

MINUTES OF THE TWENTY-NINTH ANNUAL GENERAL MEETING OF DRB-HICOM BERHAD ("DRB-HICOM" OR "THE COMPANY") HELD AT GLENMARIE BALLROOM, HOLIDAY INN KUALA LUMPUR GLENMARIE, NO. 1, JALAN USAHAWAN U1/8, SEKSYEN U1, 40150 SHAH ALAM, SELANGOR DARUL EHSAN ON THURSDAY, 12 SEPTEMBER 2019 AT 10.00 A.M.

## BOARD MEMBERS PRESENT:-

- |    |  |   |                         |
|----|--|---|-------------------------|
| 1) | Dato' Mohammad Zainal Shaari<br>("Dato' Chairman")                 | - | Chairman                |
| 2) | Dato' Sri Syed Faisal Albar<br>Syed A.R Albar<br>("Dato' Sri GMD") | - | Group Managing Director |
| 3) | Datuk Ooi Teik Huat<br>("Datuk Ooi")                               | - | Director                |
| 4) | Dato' Ibrahim Taib   | - | Director                |
| 5) | Dato' Siti Fatimah Daud  | - | Director                |
| 6) | Datuk Idris Abdullah @ Das Murthy                                  | - | Director                |
| 7) | Tee Beng Thong   | - | Director                |
| 8) | Sharifah Sofia Syed Mokhtar Shah                                   | - | Director                |

## MEMBERS AND PROXIES PRESENT:-

As per the attendance summary, a total of 3,352 members (including 1,552 proxies) holding/representing a total of 1,462,587,959 shares, which was equivalent to 75.65% of the total issued share capital of the Company, had registered for the Meeting.

## IN ATTENDANCE:-

Sabarina Laila Mohd Hashim - Company Secretary

1. **OPENING ADDRESS BY THE CHAIRMAN**

Dato' Chairman extended a warm welcome to the shareholders, proxies and invitees to the Company's 29th Annual General Meeting ("AGM" or "Meeting"), and thanked them for the continuous and long-standing support to the Company. Dato' Chairman introduced the Board members and Company Secretary of the Company, respectively.

2. **QUORUM**

Following the opening by Dato' Chairman, the Meeting was called to order at 10.00 a.m. upon confirmation by the Company Secretary of the requisite quorum present pursuant to the Company's Constitution.

3. **NOTICE**

With the consent of the shareholders, the Notice of the 29th AGM dated 31 July 2019, which had been circulated to all shareholders of the Company within the statutory period, was taken as read.

Dato' Sri GMD was then invited to present the brief overview of the Group's performance for the financial year ended ("FYE") 31 March 2019.

4. **PRESENTATION BY THE GROUP MANAGING DIRECTOR**

Dato' Sri GMD gave his welcoming speech and took the Meeting through a brief presentation on the Group's performance for the FYE 31 March 2019 and the business activities of the Group, which encompassed the Group Overview, Financial Performances, Business Updates, Sustainability Initiatives and Corporate Exercise Updates of the Company.

5. **RESPONSES TO THE QUESTIONS RAISED BY MINORITY SHAREHOLDERS WATCH GROUP**

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With regard to matters raised by the Minority Shareholders Watch Group ("MSWG"), Dato' Chairman invited the Group Director of Financial Services, Amalanathan Thomas to share with the shareholders the contents of the letter dated 3 September

2019 and DRB-HICOM's corresponding responses, a copy of which is attached as Annexure A.

6. **VOTING BY POLL**

Dato' Chairman explained that the polling process for the 10 resolutions as set out in the Notice of the 29th AGM would be conducted after all the 10 resolutions have been deliberated by the meeting. Boardroom Share Registrars Sdn. Bhd. ("Boardroom Share Registrars") was appointed as the Poll Administrator to conduct the polling process and Boardroom Corporate Services Sdn. Bhd. ("Boardroom Corporate Services") as the Scrutineers to verify the poll results.

Dato' Chairman highlighted that 161 shareholders representing 254,379,566 (13.16%) shares had appointed the Chairman of the Meeting to vote on their behalf. As such, he, being the Chairman of the Meeting, would vote in accordance with the shareholders' instructions for each resolution during the poll voting session.

7. **AGENDA 1  
AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED  
("FYE") 31 MARCH 2019 TOGETHER WITH THE REPORTS OF DIRECTORS  
AND AUDITORS THEREON**

Dato' Chairman explained that the Audited Financial Statements ("AFS") of the Company for the FYE 31 March 2019 together with the Reports of Directors and Auditors thereon are tabled for discussion only pursuant to Section 340(1) of the Companies Act 2016 and will not be put to vote.

Nonetheless, the shareholders and proxies were invited to raise questions on the AFS of the Company for the FYE 31 March 2019.

The Meeting deliberated the questions/issues/comments raised by the shareholders /proxies at length and the corresponding responses/replies made by the Board are summarised in Annexure B attached hereto.



8. **ORDINARY RESOLUTION 1  
DECLARATION OF A SINGLE TIER FIRST AND FINAL DIVIDEND OF 3.0 SEN  
PER SHARE**

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Dato' Chairman proceeded with Ordinary Resolution 1 on the declaration of a single tier first and final dividend of 3.0 sen per share. Dato' Chairman proposed that the recommendation by the Directors for the Company to declare a single tier first and final dividend of 3.0 sen per share for the FYE 31 March 2019, be approved for payment on 11 October 2019 to the shareholders of the Company registered at the close of business on 27 September 2019.

There being no question from the floor, Dato' Chairman invited a seconder for the motion.

Raymond Soh Kok Chong, a shareholder, seconded the motion to declare a single tier first and final dividend of 3.0 sen per share for the FYE 31 March 2019.

9. **ORDINARY RESOLUTION 2  
RE-ELECTION OF DATO' IBRAHIM TAIB AS A DIRECTOR PURSUANT TO  
ARTICLE 79 OF THE COMPANY'S CONSTITUTION**

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Dato' Chairman thereafter proceeded to the next Agenda. Ordinary Resolutions 2, 3 and 4 in respect of the re-elections of Directors who were to be elected under Article 79 of the Company's Constitution.

The Meeting proceeded with Ordinary Resolution 2 on the re-election of Dato' Ibrahim Taib as a Director of the Company.

There being no question from the floor, Dato' Chairman invited a proposer and a seconder for the motion.

The Ordinary Resolution 2 on the re-election of Dato' Ibrahim Taib as a Director of the Company was proposed by Raymond Soh Kok Chong, a shareholder, and seconded by Lim San Kim, a shareholder.

10. **ORDINARY RESOLUTION 3  
RE-ELECTION OF DATUK IDRIS ABDULLAH @ DAS MURTHY AS A DIRECTOR  
PURSUANT TO ARTICLE 79 OF THE COMPANY'S CONSTITUTION**

Ordinary Resolution 3 was in respect of the re-election of Datuk Idris Abdullah @ Das Murthy as a Director of the Company pursuant to Article 79 of the Company's Constitution.

There being no question from the floor, Dato' Chairman invited a proposer and a seconder for the motion.

The Ordinary Resolution 3 on the re-election of Datuk Idris Abdullah @ Das Murthy as a Director of the Company was proposed by Tan Ken Tiong, a shareholder, and seconded by Raymond Soh Kok Chong, a shareholder.

11. **ORDINARY RESOLUTION 4  
RE-ELECTION OF DATUK OOI TEIK HUAT AS A DIRECTOR PURSUANT TO  
ARTICLE 79 OF THE COMPANY'S CONSTITUTION**

Ordinary Resolution 4 was in respect of the re-election of Datuk Ooi Teik Huat as a Director of the Company pursuant to Article 79 of the Company's Constitution.

There being no question from the floor, Dato' Chairman invited a proposer and a seconder for the motion.

The Ordinary Resolution 4 on the re-election of Datuk Ooi Teik Huat as a Director of the Company was proposed by Tan Ken Tiong, a shareholder, and seconded by Raymond Soh Kok Chong, a shareholder.

12. **ORDINARY RESOLUTION 5  
APPROVAL FOR THE PAYMENT OF DIRECTORS' FEES**

Dato' Chairman proceeded with Ordinary Resolution 5 on payment of Directors' fees. The shareholders' approval was sought on the payment of Directors' fees of up to an amount of RM1,310,000 to the Non-Executive Directors ("NEDs") of the Company from the conclusion of this AGM until the next AGM of the Company.



Dato' Chairman then invited questions from the floor.

The Meeting deliberated at length on the questions/issues/comments raised by the shareholders/proxies, the salient points were as disclosed in Annexure B attached hereto.

The Ordinary Resolution 5 on the approval for payment of Directors' fees of up to an amount of RM1,310,000 to the NEDs of the Company from the conclusion of this AGM until the next AGM of the Company was proposed by Tan Ken Tiong, a shareholder, and seconded by Raymond Soh Kok Chong, a shareholder.

13. **ORDINARY RESOLUTION 6  
APPROVAL FOR THE PAYMENT OF DIRECTORS' BENEFITS PAYABLE  
(EXCLUDING DIRECTORS' FEES)**

The shareholders' approval was sought on the payment of Directors' benefits (excluding Directors' fees) payable of up to RM448,500 to the NEDs from the conclusion of this AGM until the next AGM of the Company.

There being no question from the floor, Dato' Chairman invited a proposer and a seconder for the motion.

The Ordinary Resolution 6 on the payment of Directors' benefits (excluding Directors' fees) payable to the NEDs of the Company of up to RM448,500 from the conclusion of this AGM until the next AGM of the Company was proposed by Raymond Soh Kok Chong, a shareholder, and seconded by Tan Seong Kok, a shareholder.

14. **ORDINARY RESOLUTION 7  
RE-APPOINTMENT OF MESSRS ERNST & YOUNG AS AUDITORS OF THE  
COMPANY FOR THE ENSUING YEAR**

Dato' Chairman proceeded with Ordinary Resolution 7 and proposed that Messrs Ernst & Young, who have expressed their willingness to continue in office, to be re-appointed as Auditors of the Company for the ensuing year and to hold office until the conclusion of the next AGM and that the Directors be authorised to determine and approve their remuneration.

There being no question from the floor, Dato' Chairman invited a seconder for the motion.

The Ordinary Resolution 7 on the re-appointment of Messrs Ernst & Young as the Auditors of the Company for the ensuing year as proposed by Dato' Chairman was seconded by Raymond Soh Kok Chong, a shareholder.

15. **ORDINARY RESOLUTION 8**  
**RETENTION OF INDEPENDENT DIRECTOR PURSUANT TO PRACTICE 4.2 OF**  
**THE MALAYSIAN CODE ON CORPORATE GOVERNANCE 2017**

Dato' Chairman proceeded with the Special Business of the AGM on the retention of Datuk Ooi Teik Huat, who had served for a cumulative term of approximately 10 years and 10 months as of the AGM date, to continue to act as an Independent Director of the Company until the conclusion of the next AGM of the Company.

Dato' Chairman informed the Meeting that he was of the view that Datuk Ooi Teik Huat is an effective member of the Board. He is courageous in expressing dissenting opinions on any issues and consistently asks solid and thorough questions during the Board's deliberations. He further informed that the detailed justifications of Datuk Ooi Teik Huat be retained as an Independent Director were set out in the Explanatory Note G of Notice of AGM on pages 8 and 9 of the Annual Report 2019.

There being no question from the floor, Dato' Chairman invited a proposer and a seconder for the motion.

The Ordinary Resolution 8 on the retention of Datuk Ooi Teik Huat to continue to act as an Independent Director of the Company was proposed by Tan Ai Ai, a proxy, and seconded by Tan Ken Tiong, a shareholder.

16. **ORDINARY RESOLUTION 9**  
**SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY**  
**TRANSACTIONS OF A REVENUE OR TRADING NATURE**

Dato' Chairman proceeded with the second Special Business of the AGM on the Proposed Shareholders' Mandate for Recurrent Related Party Transactions ("RRPT") of a Revenue or Trading Nature ("Proposed Shareholders' Mandate").

Dato' Chairman informed the meeting that the Proposed Shareholders' Mandate will enable the Company and its subsidiary companies ("DRB-HICOM Group") to enter into RRPT of a revenue or trading nature, which are necessary for the day-to-day



operations of the DRB-HICOM Group, involving related parties, as detailed in the Circular to Shareholders dated 31 July 2019.

Dato' Chairman further informed that the interested Directors, Major Shareholders and Persons Connected to them as stated under item 2.5 on pages 9 and 10 of the Circular to Shareholders dated 31 July 2019 shall abstain from deliberating and voting on the Proposed Shareholders' Mandate.

There being no question from the floor, Dato' Chairman invited a proposer and a seconder for the motion.

The Ordinary Resolution 9 on the Proposed Shareholders' Mandate was proposed by Tan Ken Tiong, a shareholder, and seconded by Raymond Soh Kok Chong, a shareholder.

17. **SPECIAL RESOLUTION 10**  
**ADOPTION OF THE NEW CONSTITUTION OF THE COMPANY**

The shareholders' approval was sought on the Proposed Adoption of the new Constitution of the Company.

Dato' Chairman informed the Meeting that the Proposed Adoption of the new Constitution is primarily to comply with the Main Market Listing Requirements to amend the existing Constitution by 31 December 2019 and to provide consistency with amendments arising from the enforcement of the Companies Act 2016 which will enhance the Company's administrative efficiency. The proposed new Constitution was set out in Appendix II of the Circular to Shareholders dated 31 July 2019.

There being no question from the floor, Dato' Chairman invited a proposer and a seconder for the motion.

The Special Resolution 10 on the Proposed Adoption of the new Constitution of the Company was proposed by Tan Ken Tiong, a shareholder, and seconded by Lim San Kim, a shareholder.



18. **POLLING PROCESS**

Upon completion of the deliberations on all the 10 resolutions set out in the notice of the 29th AGM, Dato' Chairman announced the commencement of the polling proceedings. He informed the Meeting that the team from Boardroom Share Registrars would be stationed at each polling station to assist the shareholders/proxies with the voting process while the Scrutineers, Boardroom Corporate Services would observe the entire voting process.

Dato' Chairman thereafter adjourned the Meeting for taking of the poll that was expected to take 20 minutes to complete.

19. **ANNOUNCEMENT OF POLL RESULTS**

Dato' Chairman reconvened the Meeting and called the Meeting to order for the declaration of the poll voting results. Dato' Chairman announced that the polling results had been verified by the Scrutineers, Boardroom Corporate Services. The polling results were presented to the shareholders/proxies for information and the details were attached hereto as Annexure C.

Dato' Chairman declared that all resolutions were carried and duly passed as follows:-

- a) Ordinary Resolution 1  
Declaration of a single tier first and final dividend of 3.0 sen per share

The poll voting result in respect of Ordinary Resolution 1 was as follows:-

Resolution	FOR		AGAINST	
	No. of Shares	%	No. of Shares	%
Ordinary Resolution 1	1,455,019,898	99.999883	1,701	0.000117

In view that 99.999883% of the total shareholdings of the shareholders/proxies present at the Meeting had voted in favour of the Ordinary Resolution, Dato' Chairman declared that the Ordinary Resolution 1 was carried and passed as follows:-

“THAT pursuant to Sections 131 and 132 of the Companies Act 2016, a single tier first and final dividend of 3.0 sen per share for the financial year ended 31 March 2019, be and is hereby approved for payment on 11 October 2019 to the registered shareholders of the Company at the close of business on 27 September 2019.”

b) Ordinary Resolution 2  
Re-election of Dato' Ibrahim Taib as a Director

The poll voting result in respect of Ordinary Resolution 2 was as follows:-

Resolution	FOR		AGAINST	
	No. of Shares	%	No. of Shares	%
Ordinary Resolution 2	1,383,428,002	95.079727	71,590,897	4.920273

In view that 95.079727% of the total shareholdings of the shareholders/proxies present at the Meeting had voted in favour of the Ordinary Resolution, Dato' Chairman declared that the Ordinary Resolution 2 was carried and passed as follows:-

“THAT Dato' Ibrahim Taib, the Director retiring by rotation in accordance with Article 79 of the Constitution of the Company, be and is hereby re-elected as a Director of the Company.”

c) Ordinary Resolution 3  
Re-election of Datuk Idris Abdullah @ Das Murthy as a Director

The poll voting result in respect of Ordinary Resolution 3 was as follows:-

Resolution	FOR		AGAINST	
	No. of Shares	%	No. of Shares	%
Ordinary Resolution 3	1,451,996,398	99.792271	3,022,501	0.207729

In view that 99.792271% of the total shareholdings of the shareholders/proxies present at the Meeting had voted in favour of the Ordinary Resolution, Dato' Chairman declared that the Ordinary Resolution 3 was carried and passed as follows:-



“THAT Datuk Idris Abdullah @ Das Murthy, the Director retiring by rotation in accordance with Article 79 of the Constitution of the Company, be and is hereby re-elected as a Director of the Company.”

d) **Ordinary Resolution 4**  
**Re-election of Datuk Ooi Teik Huat as a Director**

The poll voting result in respect of Ordinary Resolution 4 was as follows:-

Resolution	FOR		AGAINST	
	No. of Shares	%	No. of Shares	%
Ordinary Resolution 4	1,386,306,821	95.277582	68,712,078	4.722418

In view that 95.277582% of the total shareholdings of the shareholders/proxies present at the Meeting had voted in favour of the Ordinary Resolution, Dato' Chairman declared that the Ordinary Resolution 4 was carried and passed as follows:-

“THAT Datuk Ooi Teik Huat, the Director retiring in accordance with Article 79 of the Constitution of the Company, be and is hereby re-elected as a Director of the Company.”

e) **Ordinary Resolution 5**  
**Approval for Payment of Directors' Fees**

The poll voting result in respect of Ordinary Resolution 5 was as follows:-

Resolution	FOR		AGAINST	
	No. of Shares	%	No. of Shares	%
Ordinary Resolution 5	1,393,441,898	95.770361	61,540,501	4.229639

In view that 95.770361% of the total shareholdings of the shareholders/proxies present at the Meeting had voted in favour of the Ordinary Resolution, Dato' Chairman declared that the Ordinary Resolution 5 was carried and passed as follows:-

“THAT the payment of Directors' fees of up to an amount of RM1,310,000 to the Non-Executive Directors of the Company from the conclusion of this

Annual General Meeting (“AGM”) until the next AGM of the Company, be and is hereby approved.”

- f) Ordinary Resolution 6  
Approval for Payment of Directors’ Benefits Payable (Excluding Directors’ Fees)

The poll voting result in respect of Ordinary Resolution 6 was as follows:-

Resolution	FOR		AGAINST	
	No. of Shares	%	No. of Shares	%
Ordinary Resolution 6	1,454,963,798	99.998722	18,601	0.001278

In view that 99.998722% of the total shareholdings of the shareholders/proxies present at the Meeting had voted in favour of the Ordinary Resolution, Dato’ Chairman declared that the Ordinary Resolution 6 was carried and passed as follows:-

“THAT the payment of benefits (excluding Directors’ fees) of up to an amount of RM448,500 payable to the Non-Executive Directors of the Company from the conclusion of this Annual General Meeting (“AGM”) until the next AGM of the Company, be and is hereby approved.”

- g) Ordinary Resolution 7  
Re-appointment of Messrs Ernst & Young as Auditors

The poll voting result in respect of Ordinary Resolution 7 was as follows:-

Resolution	FOR		AGAINST	
	No. of Shares	%	No. of Shares	%
Ordinary Resolution 7	1,449,655,079	99.631357	5,363,820	0.368643

In view that 99.631357% of the total shareholdings of the shareholders/proxies present at the Meeting had voted in favour of the Ordinary Resolution, Dato’ Chairman declared that the Ordinary Resolution 7 was carried and passed as follows:-



“THAT Messrs Ernst & Young be and are hereby re-appointed as Auditors of the Company for the financial year ending 31 December 2019 and to hold office until the conclusion of the next Annual General Meeting at a fee to be determined by the Directors.”

h) Ordinary Resolution 8  
Retention of Datuk Ooi Teik Huat as an Independent Director

The poll voting result in respect of Ordinary Resolution 8 was as follows:-

Resolution	FOR		AGAINST	
	No. of Shares	%	No. of Shares	%
Ordinary Resolution 8	1,396,252,279	95.961110	58,766,620	4.038890

In view that 95.961110% of the total shareholdings of the shareholders/proxies present at the Meeting had voted in favour of the Ordinary Resolution, Dato' Chairman declared that the Ordinary Resolution 8 was carried and passed as follows:-

“THAT approval be and is hereby given to Datuk Ooi Teik Huat, who has served as an Independent Director of the Company for a cumulative term of approximately 10 years and 10 months as of the AGM date, to continue to act as the Independent Director of the Company until the conclusion of the next Annual General Meeting of the Company.”

i) Ordinary Resolution 9  
Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed Shareholders' Mandate")

The poll voting result in respect of Ordinary Resolution 9 was as follows:-

Resolution	FOR		AGAINST	
	No. of Shares	%	No. of Shares	%
Ordinary Resolution 9	373,955,457	99.999545	1,701	0.000455

Dato' Chairman informed that Ordinary Resolution 9 registered the lowest number of shares voted for a resolution as compared to the other resolutions as Etika Strategi Sdn Bhd, being the interested Major Shareholder holding 1,081,061,741 shares had abstained from voting on the Proposed Shareholders' Mandate.

In view that 99.999545% of the total shareholdings of the shareholders/proxies present at the Meeting (excluding Etika Strategi Sdn Bhd) had voted in favour of the Ordinary Resolution, Dato' Chairman declared that the Ordinary Resolution 9 was carried and passed as follows:-

"THAT subject to the provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, Companies Act 2016 ("CA 2016") and the Constitution of the Company, approval be and is hereby given to the Company and its subsidiary companies (collectively "DRB-HICOM Group") to enter into recurrent related party transactions of a revenue or trading nature as set out in Section 2.2.3 of the Circular to Shareholders dated 31 July 2019 with the related parties mentioned therein, PROVIDED THAT such transactions are necessary for the day-to-day operations of the DRB-HICOM Group, undertaken in the ordinary course of business, at arm's length basis and on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company.

THAT the Proposed Shareholders' Mandate shall continue to be in force and effective until:

- (a) the conclusion of the next Annual General Meeting ("AGM") of the Company, at which time the authority will lapse, unless the authority is renewed by a resolution passed at such general meeting;
- (b) the expiration of the period within which the Company's next AGM is required to be held, pursuant to Section 340(1) and (2) of CA 2016 (but shall not extend to any extension as may be allowed pursuant to Section 340(4) of CA 2016); or



- (c) revoked or varied by a resolution passed by the shareholders of the Company at a general meeting,

whichever is the earliest;

AND THAT the Directors of the Company be empowered and authorised to complete and do all such acts and things as they may think expedient or necessary (including executing such documents as may be required) to give effect to the Proposed Shareholders' Mandate."

- j) Special Resolution 10  
Proposed Adoption of the new Constitution of the Company

The poll voting result in respect of Special Resolution 10 was as follows:-

Resolution	FOR		AGAINST	
	No. of Shares	%	No. of Shares	%
Special Resolution 10	1,455,017,198	99.999883	1,701	0.000117

In view that 99.999883% of the total shareholdings of the shareholders/proxies present at the Meeting had voted in favour of the Special Resolution, Dato' Chairman declared that the Special Resolution 10 was carried and passed as follows:-

"THAT approval be and is hereby given to revoke the existing Constitution of the Company with immediate effect and in place thereof, the proposed new Constitution of the Company as set out in Appendix II of the Circular to Shareholders dated 31 July 2019, be and is hereby adopted as the Constitution of the Company AND THAT the Directors of the Company be and is hereby authorised to assent to any modifications, variations and/or amendments as may be required by the relevant authorities and to do all acts and things and take all such steps as may be considered necessary to give full effect to the foregoing."

20. **CLOSE OF MEETING**

There being no further business to be transacted, Dato' Chairman thanked the shareholders/proxies for their attendance. The Meeting ended at 1.10 p.m. with a vote of thanks to Dato' Chairman.

Dated this 12th day of September, 2019

**CONFIRMED**



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**CHAIRMAN**





10 September 2019

**Mr Devanesan Evanson**

Chief Executive Officer  
Minority Shareholder Watch Group  
Tingkat 11, Bangunan KWSP  
No 3, Changkat Raja Chulan  
Off Jalan Raja Chulan  
50200 Kuala Lumpur

Dear Mr Devanesan,

**Re: 29<sup>th</sup> Annual General Meeting of DRB-HICOM Berhad ("DRB-HICOM" or "the Company") to be held on 12 September 2019**

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We refer to your letter dated 3 September 2019 and are pleased to provide herewith our response to your questions as follows:

**Strategy & Financial Matters**

**1) As stated on Page 112 (Operational Review), the carmaker has invested in a new RM1.2 billion plant within the existing Tanjung Malim facility. PROTON also made headway in plans to build its international sales. In August 2018, a deal was signed with Geely for the export of PROTON to China, while another agreement was penned with ALHAJ Automotive, appointing it to establish a PROTON assembly plant in Karachi, Pakistan to tap the currently underserved Pakistani car market.**

**(a) What is the capacity and utilisation rate of the Tanjung Malim facility?**

The overall capacity of Tanjung Malim plant is expected to increase from 150,000 units to 250,000 units and currently involved in the production of Persona, Iriz and the upcoming assembly of SUV X70 completely-knocked-down ("CKD"). The expansion of plant is also cater for the future PROTON models for domestic and export market.

**(b) What is the capacity of the assembly plant in Karachi and the prospect in the Pakistani car market?**

The production facilities aim to have a capacity of 25,000 units per annum. The establishment of assembly plant abroad is essential to expand PROTON businesses beyond domestic market. There is high growth potential with current ratio of 17 cars for every 1,000 people in Pakistan market. This will provide huge opportunity for PROTON businesses in the longer term. Prior to the completion of the manufacturing plant, PROTON will export its complete-built-up ("CBU") models from Malaysia.

**(c) What is the current and targeted international sales as a percentage of the Group's total auto sales?**

PROTON currently exports its vehicles mainly to Egypt, Brunei and Bangladesh with targeted 1,400 units by end of this year. In addition, PROTON is looking to other ASEAN region, Middle East and Northern Africa countries as key potential export markets in the coming years. We envisage a range at around 20% will come from international sales at end of the 10 year plan.

**(d) Please elaborate on the export of PROTON to China in terms of actual sales volume and target?**

PROTON is currently undertaking a comprehensive review to establish proper business model to export its vehicles to China.

**2) As reported on Page 116 (MD&A), full completion and handover of the ICQS facility in Bukit Kayu Hitam will see the 28-year leasing concession of the facilities kick in. Northern Gateway Infrastructure Sdn. Bhd., a subsidiary of the Group was awarded the concession for the rights to design, finance, develop, construct, complete and lease the facilities and infrastructure and to carry out the asset management services for the ICQS Complex.**

**(a) What is the total cost of constructing the facilities and infrastructure?**

The total construction cost of the Integrated Immigration, Custom, Quarantine & Security ("ICQS") is RM385 million.

**(b) What is the expected estimated yearly revenue from the leasing concession?**

Phase 1 & 2 of ICQS has commenced operations since November 2017 and June 2019 respectively. The revenue from the Maintenance Services Charges and Asset Management Program is expected to be around RM13.5 million per annum.

**3) As stated on Page 129 (Business Review), DRB-HICOM Defence Technologies Sdn. Bhd. ("DEFTECH") recorded a comfortable revenue of RM908.3 million and PBT of RM229.9 million for FY2018/19.**

**What is the total outstanding value of contracts or orderbook and total value of tenders submitted for the military and non-military segments respectively?**

The on-going AV-8 Gempita project remains the key contributor to DEFTECH businesses. As at 31 March 2019, DEFTECH had successfully delivered 161 units of AV-8 and expected to deliver the remaining 98 units by the end of 2020. The balance of orderbook is approximately RM1.5 billion. The company has also submitted various tenders for the maintenance, repair and operations ("MRO") of existing army vehicles, new military vehicles and spare parts supply to the Government.



**4) As reported on Page 130 (Business Review), Composites Technology Research Malaysia Sdn. Bhd. ("CTRM") increased its revenue by 3.3% to RM953.2 million. The increase in revenue, together with cost optimisation from reduced material consumption and purchase prices, competitive bidding and commercial negotiations with suppliers, led to a 26.9% increase in PBT to RM60.3 million.**

**(a) Can the good financial performance of CTRM sustain and if so, what are the justifications?**

CTRM is a leading composites aero structure manufacturer in Asia Pacific and is part of the global supply chain for major aircraft manufacturers like Airbus and Boeing, and Tier 1 suppliers like Spirit AeroSystems and Collins Aerospace. CTRM will continue to increase its production and sales volume and expand its product ranges and secure new customers.

Moving forward, one of CTRM's aspirations is to venture into sub-assembly of composites components and parts, which could yield higher profit margin in order to further improve its good financial performance.

**(b) What is the total outstanding value of contracts or orderbook and total value of tenders submitted for this segment?**

The current outstanding value of contracts is not static as it is subjected to customers' annual production and order schedule planning.

As we upgrade our capabilities, we continuously submit tenders to existing and new customers in both aero structure and non-aero structure industries.

**5) On Page 139 (Business Review), it is stated that although the Group also owns and manages hotels and a golf club, these are being phased out under an agreement to dispose of land parcels and leisure assets. The objective is to focus on industrial properties.**

**(a) What is the status of the disposal of land parcels and leisure assets and targeted timeline?**

The proposed disposal of the property assets is pending certain conditions approvals from the relevant state authorities and expected to be concluded within the next few months.



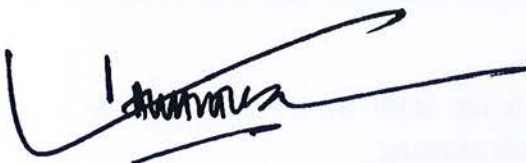
**(b) What is the status of the acquisition of industrial properties and plans for residential properties including current gross development value?**

The acquisition of the industrial properties is part of the proposed disposal consideration of the Group's non-residential property assets.

As we shift the focus on industrial properties, the remaining residential properties are relatively smaller in size and number and these include affordable homes and apartments in Proton City and Glenmarie Johor. The estimated gross development value is approximately RM248 million.

Should you require further information or clarification, please do not hesitate to contact Puan Norli Dollah at 03-2052 8194.

Yours sincerely,  
**DRB-HICOM BERHAD**



**DATO' SRI SYED FAISAL ALBAR**  
Group Managing Director

	<b>Key Matters Discussed</b>	<b>Response from the Directors/Management</b>
1.	<p>The Group reported a total revenue of RM12.5 billion and Profit Before Tax ("PBT") of RM281.6 million in financial year ("FY") 2018/2019 compared with total revenue of RM12.3 billion and PBT of RM283.8 million (including Research &amp; Development grant of RM1.1 billion) in FY2017/2018. Which business segment contributed the highest revenue to the Group's favourable results.</p> <p>Is the Group expected to register a PBT for the financial year ending 31 December 2019.</p>	<p>For the FY2018/2019, the Automotive segment contributed the highest revenue i.e. RM7.357 billion, out of the total revenue registered by the Group of RM12.5 billion. PROTON Holdings Berhad ("PROTON") was the major contributor to the improved results of the Automotive segment.</p> <p>With the launch of X70 in the third quarter ended 31 December 2018, PROTON's performance had slowly improved in the third and fourth quarters of FY2018/2019.</p> <p>Notwithstanding this, the Group's results for the financial year ending 31 December 2019 are expected to be impacted by the amortisation of costs incurred for Plant, Property and Equipment for the Completely Knocked Down ("CKD") programme for PROTON.</p>

	<b>Key Matters Discussed</b>	<b>Response from the Directors/Management</b>
2.	<p>What is the positive financial impact to PROTON during the tax holiday period.</p> <p>How much is PROTON's contribution to the revenue of the Automotive segment.</p>	<p>PROTON sales surged by 10% during the tax holiday period.</p> <p>For the financial year ended 31 March 2019, PROTON contributed a total revenue of RM3.141 billion, which represented 55% of the total revenue of the Automotive segment.</p>
3.	<p>Whether non-PROTON businesses are included in the Automotive segment and prospect for non-PROTON businesses.</p> <p>Which subsidiary companies are the main contributors and non-contributors to the Group's segmental results.</p>	<p>Non-PROTON businesses were included in the Automotive segment such as distribution business, assembly, defence industry and composites aero-structure manufacturer. Details of the businesses were stated in the 2019 Annual Report of the Company.</p> <p>The Group recognised the potential of non-PROTON businesses for the Automotive segment and continuously monitor and provide guidelines for its expansion under the seven-year road map of the Group.</p> <p>PROTON, DRB-HICOM Defence Technologies Sdn Bhd, Composites Technology Research Malaysia Sdn Bhd, Bank Muamalat Malaysia Berhad and Alam Flora Sdn Bhd Group are the main contributors while Motosikal Dan Enjin Nasional Sdn Bhd ("MODENAS") and Pos Malaysia Berhad ("Pos Malaysia") Group are the non-contributors to the Group's segmental results.</p>



	<b>Key Matters Discussed</b>	<b>Response from the Directors/Management</b>
4.	<p>The reason behind the loss before taxation ("LBT") of RM158.418 million recorded by Pos Malaysia Group for the financial year ended 31 March 2019.</p>	<p>For the financial year ended 31 March 2019, Pos Malaysia Group posted a LBT of RM158.418 million as compared to PBT of RM117.327 million for the corresponding financial year ended 31 March 2018. This was mainly due to Postal Services which registered lower revenue of RM697.6 million as compared to RM734.3 million for the corresponding financial year ended 31 March 2018 as the mail business has been on an accelerated decline, largely due to the substitution from mail to digital as well as the non-increase of postal tariff for almost 10 years.</p> <p>The new management of Pos Malaysia is in the midst of appealing to the Government for an increase in the postal tariff. The new management of Pos Malaysia is also currently implementing its business strategies to turnaround Pos Malaysia Group.</p>

	<b>Key Matters Discussed</b>	<b>Response from the Directors/Management</b>															
5.	Progress updates on the construction of Integrated, Custom, Quarantine and Security ("ICQS") Complex project undertaken by Northern Gateway Infrastructure Sdn Bhd ("NGISB") and the viability of the project.	<p>The percentage of completion for the construction of ICQS Complex by NGISB for FY2017/2018 and FY2018/2019 was summarised as follows:-</p> <table border="1" data-bbox="1048 448 1924 746"> <thead> <tr> <th data-bbox="1048 448 1352 600" rowspan="2"><b>Project</b></th> <th colspan="3" data-bbox="1352 448 1924 523"><b>Percentage of Completion (%)</b></th> </tr> <tr> <th data-bbox="1352 523 1543 600"><b>FY2017/2018</b></th> <th data-bbox="1543 523 1727 600"><b>FY2018/2019</b></th> <th data-bbox="1727 523 1924 600"><b>Cummulative YTD</b></th> </tr> </thead> <tbody> <tr> <td data-bbox="1048 600 1352 675">- Construction contracts - Phase 1</td> <td data-bbox="1352 600 1543 675" style="text-align: center;"><b>68.33</b></td> <td data-bbox="1543 600 1727 675" style="text-align: center;"><b>31.67</b></td> <td data-bbox="1727 600 1924 675" style="text-align: center;"><b>100.00</b></td> </tr> <tr> <td data-bbox="1048 675 1352 746">- Construction contracts - Phase 2</td> <td data-bbox="1352 675 1543 746" style="text-align: center;"><b>6.76</b></td> <td data-bbox="1543 675 1727 746" style="text-align: center;"><b>78.43</b></td> <td data-bbox="1727 675 1924 746" style="text-align: center;"><b>85.19</b></td> </tr> </tbody> </table> <p>The Group expects a negative return at the initial stage of the project. Positive return is expected in the longer term based on the 28-year concession agreement awarded to NGISB to maintain the ICQS Complex.</p>	<b>Project</b>	<b>Percentage of Completion (%)</b>			<b>FY2017/2018</b>	<b>FY2018/2019</b>	<b>Cummulative YTD</b>	- Construction contracts - Phase 1	<b>68.33</b>	<b>31.67</b>	<b>100.00</b>	- Construction contracts - Phase 2	<b>6.76</b>	<b>78.43</b>	<b>85.19</b>
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	<b>Key Matters Discussed</b>	<b>Response from the Directors/Management</b>
6.	<p>The prospect and challenges for DRB-HICOM Group for the financial year ending 31 December 2019.</p>	<p>For the financial year ending 31 December 2019, the Group's Automotive businesses are expected to remain resilient in line with the public's response to PROTON's improved models. New models by other marques in the portfolio are also expected to contribute to the Group's Automotive businesses' performance.</p> <p>The Property segment will continue to perform subject to the completion of the relevant projects such as ICQS Complex and Media City Development projects. The property segment, however, is not expected to be a major contributor to the Group's performance as it is only targeted to contribute less than 5% of the Group's performance for the financial year ending 31 December 2019.</p> <p>The main challenges for DRB-HICOM Group are as follows:-</p> <ul style="list-style-type: none"> <li>i. To turnaround the performance of MODENAS; and</li> <li>ii. To ensure that the transformation and turnaround plans of Pos Malaysia Group be implemented successfully to enhance its financial performance, going forward.</li> </ul>



	<b>Key Matters Discussed</b>	<b>Response from the Directors/Management</b>
7.	Whether PROTON is using spare parts made in Malaysia or China. Whether PROTON's spare parts are entitled for the Industrial Linkage Programme's ("ILP") incentives.	PROTON is currently using localised spare parts and is entitled for the ILP's incentives.
8.	The difference in prices for spare parts and services charged between authorised workshop and PROTON service centre.	The prices for spare parts and services are controlled by PROTON and all authorised workshops are regularly audited by PROTON. Any irregularities of pricing should be reported to the Headquarters of PROTON for necessary actions.
9.	Complaint on PROTON's poor service to customers especially on identifying and providing solution for issues/problems of PROTON vehicles.	PROTON is in the midst of improving its quality in terms of products and services by investing in quality assurance initiatives for its vehicles. PROTON will strive to reduce quality issues/problems based on the consumers complaint index.
10.	The future plan for Shah Alam land when PROTON moves its plant from Shah Alam to Tanjung Malim.	The Company will ensure that the Shah Alam land will be utilised in the best interest of the Company.

	<b>Key Matters Discussed</b>	<b>Response from the Directors/Management</b>
11.	PROTON's readiness in facing future challenges especially on the new technologies, namely Energy Efficient Vehicles ("EEV") and Battery Electric Vehicle ("BEV") as well as the saturating market share for passenger cars in Malaysia, how can PROTON continue to be sustainable in the future.	By leveraging on Zhejiang Geely Holding Group Co., Ltd ("Geely"), PROTON will have access to more advanced technology and engine enhancement for the development of models under the new EEV and BEV segments to ensure that PROTON will continue to be sustainable and competitive in the automotive industry. This venture into EEV and BEV segments will be dependent on the government's policy on the matter.
12.	The impact of the third national car project on PROTON, if it is materialised.	<p>The third national car project is not expected to have a significant impact on PROTON as the project mainly caters for the export market. At present, the focus for PROTON is to improve the quality of its products and services as well as to enhance its sales locally before embarking into the export market, on a bigger scale.</p> <p>Notwithstanding this, PROTON as one of the major players in the automotive ecosystem had conveyed its interest to participate in the third national car project and will closely monitor the progress of the project.</p>

	<b>Key Matters Discussed</b>	<b>Response from the Directors/Management</b>
13.	How is PROTON expected to overcome challenges faced from the emerging market such as Vietnam based on PROTON's 10-year plan.	<p>The Company intends to safeguard the recognition of PROTON as Malaysia's original national car company while building and enhancing Malaysia's national automotive industry and facilitating the goal of making Malaysia a preferred automotive hub in South East Asia capable of rivalling neighbouring countries in the region.</p> <p>Based on the binding heads of agreement dated 24 May 2017 between DRB-HICOM and Geely, PROTON was given the exclusivity by Geely to produce right-hand drive vehicles for the ASEAN market especially Thailand, Brunei, Singapore and Indonesia.</p> <p>By leveraging on Geely's advanced technology, extensive business network and global best practices, PROTON Group looks to increase its manufacturing capacity, elevate its brand confidence and enhance its presence in the regional markets and compete with emerging countries such as Vietnam.</p>



	<b>Key Matters Discussed</b>	<b>Response from the Directors/Management</b>
14.	PROTON's penetration into the export markets.	<p>Presently, PROTON is focusing on implementing its CKD programme to ensure that it produces good quality vehicles for the domestic market before embarking into the export market, on a bigger scale.</p> <p>PROTON's 10-year transformation plan includes the strategic plan on the export business. PROTON will be carrying out detailed market study to understand the requirements of the consumers and marketplace of these export markets.</p> <p>With the current bilateral relationship between Malaysia and Pakistan, PROTON took the opportunity to enter the Pakistanese market. Pakistan's motorisation rate is very low with 17 cars per 1,000 population as compared to Malaysia at 350 cars per 1,000 population. Pakistan's large population of 200 million people provides potential for long-term growth for the automotive sector.</p>

	<b>Key Matters Discussed</b>	<b>Response from the Directors/Management</b>
15.	The Company's plan to sell X70 model in China and its competitiveness especially in terms of selling price.	At present, PROTON does not intend to sell X70 to China but is exploring the possibility of selling other models such as Saga, Persona and Iriz. As the domestic market is expected to be saturated, PROTON is considering the China market due to its huge total industry volume of 30 million vehicles. Capturing even a small percentage of the market share in China will bring about a substantial increase to the total sales volume for PROTON.
16.	How does the Board ensure that the 10-year transformation plan for PROTON and seven-year road map for the Group be implemented as it is not unexpected for the Board's composition to change during that period.	The Board assured the shareholders that the Group has implemented succession planning to ensure that both plans will be carried out accordingly and in the best interest of the Group.
17.	Whether DRB-HICOM Group has the privileges/advantages of Approved Permits ("AP") for luxury cars.	DRB-HICOM Group has the AP to import the CBU units for Audi and Mitsubishi vehicles but do not have the AP to import used luxury cars.

	<b>Key Matters Discussed</b>	<b>Response from the Directors/Management</b>
18.	Plan on the proceeds received from the disposal of Alam Flora Sdn Bhd by HICOM Holdings Berhad to Malakoff Corporation Berhad ("Proposed Disposal").	The proceeds from the Proposed Disposal will be used towards the repayment of DRB-HICOM Group's borrowings and the expansion of its businesses including the funding of capital expenditure for PROTON.
19.	Policy or benchmarking towards performance/profitability of the Company for payment of Directors' fees.	<p>Pursuant to Paragraph 7.23 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, remuneration of Directors' fees payable to Non-Executive Directors shall be by a fixed sum, and not by a commission on or percentage of profits or turnover.</p> <p>In addition, based on the recent study conducted by the Company, DRB-HICOM's Directors' fees are among the lowest as compared with other public listed companies such as Telekom Malaysia Berhad, UMW Holdings Berhad and Alliance Bank Malaysia Berhad.</p>

## DRB-HICOM BERHAD

29th Annual General Meeting

Date/Time: 12/09/2019 10:00:00 AM

Glenmarie Ballroom, Holiday Inn Kuala Lumpur Glenmarie (Tel: +603 7803 1000), No. 1, Jalan Usahawan U1/8, Seksyen U1, 40150 Shah Alam, Selangor Darul Ehsan

	FOR		AGAINST		TOTAL	
	NO. OF		NO. OF		NO. OF	
Ordinary Resolution	SHARES	%	SHARES	%	SHARES	%
<b>Resolution 1 : Declaration of a single tier first and final dividend</b>	<b>1,455,019,898</b>	<b>99.999883</b>	<b>1,701</b>	<b>0.000117</b>	<b>1,455,021,599</b>	<b>100</b>
<b>Resolution 2 : Re-election of Dato' Ibrahim Taib as Director</b>	<b>1,383,428,002</b>	<b>95.079727</b>	<b>71,590,897</b>	<b>4.920273</b>	<b>1,455,018,899</b>	<b>100</b>
<b>Resolution 3 : Re-election of Datuk Idris Abdullah @ Das Murthy as Director</b>	<b>1,451,996,398</b>	<b>99.792271</b>	<b>3,022,501</b>	<b>0.207729</b>	<b>1,455,018,899</b>	<b>100</b>
<b>Resolution 4 : Re-election of Datuk Ooi Teik Huat as Director</b>	<b>1,386,306,821</b>	<b>95.277582</b>	<b>68,712,078</b>	<b>4.722418</b>	<b>1,455,018,899</b>	<b>100</b>
<b>Resolution 5 : Approval of the payment of Directors' fees from the conclusion of the 29th AGM until the next Annual General Meeting</b>	<b>1,393,441,898</b>	<b>95.770361</b>	<b>61,540,501</b>	<b>4.229639</b>	<b>1,454,982,399</b>	<b>100</b>
<b>Resolution 6 : Approval of the payment of Directors' benefits (excluding Directors' fees) from the conclusion of the 29th AGM until the next Annual General Meeting</b>	<b>1,454,963,798</b>	<b>99.998722</b>	<b>18,601</b>	<b>0.001278</b>	<b>1,454,982,399</b>	<b>100</b>
<b>Resolution 7 : Re-appointment of Messrs Ernst &amp; Young as Auditors</b>	<b>1,449,655,079</b>	<b>99.631357</b>	<b>5,363,820</b>	<b>0.368643</b>	<b>1,455,018,899</b>	<b>100</b>
<b>Resolution 8 : Retention of Datuk Ooi Teik Huat as Independent Director</b>	<b>1,396,252,279</b>	<b>95.961110</b>	<b>58,766,620</b>	<b>4.038890</b>	<b>1,455,018,899</b>	<b>100</b>
<b>Resolution 9 : Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature</b>	<b>373,955,457</b>	<b>99.999545</b>	<b>1,701</b>	<b>0.000455</b>	<b>373,957,158</b>	<b>100</b>
<b>Special Resolution : Proposed Adoption of the new Constitution</b>	<b>1,455,017,198</b>	<b>99.999883</b>	<b>1,701</b>	<b>0.000117</b>	<b>1,455,018,899</b>	<b>100</b>

Verified by Scrutineer  
Boardroom Corporate Services Sdn Bhd (3775-X)  
(formerly known as Boardroom Corporate Services (KL) Sdn Bhd)

Signature:  
Date:

*[Signature]*  
12/9/19 @ 12.32 pm