

Minutes of the Thirty-Fourth (“34th”) Annual General Meeting (“AGM”) of DRB-HICOM Berhad (“DRB-HICOM” or “the Company”) held virtually at the Training Hall, Level 6, Wisma DRB-HICOM, No. 2, Jalan Usahawan U1/8, Seksyen U1, 40150 Shah Alam, Selangor Darul Ehsan as the Broadcast Venue and via Meeting Platform at <https://investor.boardroomlimited.com> on Tuesday, 28 May 2024 at 10.30 a.m.

Essential Individuals present at the Broadcast Venue:

- | | | | |
|-----|---|---|--|
| 1) | Tan Sri Wan Zulkiflee Wan Ariffin
("Tan Sri Chairman") | - | Chairman |
| 2) | Tan Sri Syed Faisal Albar
Syed A.R Albar
("GMD") | - | Group Managing Director |
| 3) | Dato' Ibrahim Taib | - | Director |
| 4) | Puan Uji Sherina Abdullah | - | Director |
| 5) | Sabarina Laila Mohd Hashim | - | Company Secretary |
| 6) | Aminah Othman | - | Group Chief Financial Officer |
| 7) | Cairil Irwan Mohd Amir Sharifuddin
("Cairil/Emcee") | - | Head, Group Strategic Communications |
| 8) | Chan Chee Keong | - | External auditors, KPMG PLT |
| 9) | Rozleen Monzali | - | Share Registrar, Boardroom Share Registrars Sdn Bhd ("Boardroom Share Registrars") |
| 10) | Ivy Leong Shiak Wan | } | Scrutineers from SKY Corporate Services Sdn Bhd ("SKY Corporate Services") |
| 11) | Nurrul Ishmah Md Zain | | |

Board Members attending via Video-Conferencing:

- | | | | |
|----|-----------------------------------|---|----------|
| 1) | Datuk Ooi Teik Huat | - | Director |
| 2) | Datuk Idris Abdullah @ Das Murthy | - | Director |

DRB-HICOM BERHAD

Registration No. 199001011860 (203430-W)

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MEMBERS AND PROXIES:

As per the Attendance Record issued by the Share Registrar, a total of 1,022 shareholders and proxy holders holding/representing a total of 1,462,665,840 ordinary shares (of which 1,304,990,061 ordinary shares were represented by Chairman), which was equivalent to 75.66% of the total issued share capital of the Company, had attended the 34th AGM virtually through remote participation and electronic voting facilities.

Before the commencement of the Meeting, Cairil informed the shareholders and proxies that the 34th AGM of the Company was convened through live streaming to facilitate greater shareholders' participation in this Meeting. He also briefed the shareholders on the administrative details in relation to the virtual 34th AGM of DRB-HICOM.

A short video by Boardroom Share Registrars was played to demonstrate the remote participation and electronic voting process to the shareholders and proxies who were present at the 34th AGM.

1. OPENING ADDRESS BY THE CHAIRMAN

On behalf of the Board of Directors ("Board"), Tan Sri Chairman extended a warm welcome to the shareholders, proxies and invitees to the 34th AGM of the Company and thanked them for their attendance in the Meeting.

2. QUORUM

Following Tan Sri Chairman's welcome address, the Meeting was convened at 10.30 a.m., upon confirmation by the Company Secretary of the requisite quorum present, pursuant to the Company's Constitution.

3. INTRODUCTION

Tan Sri Chairman introduced the Board members and the Company Secretary, who were present at the Broadcast Venue. He further introduced the Board members, who were participating remotely for the 34th AGM.

Thereafter, he introduced Aminah Othman, the Group Chief Financial Officer of the Company and Chan Chee Keong, the Engagement Partner of KPMG PLT, who were present at the Broadcast Venue.

4. NOTICE

The Notice of the 34th AGM dated 29 April 2024, which had been circulated to all shareholders of the Company, was taken as read.

5. VOTING BY POLL

The shareholders and proxies were informed that the voting at the 34th AGM would be conducted by way of poll through electronic voting, i.e., e-polling, in line with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

Tan Sri Chairman informed that the Company had appointed Boardroom Share Registrars as the Poll Administrator to conduct the e-polling process and SKY Corporate Services as the Scrutineer to verify and validate the poll results.

Tan Sri Chairman also highlighted that he was appointed to act as proxy for several shareholders. Therefore, he would vote for each resolution in accordance with the instructions given by the shareholders.

The shareholders and proxies were further informed that the voting session had commenced, and they could vote on all the resolutions at any time from the commencement of the Meeting until the end of the e-polling session.

6. PRESENTATION BY THE GROUP MANAGING DIRECTOR

Before proceeding with the business of the Meeting, Tan Sri Chairman invited GMD to present a brief overview of DRB-HICOM Group's performance for the financial year ended ("FYE") 31 December 2023.

GMD gave his welcoming speech and took the Meeting through a brief presentation of the Group's performance for the FYE 31 December 2023, which encompassed four (4) sections, namely, the Snapshots of the financial year 2023; Financial Performance; Business Updates and Key Takeaways.

7. RESPONSES TO THE QUESTIONS RAISED BY MINORITY SHAREHOLDERS WATCH GROUP ("MSWG")

Tan Sri Chairman informed that the Company had received a list of questions from MSWG on 23 May 2024. The Company had responded to their questions ahead of the AGM and the same were posted on the Company's corporate website.

For the benefit of the shareholders, Tan Sri Chairman invited Aminah Othman and Cairil to give a summary of the responses to MSWG. A copy of the presentation slides is attached as "**Annexure A**".

Upon the conclusion of the afore-mentioned presentation, Tan Sri Chairman then set forth the items on the Agenda of the Meeting for the shareholders and proxies' notation or approval.

8. AGENDA 1

AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023, TOGETHER WITH THE REPORTS OF DIRECTORS AND AUDITORS THEREON

Tan Sri Chairman explained that the Audited Financial Statements ("AFS") of the Company for the FYE 31 December 2023, together with the Reports of Directors and Auditors thereon, were being tabled for discussion purposes with the shareholders. The AFS do not require any approval by the shareholders as stipulated in Section 340(1)(a) of the Companies Act 2016 and therefore, they would not be subject to any voting process.

It was deemed that the AFS had been duly received by the shareholders and therefore, the Meeting moved on to the next Agenda item comprising Ordinary Resolution 1.

9. AGENDA 2 - ORDINARY RESOLUTION 1

PAYMENT OF A FINAL DIVIDEND OF 2.5 SEN PER SHARE

Tan Sri Chairman proceeded with the second item on the Agenda, Ordinary Resolution 1 on the payment of a final dividend of 2.5 sen per share for the FYE 31 December 2023, as recommended by the Directors of the Company. If approved, the dividend declared would be paid on 27 June 2024 to the shareholders of the Company, registered at the close of business on 31 May 2024.

10. AGENDA 3(i) - ORDINARY RESOLUTION 2

RE-ELECTION OF TAN SRI SYED FAISAL ALBAR SYED A.R ALBAR AS A DIRECTOR PURSUANT TO ARTICLE 77 OF THE COMPANY'S CONSTITUTION

Tan Sri Chairman proceeded with the next item on the Agenda, Ordinary Resolution 2 in relation to the re-election of Tan Sri Syed Faisal Albar Syed A.R Albar, who retired in accordance with Article 77 of the Company's Constitution and being eligible, offered himself for re-election.

11. AGENDA 3(ii) - ORDINARY RESOLUTION 3

RE-ELECTION OF DATUK IDRIS ABDULLAH AS A DIRECTOR PURSUANT TO ARTICLE 77 OF THE COMPANY'S CONSTITUTION

Tan Sri Chairman continued with the next item on the Agenda, Ordinary Resolution 3 in relation to the re-election of Datuk Idris Abdullah, who retired in accordance with Article 77 of the Company's Constitution and being eligible, offered himself for re-election.

12. AGENDA 4 - ORDINARY RESOLUTION 4

APPROVAL FOR THE PAYMENT OF DIRECTORS' FEES

Tan Sri Chairman, then, proceeded with Ordinary Resolution 4 on the payment of Directors' fees. The shareholders' approval was sought on the payment of Directors'

fees to the Non-Executive Chairman and Non-Executive Directors (“NEDs”) up to an amount of RM2,256,000 from 29 May 2024 until the next AGM of the Company.

13. AGENDA 5 - ORDINARY RESOLUTION 5

APPROVAL FOR THE PAYMENT OF DIRECTORS’ BENEFITS PAYABLE (EXCLUDING DIRECTORS’ FEES)

The shareholders’ approval was sought on the payment of Directors’ benefits payable (excluding Directors’ fees) to the Non-Executive Chairman and NEDs up to an amount of RM1,294,000 from 29 May 2024 until the next AGM of the Company.

14. AGENDA 6 - ORDINARY RESOLUTION 6

RE-APPOINTMENT OF KPMG PLT AS AUDITORS OF THE COMPANY

Tan Sri Chairman proceeded with Ordinary Resolution 6 and proposed that KPMG PLT, 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 fix their remuneration.

15. AGENDA 7 - ORDINARY RESOLUTION 7

SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

Tan Sri Chairman proceeded with the Special Business of the AGM on the Proposed Renewal of Shareholders’ Mandate for Existing Recurrent Related Party Transactions (“RRPTs”) of a revenue or trading nature (“Proposed Shareholders’ Mandate”).

Tan Sri Chairman explained that the Proposed Shareholders’ Mandate would enable DRB-HICOM Group to enter into RRPTs, which are necessary for the day-to-day operations of the Group, as detailed in the Circular to Shareholders dated 29 April 2024.

Tan Sri Chairman highlighted that the Major Shareholders and Persons Connected to them as stated in the Circular to Shareholders dated 29 April 2024 would abstain from the deliberation and voting on the Proposed Shareholders’ Mandate.

Following the laying of the items on the Agenda, Tan Sri Chairman commenced the Questions and Answers Session with the shareholders and proxies.

16. QUESTIONS AND ANSWERS SESSION

Tan Sri Chairman notified that the Company had received numerous questions from the shareholders and proxies prior to and during the AGM. The Company has taken the liberty to classify the questions received into three (3) categories namely, financials, operations and corporate governance.

The Meeting deliberated on the pertinent questions raised by the shareholders/proxies and the corresponding responses made by the Board and Management are summarised in “**Annexure B**” attached hereto.

Tan Sri Chairman also assured the shareholders and proxy holders that the unanswered questions would be addressed via email to the respective shareholders in due course after the AGM and the same would be published on the Company's website.

17. E-POLLING SESSION AND VERIFICATION OF THE POLL RESULTS

At 11.43 a.m., the Meeting was adjourned for 10 minutes to allow the shareholders and proxies to cast their votes via e-polling, followed by another 20 minutes for the Scrutineers to verify and validate the poll results.

18. ANNOUNCEMENT OF POLL RESULTS

Tan Sri Chairman re-convened the Meeting at 12.13 p.m. to announce the polling results. He highlighted that he had received the verified poll results from SKY Corporate Services, a copy of the same is attached as “**Annexure C**”.

Based on the poll results, majority of the shareholders had voted in favour of Ordinary Resolutions 1 to 7 and hence, Tan Sri Chairman declared that all resolutions tabled at the AGM were carried.

The detailed poll results and the Resolutions **RESOLVED** at the Meeting are as follows:-

a) **Ordinary Resolution 1**
Payment of a final dividend of 2.5 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	1,462,572,849	99.9944	82,091	0.0056

The following Ordinary Resolution 1 was carried:-

“THAT pursuant to Sections 131 and 132 of the Companies Act 2016, a final dividend of 2.5 sen per share for the financial year ended 31 December 2023, be and is hereby approved for payment on 27 June 2024 to the registered shareholders of the Company at the close of business on 31 May 2024.”

b) **Ordinary Resolution 2**
Re-election of Tan Sri Syed Faisal Albar Syed A.R Albar 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	1,462,136,608	99.9643	522,232	0.0357

The following Ordinary Resolution 2 was carried:-

“THAT Tan Sri Syed Faisal Albar Syed A.R Albar, the Director retiring by rotation in accordance with Article 77 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 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	1,441,425,838	98.5487	21,227,002	1.4513

The following Ordinary Resolution 3 was carried:-

“THAT Datuk Idris Abdullah, the Director retiring by rotation in accordance with Article 77 of the Constitution of the Company, be and is hereby re-elected as a Director of the Company.”

d) Ordinary Resolution 4
Approval for Payment of Directors' Fees

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

Resolution	FOR		AGAINST	
	No. of Shares	%	No. of Shares	%
Ordinary Resolution 5	1,462,070,503	99.9614	565,129	0.0386

The following Ordinary Resolution 4 was carried:-

“THAT the payment of Directors' fees to the Non-Executive Chairman and Non-Executive Directors up to an amount of RM2,256,000 from 29 May 2024 until the conclusion of the next Annual General Meeting of the Company, be and is hereby approved.”

e) Ordinary Resolution 5
Approval for Payment of Directors' Benefits Payable (Excluding 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 6	1,462,067,603	99.9612	567,329	0.0388

The following Ordinary Resolution 5 was carried:-

“THAT the payment of benefits payable (excluding Directors' fees) to the Non-Executive Chairman and Non-Executive Directors up to an amount of RM1,294,000 from 29 May 2024 until the conclusion of the next Annual General Meeting of the Company, be and is hereby approved.”

f) Ordinary Resolution 6
Re-appointment of KPMG PLT as Auditors

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	1,462,468,472	99.9883	171,068	0.0117

The following Ordinary Resolution 6 was carried:-

“THAT KPMG PLT be and are hereby re-appointed as Auditors of the Company for the financial year ending 31 December 2024 and to hold office until the conclusion of the next Annual General Meeting, at a fee to be determined by the Directors.”

**g) Ordinary Resolution 7
Proposed Renewal of Shareholders' Mandate for Existing Recurrent
Related Party Transactions ("RRPTs") of a revenue or trading nature
("Proposed Shareholders' Mandate")**

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	381,392,056	99.9518	184,043	0.0482

The following Ordinary Resolution 7 was carried:-

"THAT in accordance with Paragraph 10.09 of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"), and subject to the Companies Act 2016 ("CA 2016"), the Constitution of the Company, other applicable laws, guidelines, rules and regulations, and the approvals of the relevant governmental and/or regulatory authorities, approval be hereby given to the Company and its subsidiary companies (collectively "DRB-HICOM Group") to enter into any of the recurrent related party transactions ("RRPTs") of a revenue or trading nature as set out in Section 2.2.3 of the Circular to Shareholders dated 29 April 2024, which are necessary for the day-to-day operations in the ordinary course of business of DRB-HICOM Group, on normal commercial terms, which are not more favourable to the related parties than those generally available to the public, undertaken at an arm's length basis, and are not detrimental to the minority shareholders of the Company ("Shareholders' Mandate");

THAT the Shareholders' Mandate shall continue to be in force until:-

- (a) the conclusion of the next 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 next AGM of the Company is required to be held pursuant to Section 340(2) of CA 2016 (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of CA 2016); or
- (c) the Shareholders' Mandate is revoked or varied by an ordinary resolution passed by the shareholders of the Company at a general meeting;

whichever is earlier;

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

20. **CLOSE OF MEETING**

Tan Sri Chairman thereafter thanked the shareholders and proxy holders for their support and participation in the 34th AGM and declared the Meeting closed at 12.15 p.m.

Dated this 26th day of June, 2024.

CONFIRMED



CHAIRMAN

DRB-HICOM

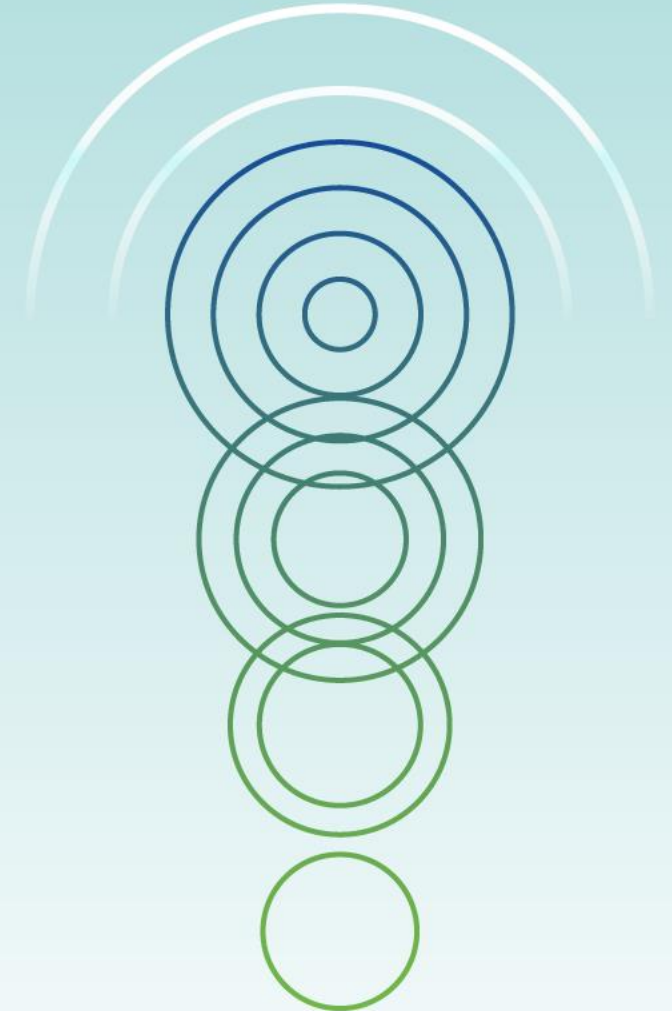
34th

**ANNUAL
GENERAL
MEETING**

28 MAY 2024

**QUESTIONS
& ANSWERS
FOR MINORITY
SHAREHOLDER
WATCH GROUP
(MSWG)**

**AMINAH OTHMAN
GROUP CHIEF EXECUTIVE OFFICER**



Question 1 :

The Malaysia Automotive Association anticipates a TIV of 740,000 units in 2024, a 7.47% reduction from 2023. It attributes this to a slowdown in consumer spending due to concerns over targeted subsidy rationalisation, high cost of living, proposed High Value Goods Tax, and higher service tax rate for selected services including vehicle repairs and maintenance (page 41 of AR2023)

- a) To-date, to what extent has the Group experience slowdown in consumer demand for the Group's vehicles?**

Answer (1a) :

Despite a lower projection for TIV 2024, the Malaysian Automotive Association (“MAA”) reported an 8% increase in new vehicle sales, with 260,236 units in the first four months of 2024, from 240,417 units during the same period last year.

DRB-HICOM Group also recorded higher sales with 85,646 units sold, up from 84,418 vehicles in the same period in 2023. However, motor vehicle demand in Malaysia is expected to moderate in the second half of 2024 due to potential challenges, as mentioned above.

Question (1b) :

PROTON's partnership with smart Automobile Co., Ltd. to distribute the smart EV models in Malaysia and Thailand (page 20 of AR2023), how many smart EV does the Group target to distribute in FY2024?

Answer (1b) :

The sales target for smart EV in FY2024 is 1,000 units.

Question 2 :

Pos Aviation Sdn. Bhd. (“Pos Aviation”) secured contract with Malaysia Airlines to provide in-flight catering for the Australia-New Zealand route (page 59 of AR2023)

a) What is the value and duration of the contract to provide the said in-flight catering?

Answer (2a) :

The contract with Malaysia Airlines for the ANZ sector is signed for two years, with a contract value of approximately RM40 million.

Question (2b) :

**What are the Group's plans in terms of securing more contracts from Malaysia Airlines?
To what extent will Pos Aviation be able to secure more contracts from Malaysia Airlines to provide in-flight catering for other routes?**

Answer (2b) :

Pos Aviation expanded its kitchen space to increase meal handling capacity for Malaysia Airlines, which currently accounts for about 65% of its inflight catering volume. With this expansion, new equipment, and process automation, we expect to secure more contracts potentially up to 70% of our total capacity.

Question 3 :

The sustainability endeavours of World Cargo Airline Sdn. Bhd. (“WCA”) is phasing out older aircrafts and bringing in more new-generation aircrafts which are up to 20% more fuel efficient with less carbon emissions (page 60 of AR2023)

a) What is the total number of older aircraft that need to be phased out, and by when?

Answer (3a) :

WCA phased out two of its older B733 and B734 in the fourth quarter of 2023.

Question (3b) :

**How many new-generation aircraft does WCA plan to bring in to replace the older aircraft?
What is the total value of the new-generation aircraft?**

Answer (3b) :

WCA replaced the older aircrafts with two additional B737-800 new generation units, each valued at approximately USD 30 million.

Question (3c) :

Given that WCA is an associated company of DRB-HICOM, to what extent does the Group need to invest further in WCA to purchase new-generation aircraft?

Answer (3c) :

WCA adopts a cautious approach in the freighter market amidst challenging geopolitical tensions that might affect its operations. WCA plans to maintain its current fleet without adding new-generation aircraft. Thus, no further investment is required from the Group.

Question 4 :

Loss on fair value adjustments of investment securities, financial assets at fair value increased significantly to RM31.8 million (FY2022: RM6.3 million loss on fair value) (page 264 of AR2023)

What were the main investment securities that had contributed to the fair value loss of RM31.8 million? What are the reasons for the huge increase in loss on fair value adjustments of investment securities?

Answer (4) :

The fair value loss of RM31.8 million was primarily attributable to specific financial investments held by a banking subsidiary of the Group. The fair value adjustments were determined based on the valuations of these investments, considering their current state and the prevailing economic conditions at the financial year-end.

Question 5 :

More than RM5 million has been allocated for 2024 to mitigate flood risk. The Flood Mitigation Plan encompass adequate flood insurance coverage, flood control systems, facilities relocation and enhancement, and critical assets protection as well as training programmes dedicated for Flood Action Committees (page 127 of Sustainability Report 2023 (“SR2023”)).

Climate change causes heavier rainfall leading to floods that would disrupt production and business operations. Given that the Group had in FY2021 encountered flooding issues in flood-prone areas where the Group’s manufacturing facilities reside, how has climate change effect impacted the Group’s insurance premiums?

Answer (5) :

The flood incident in 2021 significantly impacted the Group's operations, particularly in the automotive manufacturing sector. As a result, two companies estimated a 40% increase in insurance premiums.

Question 6 :

The Group's emission reduction target is to achieve a 35% reduction of Scope 1 and 2 carbon emissions by 2035 from the base year of 2018 and work towards achieving net-zero in 2050. In 2023, the Group's GHG emissions for Scope 1 and Scope 2 recorded a decrease of 5,878 tonnes CO₂e or 2% compared to 2018 (page 129 of SR2023).

Given that the Group took 6 years to reduce its GHG emissions by 2%, is the target of reducing Scope 1 and 2 emissions by 35% by 2035 realistic and achievable?

Answer (6) :

In 2018, the Group set a goal to reduce Scope 1 and Scope 2 emissions by 35% by 2035. However, the COVID-19 pandemic from 2020 to 2022 severely affected the programme's implementation.

Key initiatives have been reactivated post-pandemic, and the Group remains focused on accelerating their execution to achieve the emission reduction targets within the timeline.

Question 7 :

Practice 5.9 of the Malaysian Code of Corporate Governance (“MCCG”) states that the board should comprise at least 30% women directors. For FY2023, only one woman director out of six was on the Board, representing 16.6% of the total number of Directors.

On page 45 of the Corporate Governance Report 2023 (“CGR2023”), it was stated that the Board supports the MCCG’s best practice of having 30% women’s participation on boards of public companies in Malaysia and will consider the appointment of additional women directors based on suitability and merit, whenever a vacancy arises.

(continue in the next page)

Question 7 (*continued*) :

Apart from complying with the minimum requirement of Paragraph 15.02 of the MMLR of Bursa Securities i.e., having at least one female director on board, what steps are being taken to achieve a 30% women representation on the board as stipulated by the MCCG? What specific plans and strategies does the Board have in place to work towards this goal?

Answer (7) :

The Board and Board Nomination and Remuneration Committee (BNRC) supports the MCCG's best practice of having a 30% representation of women on the Board, i.e., by consistently considering gender diversity in the identification, assessment, and selection of potential Board members, and during the annual review of the Board composition.

Based on the annual review, the Board noted that the current Board composition has a good mix of industry-specific knowledge that enables the Board to fulfil its oversight responsibilities and provide effective leadership.

(continue in the next page)

Answer (7) (continued) :

The Board endorses gender diversity across all organisational levels which include the Senior Management and the entire workforce. For FY2023, the female representation at Management level was 33%. As part of the ongoing journey towards continuous improvement on gender diversity, the Board will consider the appointment of additional suitable female Director(s), whenever a vacancy arises.

Question 8 :

In December 2023, the Board appointed an external independent consultant, namely Boardroom Corporate Services Sdn Bhd (“Boardroom”), to conduct the Board Effectiveness Assessment (“BEA”) exercise for the financial year ended 31 December 2023 (“BEA FY2023”). (page 47 of CGR2023)

In the BEA Report, Boardroom highlighted its recommendations and areas of improvement, which include, amongst others, enhancement in sustainability reporting, Board Charter, Groupwide Governance Framework and Board skillsets and continuous professional development. (page 48 of CGR2023)

- a) What steps have the Board taken to address Boardroom’s recommendations and areas for improvement?**

Answer (8a) :

Based on the results of the BEA FY2023 conducted by Boardroom, the Board and BNRC noted Boardroom's recommendations and areas of improvement, which the Board, together with the Management had undertaken the following:

- Sustainability Framework and Policy is now in place.**
- The Board Charter of the Company would be reviewed to include the enhancement, where applicable.**
- Board Development Programmes on Environmental, Social & Governance (“ESG”) had been identified for Directors to enable greater understanding across the ESG spectrum, including climate change.**

Question (8b) :

The Board began linking pertinent ESG performance indicators to Senior Management remuneration in 2023 (page 123 of AR2023). To further align with the Group's Sustainability Commitments and targets, a KPI on the composition of renewable energy in the total electricity mix was introduced and implemented across the Group in FY2023 (page 29 of CGR2023).

- i. In relation to quantitative environmental, social, and governance ("ESG") KPIs on the evaluation of Senior Management in FY2023, how did they perform in relation to these KPIs?

Answer (8b) :

- i. For FY2023, the ESG KPI for the Renewable Energy mix is on track at 9%, progressing towards the target of 20% by 2035.**

Question (8b) :

- ii. What was the weightage of the ESG KPIs (by percentage) vis-à-vis operational and financial metrics in the overall performance evaluation of the Board and Senior Management?**

Answer (8b) :

- ii. At the Senior Management level, the ESG KPI weightage is 10% of the overall Corporate KPI.**

Question 9 :

During FY2023, a total cost of RM4.4 million (FY2022: RM3.4 million) was incurred as part of the resource allocation for the internal audit function, covering mainly manpower and incidental costs, such as travelling and training. As of 31 December 2023, the total staff strength of the Group Internal Audit & Integrity Division (“GIAID”) stood at 17 (page 233 of AR2023)

Despite the same headcount of 17 with FY2022 and given that the Group executed a total of 119 audits, lower than 132 audits executed in FY2022, why did the Group incur substantially higher total costs for the internal audit function in FY2023? Which expenses recorded the greatest increase y-o-y?

Answer (9) :

In 2023, the scope of audit review had expanded to cover broader operations, various complexity levels, and technical input to address anticipated higher operational risk and statutory compliance. This resulted in a longer audit period. Additionally, the focus expanded nationwide, including Sabah and Sarawak. Unlike during COVID-19 pandemic years, where virtual meetings took place and areas of coverage were limited within Klang Valley only.



THANK YOU

Level 5, Wisma DRB-HICOM, No. 2 Jalan Usahawan U1/8, Seksyen U1, 40150 Shah Alam, Selangor, Malaysia

QUESTIONS AND ANSWERS AT THE 34TH ANNUAL GENERAL MEETING (AGM)

Questions from shareholders/proxies - AGM and Others		Response from the Directors/Management
1.	Will there be any door gifts for shareholders at this AGM?	Regretfully, there is no plan to distribute door gifts for this virtual AGM.
2.	Please consider conducting General Meetings both physically at PROTON Centre of Excellence and online.	<p>DRB-HICOM is reviewing the process to ensure the Company's AGM would continue to be conducted in an effective and efficient manner.</p> <p>Regardless of the venue and mode or platform of the AGM, whether virtual, hybrid or physical, the Company would ensure that its AGM supports meaningful engagement between the Board/Senior Management and shareholders of the Company.</p>

Questions from shareholders/proxies - Financials		Response from the Directors/Management
3.	DRB-HICOM should revise the policy on dividends based on the performance of operational cost.	<p>Currently, the dividend payout is based on the performance of the Group's operational net profit and not on operational cost. As per DRB-HICOM's Dividend Policy, the dividend payout target would be between 20% and 30% of the Group's operational net profit, which is also stipulated on page 72 of the Integrated Annual Report 2023.</p> <p>Notwithstanding that, the Board and Management will continuously review the dividend policy on a periodically basis.</p>
4.	The subsidiaries' financial performances have been improving but the Holding Company's minority shareholders are still not benefiting much in terms of returns. We need a more equitable distribution of the subsidiaries' revenue to benefit the Holding Company's minority shareholders.	<p>The Company had consistently paid dividends to shareholders over the last six years despite the challenging years during the COVID-19 pandemic where the Group reported losses.</p> <p>With the Group's improved performance, DRB-HICOM had proposed a higher final dividend of 2.5 sen for the financial year 2023. DRB-HICOM aims not only to provide stable dividend over time to shareholders but to also maintain its sustainable business growth going forward.</p>

Questions from shareholders/proxies - Financials		Response from the Directors/Management
5.	What preparation has the Group made for the Government's implementation of e-invoicing?	<p>The e-invoicing is slated to be implemented in three (3) phases by the Government with the first phase to go live on 1 August 2024.</p> <p>At DRB-HICOM, the Group has identified 31 companies that must be e-invoice ready by 1 August 2024. The rest of the companies have to be ready in phases, i.e., 1 January 2025 and/or 1 July 2025. In the meantime, a few companies in the Group are participating in the pilot programmes for e-invoicing that are organised by the Inland Revenue Board. The Group is in full preparation to meet the mandatory deadlines set.</p>
6.	What would be the implication to the Group if the Government implements High-Value Goods Tax?	<p>At the moment, the Group could not ascertain any implication since there is no legislation or guidelines issued by the Government to-date. However, based on the previous speculative press reports, cars with sales value exceeding RM200,000 per unit might fall into the category of High-Value Goods Tax.</p>

Questions from shareholders/proxies - Strategy and Operations		Response from the Directors/Management
7.	When will the Company spin-off Bank Muamalat Malaysia Berhad ("BMMB")?	DRB-HICOM is required to reduce its shareholding in BMMB from 70% to 40% in compliance with Bank Negara Malaysia's requirement.
8.	What are the steps that will be taken by DRB-HICOM to incorporate sustainable manufacturing practices across its automotive and other manufacturing sectors? Are there any specific targets or milestones set for reducing waste, enhancing recycling efforts, or utilising eco-friendly materials in the Group's products?	<p>DRB-HICOM has been incorporating and utilising energy-efficient and green-energy technologies in the automotive and other manufacturing businesses in particularly solar power energy.</p> <p>The Group would continue expanding and developing new green mechanisms to further enhance its sustainable manufacturing practices. There are plans to establish more granular targets related to waste management systems. At the same time, it is also important for the Group to assess its vendors' Environmental, Social and Governance ("ESG") programmes to ensure that they can support the Group's supply chain network in embracing the ESG practices relating to materials management.</p>

Questions from shareholders/proxies - Strategy and Operations		Response from the Directors/Management
9.	<p>(i) How much is the order book from the Aerospace and Defence sectors?</p> <p>(ii) Are there plans for PROTON to be relisted on the Kuala Lumpur Stock Exchange ("KLSE")? Are there any plans to launch Electric Vehicle ("EV") models in the pipeline?</p> <p>(iii) How to turnaround Pos Malaysia? Does the Company request tariff adjustment from the Government? Should the Government increase the minimum salary in Malaysia, how much will the additional staff cost be increased?</p>	<p>(i) The current order book for the Aerospace and Defence Sector is estimated at RM8.0 billion, but for clarification purposes, the industry has moved from measuring order book to firm orders, which are confirmed on a yearly basis.</p> <p>(ii) At this moment, there are no plans for PROTON to be listed on KLSE. As highlighted earlier during the presentation, PROTON is focussing on executing its 10-year strategic business plan and there are also plans to launch EV models in the future.</p> <p>(iii) Pos Malaysia has narrowed its losses despite the lower volumes and revenues recorded over the last two years and would continue its turnaround plans by accelerating margin-led businesses and commercial programmes. Pos Malaysia is working closely together with the Government on tariffs and other regulatory matters. Based on the benchmarking analysis against other postal companies around the world, they are also facing significant challenges in postal industry. On staff cost, if the Government increase the minimum wage, the impact on staff cost would be minimal i.e. approximately 3.0%.</p>

Questions from shareholders/proxies - Strategy and Operations		Response from the Directors/Management
10.	While the Company boasts a healthy bottom line, the stock price has not reflected its true potential. Could the Board elaborate on its strategy to improve shareholders' value and drive long-term stock price growth?	<p>The share price movements are influenced by various factors such as the Company's performance, market sentiments, economic conditions, regulatory changes, geopolitical tension, foreign exchange movement, etc. The volatility observed in DRB-HICOM's share price does not only occur to the Company, but rather reflects the broader trends seen domestically and globally.</p> <p>DRB-HICOM's share price is currently undervalued compared to its Net Asset per share which stood at RM3.93, whilst the share price closed at RM1.39 as at 31 December 2023. The Company would focus on the business and assets growth from the Group's diversified portfolio, for example, the execution of PROTON's strategic business plan, turnaround of Pos Malaysia, development of AHTV Hub and others. Despite the challenging environment, the Group achieved a historical high revenue of RM15.9 billion in 2023.</p>
11.	The EV market is rapidly evolving. Could the Management provide insights on how the Company is preparing for the potential disruption in the automotive sector and how it plans to capitalise on any	<p>The Group would continue assessing the progress of EV globally prior to the roll-out of new models. While there were failures of EV ventures that have been reported in the news, there were also great EV success stories around the world.</p> <p>The Group has outlined the EV Roadmap in stages, from the collaboration of EV infrastructures and the introduction of new models up to the establishment of EV Right Hand Drive ("RHD") Hub and ecosystem in the long term. PROTON established its</p>

Questions from shareholders/proxies - Strategy and Operations		Response from the Directors/Management
	opportunities presented by the EV revolution?	<p>Research & Development centre in Geely Automobile Research Institute Hangzhou Bay, China to enhance its competitiveness by leveraging on Zhejiang Geely Holding Group Co. Ltd's ("Geely") global footprint.</p> <p>Some of the key milestones pursued were as follows:</p> <ul style="list-style-type: none"> (i) Establishment of PRO-NET to focus on the development of the EV value chain (ii) Collaboration with Gentari to establish EV charging infrastructure (iii) Collaboration with SMART for the distribution of smart #1 cars in Malaysia and Thailand (iv) Launch of 2 new models - smart #1 EV and the mild hybrid PROTON X90
12.	What are DRB-HICOM's strategies for the next one to three years to ensure that the Group remains relevant in the automotive market?	<p>Similar to the above answer, in terms of the overall sustainability of automotive performance, the Group would focus on executing the following strategies, which include, among others:-</p> <ul style="list-style-type: none"> (i) launch of new / facelift models; (ii) offer unique customer incentives and product offerings as well as motivating the dealers; (iii) embrace technology and automation; and (iv) expansion of business beyond home market i.e. export to Thailand, Brunei, Pakistan, Bangladesh, and etc.

Questions from shareholders/proxies - Corporate Governance		Response from the Directors/Management
13.	<p>Please revise the policy as there is no benefit for shareholders if the directors continue to receive lucrative annual fees seeing that shareholders' dividends are based on operational costs. Directors' annual fees should also follow the costs and losses incurred by the Company as directors have direct involvement in the Company's management compared to shareholders.</p>	<p>The Company does have in place a Directors' Remuneration Framework for Non-Executive Directors, comprising Directors' fee and allowances, which was benchmarked against similar industries, responsibilities and duties, risk, time commitment and other factors. The Company noted the importance of independence of the Non-Executive Directors in ensuring that their objectivity are not impaired and compromised at anytime.</p> <p>The Company is of the view that the existing Directors' Remuneration Framework is competitive, fair and reasonable. In addition, the Constitution of DRB-HICOM stipulates that the fees payable to Directors shall be paid in a fixed sum and cannot be paid on a percentage of profits or turnover.</p> <p>To the best of our knowledge, we are not aware of any company in Malaysia where the Directors' fees follow the costs and losses incurred by the company. Nevertheless, the Company is committed to reward shareholders with dividend and will continue to review this in the interest of all stakeholders.</p>

Polling Results

RESOLUTION	Vote FOR			Vote AGAINST			TOTAL Vote	
	RECORDS	SHARES	%	RECORDS	SHARES	%	RECORDS	SHARES
ORDINARY RESOLUTION 1	1,037	1,462,572,849	99.9944	104	82,091	0.0056	1,141	1,462,654,940
ORDINARY RESOLUTION 2	958	1,462,136,608	99.9643	184	522,232	0.0357	1,142	1,462,658,840
ORDINARY RESOLUTION 3	935	1,441,425,838	98.5487	209	21,227,002	1.4513	1,144	1,462,652,840
ORDINARY RESOLUTION 4	853	1,462,070,503	99.9614	284	565,129	0.0386	1,137	1,462,635,632
ORDINARY RESOLUTION 5	853	1,462,067,603	99.9612	283	567,329	0.0388	1,136	1,462,634,932
ORDINARY RESOLUTION 6	985	1,462,468,472	99.9883	155	171,068	0.0117	1,140	1,462,639,540
ORDINARY RESOLUTION 7	969	381,392,056	99.9518	170	184,043	0.0482	1,139	381,576,099

