



MEDIA RELEASE

FOR IMMEDIATE RELEASE

DRB-HICOM Q1 REVENUE AT RM2.74b, LED BY AUTOMOTIVE SECTOR

SHAH ALAM, Thursday, 25 June 2020 – DRB-HICOM Berhad’s (“DRB-HICOM”, “Group”) charted a revenue of RM2.74b in the first three months of 2020, led by their Automotive Sector which netted RM1.81b sales. The Group’s Services sector meanwhile brought in RM830.49m, while the Properties Sector managed to record revenue worth RM93.3m in the period.

Expectedly, the COVID-19 pandemic had adversely impacted the Group’s businesses. Also, the unfavourable movement in foreign exchange (“forex”) during the first quarter had caused the Group to recognise approximately RM72m forex losses on translation of payables and borrowings denominated in foreign currencies. This led to DRB-HICOM reporting a pre-tax loss of RM185.3m for the quarter ended 31 March 2020.

There is no comparative quarter as the Group has changed its financial year end from March to December, in the previous year.

OVERALL REVIEW

Automotive Sector sales continue to be led by national carmaker PROTON, as the locally-assembled Proton X70 SUV continues to lead the category. In the quarter under review, PROTON delivered 21,757 units, with the iconic Saga leading its siblings with some 8,800 units finding new homes, while more than 4,100 units of the X70 rolled off the showroom floor.

DRB-HICOM’s Services Sector meanwhile saw Pos Malaysia’s parcel volume rising on the back of growth of e-commerce and on-line marketing activities. Mail revenue

has also seen a slight rebound especially in February, although the impact of COVID-19 was apparent in March as revenue shrunk.

Additionally, the Properties Sector had lower billings in the construction sub-sector and thus saw revenue coming in lower.

PROSPECTS FOR THE REST OF THE YEAR

Malaysia's Gross Domestic Product ("GDP") weakened sharply to 0.7% in the first quarter, clearly reflecting the early impact of the COVID-19 pandemic (GDP in Q4 2019 was 3.6%).

The Malaysian Automotive Association has revised its 2020 total industry volume ("TIV") forecast downwards from 607,000 in 2019 to 400,000 units. While the introduction of a sales tax exemption by the Government for passenger vehicles until the end of December 2020 is expected to boost TIV, the prospects of a full recovery to pre-COVID-19 level is unlikely. The Group will however respond with consumer promotions and new model launches to recover lost ground.

The prospects for the Group's other businesses in defence, aerospace, postal and logistics, banking, services and construction segments remains volatile as these have also been impacted by the uncertainty of a prolonged battle against COVID-19.

Based on the aforementioned, the DRB-HICOM's operational performance for the financial year ending 31 December 2020 will be adversely impacted by the on-going pandemic crisis. Notwithstanding the above, the Group will continue to implement prudent cost optimisation measures and cashflow management to ensure it is able to meet its financial and operational obligations.

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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 sectors. With more than 90 active companies in its stable and over 52,000 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, DRB-HICOM is involved in industrial and commercial developments.

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.

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