

MINUTES OF THE TWENTY-THIRD ANNUAL GENERAL MEETING OF DRB-HICOM BERHAD ("DRB-HICOM" OR "THE COMPANY") HELD AT THE GLENMARIE BALLROOM, HOLIDAY INN KUALA LUMPUR GLENMARIE, NO. 1, JALAN USAHAWAN U1/8, SEKSYEN U1, 40250 SHAH ALAM, SELANGOR DARUL EHSAN ON THURSDAY, 19 SEPTEMBER 2013 AT 9.00 A.M.

Present :

YBhg Dato' Syed Mohamad Syed Murtaza	- Chairman
YBhg Tan Sri Dato' Sri Haji Mohd Khamil Jamil	- Group Managing Director ("GMD")
YBhg Dato' Noorizan Shafie	- Director
YBhg Dato' Ibrahim Taib	- Director
YBhg Dato' Haji Abdul Rahman Mohd Ramli	- Director
YBhg Tan Sri Marzuki Mohd Noor	- Director
Mr Ong Ie Cheong	- Director
Mr Ooi Teik Huat	- Director

By Invitation

YBhg Datuk Mohamed Razeek Md Hussain	- Chief Operating Officer, Services & Properties
Encik Ahmad Fuaad Mohd Kenali	- Chief Financial Officer
YBhg Dato' Abdul Harith Abdullah	- Group Director, Automotive & Defence
YBhg Dato' Md Radzaif Mohamed	- Group Director, Manufacturing & Engineering
Mr Amalanathan Thomas	- Head, Group Financial Services
Tuan Syed Naqiz Shahabuddin	- Naqiz & Partners
Encik Mohd Sukarno Sardon Mr N S Linggam	} Ernst & Young

In Attendance :

YBhg Dato' Chan Choy Lin, Carol - Secretary

Shareholders/ Proxies/ Authorised Representatives/ Invitees and others as per attendance lists.

The Annual General Meeting ("AGM") commenced with a welcome remark and housekeeping reminders by the emcee from the Corporate Communication Department, DRB-HICOM Berhad followed by the National Anthem, and the 'Doa' recital.

YBhg Dato' Chairman then presided to welcome all the shareholders and attendees to the Twenty-Third (23rd) AGM of the Company.

1. QUORUM

YBhg Dato' Chairman noted to the meeting that as at 11 September 2013, being the cut-off date for determining who shall be entitled to attend the Company's 23rd AGM, the Company had 38,301 depositors, and its total issued and paid-up capital stood at RM1,933,237,051 comprising 1,933,237,051 ordinary shares of RM1.00 each. There were approximately 1,460 members comprising 826 shareholders (1,881,997 shares) and 640 proxies (1,247,124,605 shares) present in person at the commencement of the Meeting.

Upon confirming the presence of the requisite quorum, YBhg Dato' Chairman called the meeting to order at 9.00 a.m.

YBhg Dato' Chairman introduced the Board of Directors and the Company Secretary of the Company to the shareholders and invited the Group Managing Director ("GMD") to present to the shareholders the Group's achievement and performance for the financial year ended 31 March 2013 and the prospects moving forward.

2. PRESENTATION BY GROUP MANAGING DIRECTOR

Before proceeding with the presentation, the GMD, YBhg Tan Sri Dato' Sri Haji Mohd Khamil bin Jamil introduced the Management team of DRB-HICOM namely, the Chief Operating Officer of Properties & Services, YBhg Datuk Mohamed Razeek Md

Hussain, the Chief Financial Officer, Encik Ahmad Fuaad Mohd Kenali, the Group Directors namely, YBhg Dato' Abdul Harith Abdullah (Automotive & Defence Division) and YBhg Dato' Radzaif Mohamed (Manufacturing and Engineering Division) and the Head of Financial Services, Mr Amalanathan Thomas, all of whom were present to assist the GMD with the presentation. He also introduced the Group Director of Corporate Affairs who is also the Company Secretary, YBhg Dato' Carol Chan Choy Lin.

The GMD then proceeded with the presentation on achievements and performance of the Group for the financial year ended 31 March 2013 and the prospects, going forward. After the presentation, the GMD handed the meeting over to YBhg Dato' Chairman to continue with the proceedings.

3. NOTICE

YBhg Dato' Chairman continued with the meeting and with the consent of the shareholders, the notice convening the meeting having been circulated earlier was taken as read.

YBhg Dato' Chairman briefed the members, corporate representatives and proxies present of their right to speak at the meeting and vote on the several resolutions set out in the Notice of 23rd AGM dated 28 August 2013, as follows:-

- i. Voting shall be by way of a show of hands unless a poll is demanded by any of the persons allowed under the Articles before or on the declaration of the result of a show of hands. On a show of hands, every person present who is a member or a representative or proxy or attorney shall have one vote.
- ii. Nevertheless, pursuant to Article 65 of the Company's Articles of Association, a resolution put to vote at the general meeting shall be decided by way of a show of hands unless a poll is demanded.

YBhg Dato' Chairman further informed that the Minority Shareholder Watchdog Group ("MSWG") had earlier raised some points of interest to the Company. The points raised by MSWG together with the Company's responses thereto were then presented for the information of the attendees.

Before the meeting proceeded with the resolutions, the Chairman placed on record that 107 shareholders had appointed him as their proxy and he would vote according to their instructions for each resolution.

4. **AGENDA 1**
AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013 TOGETHER WITH THE REPORTS OF DIRECTORS AND INDEPENDENT AUDITORS THEREON

The Audited Financial Statements for the financial year ended 31 March 2013 together with the Reports of Directors and Independent Auditors thereon were tabled to the Meeting.

YBhg Dato' Chairman informed the shareholders that the Audited Financial Statements together with the Directors' and Independent Auditors' Reports do not require a formal approval of the shareholders as stipulated under Section 169(1) of the Companies Act, 1965. Thus, the Audited Financial Statements together with the Directors' and Independent Auditors' Reports would not be put forward for voting.

The Chairman then invited questions from the floor.

The questions/clarifications raised by the shareholders/ proxies during the meeting together with the Company's responses were as disclosed in annexure "A" attached hereto.

After all enquiries had been satisfactorily answered, the Chairman proceeded with the second agenda of the Meeting.

5. **AGENDA 2**
ORDINARY RESOLUTION NO. 1
A FINAL GROSS DIVIDEND OF 0.5 SEN PER SHARE LESS TAXATION OF 25% AND TAX EXEMPT DIVIDEND OF 4.0 SEN PER SHARE

With reference to the Notice of Dividend Entitlement and Payment dated 28 August 2013, the Chairman proposed that the recommendation of the Directors to declare a final dividend of 0.5 sen per share less taxation of 25% and a tax exempt dividend of 4.0 sen per share for the financial year ended 31 March 2013 as stated in the Directors' Report, be approved for payment on 18 October 2013 to the shareholders of the Company registered at the close of business on 25 September 2013.

Upon the proposal by the Chairman which was seconded by Madam Loke Swan Yen, the following motion was put to the meeting for a vote by show of hands and was unanimously declared as carried (voting for was 39 votes and none against):-

“THAT a final gross dividend of 0.5 sen per share less taxation of 25% and tax exempt dividend of 4.0 sen per share for the financial year ended 31 March 2013, be and is hereby approved for payment on 18 October 2013 to the registered shareholders of the Company at the close of business on 25 September 2013.”

6. AGENDA 3 (i)
ORDINARY RESOLUTION NO. 2
RE-ELECTION OF YBHG TAN SRI DATO' SRI HAJI MOHD KHAMIL BIN JAMIL

The shareholders' approval was sought for the re-election of YBhg Tan Sri Dato' Sri Haji Mohd Khamil bin Jamil. In accordance with Article 79 of the Company's Articles of Association, YBhg Tan Sri Dato' Sri Haji Mohd Khamil bin Jamil, retires from the Board by rotation and being eligible, offers himself for re-election. His profile was set out on page 44 of the Annual Report.

Upon the proposal by Madam Loke Swan Yen which was seconded by Mr William Woon, the following motion was put to the meeting for a vote by show of hands and was declared carried by majority (voting for was 42 votes and against was 1 vote):-

“THAT YBhg Tan Sri Dato' Sri Haji Mohd Khamil bin Jamil, the Director retiring by rotation in accordance with Article 79 of the Articles of Association of the Company, be and is hereby re-elected to the Board.”

7. AGENDA 3 (ii)
ORDINARY RESOLUTION NO. 3
RE-ELECTION OF YBHG TAN SRI MARZUKI BIN MOHD NOOR

The shareholders' approval was sought for the re-election of YBhg Tan Sri Marzuki bin Mohd Noor. In accordance with Article 79 of the Company's Articles of Association, YBhg Tan Sri Marzuki bin Mohd Noor, retires from the Board by rotation and being eligible, offers himself for re-election. His profile was set out on page 51 of the Annual Report.

Upon the proposal by Madam Loke Swan Yen which was seconded by Mr Wan Heng Wah, the following motion was put to the meeting for a vote by show of hands and unanimously declared as carried (voting for was 40 votes and against was 1 vote):-

“THAT YBhg Tan Sri Marzuki bin Mohd Noor, the Director retiring by rotation in accordance with Article 79 of the Articles of Association of the Company, be and is hereby re-elected to the Board.”

8. AGENDA 4 (i)
ORDINARY RESOLUTION NO. 4
RE-APPOINTMENT OF YBHG DATUK HAJI ABDUL RAHMAN BIN MOHD RAMLI
PURSUANT TO SECTION 129 OF THE COMPANIES ACT, 1965

The shareholders' approval was sought for the re-appointment of YBhg Datuk Haji Abdul Rahman bin Mohd Ramli, who is over the age of 70. Pursuant to Section 129 of the Companies Act, 1965, a person of or over the age of 70 years may by a resolution passed by a majority of not less than three-fourths of such members (present and voting) be appointed or re-appointed as a director to hold office until the next annual general meeting. The profile of YBhg Datuk Haji Abdul Rahman bin Mohd Ramli was set out on page 48 of the Annual Report.

Upon the proposal by Mr William Woon which was seconded by Madam Loke Swan Yen, the following motion was put to the meeting for a vote by show of hands and declared carried by majority (voting for was 34 votes and against was 3 votes):-

“THAT YBhg Datuk Haji Abdul Rahman bin Mohd Ramli, the Director retiring pursuant to Section 129 of the Companies Act, 1965, be and is hereby re-appointed a Director of the Company to hold office until the next Annual General Meeting.”

9. AGENDA 4 (ii)
ORDINARY RESOLUTION NO. 5
RE-APPOINTMENT OF MR ONG IE CHEONG PURSUANT TO SECTION 129 OF
THE COMPANIES ACT, 1965

The shareholders' approval was sought for the re-appointment of Mr Ong Ie Cheong, who is over the age of 70 pursuant to Section 129 of the Companies Act, 1965. The profile of Mr Ong Ie Cheong was set out on page 48 of the Annual Report.

Upon the proposal by Mr William Woon which was seconded by Madam Loke Swan Yen, the following motion was put to the meeting for a vote by show of hands and declared carried by majority (voting for was 33 votes and against was 3 votes):-

"THAT Mr Ong Ie Cheong, the Director retiring pursuant to Section 129 of the Companies Act, 1965, be and is hereby re-appointed a Director of the Company to hold office until the next Annual General Meeting."

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

The shareholders' approval was sought for the re-appointment of the Auditors for the ensuing year. The Chairman proposed that Messrs Ernst & Young, who have expressed their willingness to continue in office, be re-appointed Auditors of the Company, to hold office until the conclusion of the next annual general meeting and that the Directors be authorised to determine and approve their remuneration.

Upon the proposal by YBhg Dato' Chairman which was seconded by Mr William Woon, the following motion was put to the meeting for a vote by show of hands and declared carried by majority (voting for was 32 votes and against was 1 vote):-

"THAT Messrs Ernst & Young be and are hereby re-appointed as Auditors of the Company to hold office until the conclusion of the next Annual General Meeting at a fee to be determined by the Directors."

11. AGENDA 6
SPECIAL RESOLUTION
PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE
COMPANY

The Chairman informed that the Special Resolution under the Special Business is to seek the shareholders' approval on the proposed amendments to the Articles and Association of the Company. Details of the proposed amendments and the rationale are as set out in Appendix 1 on page 6 of the Annual Report.

Upon the proposal by Madam Loke Swan Yen which was seconded by Mr Wan Heng Wah, the following motion was put to the meeting for a vote by show of hands and unanimously declared as carried (voting for was 29 votes and none against):-

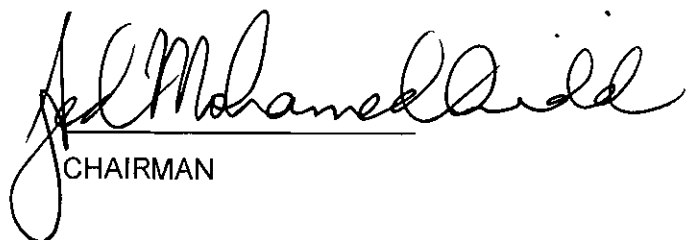
"THAT the proposed amendments to the Articles of Association of the Company as set out in Appendix I to the Annual Report 2013 of the Company be and are hereby approved."

12. TERMINATION

There being no further business, the meeting ended at 11.30 a.m. with a vote of thanks to the Chairman.

Dated this 19th day of September, 2013

CONFIRMED


CHAIRMAN

The salient questions/clarifications/comments raised by the shareholders/proxies together with the Management's response were as follows:-

1. The representative of Minority Shareholder Watchdog Group ("MSWG"), Ms Rebecca Yap was appreciative of the comprehensive and informative presentation on the achievements of the Group and Company for the financial year ("FY") 2012/2013 as well as the moving forward plans, presented by YBhg Tan Sri Dato' Sri Haji Mohd Khamil, the GMD.

On behalf of the MSWG and in line with the good Corporate Governance ("CG") practice, Ms Rebecca Yap proposed for the Management to consider disclosing the Directors' Remuneration of each individual Director in future Annual Reports of the Company. She also proposed for the Minutes of AGMs of the Company be uploaded to the Company's website for viewing by the shareholders.

2. Mr Wan Heng Wah, a Proxy holder, commented and/or sought clarifications on the following matters:-
 - a. He commended the GMD for the effort taken to produce the Annual Report 2013 which is comprehensive, informative, transparent and it gave him great pleasure in reading the said Annual Report.
 - b. He also commended the Company on the wise decision made in unlocking the value of the lands at Taman Wahyu along Jalan Ipoh and at Nusajaya in Johor Bahru and enquired on the gains from disposal of these lands.
 - c. He enquired whether the Company has any intention to further unlock the value of the following properties in view of the prevailing high property prices:-
 - i. The land in Shah Alam where Proton's manufacturing plant is located and to shift its operation to Tanjung Malim's plant; and
 - ii. The various properties where Puspakom Sdn Bhd's centres are located.

- d. Referred to Honda Malaysia Sdn Bhd ("HMSB") expansion plan to assemble Honda hybrid cars at Pegoh plant in Malacca and enquired whether there is a plan to export the hybrid cars.

On behalf of the Management and the Board, the GMD thanked Mr Wan for the compliments/suggestions before providing the following clarifications:-

- a. The total sale consideration for the Taman Wahyu land was RM69.9 million which was equivalent to RM167 per square feet (the prevailing market value) and the gains made from the disposal was RM56.65 million.
- b. Given the reasonable size of landbank presently owned by DRB-HICOM Group nationwide, the disposal of a portion of the Johor lands allows the Group to immediately capitalise on the increasing demand for land in Johor by selling the lands at an attractive price. Further, the staggered deferred sale consideration from the sale of the Johor lands allows the Group to receive cash to be utilised to fund the development of the remaining landbank of approximately 902.81 acres in Mukim of Tebrau and/or working capital for the Group.

The disposal of a portion of the land to a renowned developer will also help to enhance the value of the remaining portions and future development by the Company.

- c. Presently, the Company has no intention or plan to dispose the land where Proton's Shah Alam plant is located and for sustainability and continuity of production and manufacturing neither is the Company intending to immediately shift its existing operations at Shah Alam to Tanjung Malim. Further, it is not cost efficient and practicable to immediately discontinue the entire existing operations at Shah Alam plant and shift the entire operations to Tanjung Malim plant. Nevertheless, Proton intends to optimise the manufacturing capacities and facilities at both the Shah Alam and Tanjung Malim plants until such time, the plant in Shah Alam is no longer cost efficient or technically maintainable in the future.

The Shah Alam plant will continue to be utilised to manufacture the existing PROTON models while the Tanjung Malim plant will be utilised to manufacture new PROTON models to be introduced.

- d. Except for 2 of the existing 57 Puspakom Sdn Bhd ("Puspakom")'s centres, the rest of the properties where Puspakom's centres are located belong to the Federal Land Commissioner. Hence, it is not possible for the Company to develop the land as the concession lease is for use by Puspakom only.
 - e. The expansion plan for Pegoh plant is to increase HMSB's production capacity from 50,000 units to 100,000 units per annum, part of which will be to produce hybrid cars. Currently, HMSB is at the planning stage to explore the viability of producing and exporting the hybrid cars to the region.
3. Mr Chan Yow Wai, a Shareholder, informed/commented on the following:-
- a. He is a minority shareholder and this is the first time he is attending the AGM of the Company. He congratulated the GMD for the detailed presentation on the Group's performance including the way forward.
 - b. Based on his observation, he noted that a large number of the front seats in the ballroom were allocated for Company's Management and staff and suggested that for future general meetings, some front seats be reserved for the shareholders as well.

The GMD thanked Mr Chan for the compliment and shall take note of the suggestion to improve the seating arrangement for future AGMs.

4. Mr Lee Eng Fock, a Shareholder, commented and sought clarifications on the following:-
- a. Although the Management had worked hard to increase the Group's revenue from RM6.878 billion for FY 2011/2012 to RM13.134 billion for FY 2012/2013, the cost of sales had also increased tremendously from RM5.467 billion to RM10.484 billion and this had substantially reduced the Group's Profit before Tax ("PBT") from RM1.821 billion for FY 2011/2012 to RM1.037 billion for FY 2012/2013.

He enquired whether it is worth the effort to increase the Group's revenue given the high operating cost.

- b. The recent devastating news that some errant postmen of Pos Malaysia Berhad ("POS") had dumped a large number of mail at isolated places and was concerned that such bad publicity will affect the reputation of POS. He emphasised on the need for the Management of POS to monitor the performance of its postmen to ensure that such incident will not recur in the future.
- c. Referred to Page 188 of the Annual Report 2013 of the Company and enquired the reason behind the acquisition of the dormant companies namely Myanmar Scott & English Company Limited and Scott & English (Cambodia) Limited.
- d. Referred to Page 190 of the Annual Report 2013 and enquired on the business operation of HICOM-Chevrolet Sdn Bhd in view that the Company was dissolved during FY 2012/2013.
- e. Referred to Page 218 of the Annual Report 2013 and enquired on the reason behind the significant increase in the Group's other receivables from RM1.343 billion for FY 2011/2012 to RM2.206 billion for FY 2012/2013.

The GMD responded to the above queries as follows:-

- a. The increase in the operation cost for the Group for FY 2012/2013 in line with the Group's business expansion plan was inevitable. The significantly higher operation cost in FY2012/2013 was due to the acquisition of PROTON.

The acquisition of PROTON was completed on 16 March 2012 and the audited accounts for FY2011/2012 only recorded the operation cost of PROTON for the period between 17 March 2012 to 31 March 2012. However, for the audited accounts for FY 2012/2013 the entire 12 months' cost was recorded into the FY2012/2013 accounts. That being the reason which contributed to the huge variance of cost between FY2011/2012 and FY2012/2013 audited accounts.

- b. The Management of POS has taken immediate and stringent actions to step up the level of supervision and monitoring on the performance of the postmen to prevent recurrence of the recent mail dumping incident.

After due investigation and inquiry, POS had forthwith dismissed the three (3) postmen for the misconduct and reported the matter to the police and Malaysian Multimedia Communications Commission ("MCMC"). The three (3) postmen will be charged under the Postal Services Act 1991 and if found guilty, may be liable to imprisonment for three (3) years and/or fine of RM100,000 or both.

The Management had also engaged with the Union Council and relevant bodies to reiterate the seriousness and to enhance the supervision and improvement of the systems.

- c. Myanmar Scott & English Company Limited and Scott & English (Cambodia) Limited are dormant companies within the Scott & English Group companies which were established prior to 1996. These companies are currently under liquidation and the acquisition of the portion of the shares from the other shareholders is the initial process to remove them from the Group.
- d. In respect of HICOM-Chevrolet Sdn Bhd, the Distribution Agreement signed between Chevrolet and the Company for distribution of Chevrolet cars in Malaysia expired in FY 2007/2008 and the Management decided not to renew it since then. Subsequently, the Company was wound-up in March 2013.
- e. On the significant increase in the Group's other receivables from RM1.343 billion for FY 2011/2012 to RM2.206 billion for FY 2012/2013, Encik Ahmad Fuaad Mohd Kenali, the Chief Financial Officer of the Company, explained that the increase was mainly due to the following:-
- i) The advance payment to the suppliers and vendors for the AV8 project undertaken by DRB-HICOM Defence Technologies Sdn Bhd; and

- ii) The balance of sale proceeds from the disposal of HICOM Power Sdn Bhd's business were received by the Company subsequent to FY2012/2013 year end.
5. Mr Ng Eng Kor, a Shareholder, commented and sought clarifications on the following:-
- a. Referred to the motorcycle business of Motosikal Dan Enjin Nasional Sdn Bhd ("MODENAS") and suggested that the Company puts up an appeal to the Government for lower fuel price to help the poor and to boost the MODENAS sales.
 - b. He commended the Management on the impressive MODENAS service centre at Sungai Buloh and requested for the centre to be more service oriented. He suggested for more innovative ideas to enhance the sales such as developing motorcycles that can carry a spare tyre, similar to the scooter type or to provide mobile service on change of tyre etc.
 - c. He opined that the postmen may encounter hardship using the current motorcycles to deliver mail to certain areas due to the high volume of mail especially during festive season. He suggested for alternative mode of transport such as comfortable side cars or other suitable vehicles be provided for the postmen to facilitate them in the delivering the mail.

The Chairman thanked Mr Ng for the suggestions. He informed that MODENAS is exploring to develop appropriate model to cater for the postmen and that more MODENAS workshops will be made available to cater for the local market.

6. Mr Wong Kum Wan, a Shareholder, commented and sought clarifications on the following:-

The postal services at POS outlet at Damansara Jaya had deteriorated ever since POS took on more services albeit with the same facilities and workers. He suggested that a thorough review to be undertaken by the Management of POS in terms of location, facilities and amenities of the various outlets in line with the public needs.

The GMD thanked Mr Wong for the suggestion. He informed that POS is in the midst of transforming its network and visibility and shall be making appropriate changes in terms of facilities and amenities for its outlets in tandem with its new business plans, which commenced in 2012. However, the changes will be gradual as POS has over 700 outlets in Malaysia.

7. Mr William Woon, a Shareholder and Proxy holder, commented and sought clarifications on the following:-
 - a. He commended the GMD on the detailed presentation and congratulated the Board for the improved performance of the Group for FY 2012/2013 despite the challenges. He look forward for more improvements in the Group's financial performance and the possibility of the Company declaring a bonus issue by the 25th AGM of the Company in 2015. He added that with better financial performance, the Directors' remuneration may be increased to commensurate for the job well done by the Board.
 - b. He requested the Board to consider appointing more female Directors.
 - c. To enhance the sales of PROTON cars, he suggested that free overhaul services be provided for PROTON cars above 15 years.

The Chairman thanked Mr Woon for the compliment and suggestions.

***** END *****