

DRB-HICOM'S Q3 REVENUE AT RM2.12b

Group's 9-month revenue falls less than 1% despite challenges

SHAH ALAM, Thursday, 18 November 2021 – DRB-HICOM Berhad's ("DRB-HICOM", "the Group") revenue for the three months to 30 September 2021 ("Q3 21") came in at RM2.12 billion as the previous lockdown restricted business activities across the Group. This is a decrease of 40.5% against the same quarter in 2020, when revenue was RM3.56 billion. Still, for the 9-months to September, DRB-HICOM's revenue only slipped 0.6% to RM8.25 billion from RM8.31 billion a year ago.

Correspondingly, DRB-HICOM recorded a loss before tax of RM201.42 million in Q3 21 (Q3 2020: PBT of RM142.42 million). For the 9-month period to September, the Group's loss before tax is RM444.64 million (FY2020: LBT of RM408.68 million).

SECTORAL ANALYSIS

Expectedly, revenue for DRB-HICOM's Automotive Sector declined in the three months to 30 September, coming in at RM1.27 billion (Q3 2020: RM2.54 billion) as sales activity ceased under the movement control order. Still, for the 9 months to September, the Sector recorded a 4% rise in revenue to RM5.63 billion against RM5.41 billion in the corresponding period of 2020.

Once again, PROTON led sales during the period under review, with the national car company gaining market share from its position last year. 71,244 units of PROTON cars found new homes in the 9 months to September, giving them a year-to-date market share of 22% against 21% in the same period in 2020.

In the 9-month period, most marques under the DRB-HICOM umbrella strengthened or maintained their positions on the national sales charts. Residual issues such as component supply still pose some challenge to the industry, but remedial efforts continue to be tweaked to ensure supply can meet with pent-up demand for vehicles.

The extension of the sales tax holiday for passenger vehicles until June 2022 should maintain interest in new car acquisition at high levels.

Q3 21 revenue for DRB-HICOM's Services Sector fell 9% to RM835.21 million (Q3 2020: RM918.67 million), again led by falling revenue at Pos Malaysia. For the 9-month period to September, the Sector brought in RM2.49b, slipping 5% against the same period in 2020. The financing moratorium related to the COVID-19 support efforts also impacted revenue, with a modification loss valued at RM11.46 million recorded.

At the Properties Sector, revenue fell 88% in Q3 21 to 12.84 million (Q3 2020: RM104.32 million) with the various construction projects at different stages of completion. This is the first year where revenue for this Sector excludes retail and hospitality properties following the Group's exit from the business in December 2020.

PROSPECTS FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2021

The Malaysian economy is expected to gradually improve in the fourth quarter of 2021, supported by the relaxation of COVID-19 containment measures and the resumption of economic activities. The Overnight Policy Rate ("OPR") remains unchanged at a record low of 1.75%, reflecting the Government's continued deployment of fiscal and financial measures to cushion the economic impact on businesses given the uncertainties surrounding the pandemic.

The automotive sector remains the key contributor to DRB-HICOM's businesses. The Government's decision to extend the sales tax exemption for passenger vehicles until 30 June 2022 will induce strong demand for cars. With operations running at full capacity governed by strict SOPs, PROTON and other marques within the Group are committed to ramping up production and accelerating delivery, alongside various promotion programmes to spur sales growth.

With the resumption of economic activity, national carmaker PROTON delivered 10,380 units in September compared to 2,741 units in August and 1,904 units in July during the lockdown. Both Proton X50 and X70 continued to garner strong demand

and become leaders in their respective segments with overall 27,312 units sold year-to-date, which accounts for 37.4% of PROTON's overall YTD sales. The Saga too has continued its leadership of the A-segment sedan market and remains the best-selling PROTON model.

In addition, the lifting of the interstate travel ban and gradual re-opening of borders is expected to boost the Group's other businesses in the logistics, defence, aerospace, banking and services segments. However, as economic uncertainties may still persist, the Group will continue to remain vigilant and cautious in managing its businesses.

Notwithstanding the above, the Group does not expect the economic recovery in Quarter 4 2021 to reverse the cumulative negative impact brought about by the COVID-19 pandemic for the financial period ended 30 September 2021.

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ABOUT DRB-HICOM

www.drb-hicom.com

DRB-HICOM Berhad (“DRB-HICOM”) is one of Malaysia’s leading conglomerates with core businesses in the Automotive, Services and Property sectors. With more than 70 active companies in its stable and over 46,000 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, DRB-HICOM is involved in various businesses, including concession and financial-related services. In Property, DRB-HICOM is involved in industrial developments.

STATEMENT ON FORWARD-LOOKING DISCLOSURES

All statements herein, other than historical facts, contain forward-looking statements and are based on DRB-HICOM’s current forecasts, expectations, targets, plans, and evaluations. Any forecasted value is calculated or obtained based on certain assumptions. Forward-looking statements involve inherent risks and uncertainties.

A number of significant factors could therefore cause actual results to differ from those contained in any forward-looking statement. Significant risk factors include:

- *Feasibility of each target and initiative as laid out in this news release;*

- *Fluctuations in interest rates, exchange rates and oil prices;*
- *Changes in laws, regulations and government policies; and*
- *Regional and/or global socioeconomic changes.*

Potential risks and uncertainties are not limited to the above and DRB-HICOM is not under any obligation to update the information in this news release to reflect any developments or events in the future.

If you are interested in investing in DRB-HICOM, your investment decision is at your own risk, taking the foregoing into consideration. Please note that neither DRB-HICOM nor any third-party providing information shall be responsible for any loss or damage that may result from your investment in DRB-HICOM based on the information presented in this news release.

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