



**SUMMARY OF KEY MATTERS DISCUSSED AT THE
TWENTY-FIFTH ANNUAL GENERAL MEETING (“25TH AGM”)
OF DRB-HICOM BERHAD (“THE COMPANY”)
HELD ON 9 SEPTEMBER 2015 AT HOLIDAY INN KUALA LUMPUR GLENMARIE**

ATTENDEES:

- i) All members of the Board of Directors’ (“Board”)
- ii) Company Secretary
- iii) Management Team of DRB-HICOM
- iv) Representative from Messrs Naqiz & Partners, the Principal Solicitors
- v) Representative from Messrs Ernst & Young, the External Auditors
- vi) Shareholders / Proxies / Authorised Representatives / Invitees and others as per the attendance lists

AGENDA 1

AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015 TOGETHER WITH THE REPORTS OF DIRECTORS AND INDEPENDENT AUDITORS THEREON

The Audited Financial Statements for the financial year ended 31 March 2015 together with the Reports of Directors and Independent Auditors thereon were tabled to the meeting.

Among the key matters raised by the shareholders on the results of the Company and the Group's business as well as the responses from the Board/Management were as follows:-

	Key Matters raised by the Shareholders	Responses from the Board/Management
1.	Whether Lotus Group has turned around and improved its performance?	Lotus Group has started to improve and consequentially registered lower losses. It is on the right transformation path. There are new models scheduled for launching in the financial year 2015/2016.

DRB-HICOM BERHAD
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	Key Matters raised by the Shareholders	Responses from the Board/Management
2.	Whether there is any intention to collaborate with any partners to improve the automotive business of the Company in view of the intensified competition in the automotive industry and the current challenging economic situation?	<p>In order to remain competitive and relevant in the automotive industry, Proton had recently entered into a Memorandum of Understanding with Suzuki Motor Corporation Japan, to assist the company to grow and move forward in the production of a range of new car models in Malaysia.</p> <p>The parties are finalising the model line-up and the expected start of production is by end of 2016.</p>
3.	What is the rationale for the sale of part of the Group's land in Johor to Eco World?	<p>It was a strategy to unlock the value of the land and the Company made a gain from the land disposal. Eco World's strong branding and the development being next to the Company's remaining parcel of land (900 acres) assisted to enhance the value and potential of the Company's future development there.</p>
4.	How many graduates were produced by International College of Automotive ("ICAM") and what is the current student population and the future plan of ICAM?	<p>As of to-date, approximately 500 students had graduated from ICAM. Two convocations were held in 2014 and 2015. The current student population in ICAM is approximately 960 students.</p> <p>The Management mooted the establishment of a higher learning institution for both the domestic and regional market. ICAM's location within the Group's manufacturing plant in Pekan provides both academic theory and on the job practical trainings to the students.</p> <p>There are also plans to upgrade ICAM to University status and collaborate with the local and international universities.</p>

	Key Matters raised by the Shareholders	Responses from the Board/Management
5.	What are the reasons behind the loss of KL Airport Services Sdn Bhd's ("KLAS") customers to the competitors?	Although Emirates changed its ground handling business from KLAS to Malaysia Airlines Berhad, but it still retain their inflight catering business with KLAS.
6.	A shareholder was concerned on the standard of postal services of Pos Malaysia Bhd ("Pos Malaysia") which may cause non-receipt of letters and/or documents by the public. Please provide the actions undertaken by Pos Malaysia to address this.	<p>The Management is taking steps to continuously improve the level of services and products of Pos Malaysia. In the quest to improve the mail/courier services of Pos Malaysia, amongst others, senior management of Pos Malaysia made many unannounced visits to Pos' Delivery Centres and Post Offices and followed the delivery route in their delivery trucks in order to obtain first hand feedback and experience daily work schedules, routines, processes, procedures and come up with appropriate job enhancements as well as strategies and actions to improve the service levels of Pos Malaysia.</p> <p>In addition, the Board and Management will continuously track the service performance and customers' complaints to keep them abreast with the services of Pos Malaysia and also to encourage more customer-centric services.</p>
7.	Please update on the condition of the transfer station at Taman Beringin after the take-over by Alam Flora Sdn Bhd ("AFSB") and the Group's plan in the waste to energy business.	AFSB was awarded with a 5-years contract to manage the abandoned transfer station at Taman Beringin. Since taking over the transfer station, the overall waste management there had improved significantly. Even the stench from the waste has been mitigated significantly. AFSB has partnered with Malakoff Corporation Berhad in the submission of the proposal to the Government on the establishment of an incinerator in Kepong and is awaiting the outcome.

	Key Matters raised by the Shareholders	Responses from the Board/Management
8.	What were the causes for the reduced profit and earnings per share of the Company?	<p>The reduced profit before tax was mainly due to the losses registered by Proton Group. Notwithstanding this, with the appropriate measures and strategies, the Management hopes to achieve the Company's budgeted revenue and profits for the financial year ending 31 March 2016.</p> <p>Despite the difficult and challenging times for the automotive industry in the financial year ended 31 March 2015, the Group will synergise and embark on the other business sectors, including unlocking its assets to complement/improve its revenue and income.</p>
9.	Suggestion for the Company to venture into more lucrative sector to improve its revenue in view of the current competitive and challenging automotive industry with low profit margin.	<p>The Company will continuously be on the look out and working towards a more balanced revenue stream from the Automotive and the non-Automotive sectors. This was one of the reasons the Company is venturing into the logistics business which provides a more reasonable return.</p> <p>The Management is working very hard to ensure that the Company remains competitive and relevant in the Automotive industry and at the same time leverage on the Group's other components for the non-Automotive business.</p>

AGENDA 2
ORDINARY RESOLUTION NO. 1
DECLARATION OF A SINGLE TIER FINAL DIVIDEND OF 4.5 SEN PER SHARE

The payment of a single tier final dividend of 4.5 sen per share for the financial year ended 31 March 2015 on 9 October 2015 was approved by the shareholders.

No matter was raised by the shareholders of the Company on this agenda.

AGENDA 3(i)
ORDINARY RESOLUTION NO. 2
RE-ELECTION OF YBHG DATUK OOI TEIK HUAT AS DIRECTOR

The re-election of YBhg Datuk Ooi Teik Huat as Director of the Company pursuant to Article 79 of the Company's Articles of Association was approved by the shareholders.

No matter was raised by the shareholders of the Company on this agenda.

AGENDA 3(ii)
ORDINARY RESOLUTION NO. 3
RE-ELECTION OF YBHG DATO' NOORRIZAN BINTI SHAFIE

The re-election of YBhg Dato' Noorrizan binti Shafie as Director of the Company pursuant to Article 79 of the Company's Articles of Association was approved by the shareholders.

No matter was raised by the shareholders of the Company on this agenda.

AGENDA 4(i)
ORDINARY RESOLUTION NO. 4
RE-APPOINTMENT AND RETENTION OF YBHG DATUK HAJI ABDUL RAHMAN BIN MOHD RAMLI AS INDEPENDENT DIRECTOR

The re-appointment and retention of YBhg Datuk Haji Abdul Rahman bin Mohd Ramli as an Independent Director of the Company pursuant to Section 129 of the Companies Act, 1965 and the recommendation by Malaysian Code on Corporate Governance 2012 ("MCCG 2012") respectively was approved by the shareholders.

No matter was raised by the shareholders of the Company on this agenda.

AGENDA 4(ii)
ORDINARY RESOLUTION NO. 5
RE-APPOINTMENT AND RETENTION OF MR ONG IE CHEONG AS INDEPENDENT DIRECTOR

The re-appointment and retention of Mr Ong Ie Cheong as an Independent Director of the Company pursuant to Section 129 of the Companies Act, 1965 and the recommendation by MCGG 2012 respectively was approved by the shareholders.

No matter was raised by the shareholders of the Company on this agenda.

AGENDA 5
ORDINARY RESOLUTION NO. 6
RE-APPOINTMENT OF MESSRS ERNST & YOUNG AS AUDITORS

The re-appointment of Messrs Ernst & Young as Auditors of the Company on a remuneration to be determined by the Directors was approved by the shareholders.

No matter was raised by the shareholders of the Company on this agenda.

AGENDA 6
ORDINARY RESOLUTION NO. 7
RETENTION OF YBHG DATO' SYED MOHAMAD BIN SYED MURTAZA AS INDEPENDENT DIRECTOR

The retention of YBhg Dato' Syed Mohamad bin Syed Murtaza as an Independent Director of the Company pursuant to the recommendation by MCGG 2012 was approved by the shareholders.

No matter was raised by the shareholders of the Company on this agenda.

AGENDA 7
ORDINARY RESOLUTION NO. 8
INCREASE IN MAXIMUM AGGREGATE FEES TO BE PAID TO THE DIRECTORS

The increase in the maximum aggregate fees to be paid to the Directors from RM800,000 to RM1,200,000 for each financial year commencing 31 March 2016 ("Proposed Increase") and the authorisation to the Directors to divide such fees in the proportions and manner to be determined by them was approved by the shareholders.

The key matters raised by the shareholders and the responses from the Board/Management were as follows:-

	Key Matters raised by the Shareholders/Minority Shareholder Watchdog Group ("MSWG")	Responses from the Board/Management
1.	<p>MSWG was of the opinion that the Company should not cap the limit of the Directors' fees as it is not in line with good corporate governance practice.</p> <p>MSWG suggested that the Company to consider the following:-</p> <ul style="list-style-type: none"> a) To obtain the shareholders' approval on the payment of Directors' fees at yearly AGM of the Company; and b) To disclose in the Company's Annual Report, the detailed Directors' fees paid to each individual Director. 	<p>The Board and the Management took note of the comments and suggestions from MSWG.</p>
2.	<p>Whether it is appropriate for the Company to increase the fees now in view of the current challenging economic situation coupled with the weak financial performance of the Company.</p>	<p>The rationale for the Proposed Increase is to provide the avenue in the event the Company wishes to appoint additional Non-Executive Directors should that be considered appropriate in the future or to adequately compensate the Directors for the responsibilities they shouldered.</p> <p>It is not the intention of the Company to immediately increase the quantum of fees payable to each Non-Executive Director.</p>

