



# Sime Darby Investor Presentation

RHB Corporate Day 2017

19 January 2017



Developing  
Sustainable Futures



# Overview of 1QFY2017 Performance

# First Quarter ended 30 Sep 2016

**RISE**



(RM'mn)

|                        | <u>YOY%</u>  | <u>1QFY2017</u> | <u>1QFY2016</u> |
|------------------------|--------------|-----------------|-----------------|
| <b>REVENUE</b>         | <b>↓ 1%</b>  | <b>10,099</b>   | <b>10,173</b>   |
| <b>PBIT</b>            | <b>↑ 11%</b> | <b>673</b>      | <b>607</b>      |
| <b>PBT</b>             | <b>↑ 36%</b> | <b>629</b>      | <b>461</b>      |
| <b>PATAMI</b>          | <b>↑ 37%</b> | <b>443</b>      | <b>323</b>      |
| <b>BASIC EPS (sen)</b> | <b>↑ 35%</b> | <b>7.0</b>      | <b>5.2</b>      |

# 1QFY2017 Divisional PBIT



|                   | <b><u>1QFY2017*</u></b>                      | <b><u>Commentary</u></b>                                                                                                                                                                                                                                                                                                                                                       |
|-------------------|----------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Plantation</b> | <b>RM273mn (-10% YoY)</b><br>1QFY16: RM302mn | <ul style="list-style-type: none"> <li>• Weaker FFB production of -24% YoY mitigated by higher average CPO price realised of RM2,592/MT (+24% YoY)</li> <li>• Higher profit from the Midstream &amp; Downstream operations (+19% YoY)</li> </ul>                                                                                                                               |
| <b>Industrial</b> | <b>RM51mn (-19% YoY)</b><br>1QFY16: RM63mn   | <ul style="list-style-type: none"> <li>• Lower equipment deliveries and product support sales in Malaysia, Singapore and China/HK</li> <li>• Higher profit of RM21mn from the Australasian operations as a result of improvement in the parts and services segment as well as savings from cost reduction initiatives</li> </ul>                                               |
| <b>Motors</b>     | <b>RM130mn (+53% YoY)</b><br>1QFY16: RM85mn  | <ul style="list-style-type: none"> <li>• Higher contribution from Malaysia, Singapore, Thailand, China/HK and NZ</li> <li>• Gain of RM30mn on disposal of an investment property in HK</li> </ul>                                                                                                                                                                              |
| <b>Property</b>   | <b>RM172mn (+69% YoY)</b><br>1QFY16: RM102mn | <ul style="list-style-type: none"> <li>• Gain on disposals:                             <ul style="list-style-type: none"> <li>• Entire equity interest in Sime Darby Property (Alexandra) Pte Ltd (Singapore) of RM131mn to Aster Investment Holding Ltd</li> <li>• 10% equity interest and warrants in Eastern &amp; Oriental Bhd (E&amp;O) of RM35mn</li> </ul> </li> </ul> |
| <b>Logistics</b>  | <b>RM12mn (-29% YoY)</b><br>1QFY16: RM17mn   | <ul style="list-style-type: none"> <li>• Higher throughput at Weifang Port following the commencement of operations of the new 3x30,000 MT berths in Aug'16</li> <li>• Higher water consumption</li> </ul>                                                                                                                                                                     |
| <b>Others</b>     | <b>RM10mn (+67% YoY)</b><br>1QFY16: RM6mn    | <ul style="list-style-type: none"> <li>• Commendable profit from Ramsay Sime Darby Health Care of RM9mn, +80% YoY</li> </ul>                                                                                                                                                                                                                                                   |

\* Excludes corporate expenses

# FY2017 Headline KPI Targets



**RM2.2bn**

**NET EARNINGS TARGET**

**6.4%**

**RETURN ON AVERAGE  
SHAREHOLDERS' EQUITY  
TARGET**

## Key Parameters

- ❑ Average CPO price of RM2,650/MT
- ❑ Subdued demand for engines from the oil & gas, marine and shipyard sectors
- ❑ Weaker Ringgit Malaysia resulting in higher cost of imported inputs
- ❑ Strict lending policies and cautious consumer sentiment



# OUTLOOK

# Plantation Division



Brighter outlook for palm oil in 2017

Forecast higher CPO price in 2016/17

- **Analyst consensus for 2017f CPO price to average at around RM2,700/MT**
- **Supported by bullish factors:**
  - Strong US dollar and gradual pick up in global demand
  - Consumption of subsidized unblended biodiesel in Indonesia
  - Lower global palm oil stocks in view of seasonally low production period (Jan-Mar)
    - Malaysia recorded the lowest CPO inventory level in Dec 2016

Supportive biodiesel plans from governments

- **Indonesia's B20** mandate to boost domestic palm oil demand (target: 2mn MT of palm oil per annum)
- **Malaysia's B10 programme** for the transportation sector will consume ~709k MT of palm oil per annum

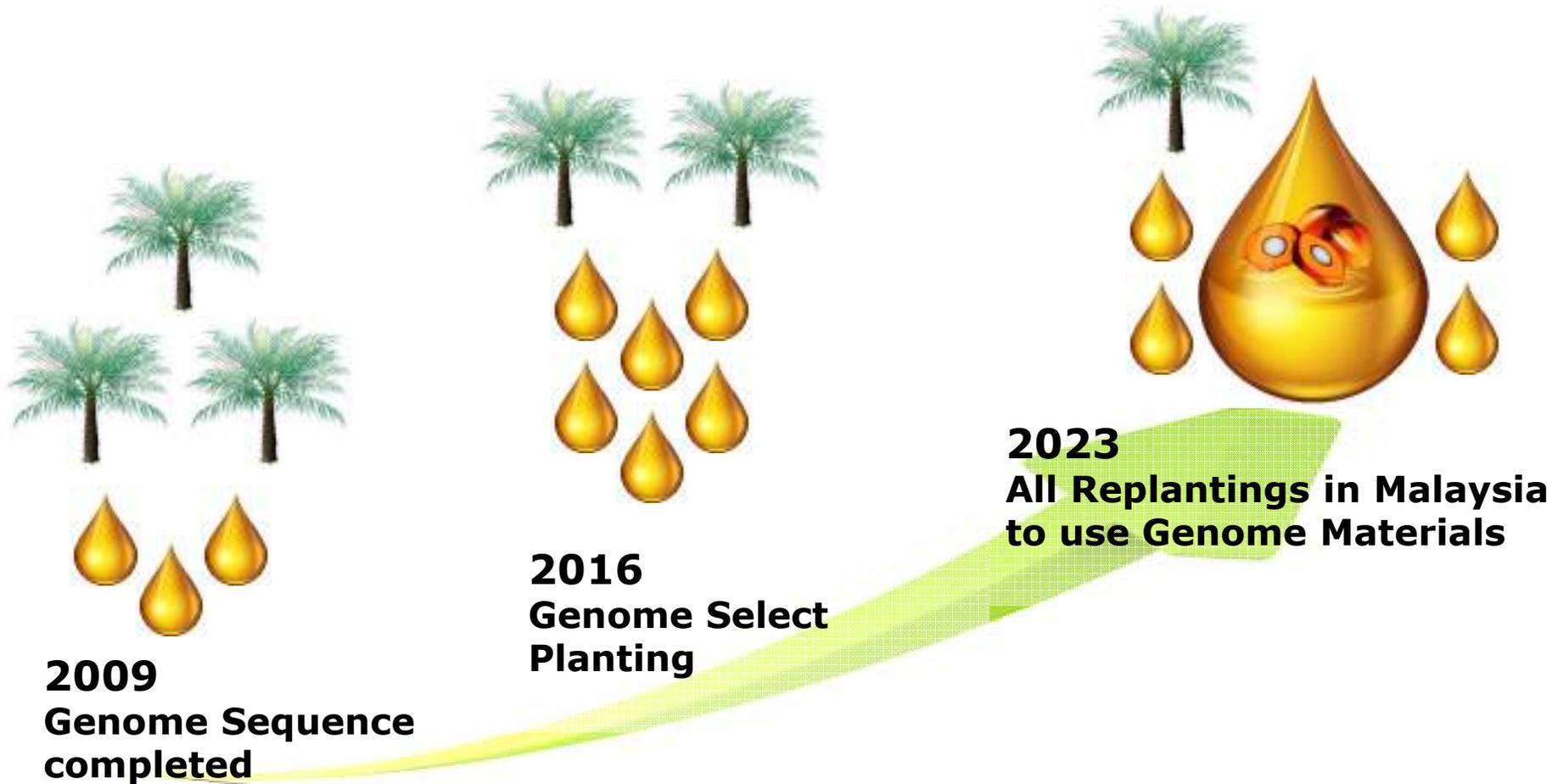
Sustained FFB production from Malaysia and Indonesia

- According to Oil World, global palm oil production is estimated to be **63.8 million MT in 2016/17f**
  - Malaysia: 19.37 million MT (+9.6% YoY)
  - Indonesia: 34.82 million MT (+10.9% YoY)

# Plantation Division



Accelerated replanting with high yielding Genome planting materials

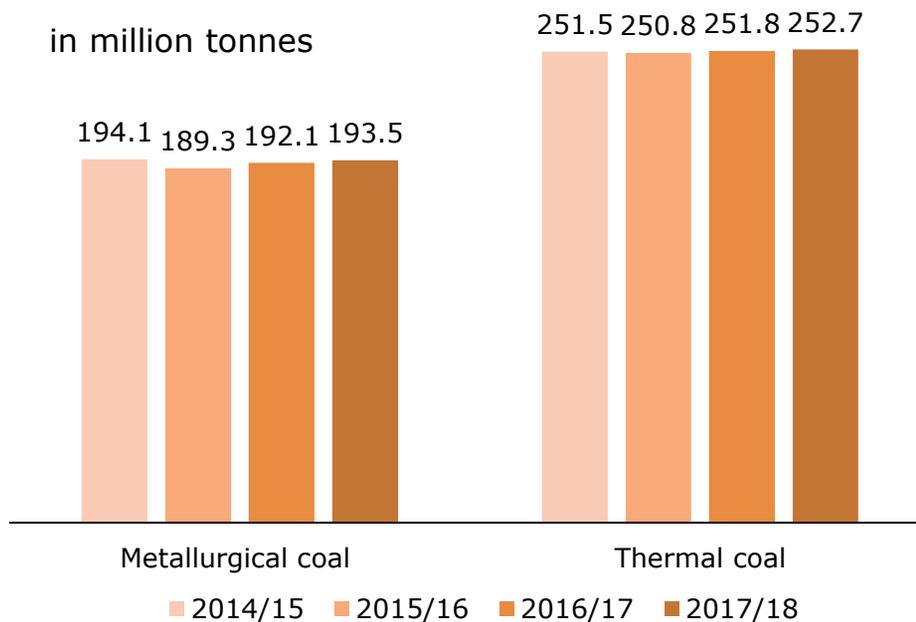


# Industrial Division



Coal prices gain momentum on the back of China's supply side reform policy

## Sustained thermal coal and metallurgical coal production in 2016/17f



Expecting **rising product support services** from key customers due to **improvement of commodity prices** and **increase in coal production volume**

## Coal prices are trending towards a new normal

### Australia Premium Hard Coking Coal Prices

USD227/MT (Average price in 4QCY16)  
USD172/MT (Price as at 2 Dec'16)

### Newcastle Thermal Coal Prices

USD88/MT (Average price in 4QCY16)  
USD82/MT (Price as at 2 Dec'16)

Government-mandated **coal mine closures** and **restricted days of coal mine** operation in **China**, along with production disruptions in Australia, aided the price rally in the 2H2016

# Industrial Division



Developments in Australasia, China, Malaysia and Singapore

## AUSTRALASIA

- Coal prices are expected to stabilise at new levels
  - ~USD71/MT<sup>1</sup> for thermal coal and ~USD178/MT<sup>2</sup> for coking coal (2017 Forecast)



**Order book of  
RM1.45bn as at  
30 Sep'16**

## MALAYSIA

- Well supported by mega infrastructure projects
- Securing more orders from infrastructure projects in East Malaysia



## CHINA

- Stronger growth momentum in construction contracts from 'One Belt One Road' and China's urbanization policy
- To capitalise on higher demand for rental and used equipment

## SINGAPORE

- Weaker demand for jack-up drilling rig orders and offshore support vessels in the offshore oil & gas sector mainly due to low vessel charter rates and utilisation rates

<sup>1</sup> Source: Deutsche Bank Research as at 17 Nov'16

<sup>2</sup> Source: ANZ Research as at 15 Nov'16

# Motors Division



Outlook for the automobile industry in the regions we operate in



**MALAYSIA**

- The Industrial Production Index for Nov'16 **expanded 6.2% YoY** indicating increased **economic activities**
- **Expect steady growth** in the Automotive sector, driven by strong demand during festive seasons



**CHINA**

- **Tax hike** on imported cars affecting the sales of luxury & super luxury cars
- **Ongoing austerity measures** by the Chinese Government to **encourage rational consumption and curb energy use**



**SINGAPORE**

- According to the ASEAN Automotive Federation, **Singapore led the car sales growth** from January to October 2016, with **50.3% cyclical expansion**
- Steady GDP of 1.8% in 2016



**VIETNAM**

- ASEAN Free Trade Area (AFTA) tariff elimination in 2018 may boost the **long-term growth of imported vehicles** manufactured in ASEAN
- Strong **GDP growth of 6.21%**



**AUSTRALIA**

- Posted its **3<sup>rd</sup> new car sales record** in 4 years with **1,178,133 new passenger cars**
- A continued **shift in buyer preference** and **market dynamics**



**NEW ZEALAND**

- New vehicle sales rose to a new record in 2016, at **+9.5%** to 146,753 units in 2016
  - **Passenger vehicles:** **+8%** to 102,514
  - **Commercial vehicles:** **+13%** to 44,239

# Motors Division

Key highlights



## Units Sold in 1QFY17

**20,213**  
**+5% YoY**

- Driven by higher number of units sold in Singapore, Thailand, Vietnam, China, and Taiwan

## New Models in 1HFY17

Hyundai Ioniq Hybrid



BMW 1-Series Sedan



MINI Cooper Seven Edition

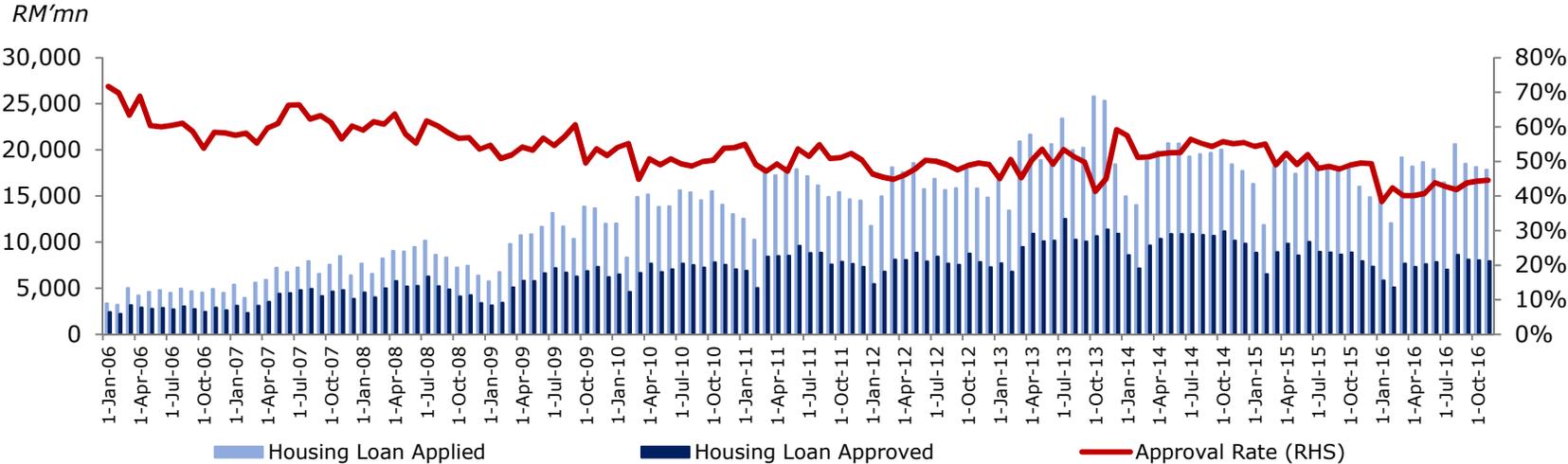


# Property Division

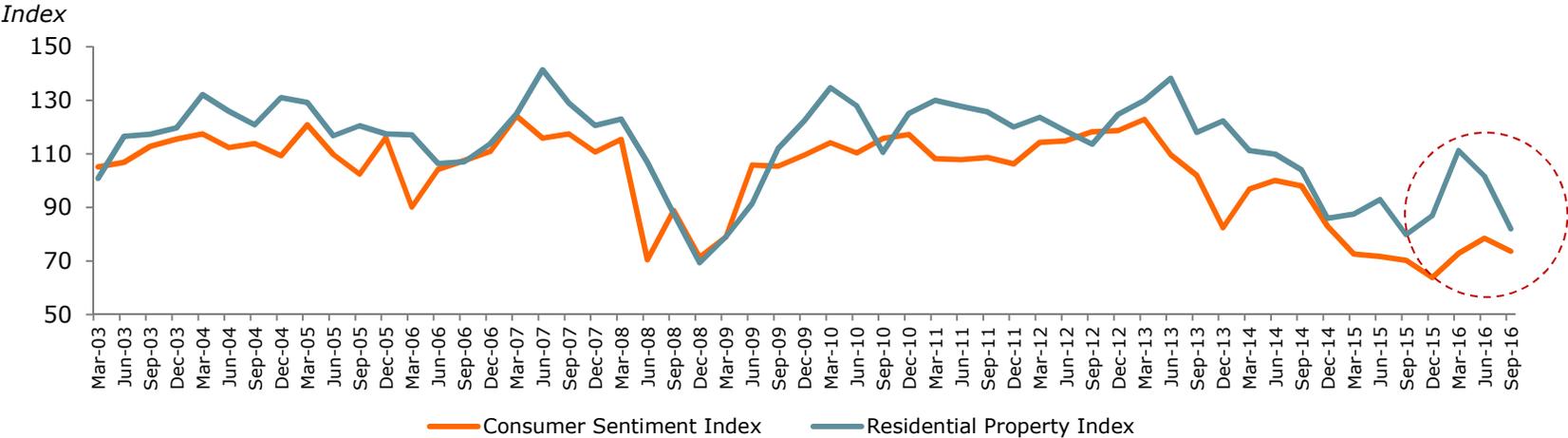


Another challenging year for the Malaysian property market

## Malaysia: Loan Approval Rates



## Malaysia: Consumer Sentiment Index and Residential Property Index



Source: Bank Negara, CEIC

# Property Division

Right Product, Right Price and Right Time



**A balanced portfolio mix between premium and affordable products in order to maximise value**

**Luxury Development**



**Alya Kuala Lumpur – Senada Residences**

**Flagship Development**



**City of Elmina**

**Affordable Housing**



**Rumah Selangorku, Bandar Bukit Raja**

**Suci 1 & Murni, Bandar Ainsdale**

## Battersea Power Station

### Phase 1: Circus West Apartments



**862 units sold**

99% take-up rate  
as at 30 Oct'16

**£771mn**

GSV  
as at 30 Oct'16

**FY2017**

Full recognition of  
Phase 1's profit

**By Jun'17**

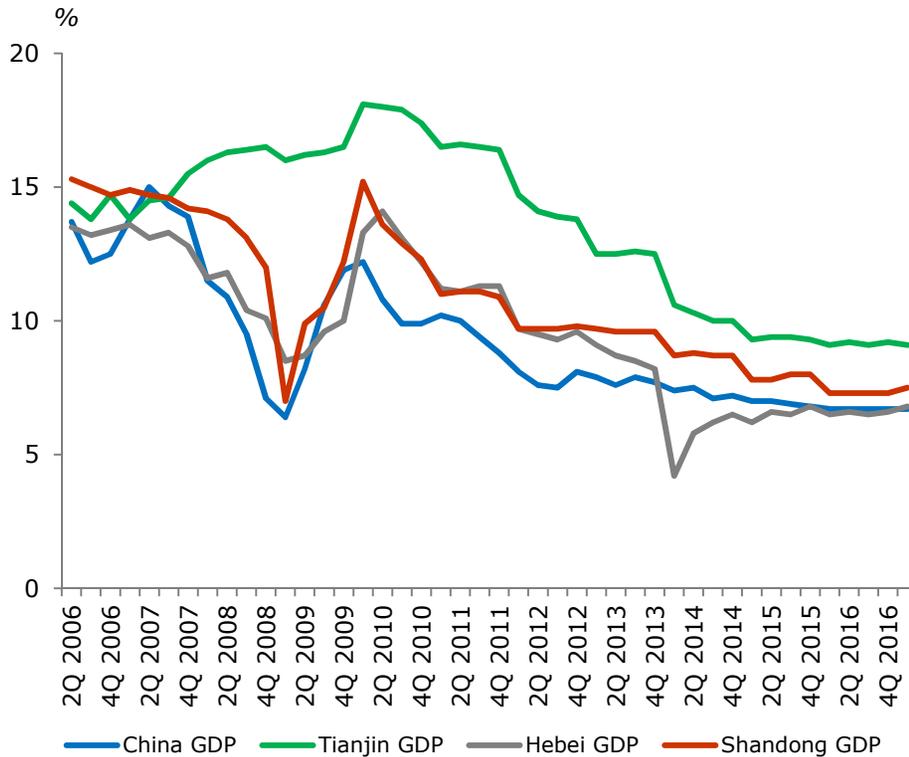
Expected full  
completion

# Logistics Division



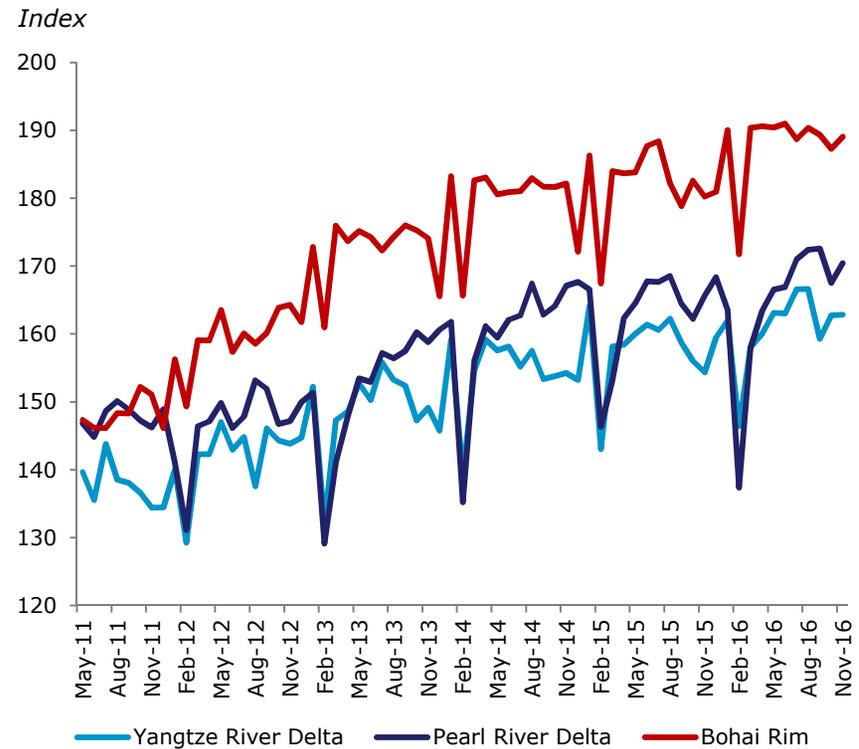
China's growth and trade volume remains steady amid weak economic climate

Quarterly GDP Growth: China and Bohai Rim



- China's overall economy remained steady at 6.7% YoY in 3QCY16 (2QCY16: 6.7% YoY) in line with the official full-year growth target of 6.5%-7.0%

Port Climate Index



- The **Bohai Rim** has **outperformed the other two major** regions since CY2012
- Domestic demand spearheaded growth as external demand remained weak amid contraction in external trade

Note: The Port Climate Index is used to measure the level of port's activities

# Logistics Division



Aspires to be sizeable multipurpose ports and comprehensive logistic operator

As at 30 June 2016

## Weifang Port

- Total capacity of **32 million MT per annum**
- Has **23 berths** with a total berth length of **4,085 metres**
- Cargoes such as raw salt, soda, grain, aluminum ore, coal, bauxite, petroleum, liquid products and container handling

## Jining Ports

- Total capacity of **16 million MT per annum**
- Comprise of **3 ports** namely Jining North, Jining Longgong and Jining Taiping ports
- Cargoes such as sand, coal, porcelain clay and other general cargo

**TOTAL COMBINED CAPACITY**

**48 MILLION MT PER ANNUM**

Note: deadweight tonne (dwt)

**Expected the full completion of Weifang Port's 5-Year Expansion Plan by FY2020**



### **Multipurpose Zone**

- 3 x 30,000DWT dry bulk terminal (Completed in Nov 2016)
- 3 x 30,000DWT general cargo terminal

**CAPACITY**  
26.3 million MT



### **Container Zone**

- 2 x 30,000DWT container
- 2 x 20,000DWT container

**CAPACITY**  
0.7 million TEU



### **Liquid Zone**

- 4 x 50,000DWT liquid terminal
- 500,000m<sup>3</sup> tank storage area

**CAPACITY**  
11.2 million MT

**Target full completion by mid-2019**

**TOTAL COMBINED CAPACITY**

**~100 MILLION MT PER ANNUM**



# **LATEST CORPORATE DEVELOPMENTS**

# Sime Darby Sponsored REIT



In line with Sime Darby's corporate strategy **to develop a REIT platform**, in order to generate a **resilient and recurring income stream**

**Greater flexibility** in its future fund-raising exercises to build a **sizeable international portfolio of assets**

The image shows three logos in a row: 'SaizenREIT' with a small Japanese character '最善' to its right, 'Hastings Deering' in a bold, black, sans-serif font, and 'CAT' in a bold, black, sans-serif font with a yellow triangle below the 'A'. Below these logos is a light blue box containing text, and at the bottom is a black downward-pointing arrow containing the text 'Established new company'.

Proposed disposal of industrial properties in Australia to Saizen Real Estate Investment Trust (REIT) and proposed acquisition of 80% of the issued shares of Japan Residential Assets Manager Limited

**Established new company**



**Sime Darby  
Sponsored REIT**

Hastings Deering **disposed 20 industrial properties** located in Queensland and the Northern Territory, Australia for a **total consideration of AUD358mn** (RM1.1bn)

# Proposed 50:50 JV with Shandong Chenming Paper Holdings Ltd. (SCPHL)



For the co-development and operation of **a 3 x 30,000 deadweight tonne (dwt) multipurpose terminal**

Sime Darby disposed its **50%** interest in Weifang Sime Darby **West Port for RMB158.7 mn (equivalent to RM97.7mn)**

SCPHL has a **paper production plant in Shougang, Shandong**



## Strategic rationale of the proposed JV:

- To secure **sizeable baseload woodchip volume** for the multi-purpose terminal at Weifang Port and thus establishing a long term partnership
- To **share the investment costs and risks** while being able to accelerate the development & growth of Weifang Port by leveraging the strengths of the strategic partner

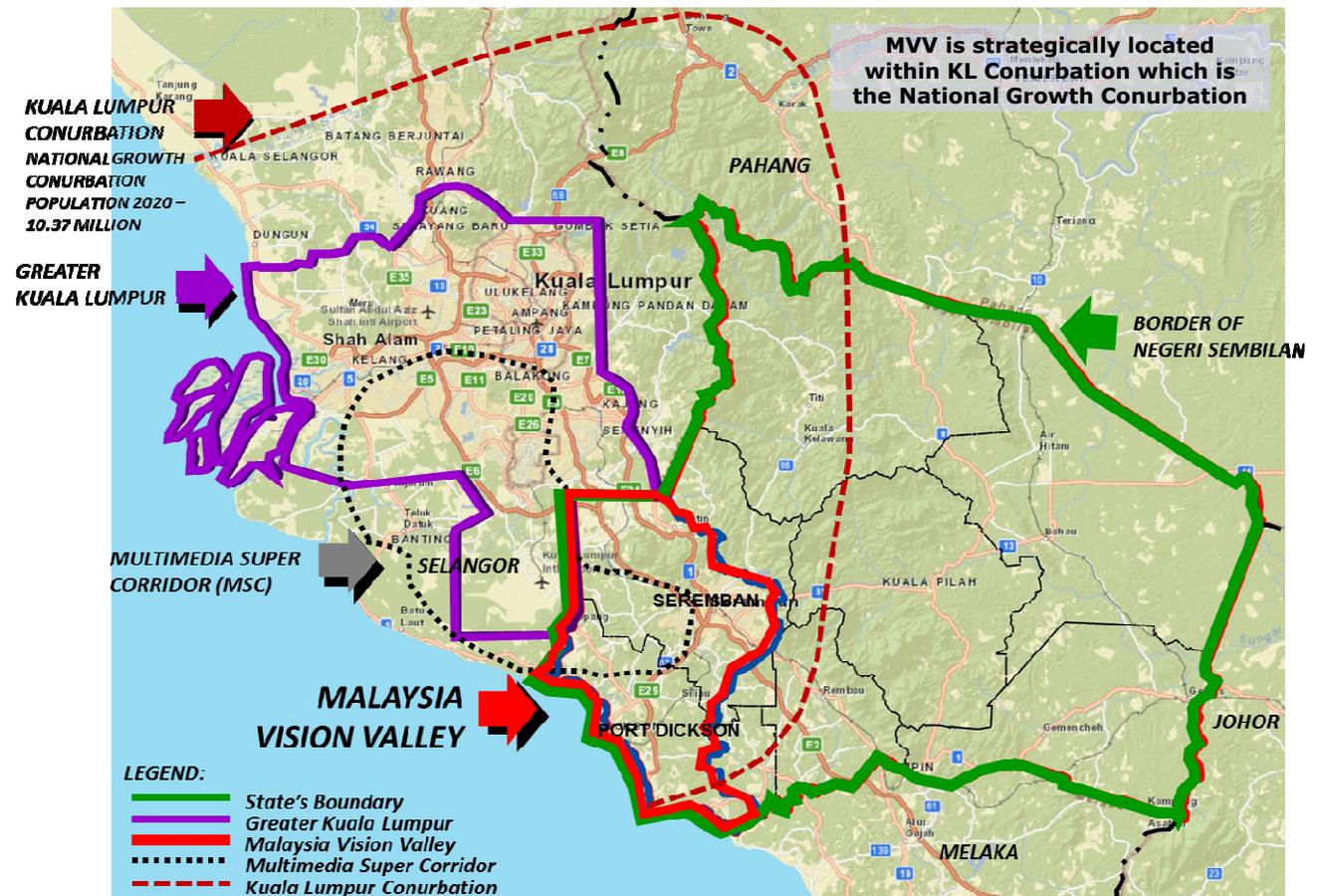
# Malaysia Vision Valley (MVV)



Announced as a **key project** under the **11<sup>th</sup> Malaysia Plan**

**~378,000 acres**  
Total area of MVV (Nilai, Seremban & Port Dickson)

**70,000 acres**  
Sime Darby's landbank of the total MVV area (Seremban & Port Dickson)



- Sime Darby will focus on the **strategic development planning** of its land in **Seremban & Nilai Impian**
- To date, there has been **no official announcement on the shareholding structure** for the MVV development



# STRATEGY BLUEPRINTS

## Strategy Blueprint Targets

- **Operational Excellence to Maximise Certified Sustainable Palm Oil (CSPO) Production**
- **Increase Global Palm Product Market Share**
- **Opportunistic Landbank Expansion**

## Strategic Initiatives

- Boost internal CSPO oil yields
- Grow external CSPO volumes
- Leadership in plantation sustainability
- Strategic partnership to expand product and market reach
- Land bank in strategic locations
- Implement crop mix to optimise use of land

## Strategy & Innovation Targets

- **World class CAT dealerships and Allied Solutions in the Asia Pacific region**
- **Diversified presence & portfolio of businesses in Asia Pacific region**
- **Enhance operational excellence**

## Strategic Initiatives

- Grow and sustain market leadership for products, replacement parts, service and solutions in all territories
- Develop energy solutions and broaden the global footprint and range of allied parts
- World class productivity on the back of CAT Production System and Business Transformation Project

## Strategy & Innovation Targets

- **Higher Return on Invested Capital (ROIC)**
- **Expansion of After Sales and Used Car businesses**
- **Expand Inokom assembly capacity to cater for domestic and ASEAN markets**

## Strategic Initiatives

- Penetration into new markets/new marques
- Increase profit contribution through innovation projects
- Consolidation of front-end and back-end facilities

## Strategy & Innovation Targets

- **#1 Malaysian Property Brand**
- **Higher ROIC**
- **Higher PBIT**

## Strategic Initiatives

- “Right Product, Right Price, Right Time”
- Pipeline optimisation & delivery
- Strategic partnership to create new growth areas
- Asset monetisation and retention
- Brand enhancement
- Innovation acceleration

## Strategy & Innovation Targets

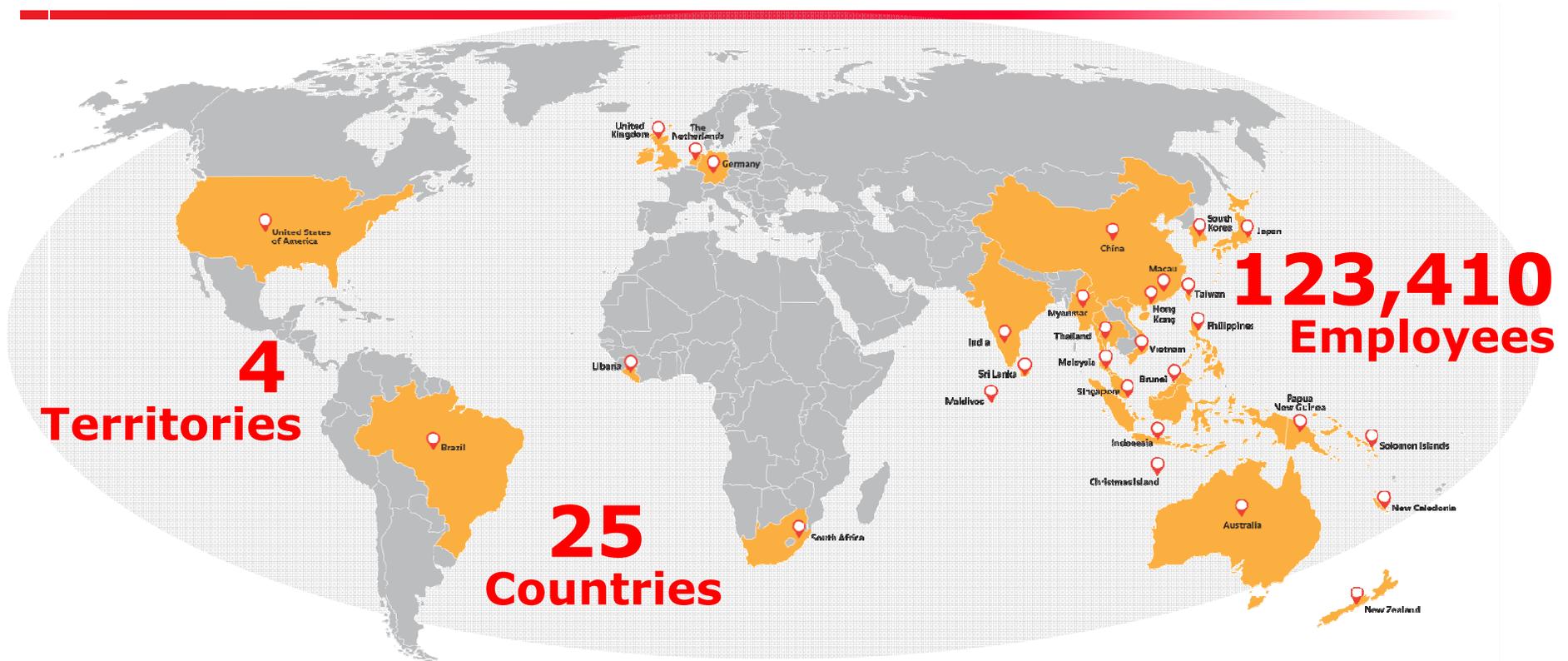
## Strategic Initiatives

- **To be a sizeable multipurpose port and a comprehensive logistic operator in the Bohai Bay (Weifang Port)**
- **To be the largest sustainable port network operator in Jining**
- **To be an integrated water services provider in Weifang**
- Expansion & diversification of capacity for Jining Port
- Completion of the expansion plan at Weifang Port
- Improve operational performance and provide differentiated value proposition to customers
- Strategic Collaboration/Joint-Ventures

# **APPENDICES**

- 1. Group**
- 2. Plantation**
- 3. Industrial**
- 4. Motors**
- 5. Property**
- 6. Logistics**

# Who We Are



Revenue

**RM44.0bn**

PBIT

**RM3.1bn**

Net Earnings

**RM2.4bn**

Group ROAIC

**6.2%**

Total Equity

**RM35.7bn**

Debt-to-Equity

**44.3%**

Note: ROAIC - Return On Average Invested Capital. All financials are as at 30 June 2016.

# A Leading Global Player



**Sime Darby positions itself as a leader in all the industries it operates in**



**World's Largest Producer of CSPO, 22% of global CSPO output**



**One of the largest Caterpillar Dealers in the World**



**Leading Automotive Player in the Asia Pacific region**



**Top 3 Property Developers in Malaysia in terms of Revenue**



**#1 container port operator within Shandong's Yellow River Delta handling over 100,000 TEUs of containers in FY2016**

# Key Strengths



## Riding on Global Megatrends

High global population growth, rapid urbanisation in Asia & Africa, new innovation and rising green awareness

## Robust Capital Management

Disciplined capital allocation in a conglomerate structure

## Leading Multinational

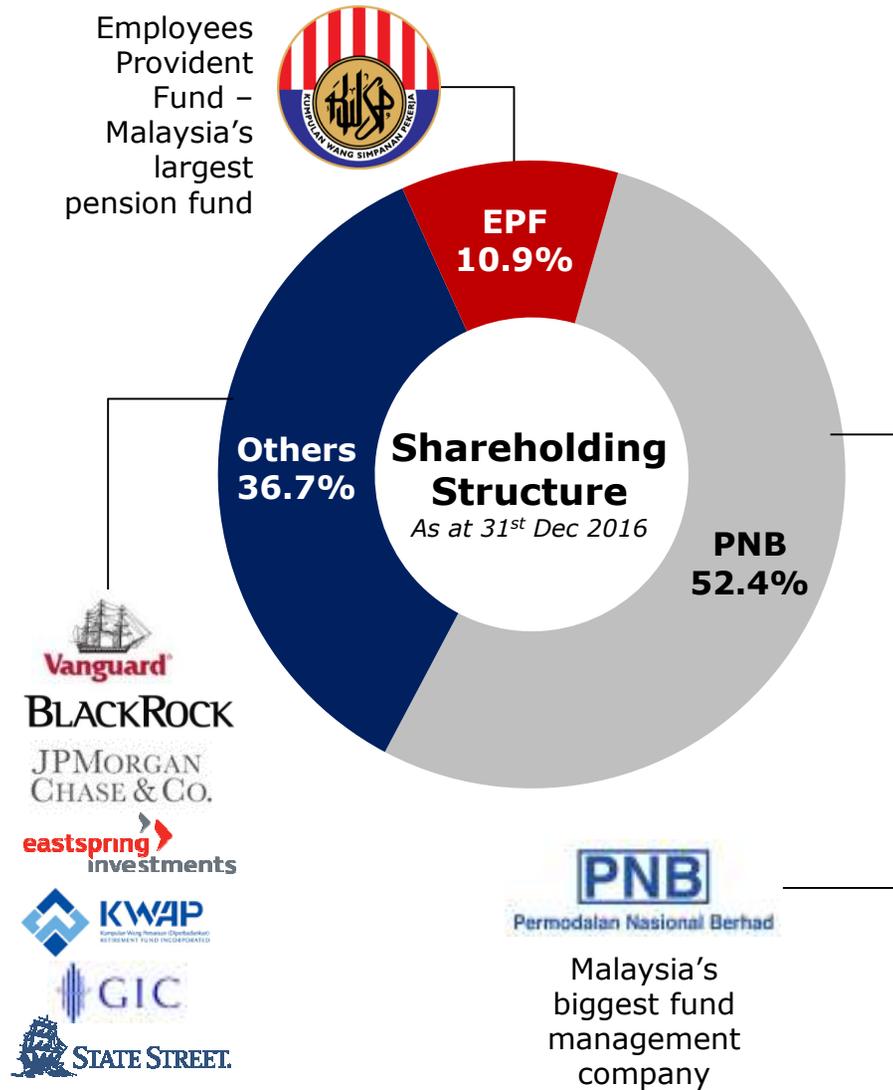
World's largest CSPO producers, one of the world's largest Caterpillar dealers, a leading automotive player in Asia Pacific, top property developer in Malaysia

## Strong Governance & Sustainability

Governed by a two-tiered board structure & sustainable in the environmental, social and governance space



# Broad Mix of Strong & Reputable Shareholders



**RM8.49**

**Share Price**

As at 17<sup>th</sup> Jan 2017

**RM48.4 billion**

**Market Capitalisation**

As at 17<sup>th</sup> Jan 2017

**12.6%**

**Foreign Shareholding**

As at 31<sup>st</sup> Dec 2016

# FY2016 Divisional Highlights



PLANTATION

**RM11.9bn**  
Revenue

**RM1.05bn**  
PBIT



INDUSTRIAL

**RM9.6bn**  
Revenue

**RM326mn**  
PBIT



MOTORS

**RM18.9bn**  
Revenue

**RM503mn**  
PBIT



PROPERTY

**RM2.9bn**  
Revenue

**RM1.1mn**  
PBIT



ENERGY & UTILITIES

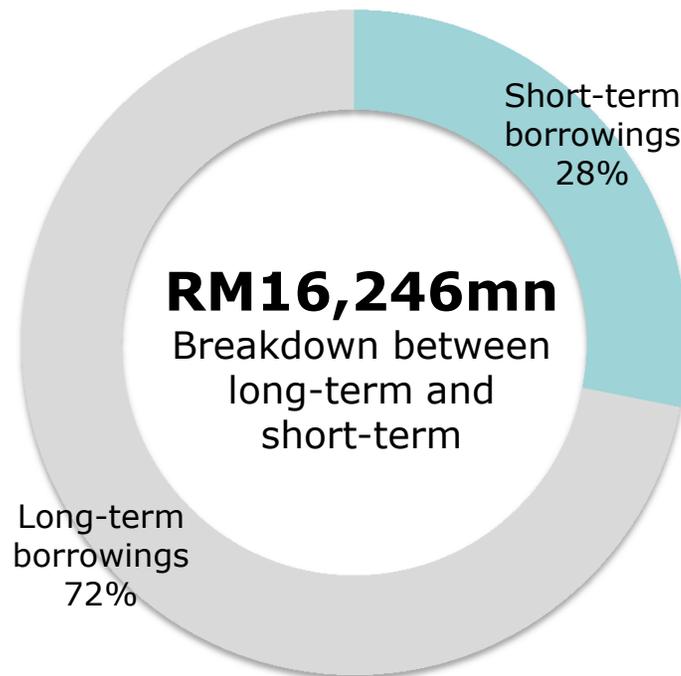
**RM630mn**  
Revenue

**RM106mn**  
PBIT

# Snapshot of Borrowings Position



**As at 30 September 2016**  
(1QFY17)



**44%**  
Debt/Equity (D/E) ratio

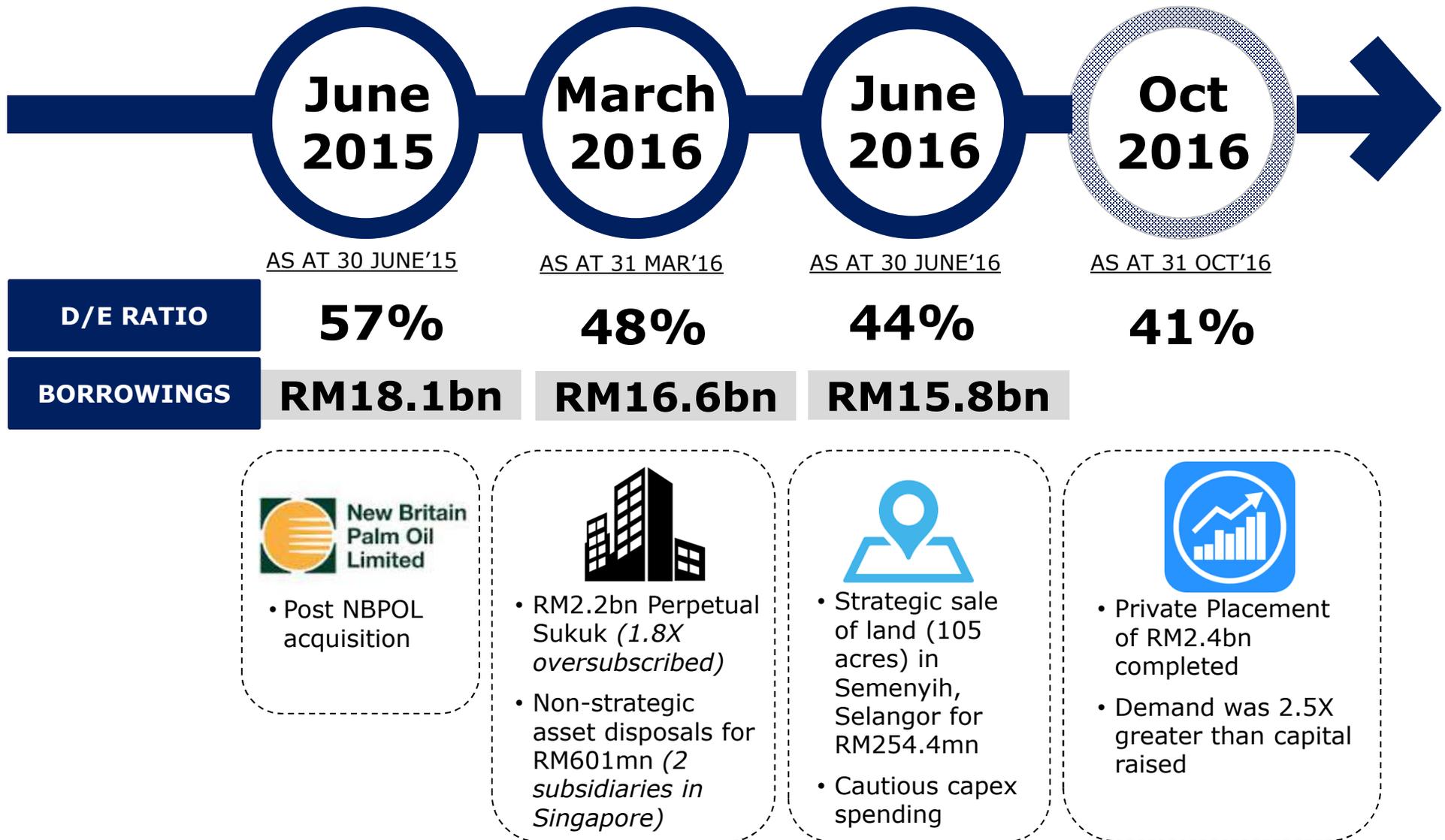
**As at 31 October 2016**  
(Post private placement)

**~RM16.0bn**  
Estimated total borrowings

**~41%**  
D/E ratio

**~RM5.7bn**  
Bank and cash balances

# A Journey of Active Deleveraging



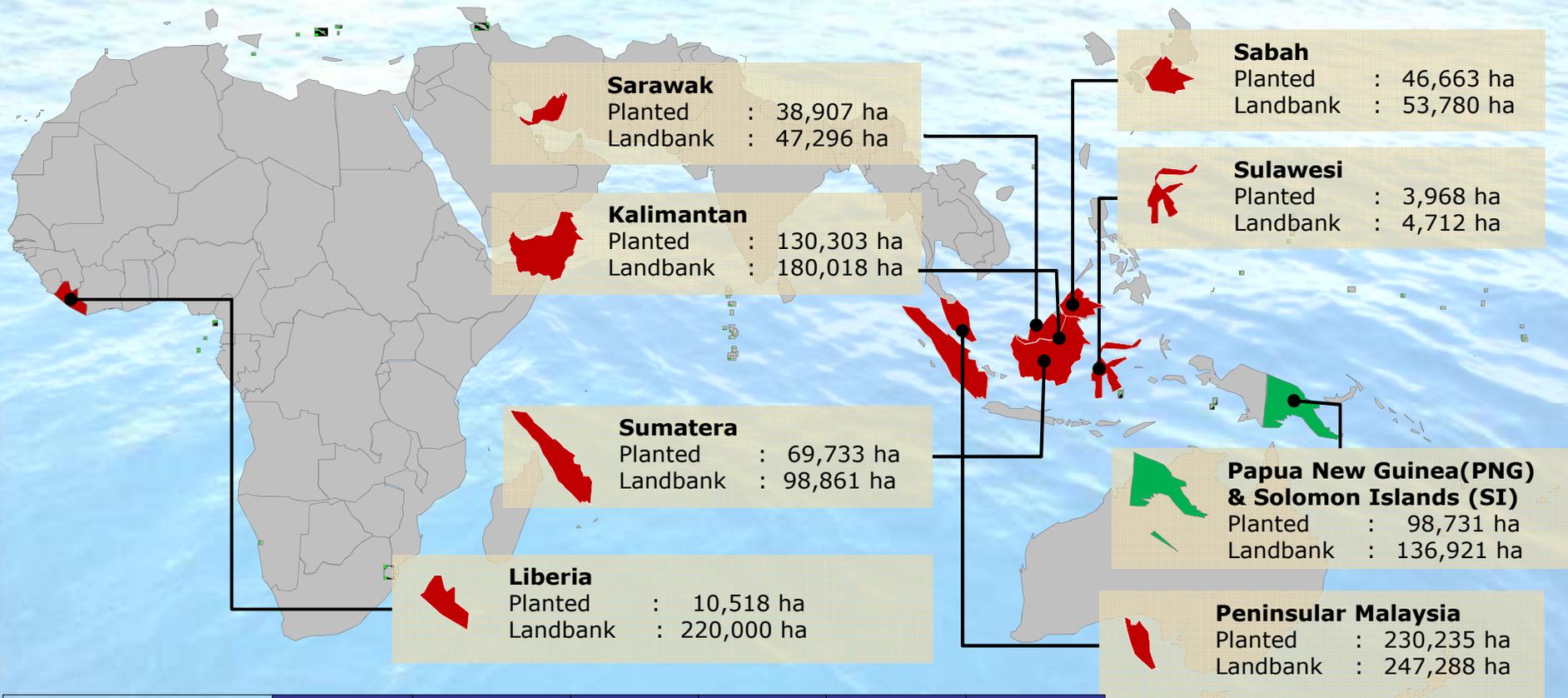
# Credit Rating



| CREDIT RATING AGENCY                                                                | RATING/<br>OUTLOOK                                                                                                                                                                                                                               |
|-------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|    | <p><b>Baa1</b><br/><b>Negative</b></p> <p style="text-align: right;"><i>As at 3<sup>rd</sup> Mar '16</i></p>                                                                                                                                     |
|    | <p><b>BBB+</b><br/><b>Stable</b></p> <p style="text-align: right;"><i>As at 11 Oct'16</i></p>                                                                                                                                                    |
|  | <p><b>AA<sub>IS</sub></b> <small>PERPETUAL<br/>SUKUK</small><br/><b>Negative</b></p> <p><b>MARC-1<sub>ID</sub> / AAA<sub>ID</sub> /</b><br/><b>Negative</b> <small>ICP/IMTN</small></p> <p style="text-align: right;"><i>As at 14 Mar'16</i></p> |

# Plantation Division

Upstream geographical coverage as at 30 Sep'16

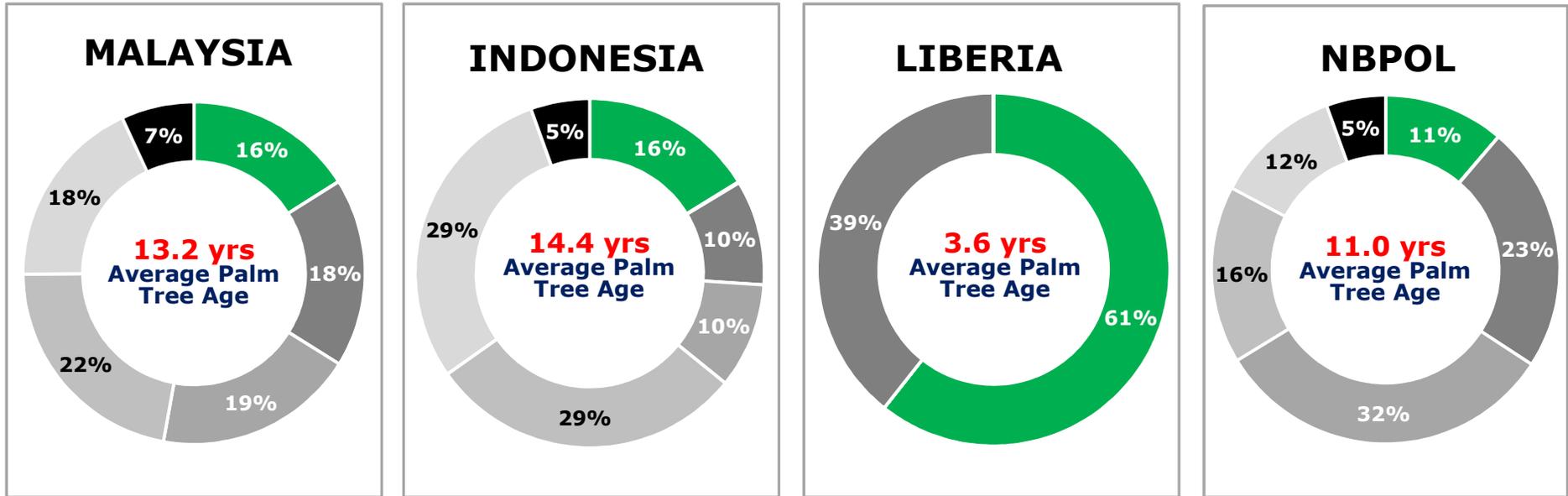


| As at 30 Sep'16 (ha)        | Malaysia | Indonesia | Liberia | PNG     | Solomon Islands | Group          |
|-----------------------------|----------|-----------|---------|---------|-----------------|----------------|
| Total Land bank             | 348,364  | 283,591   | 220,000 | 128,617 | 8,304           | <b>988,876</b> |
| Total Oil Palm Planted Area | 305,024  | 203,289   | 10,411  | 77,398  | 6,764           | <b>602,886</b> |
| Total Rubber Planted Area   | 10,517   | 715       | 107     | -       | -               | <b>11,339</b>  |
| Other Planted Area          | 263      | -         | -       | 14,569  | -               | <b>14,832</b>  |

# Plantation Division



Oil palm age profile as at 30 Sep'16



**13.1 yrs**

Group's Weighted Average Palm Tree Age

■ Immature 
 ■ 4-8 Years 
 ■ 9 - 14 Years 
 ■ 15 - 18 Years 
 ■ 19 - 22 Years 
 ■ Above 22 Years

**Sime Darby has 602,806 ha of oil palm planted area of which 84% is mature and 16% is immature**

# Plantation Division



Plantation operational statistics as at 30 Sep'16

|                                 | MALAYSIA |        | INDONESIA |        | PNG    | LIBERIA | TOTAL  |        |
|---------------------------------|----------|--------|-----------|--------|--------|---------|--------|--------|
|                                 | 1QFY17   | 1QFY16 | 1QFY17    | 1QFY16 | 1QFY17 | 1QFY17  | 1QFY17 | 1QFY16 |
| FFB Production (mn MT)          | 1.26     | 1.65   | 0.57      | 0.79   | 0.32   | 0.00    | 2.15   | 2.83   |
| FFB yield per mature ha (MT/ha) | 4.88     | 6.24   | 3.35      | 4.31   | 4.25   | 0.83    | 4.24   | 5.42   |
| CPO Production (mn MT)          | 0.28     | 0.37   | 0.15      | 0.22   | 0.09   | 681     | 0.52   | 0.71   |
| PK Production (mn MT)           | 0.07     | 0.09   | 0.03      | 0.05   | 0.02   | -       | 0.12   | 0.17   |
| CPO Extraction Rate (%)         | 21.01    | 21.41  | 21.25     | 22.56  | 22.39  | 20.21   | 21.3   | 22.00  |
| PK Extraction Rate (%)          | 4.94     | 5.16   | 4.47      | 4.64   | 5.74   | -       | 4.93   | 5.11   |
| Average CPO selling price (RM)  | 2,618    | 2,145  | 2,582     | 1,842  | 2,503  | 1,924   | 2,592  | 2,088  |
| Average PK selling price (RM)   | 2,555    | 1,353  | 1,940     | 994    | -      | -       | 2,442  | 1,262  |

# Plantation Division



Potential improvements in oil yields in NBPOL

## A quality brownfield asset

FY2016's operating profit of **RM192.6mn\***

Young average age profile of **11 years old**

High FFB production of **1.616 million MT**

FFB yield of **21.85MT/ha** due to fertile land and efficient fertiliser application despite the El Nino phenomenon

High OER of **22.67%** and different FFB production peak period of **Apr-Jul each year**

**Cost reduction** in NBPOL via:

- **Synergies** in procurement i.e. fertiliser, tools, shipping & interest cost, amounted to **RM24mn**
- **Mechanisation – improve efficiency**

Dami seeds are used as **planting materials** in the Indonesian estates

## Top 10 Best Yielding Estates (MT/ha)

|              |          |       |
|--------------|----------|-------|
| Sumberipa    | NBPOL    | 30.09 |
| Sangara      | NBPOL    | 29.34 |
| Sogomana     | Malaysia | 29.11 |
| Dusun Durian | Malaysia | 28.86 |
| Ambogo       | NBPOL    | 28.62 |
| Tiger        | Malaysia | 28.34 |
| MbAMisuna    | NBPOL    | 28.00 |
| Kautu        | NBPOL    | 27.66 |
| Morua        | NBPOL    | 27.61 |
| Waigani      | NBPOL    | 27.33 |

■ 7 of NBPOL Estates in the top 10

## Target to reduce cost of production

**1<sup>st</sup> shipment** of **Dami Super Family** seeds sent to Indonesia for replanting in July 2016

- **~500,000 seeds**
- Improve yields in Indonesia

# Plantation Division

Key sustainability achievements



## RSPO Certification Status

| Status (as at 30 Sep'16) | Malaysia | Indonesia | NBPOL | Liberia | Total |
|--------------------------|----------|-----------|-------|---------|-------|
| Certified                | 34/34    | 23 /24    | 12/12 | 0/1     | 69/71 |
| % of completion          | 100%     | 96%       | 100%  | -       | 97%   |

## High Carbon Stock (HCS) Study

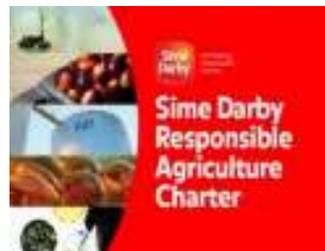


As a signatory to the Sustainable Palm Oil Manifesto, Sime Darby Plantation is carrying out findings from its landmark HCS study in its Liberian operations

## Responsible Agriculture Charter (RAC)

Launched in Dec'16 with Sime Darby's focused commitments on:

- **Human rights & social development**
- **The environment**, and
- **Corporate integrity**



## Constituent of Environmental, Social & Corporate Governance (ESG) Indices

Since 2015 :

S&P Dow Jones Indices

**Dow Jones Sustainability Emerging Markets Index (DJSEMUP)**



**FTSE4GOOD Bursa Malaysia (F4GBM) Index**

In 2016 :

FTSE Russell

**FTSE4Good Emerging Index (Newly launched in Dec'16)**

# Plantation Division

Pioneering good agriculture practices



## Open Palm Traceability



**Open Palm online dashboard** provides SDP customers with **access to key data on the origin of all palm products** that **go through SDP refineries** from its various oil palm mills, plantations and third party plantations

Percentage of oils traceable to mills:



## Hotspot Management

The Sime Darby Hotspot Dashboard **tracks and reports hotspots occurring within our concession areas** where we **respond immediately** to contain and put out the fire



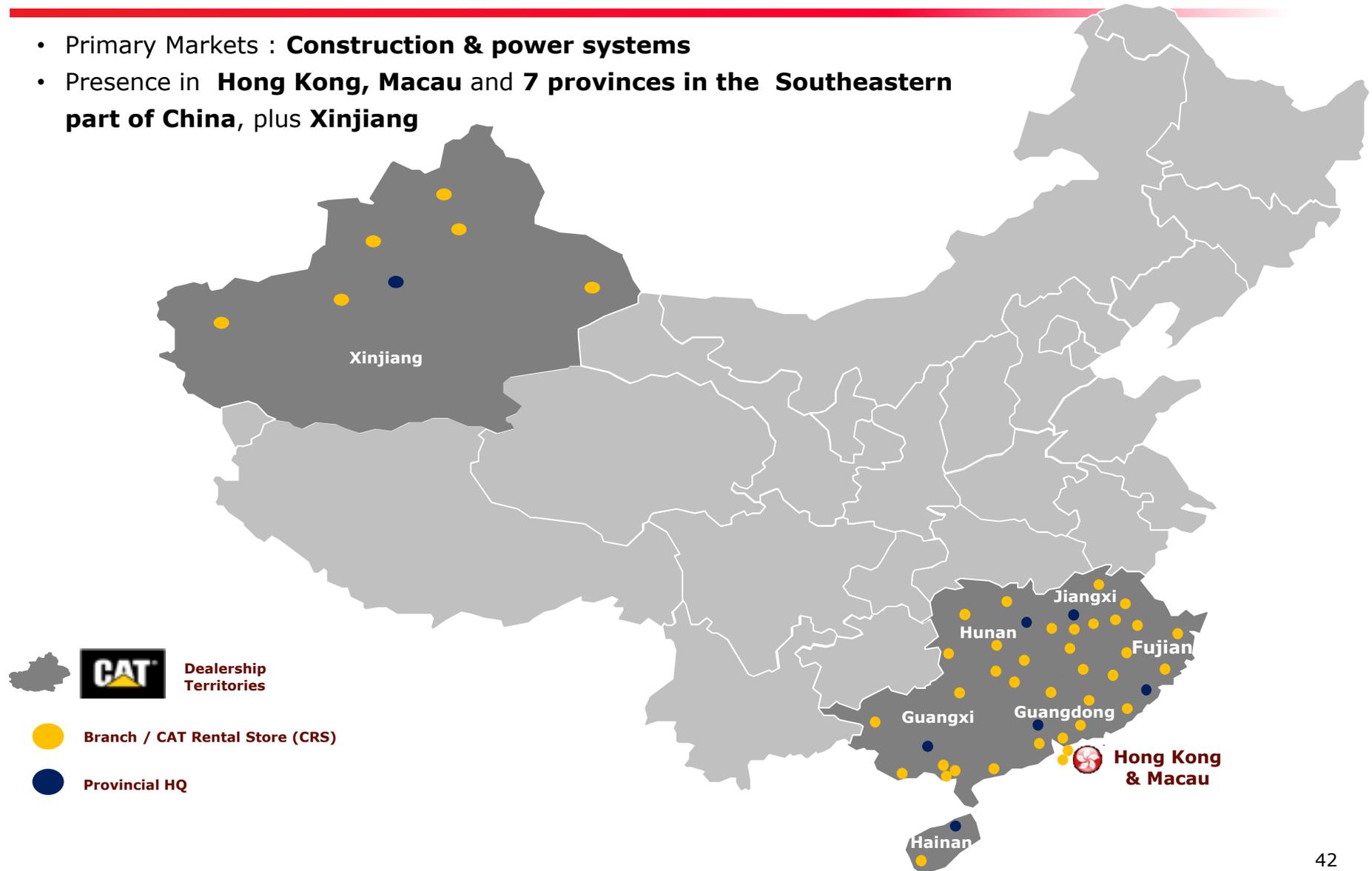
CPO – Crude Palm Oil  
PKO – Palm Kernel Oil

# Industrial Division



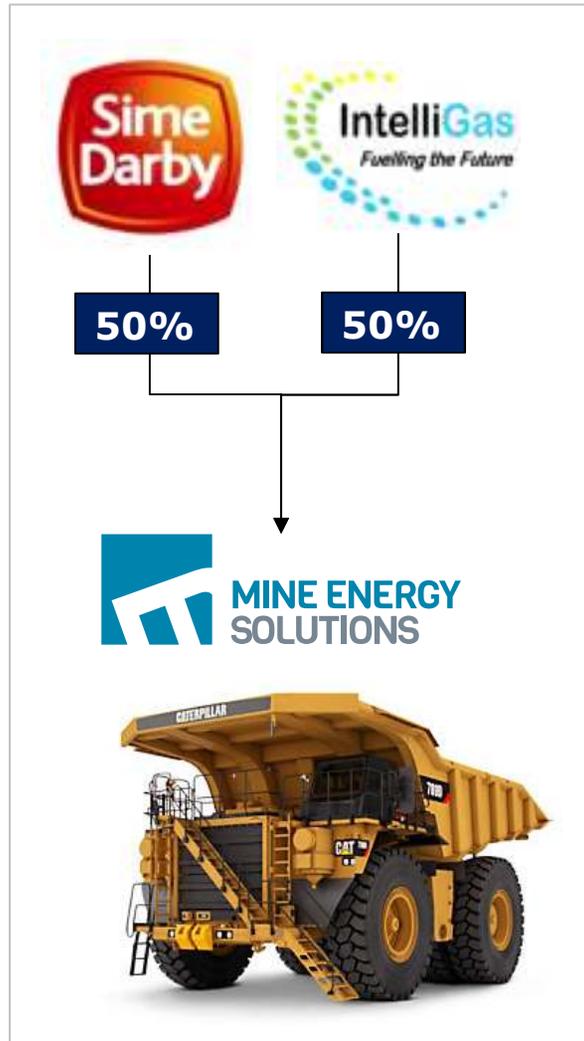
## Investment in China

- Primary Markets : **Construction & power systems**
- Presence in **Hong Kong, Macau** and **7 provinces in the Southeastern part of China**, plus **Xinjiang**



# Industrial Division

## Energy solution strategy



- **Mine Energy Solutions (MES)** is a **joint venture** between **Sime Darby** and the Queensland-based gas technology specialist, **Intelligas** to **displace imported diesel as the dominant fuel for heavy machinery**
- MES has adopted **High Density Natural Gas (HDCNG™)** to **deliver significant, safe and sustainable fuel savings to owners of mobile mining machinery**
- Provides an opportunity to **displace up to 500 million litres of diesel** while **ensuring significant cost savings for customers**
- HDCNG™ is natural gas compressed to **twice the density of normal natural gas**
- Sime Darby's subsidiary, Hastings Deering collaborated with MES and successfully ran a **demonstration of a CAT 780 mine truck fitted with HDCNG™ in a mine test environment**

# Motors Division

Leading integrated automotive distribution group

| MALAYSIA                        | SINGAPORE            | THAILAND | CHINA  | HONG KONG            | MACAU                | AUSTRALIA            | NEW ZEALAND          | VIETNAM              |
|---------------------------------|----------------------|----------|--------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Distributor & Dealer            | Distributor & Dealer | Dealer   | Dealer | Distributor & Dealer |
|                                 |                      |          |        |                      |                      |                      |                      |                      |
| <p><b>Assembly (INOKOM)</b></p> | <p><b>Rental</b></p> |          |        |                      |                      |                      |                      |                      |
|                                 |                      |          |        | <p><b>Dealer</b></p> |                      | <p><b>Rental</b></p> | <p><b>Dealer</b></p> |                      |
| <p><b>Rental</b></p>            |                      |          |        |                      |                      |                      |                      |                      |



**TAIWAN**

**Distributor & Dealer / Assembly**

# Motors Division

Strategic expansion



## Expansion in KEY MARKETS in the last THREE years

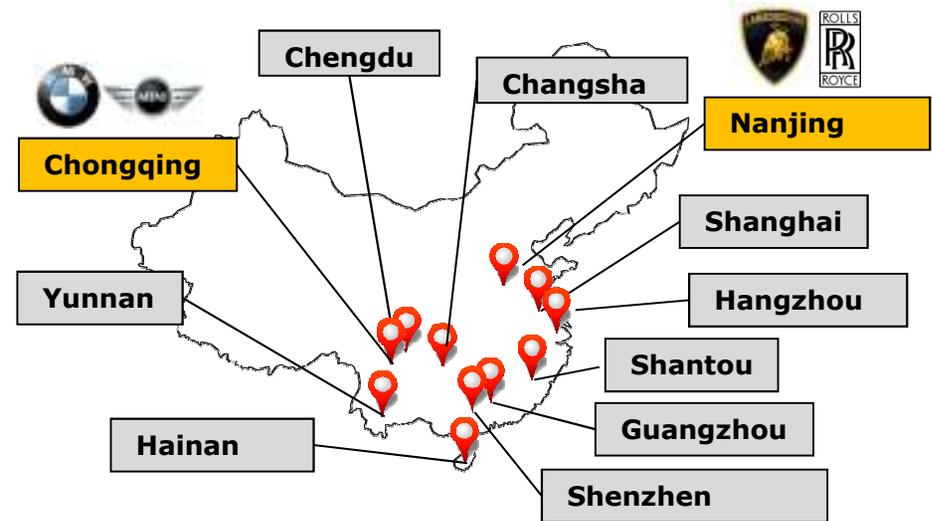
### 1. Vietnam (BMW & MINI)



### 2. Taiwan (Kia)



### 2. China (Nanjing & Chongqing)



### 4. Brisbane, Australia (BMW & MINI, Ferrari)



# Property Division

## Existing and future townships

To-date, the Division built **23 township** developments and has **over 28,000 acres** of land bank in four main corridors spanning from Johor to Penang, which includes 10,800 acres earmarked for future development.

### SELANGOR

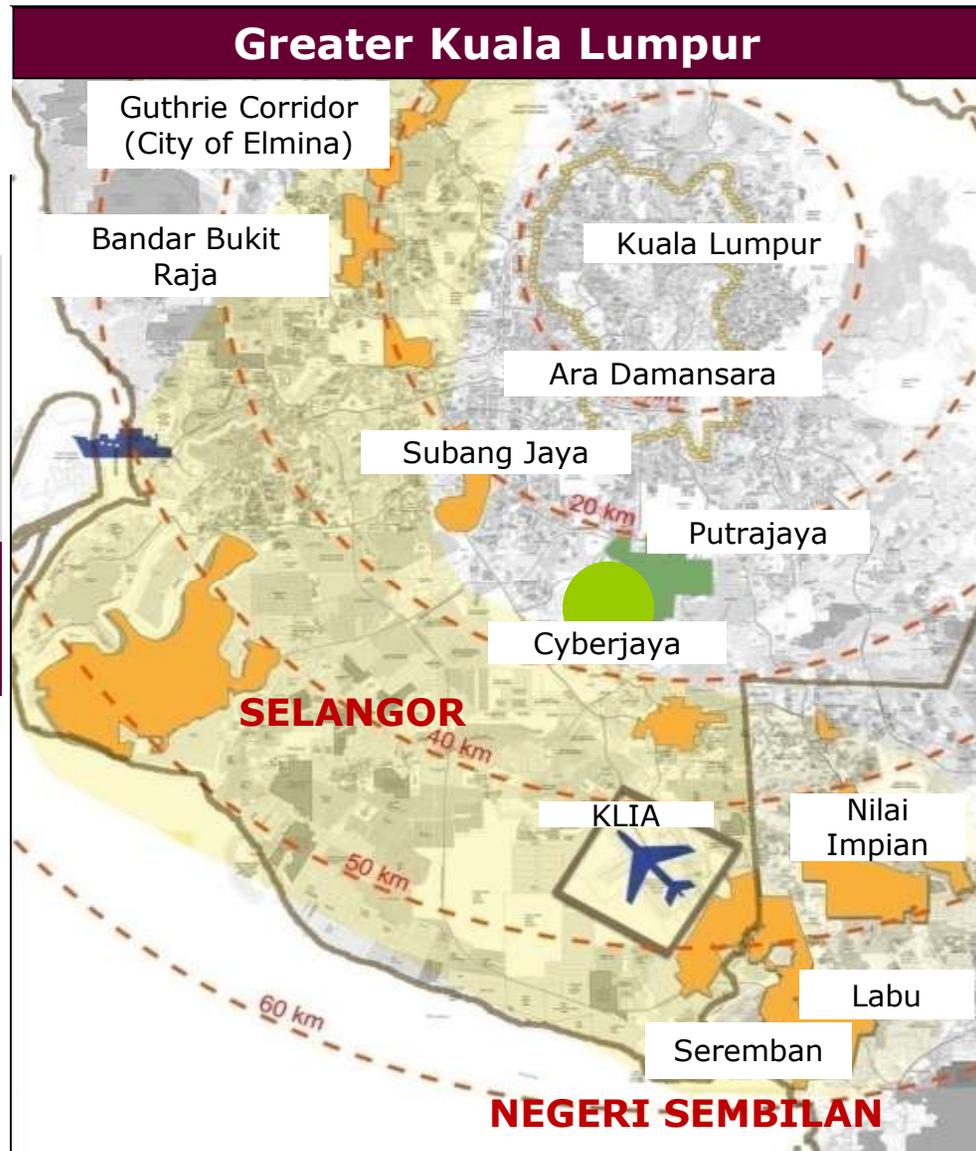
|    |                     |    |                                    |
|----|---------------------|----|------------------------------------|
| 1  | Ara Damansara       | 12 | Rumah Selangorku                   |
| 2  | Bandar Bukit Raja 1 | 13 | Subang Jaya                        |
| 3  | Bukit Jelutong      | 14 | Taman Melawati                     |
| 4  | Bukit Subang        | 15 | USJ Heights                        |
| 5  | Bukit Tunku         | 16 | <i>Bandar Bukit Raja 2 &amp; 3</i> |
| 6  | Denai Alam          | 17 | <i>Kota Elmina</i>                 |
| 7  | Elmina East         | 18 | <i>Lagong</i>                      |
| 8  | Elmina West         | 19 | <i>Serenia City</i>                |
| 9  | KL East             |    |                                    |
| 10 | KLGCC Resort        |    |                                    |
| 11 | Putra Heights       |    |                                    |

### NEGERI SEMBILAN

|    |                 |    |                                |
|----|-----------------|----|--------------------------------|
| 20 | Bandar Ainsdale | 23 | <i>Malaysian Vision Valley</i> |
| 21 | Nilai Impian    |    |                                |
| 22 | Planters Haven  |    |                                |

Existing Townships
  Future Townships

Note: Data as at 19 Oct'16



# Property Division



Key developments as at 30 Sep'16

## 1QFY2017 Highlights

**RM436mn**

**Gross Sales Value (GSV)**  
as at 30 Sep'16  
*(vs RM150mn as at 30 Sep'15)*

**435 units**

**Total Units Sold**  
+51% YoY

**RM1.2bn**

**Unbilled Sales**  
as at 30 Sep'16

**36%**

**Take-up Rate**  
for the launches in  
1QFY2017

## Upcoming Launches in 1HFY2017



**Phase EV4a,  
Elmina West**

*Est. launch in Nov'16  
129 units  
Est. GDV of RM100mn*



**Phase BR17b RSKU, Bandar  
Bukit Raja**

*Est. launch in Nov'16  
570 units  
Est. GDV of RM146mn*



**Phase R07A,  
Bandar Bukit Raja 2&3**

*Est. launch in Nov'16  
230 units  
Est. GDV of RM151mn*

# Property Division

## Battersea Power Station (BPS) development



Battersea Power Station (BPS) :  
Established in Jul'12

**JOINT VENTURE** **40:40:20**  
SD Property: SP Setia : EPF

**10-15** Years to project completion

Site Area **42 acres**

Estimated GDV **~£8bn**

**Vauxhall Nine Elms Battersea Opportunity Area** Strong capital growth expected, as it will be part of the largest urban redevelopment area in central London

**Dec 2016 onwards** Handover of keys for Phase 1's residential units

The **sustainable mixed development** comprising residential and commercial units at Battersea Power Station was **well received** since its inaugural launch in **Sep'14**



### Phase 1

The take-up rate of **99% with 862 units sold**, locked in sales of £771.9mn, where the remaining 5 units unsold are penthouses

### Phase 2

The take-up rate is at **91% with 227 units reserved** which represents sales of £552.4mn

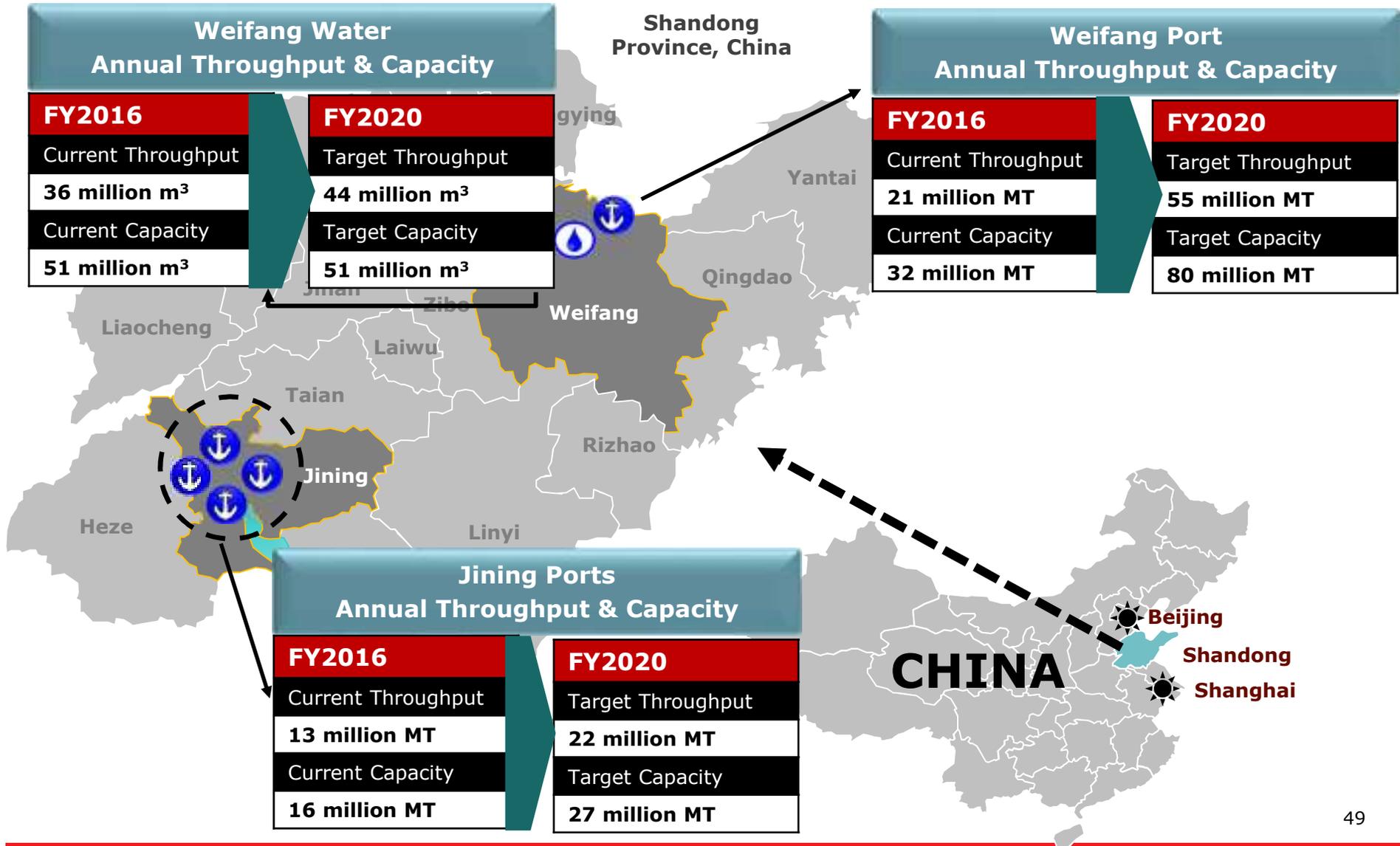
### Phase 3

The take-up rate is currently at **60% with 292 units sold**, which is equivalent to GDV of £411.5mn

# Logistics Division



5-Year goals



# Disclaimer



This presentation may contain forward-looking statements by Sime Darby Berhad that reflect management's current expectations, beliefs, intentions or strategies regarding the future and assumptions in light of currently available information. These statements are based on various assumptions and made subject to a number of risks, uncertainties and contingencies. Actual results, performance or achievements may differ materially and significantly from those discussed in the forward-looking statements. Such statements are not and should not be construed as a representation, warranty or undertaking as to the future performance or achievements of Sime Darby Berhad and Sime Darby Berhad assumes no obligation or responsibility to update any such statements.

No representation or warranty (either express or implied) is given by or on behalf of Sime Darby Berhad or its related corporations (including without limitation, their respective shareholders, directors, officers, employees, agents, partners, associates and advisers) (collectively, the "Parties") as to the quality, accuracy, reliability or completeness of the information contained in this presentation (collectively, the "Information"), or that reasonable care has been taken in compiling or preparing the Information.

None of the Parties shall be liable or responsible for any budget, forecast or forward-looking statements or other projections of any nature or any opinion which may have been expressed in the Information.

The Information is and shall remain the exclusive property of Sime Darby Berhad and nothing herein shall give, or shall be construed as giving, to any recipient(s) or party any right, title, ownership, interest, license or any other right whatsoever in or to the Information herein. The recipient(s) acknowledges and agrees that this presentation and the Information are confidential and shall be held in complete confidence by the recipient(s).

No part of this presentation is intended to or construed as an offer, recommendation or invitation to subscribe for or purchase any securities in Sime Darby Berhad.

# Thank You

---

## **SIME DARBY INVESTOR RELATIONS**

investor.relations@simedarby.com

+(603) 2691 4122

<http://www.simedarby.com/Overview.aspx>



Developing  
Sustainable Futures