

DRB-HICOM POSTS 13% INCREASE IN REVENUE FOR FIRST 9 MONTHS OF FY 2017/18

SHAH ALAM, Wednesday, 28 February 2018 – DRB-HICOM Berhad (DRB-HICOM, the Group) has announced a 13% year-on-year increase in revenue for the nine months ended 31 December 2017, boosted by improved sales revenue from the Services Sector as well as from the Properties Sector.

For the nine months under review, the Group's revenue came in at RM9.73b, against RM8.58b in the same nine month period a year ago. Concurrently, profit before tax (PBT) for the period rose to RM557.8m.

OVERALL REVIEW

The Automotive Sector's revenue mirrors the industry's soft climate, with the anticipated traditional December sales slipping by almost 16% compared to the year before. In December 2017, the industry sold 10,104 units less than the same month in 2016. For the calendar year 2017, the Total Industry Volume slipped by some 3,500 units year-on-year. Lower loan approvals as well as higher interest rates continue to affect sales for the industry.

The third quarter performance was also impacted by a one-off impairment at PROTON, where charges for certain product development costs as well as potential claims related to the same were recognised in the quarter ended 31 December 2017. With the entry of Zhejiang Geely Holding Group (Geely) as a shareholder of PROTON Holdings Berhad (PROTON), the national carmaker intends to deploy Geely's wide array of technology and family of engines in PROTON's current range of vehicles, while other models in Geely's range is also being considered for local consumption.

DRB-HICOM's Services Sector saw revenue rise by 35% in the nine months to December 2017, coming in at RM3.28b. Again, improved numbers from Pos Malaysia's courier and logistics segments was a major factor in the performance.

In the nine months ended December 2017, the Group's Property Sector contributed a revenue of RM638.8m, with the sector's construction related projects boosting the performance.

PROSPECTS FOR THE FINAL QUARTER

With the improving economy, the Group will continue to strengthen its core businesses and pursue various opportunities to expand its business interests, with a key focus on growth in logistics, e-commerce, aerospace and banking.

Nevertheless, for the automotive industry, stiff market competition, stringent hire purchase approvals, higher interest rates, among others, remain as challenges. In this light, the on-going cost and financial management efforts across all sectors will provide stability for the long-term prospects of the Group.

DRB-HICOM's full year results ending 31 March 2018 is expected to be better than the previous year, as a result of cost management and operational efficiency initiatives that are currently on-going across the Group.

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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.

ABOUT DRB-HICOM BERHAD

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, 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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