



MEDIA RELEASE

FOR IMMEDIATE RELEASE

**DRB-HICOM REGISTERS RM33.4M PRE-TAX PROFIT
FOR 9-MONTHS ENDED 31 DECEMBER 2016**

SHAH ALAM, Tuesday, 28 February 2017 – DRB-HICOM Berhad (DRB-HICOM Group) has recorded a profit before tax of RM33.4m in the nine months to 31 December 2016, on the back of a revenue of RM8.6b. The automotive sector was again the main contributor to revenue, boosted by the multiple launches of the Group's wholly-owned unit, PROTON Holdings Berhad (PROTON).

During the period, the Group also recorded a gain on the disposal of its investment in Singapore's Corwin Holding Pte. Ltd. The transaction generated proceeds of RM508m.

SECTOR PERFORMANCE

In the automotive sector, PROTON saw rising sales numbers in the final quarter of 2016. The carmaker sold 22,199 units in Q3FY16, compared to 14,364 units the previous quarter. The marque had launched a total of four new models in 2016.

The services sector saw its revenue boosted as contribution from Pos Malaysia Berhad (Pos Malaysia) was recognised for the first time as a subsidiary.

On 13 September 2016, DRB-HICOM completed the disposal of its 100% equity in airport services provider KL Airport Services Sdn Bhd (KLAS) Group to Pos Malaysia. KLAS Group is now re-named Pos Aviation Sdn Bhd which includes Pos Logistics Berhad (formerly known as Konsortium Logistik Berhad) and Pos Asia Cargo Express Sdn Bhd. The disposal value was satisfied via the issuance of new Pos Malaysia shares, resulting in the postal and logistics services provider becoming a 53.5% percent owned subsidiary. The Group previously held 32.2% of Pos Malaysia.

LOOKING AHEAD

With the Malaysian economic growth in 2017 forecast at between four to five percent, the challenging business terrain will remain.

Despite PROTON's improved performance, overall the national automotive sector saw sales decline 7% in December 2016 compared to the same month the previous year. For the entire 2016, total industry volume fell by 13% year-on-year, its first contraction after six years of growth. The automotive industry is however expecting a small growth in sales for 2017, on the back of increased demand via new model launches as well as an increase in construction projects across the country.

DRB-HICOM's search for a foreign strategic partner (FSP) for PROTON is expected to be concluded by first half of 2017. The eventual FSP is expected to enable PROTON to have access to better and newer technologies apart from enlarging its footprint beyond local shores.

Despite the challenging business environment, DRB-HICOM will continue to strengthen its business operations across the Group aiming at improving operational efficiencies and ultimately achieving better results.

-END-

DRB-HICOM Berhad ("DRB-HICOM") is one of Malaysia's leading conglomerates with core businesses in the Automotive, Services and Property, Asset and Construction sectors. With more than 90 active companies in its stable and over 59,000 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, Asset & Construction, DRB-HICOM is involved in residential and commercial developments.

For media inquiries, kindly contact:

Mahmood Abdul Razak

Group Head, Strategic Communications, DRB-HICOM Berhad

Tel: 03-2052 8007

mahmood.razak@drb-hicom.com