



MEDIA RELEASE

FOR IMMEDIATE RELEASE

DRB-HICOM POSTS RM415m FULL YEAR PROFIT BEFORE TAX IN FY2017/18

SHAH ALAM, Thursday, 31 May 2018 – DRB-HICOM Berhad (DRB-HICOM, the Group) has returned to profit for the first time in three years, recording a profit before tax (PBT) of RM415.13m on the back of revenue bumping up more than 6% year-on-year (y-o-y) to RM12.79b. Revenue at both the Services and the Property sectors supported the lower sales at the Automotive Sector.

Following the results, DRB-HICOM's earnings per share (EPS) is stated at 25.78 sen, compared to -23.62 sen a year ago. The Board of Directors recommended a first and final dividend payout of 3 sen per share, subject to approval by shareholders. DRB-HICOM paid out a dividend of 1 sen per share in the previous financial cycle.

OVERALL REVIEW

DRB-HICOM's Automotive Sector revenue slipped 7.5% y-o-y to RM7.47b in the 12 months under review. On a quarterly basis, as with the previous quarter, automotive sales continue to dip with total industry volume (TIV) in the period from January to March 2018 coming in at 135,140 units. Compared to the same period in 2017, this represents a slip of more than 4% as the industry continues to grapple with poor loan approvals and a market that adopts a wait-and-see approach to vehicle acquisition.

Revenue at the Group's Services Sector rose 26.5% y-o-y to RM4.49b, with better performance at Pos Malaysia and Alam Flora driving the growth. E-commerce growth will continue to be a prime driver for the Pos Malaysia, eclipsing revenue from traditional mail. In 2016, globally less people sent traditional mail, with volume dipping 4.2%.

Parcel volumes however rose 7.8% in the same year, and it is expected that 2017 as well as 2018 numbers will mirror this trend.

At the Property Sector, revenue came in at RM824.86m with the sector's construction projects supporting the performance.

PROSPECTS FOR FY2018/19

The Malaysian economy as measured by gross domestic product (GDP) expanded 5.9% in 2017 compared to 4.2% from a year earlier, with private-sector demand continuing to be the primary growth driver.

With stronger economic growth seen in 2018 and positive spillover into domestic economic activity, the Group's overall businesses are expected to improve as well. The Group's automotive sector aims to enhance its performance through launches of new models and facelifts by marques within its stable. The aerospace business via the composite manufacturing arm is undergoing business expansion which is also on track to achieve higher growth going forward.

Services sector will continue its momentum with logistics, banking and concession businesses remaining as the key growth contributors. In respect to the Property Sector, the rationalisation exercise of non-industrial assets is expected to be completed by the end of current calendar year, in line with Group's strategic direction to have leaner property portfolio focusing on industrial land.

The Group is cautiously optimistic and expected to deliver satisfactory performance for the financial year ending 31 March 2019.

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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 are 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

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 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 car and national motorcycle. In Services, DRB-HICOM is involved in various businesses, including concession, financial-related services and education. In Property, DRB-HICOM is involved in the development of industrial estates.

For media inquiries, kindly contact:

Mahmood Abdul Razak

Head, Group Strategic Communications
Division

DRB-HICOM Berhad

Tel: 03-2052 8007

mahmood.razak@drb-hicom.com

Eyasmin Sahul Hameed

Senior Manager, Public Relations
Department

Group Strategic Communications Division

DRB-HICOM Berhad

Tel: 03-2052 8120

eyasmin@drb-hicom.com