



MEDIA RELEASE

IMMEDIATE RELEASE

DRB-HICOM, GEELY, REACH ACCORD

Heads of agreement signed; Definitive Agreement by mid-July

PUTRAJAYA, 24 May 2017: DRB-HICOM Berhad (DRB-HICOM) has reached an agreement with China-based Zhejiang Geely Holding Group Co., Ltd (Geely Holding) for the Chinese car group to acquire 49.9% equity in PROTON Holdings Berhad. DRB-HICOM currently owns 100% of the manufacturer of the first national car. The two parties signed the agreement in Putrajaya today, witnessed by YB Datuk Seri Johari Abdul Ghani, the Minister of Finance II.

The deal will enable PROTON to tap into Geely Holding's vast range of platforms and powertrains, and will also enable PROTON to have access to existing markets of the Chinese carmaker, as well as right-hand drive markets in south-east Asia.

DRB-HICOM Group Managing Director, Dato' Sri Syed Faisal Albar says the PROTON brand will remain present and will grow significantly with the new foreign strategic partner on board.

"Our intention was always to ensure the revitalization of the PROTON nameplate. It was Malaysia's first national car brand and has more than 30 years of history. This deal will be the catalyst to elevate a brand that Malaysians resonate with," said Syed Faisal.

Geely Holding Group Executive Vice President and CFO Mr. Daniel Donghui Li commented,

“With PROTON and Lotus joining the Geely Group portfolio of brands we strengthen our global foot print and develop a beachhead in South East Asia. Geely Holding is full of confidence for the future of PROTON, we will fully respect the brands history and culture to restore PROTON to its former glory with the support of Geely’s innovative technology and management resources. We also aim to unleash the full potential of Lotus Cars and bring it into a new phase of development, thanks to our experience accumulated through Volvo Car’s revitalization.”

The deal will also see PROTON sell its entire equity in British carmaker Lotus, which will see the Group exit the sports car segment.

Geely Holdings, which also owns Volvo Car Corporation and The London Taxi Company, is one of the leading passenger vehicle carmakers in China. It already has facilities across the globe, including 16 manufacturing plants, 7 design studios and 5 research & development centres. The deal with PROTON will offer Geely access into the key ASEAN market, and also R&D and manufacturing presence in the region.

Both parties expect to sign the Definitive Agreement in July 2017.

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About DRB-HICOM Berhad

DRB-HICOM Berhad (“DRB-HICOM”) is one of Malaysia’s leading conglomerates with core businesses in the Automotive, Services & Education, as well as Property sectors. With more than 90 active companies in its stable and over 59,000 employees group-wide, DRB-HICOM’s aim is to continue adding value and propelling the nation’s development. In the Automotive sector, DRB-HICOM is involved in the manufacturing, assembly and distribution of passenger and commercial vehicles, including the national motorcycle. In Services & Education, DRB-HICOM is involved in various businesses, including concession and financial-related services. In Property, DRB-HICOM is involved in residential and commercial developments.

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