



MEDIA RELEASE



FOR IMMEDIATE RELEASE

KAWASAKI RAISES ITS EQUITY IN MODENAS TO 30%

- **National motorcycle company to benefit from strong range of products from Japanese brand**

SHAH ALAM, Friday, 26 April – DRB-HICOM Berhad (“DRB-HICOM”, “The Group”) has entered into an agreement with Japan’s Kawasaki Heavy Industries, Ltd (“KHI”) to sell 14,300,000 ordinary shares in Motosikal dan Enjin Nasional Sdn Bhd (“MODENAS”). With the agreement, KHI which already owns 19% of MODENAS, will raise its equity to 30%. The disposal of the shares by DRB-HICOM is for a cash consideration of RM40.3 million, based on a willing-seller-willing-buyer basis.

KHI is also subscribing 52,000,000 convertible preference shares (“CPS”) to be issued by MODENAS. Once converted, KHI’s stake in the national motorcycle company will rise to 48%. The CPS will be convertible subject to MODENAS achieving strategic milestones agreed between the parties.

DRB-HICOM Group Managing Director Dato’ Sri Syed Faisal Albar believes the new equity structure will benefit MODENAS and its customers.

“KHI has been a shareholder of MODENAS from the inception of this brand. Even then, their products had helped MODENAS chart a leading position in the domestic two-wheeler market. KHI’s larger equity in MODENAS also means they will actively participate in the running of the operations at MODENAS, instead of merely being a shareholder. I believe it will augur a vibrant phase of customer-driven products for MODENAS, especially in the street bike and sports bike segment”, says Syed Faisal.

As a motorcycle manufacturer, Kawasaki made their first motorbikes in 1960, and has grown into a respected motorcycle manufacturer globally. Their popular bikes are manufactured across the world in plants in the USA, Philippines, India, Thailand



and Indonesia, apart from Japan. The Kawasaki name has a strong following in Malaysia having been present since the 1970s, and their popular bikes include the *Ninja*, *Versys* and *GTR*.

Syed Faisal says the existing relationship with KHI will enable both parties to work more efficiently as they develop products for the local market, adding as well the popularity of their key products in Malaysia will be a boost for MODENAS.

“With both Kawasaki and MODENAS not strangers to each other, the synergy between the two groups should ensure they are able work very efficiently as they develop localised products for the domestic market. Malaysians have always had a strong affection for Kawasaki’s products, being a quality global and established brand with a strong racing heritage”, added Syed Faisal.

Kawasaki’s racing pedigree is undoubted. They dominated Grand Prix motorcycle racing between 1978 through 1982, after their inaugural win in 1969. In the Superbike World Championships, Kawasaki has won six titles, including four consecutive titles between 2015 and 2018. Kawasaki also has nine AMA Superbike Championship titles, and was dominant in this segment in the early 1980s with household names like Wayne Rainey and Eddie Lawson.

MODENAS and KHI has had a long and successful relationship, beginning with the former’s incorporation in 1995, with KHI owning a 19% equity. Apart from bikes, MODENAS also undertakes components machining for KHI. The production facility is located in Gurun, Kedah, and has a production capacity of 130,000 units annually. MODENAS’ early products were based on the Kawasaki range of mopeds and cruisers. One of their most famous models is the *Jaguh*, which was a 125cc cruiser based on the *Kawasaki Eliminator 125*, while their most successful model in the early years was the *Kriss 110*. This model was based on the *Kawasaki Kazer 110* underbone model.

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ABOUT MODENAS

www.modenas.my

Motosikal Dan Enjin Nasional Sdn. Bhd (“MODENAS”) was established in tandem with Malaysia’s efforts to achieve industrialized nation status, now ubiquitously known as Vision 2020. MODENAS spearheads the technology transfer and development of motorcycle manufacturing, to eventually enable the country to proudly produce indigenous motorcycles. Although the vision will not be realised within a short time span, it is a strongly-held conviction that Malaysia will one day become one of the formidable manufacturers of motorcycles for worldwide distribution.

ABOUT DRB-HICOM BERHAD

www.drb-hicom.com

DRB-HICOM Berhad (“DRB-HICOM”) is one of Malaysia’s leading conglomerates with core businesses in the Automotive, Services, and Property sectors. With more than 70 active companies in its stable and an over 56,000 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, DRB-HICOM is involved in various businesses, including concession and financial-related services. In Property DRB- HICOM is involved in the development of industrial properties.

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