

DRB-HICOM POSTS IMPROVED QUARTER-ON-QUARTER REVENUE FOR Q2

SHAH ALAM, Tuesday, 29 November 2016 – DRB-HICOM Berhad (DRB-HICOM Group) today announced its performance for the second quarter ended 30 September 2016, registering a revenue of RM2.6 billion, which is a 5.7% improvement from the first quarter ended 30 June. Cumulative for the six months ended 30 September 2016, the Group achieved revenue of RM5.1 billion.

However, it posted a pre-tax loss, including exceptional items of RM388.9 million for the period under review. The losses were attributed to several factors. DRB-HICOM had to re-measure their previously held 32.21% equity in Pos Malaysia Berhad (“Pos Malaysia”) in accordance with Financial Reporting Standard 3 on Business Combinations, resulting in a re-measurement loss of RM130 million.

Further, due to the recent adverse foreign currency movements, the Group also incurred unrealised foreign exchange losses arising from the re-translation of certain payables and borrowings denominated in foreign currencies. The continued weak demand in the automotive sector also impacted the performance of the Group’s automotive companies on the back of decline in total industry volume by 13.8% for the nine months of 2016 compared with same period last year.

LOOKING FORWARD

In September 2016, DRB-HICOM completed the consolidation of the logistics businesses under Pos Malaysia. The postal and courier services provider is now a subsidiary of the Group, with DRB-HICOM having increased its equity from 32.21% to 53.50%. The Group is now in a better position to capitalise opportunities within the sector.

Meanwhile, the recent completion of the divestment of the entire equity in Corwin Holding Pte. Ltd. (Singapore) is expected to enhance the financial performance of the Group.

DRB-HICOM is also positive on its search for a foreign strategic partner for its subsidiary, PROTON Holdings Berhad (PROTON). The on-going process has now arrived at a shortlist of three global automotive companies. The Group remains confident that PROTON will complete the exercise in the first half of calendar year 2017. Separately, PROTON has also completed the planned launch of all of its four new models, and this is expected to improve the carmaker's performance.

Elsewhere in the automotive segment of the Group, the annual aggressive year-end sales and marketing campaigns are expected to boost sales in the typically slower period between October and December 2016.

DRB-HICOM continues to take measures to mitigate the risks that are present in the current economic environment. Cost management efforts along with operational efficiency initiatives remain in place as the Group moves to improve its performance.

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DRB-HICOM Berhad ("DRB-HICOM") is one of Malaysia's leading conglomerates with core businesses in the Automotive, Services & Education, as well as Property sectors. With more than 90 active companies in its stable and over 60,000 employees group-wide, DRB-HICOM's aim is to continue adding value and propelling the nation's development. In the Automotive sector, DRB-HICOM is involved in the manufacturing, assembly and distribution of passenger and commercial vehicles, including the national motorcycle. In Services & Education, DRB-HICOM is involved in various businesses, including concession and financial-related services. In Property, DRB-HICOM is involved in residential and commercial developments.

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