to determine the market value of the property and this constituted a substantial portion of the purchase consideration.
- (iv) The New Zealand acquisition was completed on 30 September 2019. The Australian acquisition was targeted to be completed by mid-December 2019.
- (v) The appointment of an expatriate to head the Group's businesses was appropriate given that 86% of the Group's businesses were based overseas, mainly in China and Australia. The Group developed potential leaders in all the regions it operates based on a meritocracy system. The Group would continue to provide opportunities for its employees. Currently, the Group has a workforce of over 20,000 employees globally. The Group would continue to source and identify the best talent locally and abroad to serve the Group.
- (vi) The profitability of the Group should not be compared against that of the Jardine Group, which operates as a conglomerate and has diverse business operations in different market segments.

- (vii) The employee engagement surveys were carried out on a regular basis prior to the demerger exercise. The Company had already planned for an employee engagement survey to be carried out in the coming months.

7.3.4 Questions/comments raised by Shareholder

- (i) Whether the Group has any BMW dealership in Kunming, China.
- (ii) Whether the Group's acquisitions were initiated by its principals or by the Group.
- (iii) The rationale behind the setting up of a BYD dealership in Singapore, instead of Malaysia or other major markets such as Thailand and whether BYD has an established presence in Malaysia where their busses have been in operation.
- (iv) The reasons the disposal of the water business which was profitable.

Response

- (i) The Group currently owned four BMW Dealerships in Kunming and Qujing, China. The Group would be continuously working with BMW to identify opportunities to increase its BMW dealerships in China.
- (ii) The Australian and New Zealand acquisitions were initiated by the Group.
- (iii) BYD identified the Singapore as the first market to establish its presence in the region. It was searching for a capable partner to establish a dealership there. And as this was considered a good opportunity for the Group to establish a relationship with BYD, the Group took the opportunity to take up the dealership that was on offer. The BYD busses operating in Malaysia were supplied directly by BYD to the local operators.
- (iv) Although the water business in Weifang was profitable, it was considered a non-core asset.

7.3.5 Questions/comments raised by Shareholder

- (i) The expected rate of return for the Australian and New Zealand acquisitions.
- (ii) The Company may have over-invested in the Australian acquisition as the value of the property constituted a significant portion of its purchase consideration. Moreover, the Group had already owned a substantial number of properties.

Response

- (i) The property formed an essential part of the Australian acquisition and it was crucial for the Group to own that property for its business to operate. Most of the Group's existing land banks and properties were located in Malaysia.

- (ii) Any capital expenditure or investment proposal would undergo a rigorous approval processes at both the management and Board levels. The strategic rationale for the investment, cashflows, internal rates of returns and payback periods, were amongst the key areas which were considered by management.

7.3.6 Questions/comments raised by Shareholder

- (i) Updates on major litigation cases set out under Note 54 of the Notes to the Financial Statements, in particular the cases against the former Group Chief Executive and management team members in relation to the Qatar Petroleum and Bakun projects, the Emirates International Energy Services (“EMAS”) civil suit and the case instituted by CCCC Tianjin Dredging Co Ltd against Weifang Port Services Co., Ltd (“WPS”).
- (ii) The provisioning made by the Group in relation to losses arising from these material litigation cases.

Response

- (i) The defendants had admitted liability in the legal action that was instituted against them in relation to the Qatar Petroleum and Bakun projects. The Courts were now assessing the quantum of damages to be paid by the defendants to the Company. Hearing had been fixed for January 2020.
- (ii) The Abu Dhabi Court of Appeal had dismissed the appeal filed by EMAS for annulment of the tribunal award granted in favour of Sime Darby Engineering Sdn Bhd.
- (iii) The Qatar Court had awarded a lower amount to Sime Darby Engineering Sdn Bhd (“SDE”) in its claim against Qatar Petroleum. SDE would likely to consider accepting the award in order to conclude the prolonged legal action.
- (iv) The Group, a minority shareholder of WPS, was prepared to settle its portion of the claim that was awarded by the Qingdao Maritime Court to CCCC Tianjin Dredging Co Ltd (“CCCC Tianjin”). However, the two remaining shareholders, Weifang Port Group Co., Ltd and Shandong Hi-speed Transport & Logistics Investment Co. Ltd were not able to raise funds to settle their respective portions. Management had considered an out of court settlement and was in negotiations with the Weifang Government and CCCC Tianjin to settle the case.
- (v) The potential losses arising from these material litigation cases had been fully provided.

7.3.7 Questions/comments raised by Shareholder/Proxy holder

- (i) The plans to undertake cost cutting exercise in view of the Group’s low operating margins.
- (ii) The Group’s profit for FY2019 had decreased from RM2,063 million to RM1,010 million year-on-year, as reported on page 137 of the Annual Report 2019.

- (iii) Plans to improve the Healthcare business particularly, Subang Jaya Medical Centre (“SJMC”). It was noted that the newly constructed block at SJMC was transformed into a commercial centre following the discovery that it had not fulfilled the necessary specifications to accommodate additional wards/rooms.
- (iv) The Company should continue its previous practice of giving vouchers to the shareholders who attended the Company’s AGM as a show of appreciation for their attendance.

Response

- (i) The Group’s 3% operating margin reflected the nature of its trading business and was reasonable within the industry’s standard. There were plans to improve its operating margins by increasing the after sales business that has higher profit margins. The Board and management would work towards improving the Group’s ROE which was a better indicator of the financial performance of the Group.
- (ii) The Board noted the shareholder’s request of giving vouchers to the shareholders who attended the AGM. The Chairman announced the distribution of a packed lunch to the shareholders after the AGM.
- (iii) The new block which was known as the Mediplex, was planned as a commercial and healthcare centre from the on-set and was intended to provide visitors with a dining and shopping experience.
- (iv) The Group’s higher profit of RM2,063 million for FY2018 comprised the profits of its discontinued operations.

7.3.8 Questions/comments raised by Shareholder

- (i) The Company’s near term plans and performance outlook for FY2020.
- (ii) The impact of the recent acquisitions in New Zealand and Australia and the disposal of the Weifang Water business on the Group’s revenue and profit.
- (iii) The Company should consider providing the Annual Report in the form of a compact disk (“CD”) and ensure that sufficient copies of the Company’s Annual Report be made available to the shareholders at the next AGM.

Response

- (i) The Group’s businesses were heavily dependent on commodity prices, especially coal and oil prices, and thus, were cyclical in nature. The current strong coal price had been driving the performance of the Group’s industrial business in Australia while the weak oil prices had created a challenging environment for its engine business in Singapore and China. Coal mining activity in Australia remained strong. And the Chinese equipment market had remained buoyant following the announcement by the Government on stimulus packages for infrastructure works.

- (ii) The new acquisitions in New Zealand and Australia would contribute positively to the Group's future revenue and profits. The disposal of the Weifang Water business contributed RM78 million of gain on disposal.
- (iii) The near term outlook for the Motors business was slightly uncertain. The market size of the mass market segment in China had seen a significant reduction. However, the luxury and super luxury segments remained resilient. At this juncture, the full impact of the trade war on China's economy had yet to be ascertained.
- (iv) The Board would ensure that sufficient copies of the Company's Annual Report be made available at the next AGM.

7.3.9 Questions/comments raised by Shareholder

- (i) The reasons behind the lower finance income of RM32 million compared to RM104 million registered in FY2018 as set out on page 137 of the Annual Report 2019.
- (ii) The scope of the non-audit services provided by PwC and the actual amount of the fees which was reported at less than RM1 million on page 187 of the Annual Report 2019.

Response

- (i) The lower finance income was mainly due to the elimination of the finance income from the discontinued operations, post de-merger.
- (ii) The non-audit services largely related to financial due diligence work on mergers & acquisitions transactions and tax advisory services.

7.4 The Chairman thanked the shareholders/proxy holders for their questions/views and proceeded with the remaining items in the Agenda of the AGM.

8.0 RESOLUTIONS

8.1 The Chairman informed the Meeting that Resolution 1 onwards would be put forward for voting and reiterated that the polling process for all the resolutions to be tabled at the AGM would be commencing after the resolutions set out in the Notice of AGM had been tabled.

8.1 As there were no further questions and/or comments, the Chairman proceeded to the resolutions as set out in the Notice of AGM and requested a seconder for each of the motion to be carried.

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 ADJOURNEMENT OF THE ANNUAL GENERAL MEETING

10.1 The Chairman informed that the AGM would be adjourned for thirty (30) minutes for the e-polling process and be resumed upon the completion of the verification for the declaration of the results of the poll by the Scrutineers.

10.2 With the consent of the shareholders and proxy holders present, the AGM was adjourned at 12.30 p.m.

11.0 ANNOUNCEMENT OF THE POLL RESULTS OF THE ANNUAL GENERAL MEETING

11.1 The Chairman resumed the Meeting at 12.58 p.m. and called the Meeting to order for the declaration of the poll results in respect of each of the resolution.

11.2 The poll results of the AGM were as follows:

Resolution	Vote in favour		Vote against		Results
	No. of Shares	%	No. of Shares	%	
ORDINARY BUSINESS					
<u>Ordinary Resolution 1</u> Approval of the payment of fees to the Non-Executive Directors up to an amount of RM4.2 million from the Thirteenth AGM until the next AGM of the Company	5,235,138,509	98.3706	86,714,710	1.6294	Carried
<u>Ordinary Resolution 2</u> Approval of the payment of benefits to the Non-Executive Directors up to an amount of RM1.5 million from the Thirteenth AGM until the next AGM of the Company	5,321,783,931	99.9987	67,288	0.0013	Carried
<u>Ordinary Resolution 3</u> Election of Encik Mohamad Idros Mosin who retired pursuant to Rule 83.2 of the Constitution of the Company	5,259,664,436	98.8314	62,188,783	1.1686	Carried
<u>Ordinary Resolution 4</u> Election of Dato' Abdul Rahman Ahmad who retired pursuant to Rule 83.2 of the Constitution of the Company	5,275,214,178	99.2238	41,265,451	0.7762	Carried
<u>Ordinary Resolution 5</u> Re-election of Tan Sri Samsudin Osman who retired pursuant to Rule 104 of the Constitution of the Company	5,253,415,596	98.7656	65,654,482	1.2343	Carried
<u>Ordinary Resolution 6</u> Re-election of Datuk Wan Selamah Wan Sulaiman who retired pursuant to Rule 104 of the Constitution of the Company	5,315,607,713	99.8862	6,245,506	0.1174	Carried
<u>Ordinary Resolution 7</u> Re-election of Dato' Sri Abdul Hamidy Abdul Hafiz who retired pursuant to Rule 104 of the Constitution of the Company	5,303,799,682	99.6608	18,053,537	0.3392	Carried

Resolution	Vote in favour		Vote against		Results
	No. of Shares	%	No. of Shares	%	
ORDINARY BUSINESS					
<u>Ordinary Resolution 8</u> Re-appointment of PricewaterhouseCoopers as Auditors of the Company for the financial year ending 30 June 2020 and authorisation for the Directors to determine their remuneration	5,275,419,081	99.1405	45,734,097	0.8595	Carried
SPECIAL BUSINESS					
<u>Ordinary Resolution 9</u> Proposed Renewal of share buy-back authority for the Company to purchase its own shares up to 10% of the total number of issued shares of the Company	5,318,552,782	99.9417	3,100,637	0.0583	Carried
<u>Ordinary Resolution 10</u> Proposed Renewal of Shareholders' mandate for existing recurrent related party transactions and Proposed New Shareholders' mandate for additional recurrent related party transactions of a revenue or trading nature	1,978,334,674	99.8769	2,437,987	0.1231	Carried
<u>Special Resolution 11</u> Proposed Adoption of the New Constitution of the Company	5,321,849,382	99.9999	3,837	0.0001	Carried

12.0 **CONCLUSION**

- 12.1 The Chairman concluded the business at the Thirteenth AGM of the Company and declared the Thirteenth AGM closed at 1.05 p.m. On behalf of the Board and Management, the Chairman thanked all shareholders and proxy holders for their attendance and participation.



MINORITY SHAREHOLDERS WATCH GROUP
Shareholder Activism and Protection of Minority Interest

7 November 2019

BY FAX/HAND

(Fax No: 6 (03) 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: Noor Zita Hassan
Company Secretary

Dear Directors,

Re: 13th Annual General Meeting (AGM) of Sime Darby Berhad ("SIME DARBY) to be held on Thursday, 14 November 2019

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

Strategy & Financial Matters

- 1) On Page 12 of the Annual Report (MD&A), it is stated that for its Industrial Division, efforts are anticipated to make an impression in an industry that is seeing autonomous mining trucks with shortened cycle times, lower fuel consumption and improved tire wear, and uses Artificial Intelligence (AI) for services such as predictive maintenance of equipment to reduce down time and gain traction.

Please elaborate on the plans undertaken to counter the expected industry changes, including the introduction of autonomous mining trucks and the use of AI for services?
- 2) In relation to the Group's Healthcare Division,
 - (a) What is the Group's progress on the introduction/development of AI, Internet of Things (IoT) and Virtual Reality along with the emergence of 5G?
 - (b) What is the current average occupancy of your hospitals?

BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD

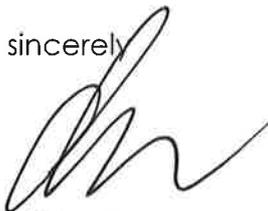
(Incorporated in Malaysia) • Company Registration No.: 20-0001022382 (524989-M)
 Tingkat 11, Bangunan KWSP, No 3, Changkat Raja Chulan, Off Jalan Raja Chulan, 50200 KUALA LUMPUR.
 Tel: (603): 2070 9090 Fax: (603): 2070 9107
 E-Mail: mswatch@mswg.org.my Website: www.mswg.org.my

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- (c) What are the plans to have more hospitals in the near future and what would be the expected increase in capacity?
- (d) What is the Group's share from medical tourism and what measures have been taken to capture the growing medical tourism market?
- 3) As stated on Page 16 (MD&A), under the strategy overview (revenue enhancement), one of the initiatives is to have growth in after-sales, parts and services for the automotive and industrial sectors, and used cars sales.
- Could the Board brief on the progress made in each of the areas in FY2019 vis-a-vis FY2018?
- 4) As reported on Page 31 (Group CEO's Review), the Group's results for FY2019 were largely driven by the performance of Australia and China Industrial operations. The Motors division also posted a strong set of results, despite industry-wide challenges.
- What is the outlook in FY2020? Is the Motors division strong set of results expected to sustain in FY2020?
- 5) The Company still has a 11% equity stake in Eastern & Oriental Berhad.
- Please explain the reasons for the Group to still hold 11% equity stake in Eastern & Oriental Berhad considering that the company has not been performing well and that for FY2019, there was a share of loss (inclusive of impairment) of the Group's investment in Eastern & Oriental Berhad of RM117 million.

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/CCF/SIMEDARBY/AGM 2019



11 November 2019

BY FAX/HAND
(Fax No.: 603 - 2070 9107)

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,

**Thirteenth Annual General Meeting ("13th AGM") of Sime Darby Berhad to be held on
14 November 2019**

We thank you for your letter dated 7 November 2019 informing Sime Darby Berhad ("SDB" or "Company") of the issues that the Minority Shareholders Watch Group ("MSWG") intends to raise at the 13th AGM of the Company to be held on Thursday, 14 November 2019 at 10.00 a.m.

We enclose SDB's response to the matters raised by MSWG in the letter as requested.

Thank you.

Yours faithfully,
SIME DARBY BERHAD

A handwritten signature in black ink, appearing to read 'Noor Zita Hassan'.

NOOR ZITA HASSAN
Group Secretary

Strategic/Financial Matters

- 1. On Page 12 of the Annual Report (MD&A), it is stated that for its Industrial Division, efforts are anticipated to make an impression in an industry that is seeing autonomous mining trucks with shortened cycle times, lower fuel consumption and improved tire wear, and uses Artificial Intelligence (AI) for services such as predictive maintenance of equipment to reduce down time and gain traction.**

Please elaborate on the plans undertaken to counter the expected industry changes, including the introduction of autonomous mining trucks and the use of AI for services?

Innovation in Industrial Division is done alongside our principal, Caterpillar, who is at the forefront of technology in this area. CAT has innovative solutions for autonomous mining and predictive maintenance leveraging on AI and Internet of Things (IoT). This will increase efficiency, reduce fuel consumption and improve downtimes. Being a leading CAT dealers, Sime Darby has the ability to introduce these products and technologies if our customers require it.

We have one of the largest connected asset programmes amongst CAT dealers globally with 30,000 machines. This affords us the opportunity to use data analytics for predictive maintenance to enhance productivity and safety for our customers, while allowing us to harvest parts and services opportunities.

In addition, we have developed a digital platform with the goal to improve Customer Experience and Employee Experience which enables us to reach, engage and convert customers rapidly with real-time, individualised digital experiences.

- 2. In relation to the Group's Healthcare Division,**

- a. What is the Group's progress on the introduction/development of AI, Internet of Things (IoT) and Virtual Reality along with the emergence of 5G?**

Our hospitals strive to be at the forefront of medical technology. We endeavour to use the best-in-class medical equipment as we believe it will increase efficiency and enhance patient outcomes.

Emerging technology trends such as AI, IoT and Virtual Reality are still nascent in our markets and are not widely adopted yet. Nevertheless, we will closely monitor these new innovations and will introduce them into our operations when the market is ready.

On a more current front, we are implementing initiatives to continuously drive improvement across our operations through better utilisation of hospital assets, optimisation of cost, upgrade of existing hospitals and recruitment efforts focused on hiring skilled specialists and nurses to meet patient needs.

- b. What is the current average occupancy of your hospitals?**

The average occupancy rate of our hospitals as of 30th June 2019 increased by 4% to 62% (FY2019) from 58% (FY2018). Our Malaysian hospitals generally have a higher occupancy rate (above 70%) as compared to the Indonesian ones.

c. What are the plans to have more hospitals in the near future and what would be the expected increase in capacity?

We have developed a Healthcare Strategy Blueprint to help us navigate the landscape and determine the areas of focus.

For hospitals, we are looking at a two-pronged approach encompassing greenfield and brownfield expansion plans. We have constantly been on the lookout for potential brownfield hospital acquisitions however valuations are high. We will also explore Brownfield initiatives such as continuous upgrades of our existing hospitals. Alternatively, we will explore greenfield opportunities, tapping on the growth of new townships in the Klang Valley.

We are also keen to venture into healthcare adjacencies such as ophthalmology centres, diagnostic labs, oncology centres, etc. which would provide us with niche exposure to the growing medical trend.

We value our long-term partnership with Ramsay, an exceptional healthcare operator, and will continue to work closely with them in growing the Healthcare Division.

d. What is the Group's share from medical tourism and what measures have been taken to capture the growing medical tourism market?

For Ramsay Sime Darby Healthcare (RSDH), total patient revenue in FY19 from foreign patients was RM53.5m which represents 9% of total patient revenue.

RSDH works with the Malaysia Tourism Council to develop initiatives that can channel more medical tourism business into our hospitals. We see that better marketing efforts would increase opportunities in this space given the close proximity of our hospitals (Subang Jaya and Ara Damansara) to the Subang Airport which has direct flights from Indonesia.

3. As stated on Page 16 (MD&A), under the strategy overview (revenue enhancement), one of the initiatives is to have growth in after-sales, parts and services for the automotive and industrial sectors, and used car sales.

Could the Board brief on the progress made in each of the areas in FY2019 vis-à-vis FY2018?

One of our areas of focus under our Value Creation Plan is to grow aftersales and product support as we believe it is more stable in nature, has high profit margins and is an area that provides more flexibility in operations.

Our Industrial side is more advanced in its product support initiatives, resulting in an increase in our average POPS-C¹ (Percentage of Parts Sales – Caterpillar branded) across our largest regions of Australia and China. POPS-C is an indicator of our market share for our CAT equipment.

Region	POPS-C FY2018	POPS-C FY2019
Australia	73%	75%
China	26%	30%

In addition, Industrial's revenue from parts and after-sales services has increased by 6.1% to RM6.3bn in FY2019 from RM5.9bn in FY2018.

¹ POPS-C is defined as Caterpillar branded parts sales achieved divided by the total parts sales opportunity on the population of Caterpillar products (M&PS) in the field

For Motors, our after-sales strategy involves increasing utilisation of our workbays, improving customer retention rates and better workshop planning to drive sales and improve efficiency. For used cars, initiatives would include improving vehicle sourcing, enhancing branding and strengthening the workforce.

- 4. As reported on Page 31 (Group CEO's Review), the Group's results for FY2019 were largely driven by the performance of Australia and China Industrial operations. The Motors division also posted a strong set of results, despite industry-wide changes.**

What is the outlook in FY2020? Is the Motors division strong set of results expected to sustain in FY2020?

Moving forward, for Industrial, we are cautiously optimistic that the Australian mining momentum will sustain into FY2020 which will spur product support and equipment deliveries in our key market of Australia. China's Central Bank's decision to pump in USD126 billion as fiscal stimulus appears to be positive for the construction sector as activities have picked up, which bodes well for our China CAT business.

For Motors, in general we are seeing a slowdown in the overall market. However, we still see growth in the luxury segment where we operate, which we find encouraging. This, coupled with BMW's new model line-up which is its biggest in decades, will be the drivers for the Division this year.

- 5. The Company still has a 11% equity stake in Eastern & Oriental Berhad.**

Please explain the reasons for the Group to still hold 11% equity stake in Eastern & Oriental Berhad considering that the company has not been performing well and that for FY2019, there was a share of loss (inclusive of impairment) of the Group's investment in Eastern & Oriental Berhad of RM117 million.

We consider our stake in E&O as a non-core investment and there are no plans to invest further in the company.

Following the Pure Play Exercise, we explored options to divest our stake and were holding on to a price that we felt better reflected the intrinsic value of the company, given that E&O's share price (currently RM0.67) is far below its net assets (RM1.41/ share) and average RNAV (RM3.00 to RM4.00/ share). However, the plan did not materialise and unfortunately the share price has continued to weaken.