

**DRB-HICOM BERHAD (“DRB-HICOM” OR “ THE COMPANY”)
 TWENTY-SIXTH ANNUAL GENERAL MEETING (“26TH AGM”) HELD ON 29 SEPTEMBER 2016**

Summary of key matters discussed at the 26th AGM for publishing in the Company’s website

	Key Matters Discussed	Responses from the Directors / Management
1.	Whether Composites Technology Research Malaysia Sdn Bhd’s (“CTRM”) existing contract with Airbus which had doubled from RM6 billion to RM12 billion would help to improve the Group’s bottom line.	With the enhanced revenue, CTRM’s bottom line had increased from RM23 million in the financial year (“FY”) 2014/2015 to RM52 million for the current FY2015/2016.
2.	The reason behind the loss of Selangor business by Alam Flora Sdn Bhd (“AFSB”).	The loss of the Selangor business worth around RM400 million to RM500 million per annum by AFSB was mainly due to political reasons. The Selangor State Government refused to join the Federal State Government on the privatisation of its solid waste management and terminated AFSB’s services and awarded the contract to independent contractors through its municipal councils.
3.	What is the current performance of Pos Malaysia Berhad (“Pos Malaysia)?	With the completion of the acquisition of KL Airport Services Sdn Bhd Group by Pos Malaysia, the Company’s equity interest in Pos Malaysia increased from 32.21% to 53.5%. For the last FY2015/2016, Pos Malaysia recorded the highest ever revenue of the Company, namely RM1.7 billion.
4.	The Company should consider selling the business of Lotus Group which is not profitable and concentrate on the potential foreign Strategic Partner (“FSP”) that can help to bring Proton Holdings Berhad (“Proton”) to another level and sustain its automotive business.	The Company will evaluate the suggestion for Proton to sell the Lotus Group during the selection and identification of a suitable FSP for Proton. The selection of the potential FSP will be based on 3 major elements, namely Strategic Fit, Operational Fit and Cultural Fit. The Company targets to finalise and identify the FSP by early next year.

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5.	Proton needs to further improve its After-Sales Services.	The Company acknowledged the need to improve the After-Sales Services of Proton. One of the initiatives undertaken by Proton is to operate the service centres 7 days a week.
6.	What is the legacy debts owing by Proton to the vendors since 1997?	The legacy debt owing to the vendors since 1997 was due to unmet projection of sales volume by Proton. The amount owing was related to the significant unrecovered investment incurred by the vendors due to Proton's actual sales volume lower than the projected volume.
7.	What is the financial performance of Lotus in the last FY?	For FY2015/2016, Lotus' Group registered a Loss before Tax ("LBT") of £60 million.
8.	Whether Proton will continue to register a loss of RM1.4 billion for FY2016/2017.	The turnaround of Proton's performance is the key priority of the Company. With the recent launch of the new Saga, Persona and Perdana models, it is unlikely that Proton will incur a LBT of RM1.4 billion for FY2016/2017. Proton's past losses were mainly due to lack of new model line-ups and its previous Proton Saga and Persona models have been in the market for more than 8 years. It takes a long lead time for a car manufacturing company to roll-out new models and launch it in the market as there are a lot of areas to look into. Since the acquisition of Proton in 2012, DRB-HICOM had put in a lot of effort and made it possible for Proton to successfully launch its 3 new models to the market to-date. In addition, one more model will be launched in November 2016.

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9.	Suggestion for the Company to venture into other profitable businesses or industries such as postal and aviation.	The Management of the Company had in the last 4 years acquired several non-automotive related companies such as, Pos Malaysia, CTRM, DRB-HICOM Asia Cargo Express Sdn Bhd and Konsortium Logistik Berhad and plans are in the pipeline to venture and develop the growing postal and aviation businesses.
10.	Based on the recent launches of new Proton car models, how many of the models are from Proton's own Research and Development.	Proton Preve was 100% made by Proton before DRB-HICOM took over Proton in 2012. On the other hand, Proton Inspira was a model before Proton Preve and it was a rebadged model of Mitsubishi Lancer. The newly launched Proton Perdana is a rebadged model using Honda's platform and engine to minimise the cost and the first batch of the new Proton Perdana was solely for the Government.