

**PRESS STATEMENT**

**- FOR IMMEDIATE RELEASE -**

**DRB-HICOM RECORDS RM12.17 BILLION REVENUE FOR FINANCIAL YEAR ENDED 31 MARCH 2016**

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**SHAH ALAM, Tuesday, 31 May 2016** – DRB-HICOM Berhad (“DRB-HICOM” or “Group”) today announced revenue of RM12.17 billion for the financial year ended 31 March 2016.

The Group’s performance during the financial year excluding PROTON’s results had been commendable. Amongst the businesses within the Group which recorded healthy growth include the growing coverage of Alam Flora’s solid waste management and increasing demand for its public cleansing services, Honda Malaysia’s record-breaking sales and the upgrading of the International College of Automotive (ICAM) into a full-fledged university called the DRB-HICOM University of Automotive Malaysia (DHU) in February 2016 within a span of about five years.

Another of DRB-HICOM’s subsidiary, Composites Technology Research Malaysia (CTRM) improved on its overall business with RM12 billion to its order book. New contracts signed or extended during the financial period included those with MD Helicopters US, Spirit AeroSystems Inc. and UTC Aerospace Systems.

Nevertheless, the Group incurred a pre-tax loss of RM821.27 million compared with a pre-tax profit of RM501.83 million in the previous year. The losses were attributed largely to the poor performance of PROTON’s group with lower sales of motor vehicles amidst stiff competition, volatility in foreign exchange rates and weak consumer sentiment. The weak foreign exchange affected PROTON’s raw material cost, the lack of new models during the financial period and reduced profit margins. In addition, PROTON made provisions relating to certain non-recurring charges which had affected its bottom-line.

While the Group expects the outlook to remain challenging given the tough operating environment, it remains confident in a turnaround of PROTON. The Group has commenced on a strategic Turnaround Plan for PROTON, working in collaboration with the Government of Malaysia including Ministry of Finance, Economic Planning Unit and Ministry of International Trade and Industry.

The Turnaround Plan involves a financial assistance of RM1.5 billion soft-loan from the Government, which is geared towards helping PROTON in its turnaround efforts as well as to expand PROTON's domestic and international markets.

To hasten the carmaker's overall recovery, improved sales and competitiveness, PROTON is scheduled to roll out several new models in the coming months ahead including the new Perdana, Persona and the popular Saga. It will also be introducing a new model in collaboration with Suzuki by the end of this year.

Other initiatives by the Group including cost rationalisation and prudent management to improve operational efficiency and effectiveness will help to reinforce the Group's resilience.

The Group is recommending the payment of a single tier first and final dividend of 2.0 sen in respect of the financial year ended 31 March 2016, for shareholders' approval at the forthcoming Annual General Meeting.

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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 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.***

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