



Sime Darby Berhad Investor Presentation

JPM Malaysia Best Ideas Forum

25 April 2017



Developing
Sustainable Futures

Table of Contents

A Sime Darby's Financial Highlights

B Key Divisional Highlights

A

Half Year ended 31 Dec 2016

RISE

YoY Comparison (Vs. 1HFY2016)

RM millions

| | YOY% | 1HFY2017 | 1HFY2016 |
|------------------------|--------------|---------------|---------------|
| REVENUE | ↑ 2% | 22,438 | 22,002 |
| PBIT | ↑ 38% | 1,600 | 1,159 |
| PBT | ↑ 66% | 1,550 | 936 |
| PATAMI | ↑ 79% | 1,087 | 609 |
| BASIC EPS (sen) | ↑ 71% | 16.8 | 9.8 |

1HFY17 & 2QFY17 Divisional PBIT

QoQ Comparison (Vs. 1QFY17)

| | 1HFY2017 ¹ | 2QFY2017 ¹ | Commentary | | |
|-------------------|---|--|---|--|---|
| PLANTATION | RM841mn (+82% YoY) 1HFY16: RM461mn | RM568mn (+257% YoY) 2QFY16: RM159mn | | | |
| | | | FFB production | 1HFY17 4.87mn MT (-10% YoY) | 2QFY17 2.72mn MT (+5% YoY) |
| | | | Average CPO price realised | RM2,739/MT (+32% YoY) | RM2,835/MT (+37% YoY) |
| | | | Midstream & Downstream | RM121mn (+18% YoY) | RM83mn (+17% YoY) |
| INDUSTRIAL | RM106mn (-22% YoY) 1HFY16: RM135mn | RM55mn (-24% YoY) 2QFY16: RM72mn | <ul style="list-style-type: none"> • Lower PBIT from Singapore and China/HK • Higher earnings from Australasia and Malaysia • Australasia: Better performance in the product support business coupled with higher equipment deliveries in Papua New Guinea • Malaysia: Improved equipment deliveries and product support sales driven by the construction sector | | |
| MOTORS | RM266mn (+15% YoY) 1HFY16: RM231mn | RM136mn (-7% YoY) 2QFY16: RM146mn | <ul style="list-style-type: none"> • Higher contributions from Malaysia, China and NZ in 1HFY17 <ul style="list-style-type: none"> • Malaysian operations +45% YoY supported by Ford and car rental businesses • China operations +44% YoY due to the demand to purchase super luxury cars before the hike in consumption tax • Lower 2QFY17 PBIT due to weaker contributions from S'pore and Vietnam of -20% YoY and -71% YoY, respectively | | |

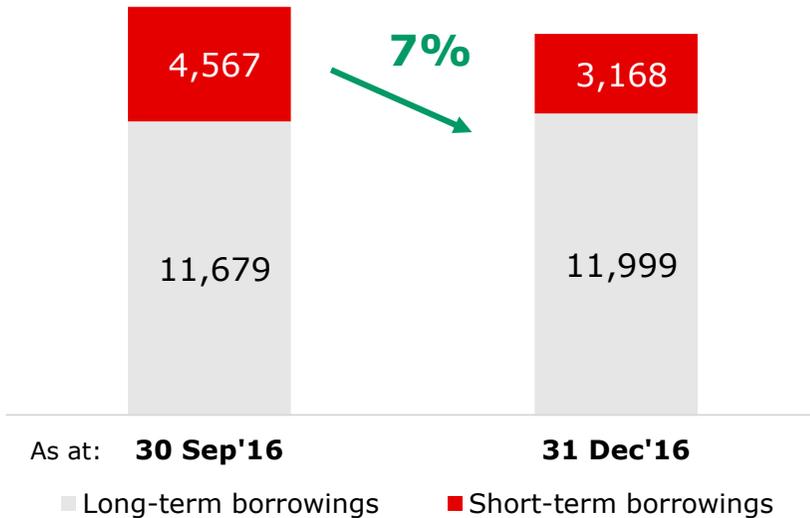
1HFY17 & 2QFY17 Divisional PBIT

QoQ Comparison (Vs. 1QFY17)

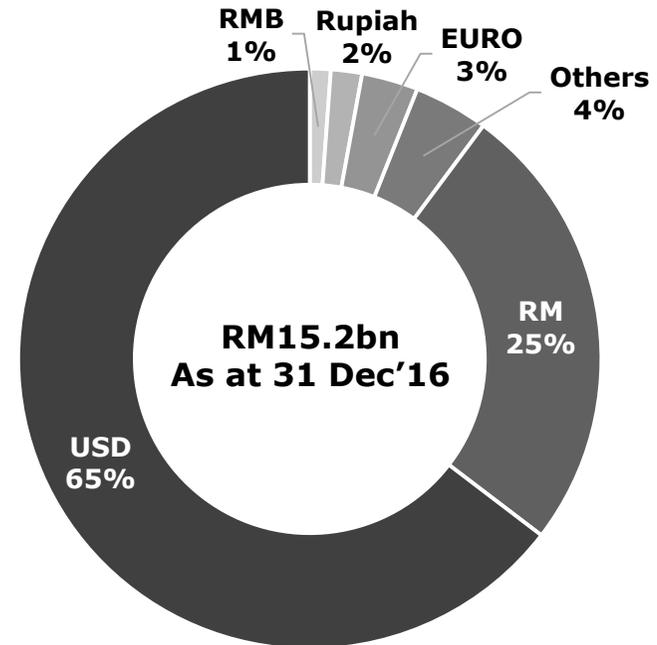
| | 1HFY2017 ¹ | 2QFY2017 ¹ | Commentary |
|------------------|---|--|--|
| PROPERTY | RM309mn (+65% YoY) 1HFY16: RM187mn | RM137mn (+61% YoY) 2QFY16: RM85mn | <ul style="list-style-type: none"> Recognised its maiden share of profit from the Battersea Power Station Project of RM95mn Recorded a gain on compulsory acquisition of land for Damansara-Shah Alam Elevated Expressway of RM58mn |
| LOGISTICS | RM23mn (-58% YoY) 1HFY16: RM55mn | RM11mn (-71% YoY) 2QFY16: RM38mn | <ul style="list-style-type: none"> Lower throughput at Jining Ports (-9% YoY) in 2QFY17 as a result of stiff competition from alternate modes of transportation Higher water consumption and higher throughput in Weifang Port (+16% YoY) in 2QFY17 2QFY16 and 1HFY16 results included an income of RM18.5mn from the recognition of deferred income (government grant) |
| OTHERS | RM24mn (+380% YoY) 1HFY16: RM5mn | RM14mn (>+100% YoY) 2QFY16: RM-1mn | <ul style="list-style-type: none"> Driven by higher share of profit from Ramsay Sime Darby Health Care of RM18mn in 1HFY17 (+39% YoY) and RM9mn in 2QFY17 (+13% YoY) |

Breakdown of long-term borrowings & short-term borrowings (in RM'mn)

RM16.3bn Total borrowings **RM15.2bn** Total borrowings



Breakdown of total borrowings by currencies



- **Improved Debt/Equity (D/E) ratio of 38% as at 31 Dec'16** from D/E ratio of 44% as at 30 Sep'16
- The bank and cash balances totaled to **RM3,813mn** as at 31 Dec'16

Sime Darby Berhad

**Baa1 Negative**As at 3rd Mar '16**Currently under Rating Watch Negative***BBB+ Stable**

As at 11 Oct'16

Currently under Rating Watch Negative*AA_{IS} Negative**PERPETUAL
SUKUK

As at 8 Feb'17

**MARC-1_{DD} / AAA_{ID} /
Negative**

ICP/IMTN

As at 8 Feb'17

Sime Darby Plantation

**Baa1 Stable**

As at 18 Apr'17

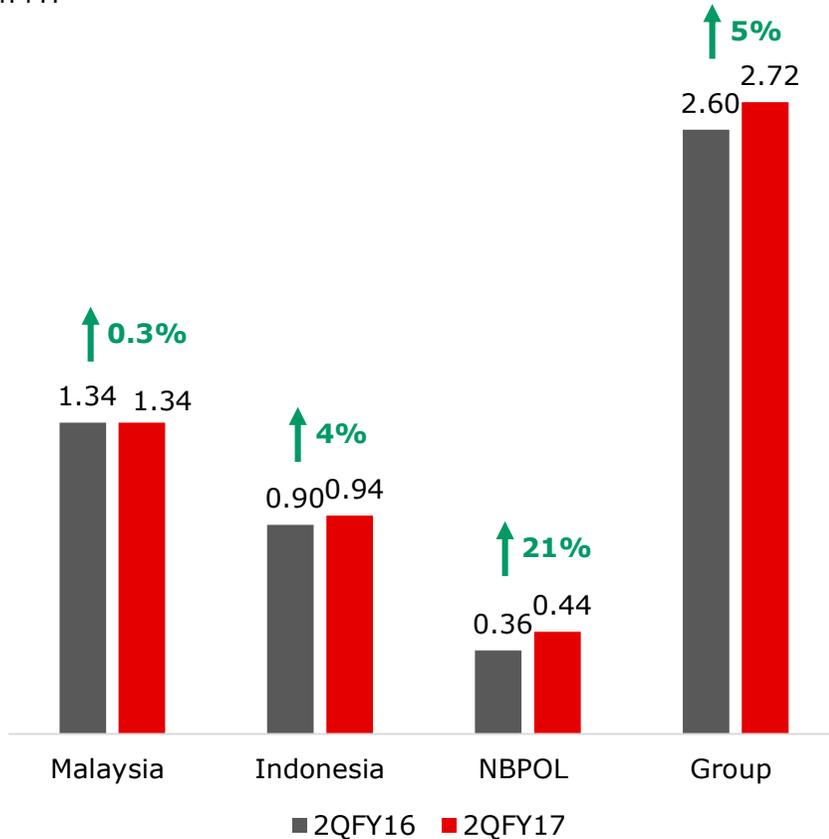
**BBB+ Stable**

As at 18 Apr'17

**Expected rating*

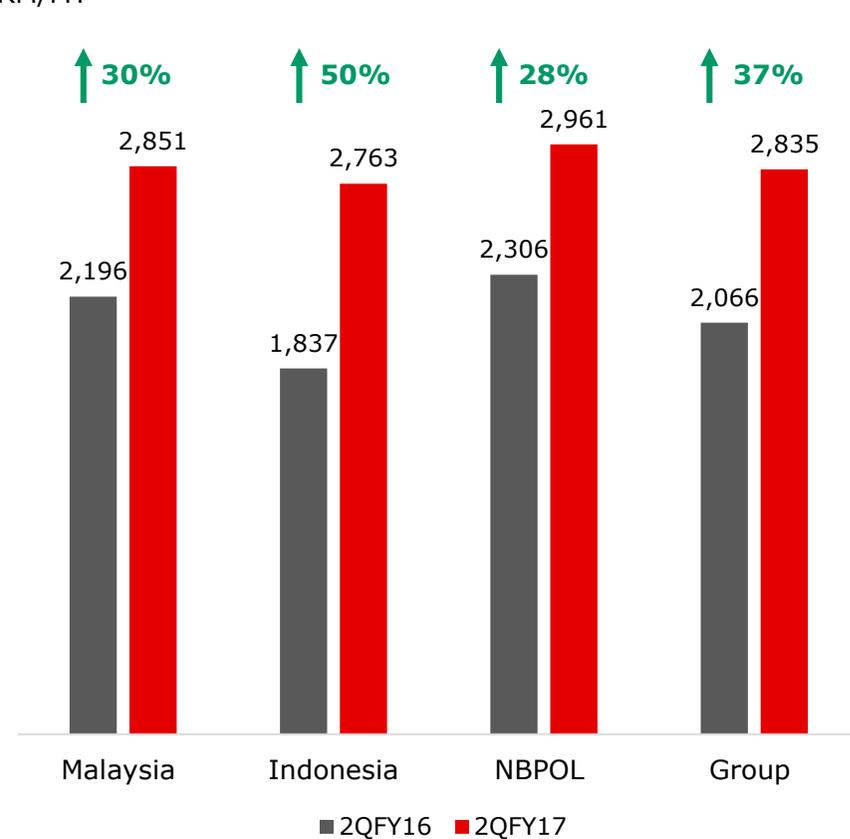
FFB Production (YoY) 2QFY17

Mn MT

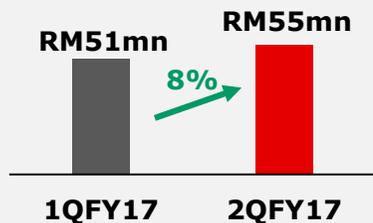


Average CPO Price Realised (YoY) 2QFY17

RM/MT



- Higher FFB production and higher average CPO price realised in 2QFY17

RM1.4bnOrder book as at
31 Dec'16**30:70**Breakdown of
PADE by new
equipment sales
and after-sales in
1HFY17¹**QoQ Improvement****MALAYSIA**

- The construction industry is driven by the government's mega infrastructure projects and an improvement in the domestic economy

AUSTRALIA

- The mining industry has seen an increase in activity recently due to coal price recovery
 - Expect better demand for product support sales

CHINA

- Better demand for small and medium equipment in the construction and mining sectors

SINGAPORE

- Overall weak market sentiment in the oil & gas and offshore & marine shipyard sectors

42,612

(+1% YoY)

Total Units Sold
1HFY17



Zhonghe (New Taipei City) 1S
facility in Taiwan



BMW Shenzhen Bao'an
Showroom in China

New showrooms and models launched in 2QFY17

22,399

(-2% YoY)

Total Units Sold
2QFY17



KIA Morning Facelift in Taiwan



Hyundai Ioniq in Malaysia

RM831 million

Gross Sales Value as at 31 Dec'16
vs RM300mn as at 31 Dec'15

RM1.5 billion

Unbilled sales as at 31 Dec'16
vs RM1.2bn as at 31 Dec'15

50%

Take-up rate as at 31 Dec'16
vs 50% as at 31 Dec'15

742 units

Total units launched in 1HFY17
vs 538 units launched in 1HFY16

865 units

Total units sold in 1HFY17
vs 501 units sold in 1HFY16

UPCOMING LAUNCHES IN 2HFY2017



Phase BA4A, Bandar Ainsdale

- 45 units of DSLH
- Estimated GDV of RM 30mn



Phase G3B, Elmina East

- 67 units of DSLH
- Estimated GDV of RM76mn



**Rumah Selangorku,
Bukit Jelutong**

- 944 units of apartments
- Estimated GDV of RM178mn



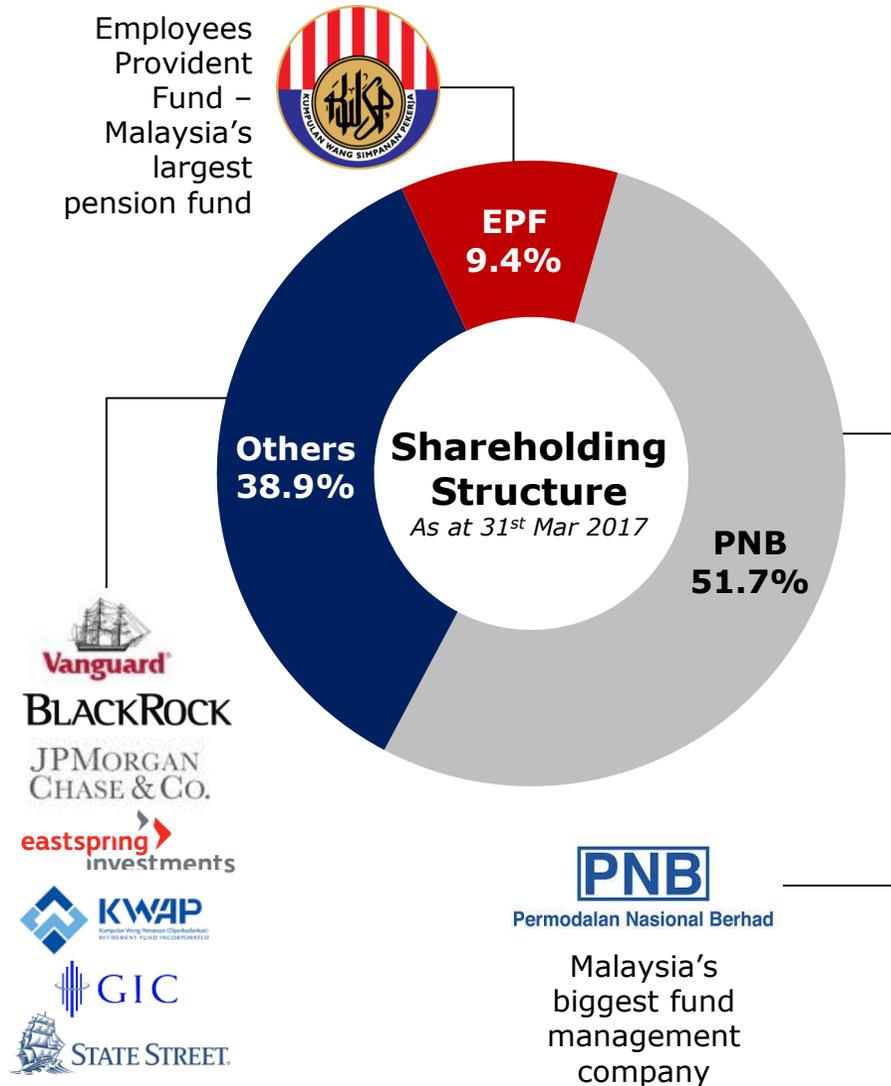
Phase NU3A3, Nilai Impian

- 138 units of DSLH
- Estimated GDV of RM63mn

APPENDICES

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

Broad Mix of Strong and Reputable Shareholders



RM9.28

Share Price

As at 18th Apr 2017

RM63.11 billion

Market Capitalisation

As at 18th Apr 2017

14.82%

Foreign Shareholding

As at 31st Mar 2017

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

Second Quarter ended 31 Dec 2016



YoY Comparison (Vs. 2QFY2016)

RM millions

| | YOY% | 2QFY2017 | 2QFY2016 |
|------------------------|---------------|---------------|---------------|
| REVENUE | ↑ 4% | 12,339 | 11,829 |
| PBIT | ↑ 68% | 927 | 552 |
| PBT | ↑ 94% | 921 | 475 |
| PATAMI | ↑ 126% | 644 | 285 |
| BASIC EPS (sen) | ↑ 111% | 9.7 | 4.6 |

Second Quarter ended 31 Dec 2016



QoQ Comparison (Vs. 1QFY2017)

RM millions

| | QoQ% | 2QFY2017 | 1QFY2017 |
|-----------------|-------|----------|----------|
| REVENUE | ↑ 22% | 12,339 | 10,099 |
| PBIT | ↑ 38% | 927 | 673 |
| PBT | ↑ 46% | 921 | 629 |
| PATAMI | ↑ 45% | 644 | 443 |
| BASIC EPS (sen) | ↑ 39% | 9.7 | 7.0 |

Breakdown of External Revenue



| In RM'mn | 1HFY17 | 1HFY16 | % | 2QFY17 | 2QFY16 | % |
|---------------------------------------|---------------|---------------|-----------|---------------|---------------|-----------|
| Plantation | | | | | | |
| Upstream & Others | 2,757 | 2,587 | 7% | 1,640 | 1,355 | 21% |
| Midstream & Downstream | 3,944 | 3,455 | 14% | 2,270 | 2,027 | 12% |
| | 6,701 | 6,042 | 11% | 3,910 | 3,382 | 16% |
| Industrial | | | | | | |
| Malaysia | 644 | 473 | 36% | 322 | 219 | 47% |
| SE Asia ex Malaysia | 253 | 605 | -58% | 124 | 335 | -63% |
| China/HK | 1,127 | 1,199 | -6% | 641 | 656 | -2% |
| Australasia | 2,494 | 2,566 | -3% | 1,267 | 1,247 | 2% |
| | 4,518 | 4,844 | -7% | 2,354 | 2,458 | -4% |
| Motors | | | | | | |
| Malaysia | 1,623 | 1,594 | 2% | 902 | 847 | 7% |
| SE Asia ex Malaysia | 2,513 | 2,293 | 10% | 1,307 | 1,280 | 2% |
| China/HK | 4,380 | 4,257 | 3% | 2,492 | 2,435 | 2% |
| Australasia/NZ | 1,672 | 1,603 | 4% | 858 | 774 | 11% |
| | 10,188 | 9,747 | 5% | 5,559 | 5,336 | 4% |
| Property | | | | | | |
| Property Development | 777 | 1,060 | -27% | 383 | 486 | -21% |
| Property Investment | 78 | 120 | -35% | 38 | 63 | -39% |
| | 855 | 1,180 | -28% | 421 | 548 | -23% |
| Logistics | | | | | | |
| Ports | 114 | 120 | -5% | 59 | 63 | -6% |
| Water | 31 | 28 | 11% | 16 | 14 | 14% |
| | 145 | 148 | -2% | 75 | 77 | -3% |
| Others | 27 | 38 | -29% | 18 | 26 | -31% |
| <i>Elimination/Corporate Expenses</i> | 4 | 3 | | 2 | 1 | |
| TOTAL | 22,438 | 22,002 | 2% | 12,339 | 11,829 | 4% |

Breakdown of PBIT



| In RM'mn | 1HFY17 | 1HFY16 | YoY | 2QFY17 | 2QFY16 | YoY |
|--------------------------|--------------|--------------|------------|------------|------------|------------|
| Plantation | | | | | | |
| Upstream & Others | 720 | 358 | 101% | 485 | 88 | 451% |
| Midstream & Downstream | 121 | 103 | 18% | 83 | 71 | 17% |
| | 841 | 461 | 82% | 568 | 159 | 257% |
| Industrial | | | | | | |
| Malaysia | 39 | 30 | 30% | 24 | 15 | 60% |
| SE Asia ex Malaysia | 1 | 65 | -99% | 3 | 34 | -91% |
| China/HK | 36 | 42 | -14% | 19 | 20 | -5% |
| Australasia | 30 | (2) | >+100% | 9 | 3 | 200% |
| | 106 | 135 | -22% | 55 | 72 | -24% |
| Motors | | | | | | |
| Malaysia | 45 | 31 | 45% | 25 | 24 | 4% |
| SE Asia ex Malaysia | 77 | 101 | -24% | 45 | 69 | -35% |
| China/HK | 104 | 69 | 51% | 48 | 40 | 20% |
| Australasia/NZ | 40 | 30 | 33% | 18 | 13 | 38% |
| | 266 | 231 | 15% | 136 | 146 | -7% |
| Property | | | | | | |
| Property Development | 167 | 183 | -9% | 141 | 83 | 70% |
| Property Investment | 142 | 4 | >+100% | (4) | 2 | <-100% |
| | 309 | 187 | 65% | 137 | 85 | 61% |
| Logistics | | | | | | |
| Ports | 11 | 46 | -76% | 5 | 34 | -85% |
| Water | 12 | 9 | 33% | 6 | 4 | 50% |
| | 23 | 55 | -58% | 11 | 38 | -71% |
| Others | 24 | 5 | >+100% | 14 | (1) | >+100% |
| TOTAL¹ | 1,569 | 1,074 | 46% | 921 | 499 | 85% |

1 Excluding corporate expense and elimination

Plantation - Operational Statistics



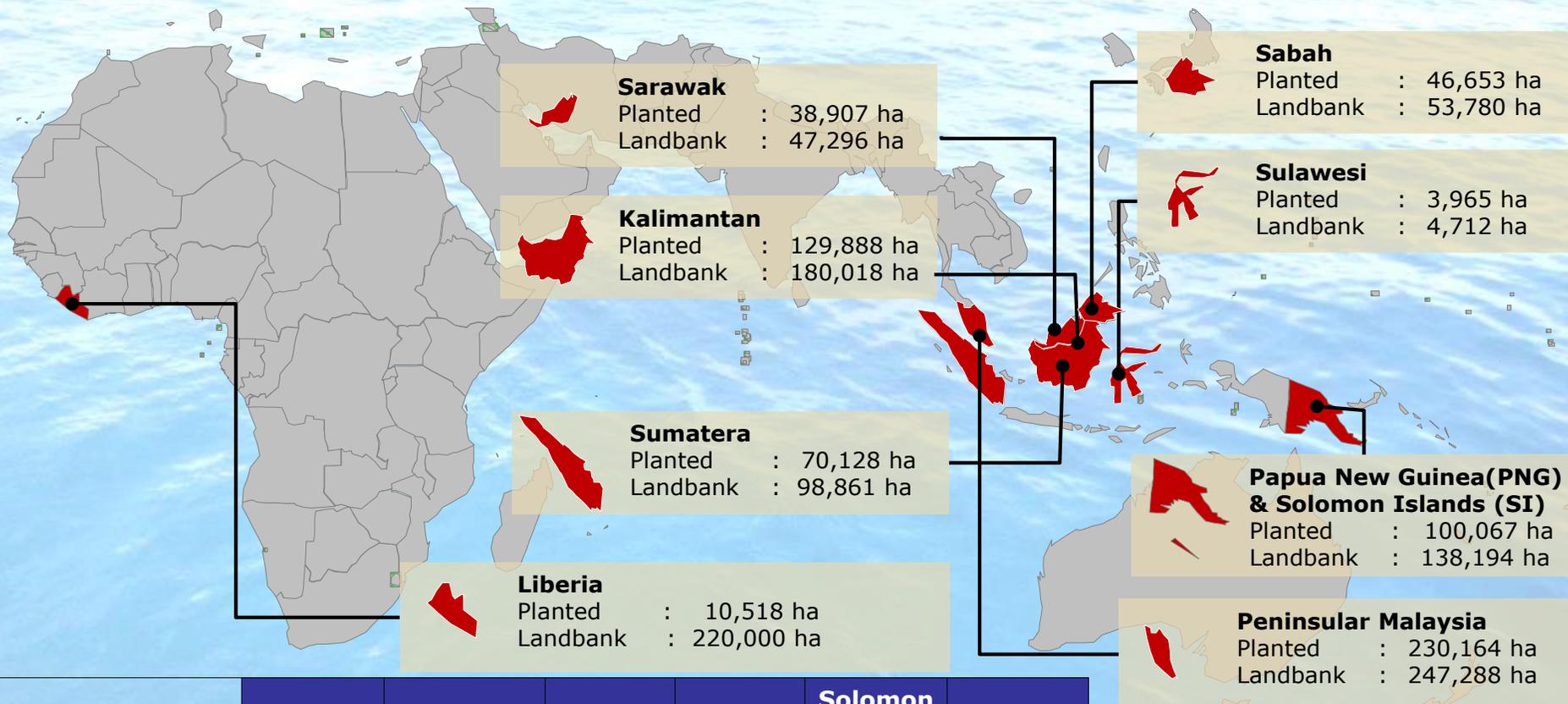
| | MALAYSIA | | INDONESIA | | PNG | LIBERIA | TOTAL | |
|---------------------------------|----------|--------|-----------|--------|--------|--------------------|--------|--------|
| | 1HFY17 | 1HFY16 | 1HFY17 | 1HFY16 | 1HFY17 | 1HFY17 | 1HFY17 | 1HFY16 |
| FFB Production (mn MT) | 2.60 | 2.99 | 1.51 | 1.69 | 0.76 | 6,369 ¹ | 4.87 | 5.43 |
| FFB yield per mature ha (MT/ha) | 10.14 | 11.40 | 8.91 | 9.32 | 10.07 | 1.57 | 9.65 | 10.50 |
| CPO Production (mn MT) | 0.58 | 0.68 | 0.40 | 0.47 | 0.23 | 1,314 ¹ | 1.22 | 1.38 |
| PK Production (mn MT) | 0.13 | 0.16 | 0.09 | 0.10 | 0.06 | - | 0.28 | 0.32 |
| CPO Extraction Rate (%) | 20.79 | 21.47 | 21.18 | 22.51 | 22.89 | 20.64 | 21.29 | 22.00 |
| PK Extraction Rate (%) | 4.82 | 5.07 | 4.64 | 4.85 | 5.75 | - | 4.92 | 5.12 |
| Average CPO selling price (RM) | 2,743 | 2,169 | 2,703 | 1,839 | 2,815 | 2,072 | 2,739 | 2,077 |
| Average PK selling price (RM) | 2,678 | 1,457 | 2,212 | 1,055 | - | - | 2,564 | 1,345 |

Plantation Landbank as at 31 December 2016

| As at 31/12/16 | Malaysia | Indonesia | Liberia | PNG | Solomon Islands | Group |
|----------------------------------|----------|-----------|---------|---------|-----------------|----------------|
| Total Land bank (ha) | 348,364 | 283,385 | 220,000 | 129,890 | 8,304 | 989,943 |
| Total Oil Palm Planted Area (ha) | 304,867 | 202,796 | 10,411 | 78,475 | 6,764 | 603,314 |
| Total Rubber Planted Area (ha) | 10,594 | 1,185 | 107 | - | - | 11,886 |

¹ In MT

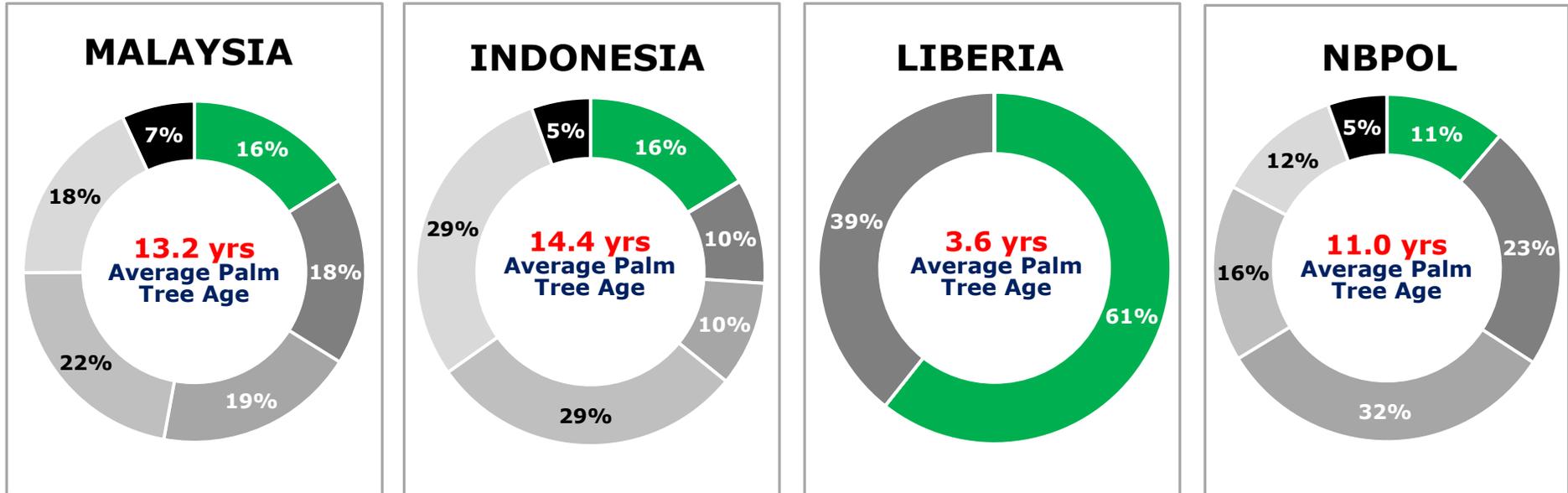
Plantation – Upstream Geographical Coverage



| As at 31 Dec'16 (ha) | Malaysia | Indonesia | Liberia | PNG | Solomon Islands | Group |
|-----------------------------|----------|-----------|---------|---------|-----------------|----------------|
| Total Land bank | 348,364 | 283,385 | 220,000 | 129,890 | 8,304 | 989,943 |
| Total Oil Palm Planted Area | 304,867 | 202,796 | 10,411 | 78,475 | 6,764 | 603,314 |
| Total Rubber Planted Area | 10,594 | 1,185 | 107 | - | - | 11,886 |
| Other Planted Area | 263 | - | - | 259 | - | 522 |

Plantation – Oil Palm Age Profile

(As at 30 Sep 2016)



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 – Key Sustainability Achievements

RSPO Certification Status

| Status (as at 31 Dec'16) | Malaysia | Indonesia | NBPOL | Liberia | Total |
|--------------------------|----------|-----------|-------|---------|-------|
| Certified | 34/34 | 23 /24 | 12/12 | 0/1 | 69/71 |
| % of completion | 100% | 96% | 100% | - | 97% |

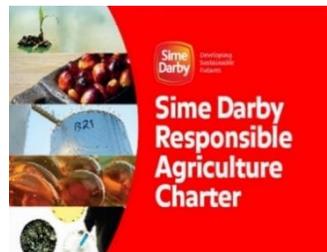
High Carbon Stock (HCS) Commitment

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 – Pioneering Good Agriculture Practices

Open Palm Traceability



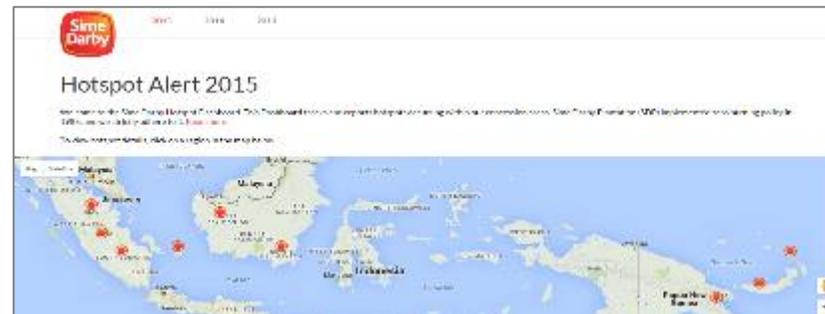
Open Palm online dashboard provides SDP customers with **access to key data on the origin of all palm products** that **go through SDP refineries** from its various oil palm mills, plantations and third party plantations

Percentage of oils traceable to mills:



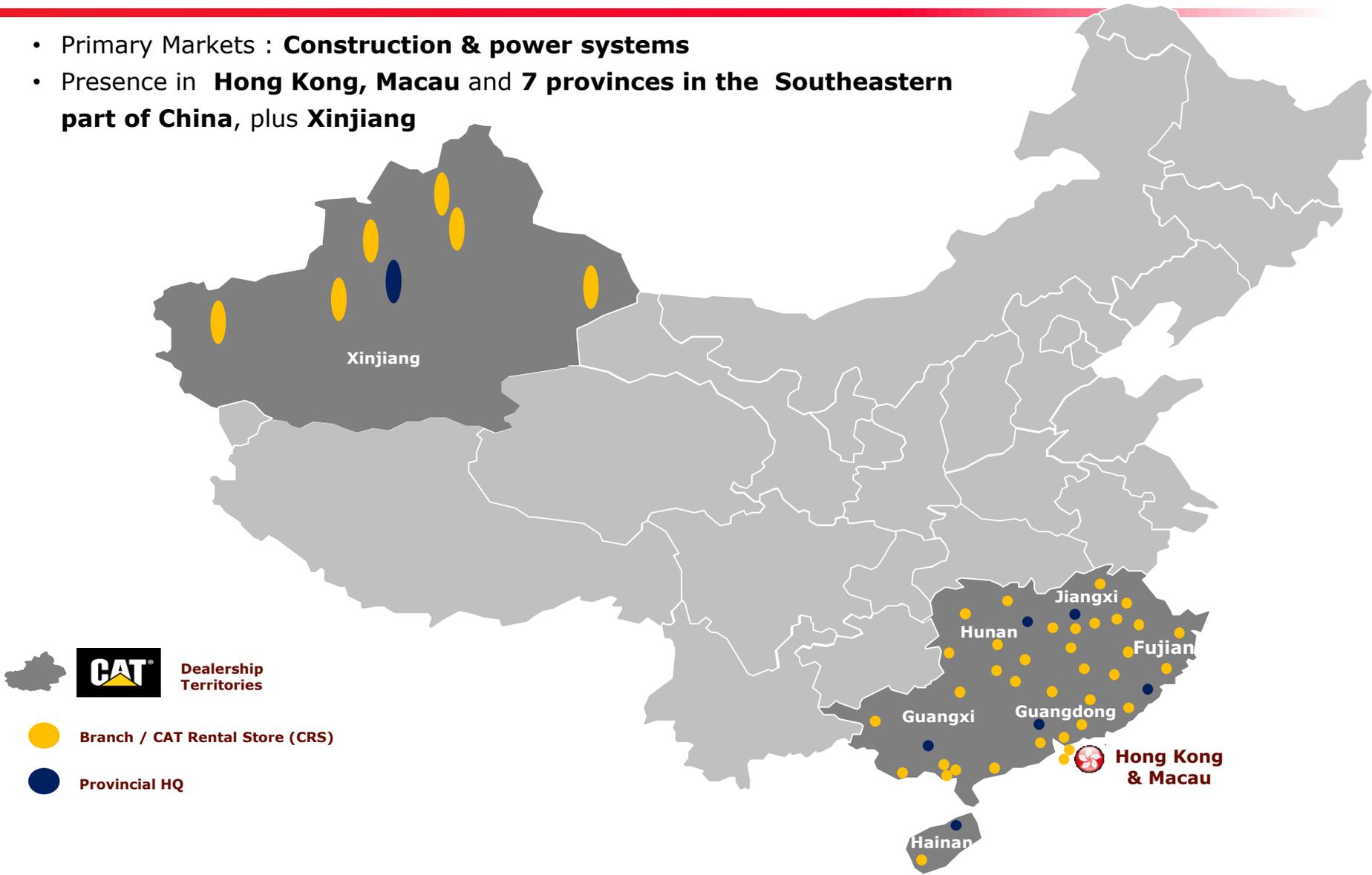
Hotspot Management

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

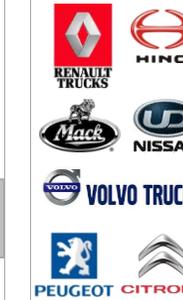


Industrial – Investments in China

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



Motors – Marques by Region

|  |  |  |  |  |  |  |  |  |
|---|---|---|--|--|--|---|---|---|
| MALAYSIA | SINGAPORE | THAILAND | CHINA | HONG KONG | MACAU | AUSTRALIA | NEW ZEALAND | VIETNAM |
| Distributor & Dealer | Distributor & Dealer | Dealer | Dealer | Distributor & Dealer | Distributor & Dealer | Distributor | Distributor & Dealer | Distributor & Dealer |
|  |  |  |  |  |  |  |  |  |
| Assembly (INOKOM) | Rental | | | | | Dealer | | |
|  |  | |  | | |  |  |  |
| Rental | | | | | | Rental | Dealer | TAIWAN |
|  | | | | | |  |  |  |
| | | | | | | |  |  |

Expansion in KEY MARKETS in the last THREE years

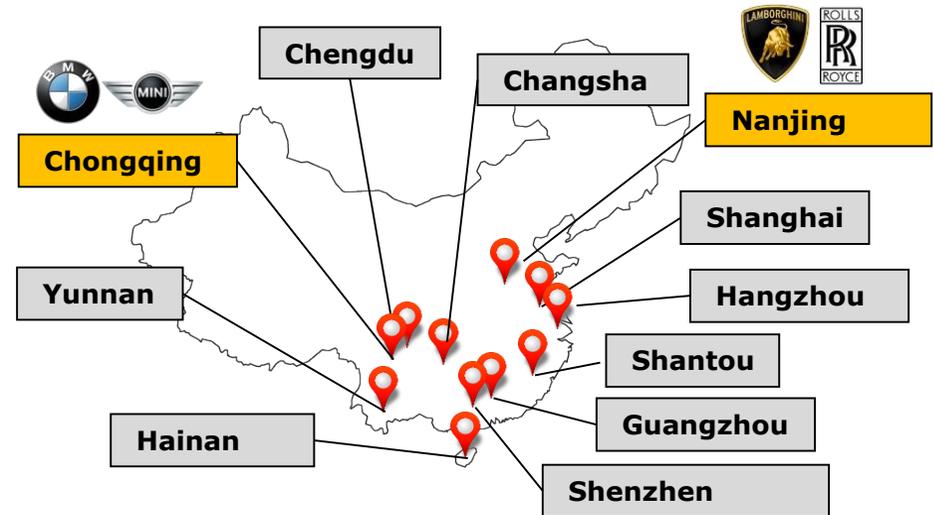
1. Vietnam (BMW & MINI)



2. Taiwan (Kia)



2. China (Nanjing & Chongqing)



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



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

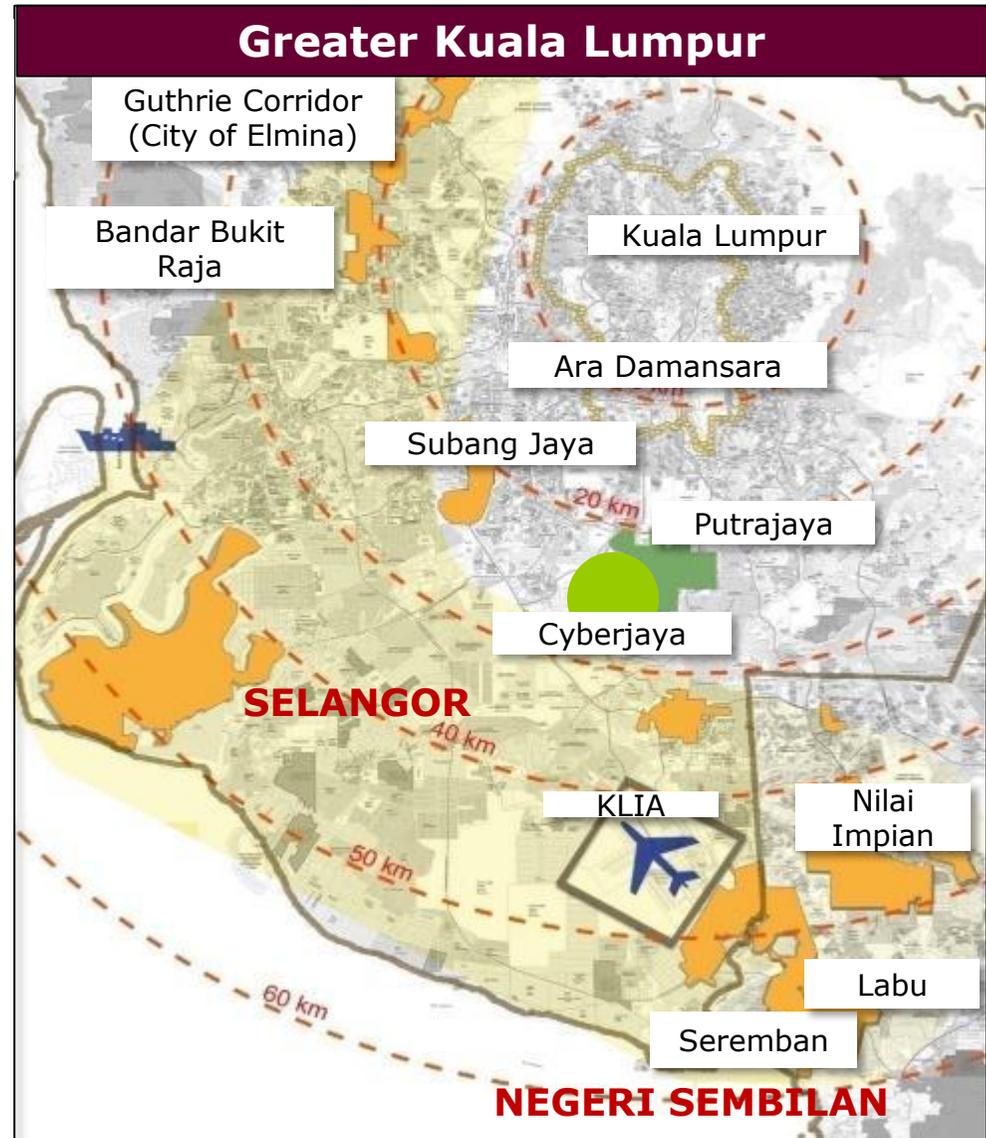
| | | | |
|----|---------------------|----|------------------------------------|
| 1 | Ara Damansara | 12 | Rumah Selangorku |
| 2 | Bandar Bukit Raja 1 | 13 | Subang Jaya |
| 3 | Bukit Jelutong | 14 | Taman Melawati |
| 4 | Bukit Subang | 15 | USJ Heights |
| 5 | Bukit Tunku | 16 | <i>Bandar Bukit Raja 2 & 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 – Battersea Power Station Project 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

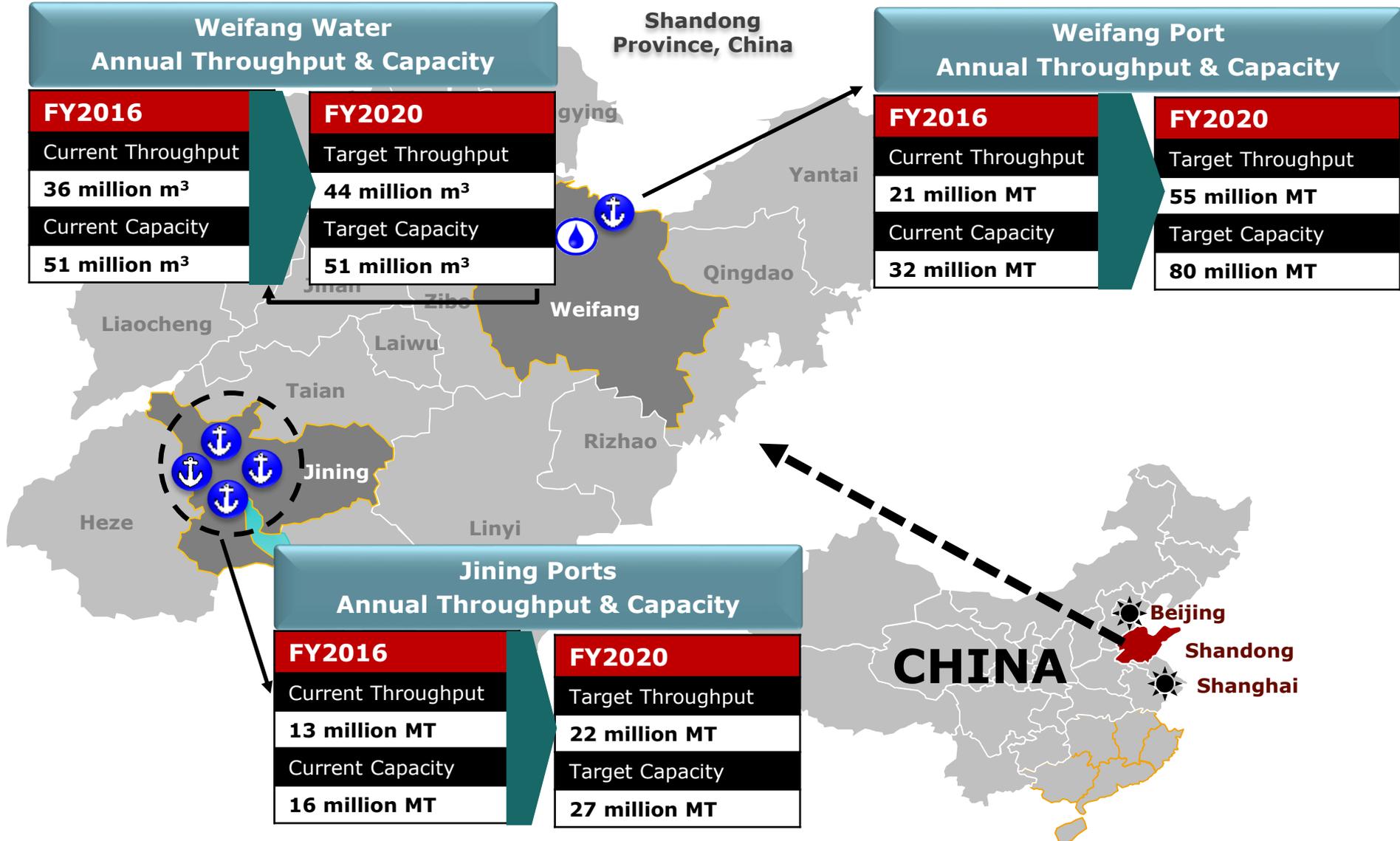
Phase 2

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 - Overview



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

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
- 500,000m³ tank storage area

CAPACITY
11.2 million MT

Target full completion by mid-2019

TOTAL COMBINED CAPACITY

~100 MILLION MT PER ANNUM

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