

MEDIA / PRESS RELEASE**FOR IMMEDIATE RELEASE****DRB-HICOM POSTS RM2.50 BILLION REVENUE FOR FIRST QUARTER ENDED
30 JUNE 2016**

SHAH ALAM, 30 August 2016 – DRB-HICOM Berhad (“DRB-HICOM” or “Group”) registered a revenue of RM2.50 billion for the first quarter ended 30 June 2016. For the same period, the Group incurred a pre-tax loss of RM121.34 million.

The lower financial results were mainly attributed to lower sales of motor vehicles by the Group’s automotive companies reflecting the decline of total industry volume by 6.3% during the April-June 2016 as compared to the corresponding period in 2015. The Group’s Services sector however, achieved higher revenue on account of improved performance of the Group’s banking and logistics businesses.

In view of the slower overall economic growth and competitive market conditions, the Group will remain focused on its business consolidation to ensure continuous growth and sustainability of the businesses. The shareholders of the Group recently gave their nod to consolidate its logistics businesses via the integration of services by KL Airport Services Sdn Bhd, Konsortium Logistik Berhad and DRB-HICOM Asia Cargo Express Sdn Bhd into Pos Malaysia Berhad. This exercise is expected to be completed by end of September 2016 and will subsequently result in Pos Malaysia Berhad becoming a 53.5% subsidiary company of the Group.

The integration of logistic businesses within the Group will reduce the Group’s dependency on the Automotive sector and will help to streamline and enhance the synergies within the postal and logistics businesses, as well as to tap on the growing demand of e-commerce services.

The Group is also focused on the ongoing execution of a strategic turnaround plan for PROTON. As part of the plan, PROTON is currently undertaking a request for proposal exercise to identify a strategic partner by the first half of 2017 to help grow its automotive business.

The recent launches of the new Perdana and popular Persona models are expected to improve the growth of Group's automotive sector. PROTON is also scheduled to roll out new models in the coming months.

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***DRB-HICOM Berhad** ("DRB-HICOM") is one of Malaysia's leading conglomerates with core businesses in the Automotive; Services; and Property, Asset & Construction 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 composites component supply for aircrafts. In Services, DRB-HICOM is involved in various businesses, including concession and financial-related services. In Property, Asset & Construction, DRB-HICOM is involved in residential and commercial developments.*

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