

DRB-HICOM, ZGH INKS HISTORIC AGREEMENT

Zhejiang Geely Holding takes 49.9% equity in PROTON

KUALA LUMPUR, 23 June 2017: DRB-HICOM Berhad (DRB-HICOM, the Group) today signed the Definitive Agreement for China's Zhejiang Geely Holding Group (ZGH) to take 49.9% equity in Malaysia's first carmaker, PROTON Holdings Berhad (PROTON). On the same day, the Group also sold its entire stake in Lotus Advance Technology Sdn Bhd to ZGH and Etika Automotive Sdn Bhd. The signing took place exactly 30 days after both parties signed a Heads of Agreement on the deal in Putrajaya.

The signing was presided over by Prime Minister YAB Dato' Sri Mohd Najib Tun Abdul Razak, along with DRB-HICOM Chairman, Brig. Gen. (K) Tan Sri Dato' Sri Haji Mohd Khamil Jamil and ZGH Chairman, Li Shufu. DRB-HICOM Group Managing Director, Dato' Sri Syed Faisal Albar signed on behalf of the Group while An Conghui, President and CEO of Geely Auto Group did the honours for ZGH. Also present was Chinese Ambassador to Malaysia, Dr Huang Huikang.

DRB-HICOM Group Managing Director, Dato' Sri Syed Faisal Albar said the signing was a historic moment for PROTON, as the national carmaker moves to make inroads into the large ASEAN automotive market.

"ZGH, which also owns Sweden's Volvo Cars, The London Taxi Company and the Geely car brand, is the right partner for PROTON. Their success with Volvo and The London Taxi Company, and of course their own Geely marque shows their capability both as a bona-fide carmaker and as a partner. With ZGH on board, PROTON can now eye the huge ASEAN passenger car market with renewed confidence," explained Syed Faisal.

Official data from ASEAN Automotive Federation shows that the region sold 2.1 million passenger cars in 2016, up by 85% against 2007 sales. PROTON will become the right hand-drive hub for Geely in ASEAN.

Syed Faisal however said that their immediate focus is to re-claim their position as Malaysia's best-selling car.

"PROTON's status as a National Car is secure, with DRB-HICOM still a majority shareholder. PROTON will now focus their efforts with ZGH to gain market share domestically. With the joint capabilities of both companies, I am positive that we will be able to impact the market positively, by coming out with products that meet market preferences in terms of design and quality," he added.

With the sale of Lotus, DRB-HICOM has exited the sports car segment. Syed Faisal said the sale allows PROTON to focus on passenger cars, which is a larger market. PROTON had acquired the British marque in 1996 and many of its cars benefited from tuning by Lotus.

ZGH's Li was also positive on the agreement, and expressed hope that the cooperation will yield success.

"PROTON is an iconic national brand of Malaysia. It is the symbol of Malaysia's national achievement and industrial spirit. We hope that through our cooperation with DRB-HICOM, PROTON will be transformed into the No. 1 independent automobile brand in Malaysia and one of the top three in Southeast Asia.

For Lotus, we will increase new product launches and capacity to fully release its brand appeal. PROTON and Lotus will create synergies for ZGH to position ourselves as a major player in the ASEAN market, which in turn will enhance our global position and help us achieve sales target of 3 million units by 2020. We have every reason to expect a shared and bright future based on the values of respect, adaptation, inclusion and integration," Li said.

ZGH first garnered attention in the global automotive industry in 2010, when it boldly acquired Sweden's Volvo Cars. The deal raised many eyebrows especially in Europe, but after heavy investments into the carmaker, in 2016 it recorded an operating profit of US\$1.25b, the highest ever since its formation in 1927.

The London Taxi Company is also being turned around, and ZGH has committed US\$370m towards producing an electric version of the iconic Black Cabs that run around the city of London. The move is to comply with new environmental requirements for London, in a move to reduce air pollution in the city.

In its home country, the Geely marque sold some 760,000 cars in 2016, doubling the figures from the year before. The growth rides on the popularity of the SUV segment, with Geely's Boyue SUV proving to be very popular in China. Geely sold 109,000 units of Boyue in 2016, and until May this year, 103,000 units have already been sold.

About DRB-HICOM

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.

For media inquiries, kindly contact:

Mahmood Abdul Razak

Group Head, Strategic Communications,

DRB-HICOM Berhad

Tel: 03-2052 8238

Email: mahmood.razak@drb-hicom.com