

PRESS RELEASE

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DRB-HICOM BERHAD COLLABORATES WITH VOLKSWAGEN AG ON THE PRODUCTION OF CKD MODELS

SINGAPORE, August 13- DRB-HICOM Berhad (DRB-HICOM) and Volkswagen AG (Volkswagen) today signed a Memorandum of Understanding (MOU) to collaborate on the assembly and manufacturing of Volkswagen vehicles in Malaysia.

The MOU on the said collaboration was signed at Volkswagen Centre in Singapore by the Group Managing Director of DRB-HICOM Dato' Sri Haji Mohd Khamil Jamil and Volkswagen Senior Vice President, Group Manufacturing Overseas, Dr Christof Spathelf as well as Volkswagen Head of Sales for China and ASEAN Mr Soh Wei Ming.

The MOU will pave the way for Volkswagen and DRB-HICOM to jointly plan the production of Volkswagen models in Malaysia and this includes strengthening Volkswagen's existing sales activities and market presence in the country, said Dato' Sri Haji Mohd Khamil Jamil.

"This MOU is the culmination of intense discussions and both parties anticipate the production of the CKD models in Malaysia," he said.

Both Volkswagen and DRB-HICOM have planned that the Volkswagen CKD models will be assembled in Pekan, one of DRB-HICOM's automotive manufacturing facilities in Malaysia. "We hope the entry of Volkswagen, Europe's biggest vehicle manufacturer into Pekan, would help to spur its transformation into a vibrant and self-sustaining regional automotive hub, as envisioned under the East Coast Economic Region initiative," said Dato' Sri Haji Mohd Khamil Jamil.

He further added that the Group will also look at engaging the full participation of its component manufacturing companies, in a move to support Volkswagen's localisation

programme, in line with the National Automotive Policy.

“We are looking forward to an exciting future with Volkswagen and we foresee a mutually beneficial and successful partnership, especially in promoting and augmenting the national automotive industry,” said Dato’ Sri Haji Mohd Khamil Jamil.

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DRB-HICOM is one of Malaysia's leading corporations, playing an integral role in the Automotive Manufacturing, Assembly and Distribution industry through its involvement in passenger cars and four wheel drive vehicles market segment, the national truck project and the national motorcycle project, among others. Besides Automotive concerns, the Group's core businesses are in the Services and Property & Infrastructure.

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