



PRESS RELEASE

**For Immediate Release
Thursday, 22 February 2018**

NOTE: On 30 November 2017, Sime Darby Berhad successfully completed the distribution and the listings of the company's entire shareholdings in Sime Darby Plantation Berhad and Sime Darby Property Berhad on the Main Market of Bursa Malaysia Securities Berhad. Accordingly, the results of the Plantation and Property businesses have been classified as Discontinued Operations and both Sime Darby Plantation Berhad and Sime Darby Property Berhad have been deconsolidated from Sime Darby Berhad, which is now largely focused on its Industrial, Motors, Logistics and Healthcare Divisions (Continuing Operations).

Sime Darby Berhad Reports First Half-Year Net Profit of RM320 million *Core net profit up by 89 percent year-on-year*

Kuala Lumpur, 22 February 2018 - Sime Darby Berhad reported a profit before interest and tax ("PBIT") of RM495 million and net profit of RM320 million for its first half ended 31 December 2017 (1H FY2018).

"Our operational results have been very encouraging. Core PBIT totalled RM525 million in 1H FY2018, a significant increase from RM345 million in 1H FY2017. This has been largely due to an upturn in the mining business in Australia and increased automotive and equipment sales in China," explained Encik Jeffri Salim Davidson, Sime Darby's Group Chief Executive Officer.

"There have been some one-off adjustments which affected the 1H FY2018 results arising from our decision to exit the BMW operations in Vietnam. There is also the adjustment as a result of the de-consolidation of Yayasan Sime Darby following the pure-play exercise. But these were off-set by a gain from the sale of property in Australia," added Encik Jeffri.

The Industrial Division reported a PBIT of RM393 million in the current half compared to RM106 million in the corresponding half last financial year. This was primarily due to higher equipment deliveries and product support sales in Australia. "The recovery of the mining

sector in Australia continues to gather momentum. We are seeing significantly increased activity in our workshops as customers ramp up production,” said Encik Jeffri.

Equipment sales in China has also been strong as a result of the continuing infrastructure spend in China. The reported PBIT for 1H FY2018 also includes a RM165 million gain on disposal of properties in Australia and Malaysia.

The Motors Division reported a PBIT of RM135 million for 1H FY2018, compared to RM266 million in the same period last financial year. The lower PBIT was largely due to the costs of our exit from the BMW business in Vietnam amounting to RM184m. On a positive note, the Division’s core PBIT improved by 19 percent to RM269 million compared to 1H FY2017. The China operations delivered a PBIT of RM118 million, representing an increase of 59 percent YoY, due to higher margins and strong performance of the BMW operations. The Australia and New Zealand operations achieved a PBIT growth of 33 percent YoY in the period under review.

The Logistics Division reported a PBIT of RM43 million for the period under review compared to RM23 million in the same period last financial year, mainly due to the higher throughput at Weifang Sime Darby Port where general cargo throughput increased by 11 percent YoY and container throughput increased by seven percent YoY.

Higher revenue from its Malaysian hospitals saw its 50:50 joint-venture, Ramsay Sime Darby Healthcare, report a half-year PBIT of RM25 million, compared to RM19 million last year.

“Following the listing of the plantation and property pure plays, Sime Darby Berhad is now focused on our core trading businesses in the motor distribution and industrial equipment sectors across the Asia Pacific region. These two divisions are already leading regional players in their respective businesses, and we are working to cement our leading position in existing markets while expanding our footprint into new markets. We will continue to focus on operational efficiency and cost optimisation moving forward,” said Encik Jeffri.

For the quarter ending 31 December 2017 (2Q FY2018), Sime Darby Berhad reported a PBIT of RM139 million and a net profit of RM72 million (excluding discontinued operations).

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About Sime Darby Berhad

Sime Darby Berhad is a global trading and logistics player. We partner with some of the world's best brands to deliver quality products and services to our customers. Our core businesses operate in and serve the industrial, motors and logistics sectors as well as the healthcare, insurance, and retail segments. Founded in 1910, Sime Darby Berhad today has a workforce of over 20,000 employees in 18 countries and territories across the Asia Pacific region. Sime Darby is committed to delivering a sustainable future for all its stakeholders. It is listed on the main market of Bursa Malaysia with a market capitalisation of RM18.70 billion (USD4.77 billion) as at 22 February 2018.

For more information, please visit <http://www.simedarby.com>.