

MINUTES OF THE THIRTIETH (“30TH”) ANNUAL GENERAL MEETING OF DRB-HICOM BERHAD (“DRB-HICOM” OR “THE COMPANY”) HELD ON A FULLY VIRTUAL BASIS AT THE BROADCAST VENUE, BOARDROOM, LEVEL 6, WISMA DRB-HICOM, NO. 2, JALAN USAHAWAN U1/8, SEKSYEN U1, 40150 SHAH ALAM, SELANGOR DARUL EHSAN ON WEDNESDAY, 22 JULY 2020 AT 10.00 A.M.

Essential Individuals present at the Broadcast Venue:

- | | | | |
|----|--|---|---|
| 1) | Dato’ Mohammad Zainal Shaari
(“Dato’ Chairman”) | - | Chairman |
| 2) | Dato’ Sri Syed Faisal Albar
Syed A.R Albar
(“GMD”) | - | Group Managing Director |
| 3) | Datuk Ooi Teik Huat
(“Datuk Ooi”) | - | Director |
| 4) | Sharifah Sofia Syed Mokhtar Shah | - | Director |
| 5) | Sabarina Laila Mohd Hashim | - | Company Secretary |
| 6) | Amalanathan Thomas | - | Group Director, Financial Services |
| 7) | N.S. Lingam | - | External auditors, Ernst & Young PLT |
| 8) | Rozleen binti Monzali | - | Share Registrar, Boardroom Share Registrars Sdn. Bhd. (“Boardroom Share Registrars”) |
| 9) | Zuriati binti Yaacob | - | Scrutineer from Boardroom Corporate Services Sdn. Bhd. (“Boardroom Corporate Services”) |

Board Members attending via Video-Conferencing:

- | | | | |
|----|-----------------------------------|---|----------|
| 1) | Dato’ Ibrahim Taib | - | Director |
| 2) | Datuk Idris Abdullah @ Das Murthy | - | Director |

MEMBERS AND PROXIES:

As per the Attendance Record issued by the Share Registrar, a total of 406 members and proxy holders holding/representing a total of 1,243,907,287 shares, which was equivalent to 64.34% of the total issued share capital of the Company, had registered online for the remote participation and voting for the Meeting.

1. OPENING ADDRESS BY THE CHAIRMAN

Dato' Chairman extended a warm welcome to the shareholders, proxies and invitees to the Company's 30th Annual General Meeting ("AGM" or "Meeting"), the first virtual AGM of the Company. He explained that the online Meeting was necessary for the safety and health of everyone during the COVID-19 pandemic.

In addition, the Chairman stated that the 30th AGM was convened virtually in accordance with Section 327 of the Companies Act 2016 and the Securities Commission's Guidance Notes on the Conduct of General Meetings.

2. QUORUM

Following Dato' Chairman's opening address, the Meeting was convened at 10.00 a.m. upon confirmation by the Company Secretary of the requisite quorum present, pursuant to the Company's Constitution.

3. INTRODUCTION

Dato' Chairman introduced the Board members and the Company Secretary, who were present at the Broadcast Venue.

Thereafter, he introduced the Board members, who were participating remotely, as well as Amalanathan Thomas, Group Director of Financial Services of the Company, N.S. Lingam, the representative from Ernst & Young PLT, Rozleen Monzali, the Poll Administrator from Boardroom Share Registrars and Scrutineers from Boardroom Corporate Services, respectively.

4. **NOTICE**

The Notice of the 30th AGM dated 24 June 2020, which had been circulated to all shareholders of the Company within the statutory period, was taken as read.

5. **VOTING BY POLL**

The shareholders and proxies were informed that the voting at the 30th AGM would be conducted by way of poll through electronic voting, i.e. e-polling, in line with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

Dato’ Chairman informed that the Company had appointed Boardroom Share Registrars as the Poll Administrator, to conduct the e-polling process and Boardroom Corporate Services as the Scrutineer, to verify and validate the poll results. He further highlighted that the polling process for the eight (8) resolutions being tabled at the 30th AGM would be conducted after the due deliberation of all the said resolutions.

On that note, GMD was then invited to present a brief overview of DRB-HICOM Group’s performance for the financial period ended (“FPE”) 31 December 2019.

6. **PRESENTATION BY THE GROUP MANAGING DIRECTOR**

GMD gave his welcoming speech and took the Meeting through a brief presentation of the Group’s performance for the FPE 31 December 2019 and the business activities of the Group, which encompassed the Group Overview, Financial Performance, Business Updates, Sustainability Initiatives, Corporate Exercise Updates and Key Focus Areas for 2020 of the Group.

7. **RESPONSES TO THE QUESTIONS RAISED BY MINORITY SHAREHOLDERS WATCH GROUP**

With regard to matters raised by the Minority Shareholders Watch Group (“MSWG”), Dato’ Chairman invited the Group Director of Financial Services, Amalanathan

Thomas to share with the shareholders the contents of the MSWG's letter dated 20 July 2020 and DRB-HICOM's corresponding responses, a copy of which is attached as "Annexure A".

Upon the conclusion of the afore-mentioned presentation, Dato' Chairman then set forth the items on the Agenda of the Meeting for the shareholders' and proxies' notation or approval and welcomed any questions they may have regarding the said resolutions.

8. **AGENDA 1**

AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2019, TOGETHER WITH THE REPORTS OF DIRECTORS AND AUDITORS THEREON

Dato' Chairman explained that the Audited Financial Statements ("AFS") of the Company for the FPE 31 December 2019, together with the Reports of Directors and Auditors thereon, were being tabled for discussion purposes to the shareholders. The AFS do not require any approval by the shareholders as stipulated in Section 340(1) of the Companies Act 2016 and therefore, they would not be subject to any voting process.

It was deemed that the AFS had been duly received by the shareholders and therefore, the Meeting moved on to the next Agenda item comprising Ordinary Resolution 1.

9. **ORDINARY RESOLUTION 1**
PAYMENT OF A FIRST AND FINAL DIVIDEND OF 2.0 SEN PER SHARE

Dato' Chairman proceeded with Ordinary Resolution 1 on the payment of a first and final dividend of 2.0 sen per share for the FPE 31 December 2019, as recommended by the Directors of the Company. If approved, the dividend declared would be paid on 18 August 2020 to the shareholders of the Company, registered at the close of business on 30 July 2020.

10. **ORDINARY RESOLUTION 2**
RE-ELECTION OF DATO' MOHAMMAD ZAINAL SHAARI AS A DIRECTOR
PURSUANT TO ARTICLE 77 OF THE COMPANY'S CONSTITUTION

Dato' Chairman, thereafter, proceeded to the next Agenda. Ordinary Resolutions 2 and 3 in respect of the re-elections of Directors who were to be re-elected under Article 77 of the Company's Constitution.

As the Ordinary Resolution 2 related to the re-election of himself as a Director of the Company, Dato' Chairman handed over the Chair to Datuk Ooi, the Senior Independent Director of the Company, to preside over the proceedings.

Datuk Ooi ("Presiding Chairman") took the Chair and proceeded with the Meeting.

The Presiding Chairman informed the Meeting that Dato' Mohammed Zainal Shaari, who retires in accordance with Article 77 of the Company's Constitution and being eligible, offered himself for re-election.

With that, the Presiding Chairman handed back the Chair to Dato' Chairman.

11. **ORDINARY RESOLUTION 3**
RE-ELECTION OF SHARIFAH SOFIA SYED MOKHTAR SHAH AS A DIRECTOR
PURSUANT TO ARTICLE 77 OF THE COMPANY'S CONSTITUTION

Dato' Chairman continued with Ordinary Resolution 3 in relation to the re-election of Sharifah Sofia Syed Mokhtar Shah as a Director of the Company, pursuant to Article 77 of the Company's Constitution, whereby she had consented to be re-elected.

12. **ORDINARY RESOLUTION 4**
APPROVAL FOR THE PAYMENT OF DIRECTORS' FEES

Dato' Chairman proceeded with Ordinary Resolution 4 on payment of Directors' fees. The shareholders' approval was sought on the payment of Directors' fees of up to an aggregate amount of RM2,220,000 to the Non-Executive Directors ("NEDs") of the Company from 23 July 2020 until the next AGM of the Company.

13. **ORDINARY RESOLUTION 5
APPROVAL FOR THE PAYMENT OF DIRECTORS' BENEFITS PAYABLE
(EXCLUDING DIRECTORS' FEES)**

The shareholders' approval was sought on the payment of Directors' benefits payable (excluding Directors' fees) of up to an aggregate amount of RM439,000 to the NEDs from 23 July 2020 until the next AGM of the Company.

14. **ORDINARY RESOLUTION 6
RE-APPOINTMENT OF ERNST & YOUNG PLT AS AUDITORS OF THE
COMPANY FOR THE ENSUING YEAR**

Dato' Chairman proceeded with Ordinary Resolution 6 and proposed that Ernst & Young PLT, who have expressed their willingness to continue in office, to be re-appointed as Auditors of the Company for the ensuing year and to hold office until the conclusion of the next AGM and that the Directors be authorised to fix their remuneration.

15. **ORDINARY RESOLUTION 7
RETENTION OF AN INDEPENDENT DIRECTOR PURSUANT TO PRACTICE 4.2
OF THE MALAYSIAN CODE ON CORPORATE GOVERNANCE 2017**

Dato' Chairman proceeded with the Special Business of the AGM on the retention of Datuk Ooi Teik Huat, who had served for a cumulative term of approximately 11 years and eight (8) months as of the date of the 30th AGM, to continue to act as an Independent Director of the Company until the conclusion of the next AGM.

16. **ORDINARY RESOLUTION 8
SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY
TRANSACTIONS OF A REVENUE OR TRADING NATURE**

Dato' Chairman proceeded with the second Special Business of the AGM on the Proposed Renewal of Shareholders' Mandate for Existing Recurrent Related Party Transactions ("RRPTs") and New Shareholders' Mandate of Additional RRPTs of a revenue or trading nature ("Proposed Shareholders' Mandate").

Dato' Chairman explained that the Proposed Shareholders' Mandate would enable the DRB-HICOM Group to enter into RRPTs, which are necessary for the day-to-day

operations of the DRB-HICOM Group, as detailed in the Circular to Shareholders dated 24 June 2020.

Dato' Chairman highlighted that the interested Directors, Major Shareholders and Persons Connected to them as stated in the Circular to Shareholders dated 24 June 2020 should abstain from deliberation and voting on the Proposed Shareholders' Mandate.

Following the laying of the items on the Agenda, Dato' Chairman commenced the Question and Answer Session with the shareholders and proxies.

17. **QUESTIONS AND ANSWERS SESSION**

Dato' Chairman notified that the Company had received numerous questions from the shareholders and proxy holders before and during the 30th AGM.

The questions received were consolidated and summarised for conciseness. The Directors and the Management took this opportunity to engage with the shareholders and proxy holders of the Company.

The Meeting deliberated the questions raised by the shareholders/proxies and the corresponding responses made by the Board are summarised in "Annexure B" attached hereto.

Due to time constraint, the shareholders and proxy holders were assured that any unanswered questions would be addressed via email to the respective shareholders, in due course.

18. **E-POLLING PROCESS**

Before the commencement of e-polling, Dato' Chairman invited Rozleen Monzali, the Poll Administrator from Boardroom Share Registrars, to demonstrate the e-polling process.

Afterward, Dato' Chairman informed the Meeting that some shareholders had appointed the Chairman of the Meeting as their proxy to vote on their behalf. Therefore, he would vote for each resolution, in accordance with the instructions given to him by those shareholders.

With that, Dato' Chairman adjourned the Meeting for 25 minutes to conduct the e-polling and verification of the polling results.

19. **ANNOUNCEMENT OF POLL RESULTS**

At the appointed time, Dato' Chairman re-convened the Meeting to announce the polling results. He highlighted that the polling results had been verified by the Scrutineers from Boardroom Corporate Services. Since majority of the shareholders voted in favour of Ordinary Resolutions 1 to 8, Dato' Chairman declared that all the resolutions had been carried.

The polling results presented at the Meeting and the respective details are attached hereto, as "Annexure C".

The afore-mentioned resolutions were carried and duly passed as follows:

a) **Ordinary Resolution 1**
Payment of a first and final dividend of 2.0 sen per share

The poll voting result in respect of Ordinary Resolution 1 was as follows:

Resolution	FOR		AGAINST	
	No. of Shares	%	No. of Shares	%
Ordinary Resolution 1	1,497,286,404	99.998826	17,572	0.001174

In view that 99.998826% of the total shareholdings of the shareholders/proxies present at the Meeting had voted in favour of the Ordinary Resolution, Dato' Chairman declared that the Ordinary Resolution 1 was carried and passed as follows:

“THAT pursuant to Sections 131 and 132 of the Companies Act 2016, a first and final dividend of 2.0 sen per share for the financial period ended 31 December 2019, be and is hereby approved for payment on 18 August 2020 to the registered shareholders of the Company at the close of business on 30 July 2020.”

b) Ordinary Resolution 2
Re-election of Dato’ Mohammad Zainal Shaari as a Director

The poll voting result in respect of Ordinary Resolution 2 was as follows:

Resolution	FOR		AGAINST	
	No. of Shares	%	No. of Shares	%
Ordinary Resolution 2	1,484,589,084	99.150920	12,713,292	0.849080

In view that 99.150920% of the total shareholdings of the shareholders/proxies present at the Meeting had voted in favour of the Ordinary Resolution, Dato’ Chairman declared that the Ordinary Resolution 2 was carried and passed as follows:

“THAT Dato’ Mohammad Zainal Shaari, the Director retiring by rotation in accordance with Article 77 of the Constitution of the Company, be and is hereby re-elected as a Director of the Company.”

c) Ordinary Resolution 3
Re-election of Sharifah Sofia Syed Mokhtar Shah as a Director

The poll voting result in respect of Ordinary Resolution 3 was as follows:

Resolution	FOR		AGAINST	
	No. of Shares	%	No. of Shares	%
Ordinary Resolution 3	1,492,188,565	99.658864	5,107,811	0.341136

In view that 99.658864% of the total shareholdings of the shareholders/proxies present at the Meeting had voted in favour of the

Ordinary Resolution, Dato' Chairman declared that the Ordinary Resolution 3 was carried and passed as follows:

“THAT Sharifah Sofia Syed Mokhtar Shah, the Director retiring by rotation in accordance with Article 77 of the Constitution of the Company, be and is hereby re-elected as a Director of the Company.”

d) Ordinary Resolution 4
Approval for Payment of Directors' Fees

The poll voting result in respect of Ordinary Resolution 4 was as follows:

Resolution	FOR		AGAINST	
	No. of Shares	%	No. of Shares	%
Ordinary Resolution 4	1,437,918,295	96.034916	59,368,681	3.965084

In view that 96.034916% of the total shareholdings of the shareholders/proxies present at the Meeting had voted in favour of the Ordinary Resolution, Dato' Chairman declared that the Ordinary Resolution 4 was carried and passed as follows:

“THAT the payment of Directors' fees of up to an aggregate amount of RM2,220,000 to the Non-Executive Directors of the Company from 23 July 2020 until the conclusion of the next Annual General Meeting of the Company, be and is hereby approved.”

e) Ordinary Resolution 5
Approval for Payment of Directors' Benefits Payable (Excluding Directors' Fees)

The poll voting result in respect of Ordinary Resolution 5 was as follows:

Resolution	FOR		AGAINST	
	No. of Shares	%	No. of Shares	%
Ordinary Resolution 5	1,497,082,995	99.986444	202,975	0.013556

In view that 99.986444% of the total shareholdings of the shareholders/proxies present at the Meeting had voted in favour of the Ordinary Resolution, Dato' Chairman declared that the Ordinary Resolution 5 was carried and passed as follows:

“THAT the payment of benefits payable (excluding Directors' fees) of up to an aggregate amount of RM439,000 payable to the Non-Executive Directors of the Company from 23 July 2020 until the conclusion of the next Annual General Meeting of the Company, be and is hereby approved.”

f) Ordinary Resolution 6
Re-appointment of Ernst & Young PLT as Auditors

The poll voting result in respect of Ordinary Resolution 6 was as follows:

Resolution	FOR		AGAINST	
	No. of Shares	%	No. of Shares	%
Ordinary Resolution 6	1,495,239,755	99.862378	2,060,613	0.137622

In view that 99.862378% of the total shareholdings of the shareholders/proxies present at the Meeting had voted in favour of the Ordinary Resolution, Dato' Chairman declared that the Ordinary Resolution 6 was carried and passed as follows:

“THAT Ernst & Young PLT be and are hereby re-appointed as Auditors of the Company for the financial year ending 31 December 2020 and to hold office until the conclusion of the next Annual General Meeting, at a fee to be determined by the Directors.”

g) Ordinary Resolution 7
Retention of Datuk Ooi Teik Huat as an Independent Director

The poll voting result in respect of Ordinary Resolution 7 was as follows:

Resolution	FOR		AGAINST	
	No. of Shares	%	No. of Shares	%
Ordinary Resolution 7	1,389,501,500	92.800358	107,800,368	7.199642

In view that 92.800358% of the total shareholdings of the shareholders/proxies present at the Meeting had voted in favour of the Ordinary Resolution, Dato' Chairman declared that the Ordinary Resolution 7 was carried and passed as follows:

"THAT approval be and is hereby given to Datuk Ooi Teik Huat, who has served as an Independent Director of the Company for a cumulative term of more than nine years, to continue to act as the Independent Director of the Company until the conclusion of the next Annual General Meeting of the Company."

**h) Ordinary Resolution 8
 Proposed Renewal of Shareholders' Mandate for Existing Recurrent Related Party Transactions ("RRPTs") and New Shareholders' Mandate of Additional RRPTs of a revenue or trading nature ("Proposed Shareholders' Mandate")**

The poll voting result in respect of Ordinary Resolution 8 was as follows:

Resolution	FOR		AGAINST	
	No. of Shares	%	No. of Shares	%
Ordinary Resolution 8	416,153,389	99.979162	86,738	0.020838

In view that 99.979162% of the total shareholdings of the shareholders/proxies present at the Meeting (excluding Etika Strategi Sdn Bhd) had voted in favour of the Ordinary Resolution, Dato' Chairman declared that the Ordinary Resolution 8 was carried and passed as follows:

"THAT in accordance with Paragraph 10.09 of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"), and subject to the Companies Act 2016 ("CA 2016"), the Constitution of the Company, other applicable laws, guidelines, rules and

regulations, and the approvals of the relevant governmental and/or regulatory authorities, approval be hereby given to the Company and its subsidiary companies (collectively “DRB-HICOM Group”) to enter into any of the recurrent related party transactions (“RRPTs”) of a revenue or trading nature as set out in Section 2.2.3 of the Circular to Shareholders dated 24 June 2020, which are necessary for the day-to-day operations in the ordinary course of business of the DRB-HICOM Group, on normal commercial terms, which are not more favourable to the related parties than those generally available to the public, undertaken on an arm’s length basis, and are not detrimental to the minority shareholders of the Company (“Shareholders’ Mandate”);

THAT the Shareholders’ Mandate shall continue to be in force until:

- (a) the conclusion of the next Annual General Meeting (“AGM”) of the Company, at which time the authority will lapse, unless the authority is renewed by a resolution passed at such general meeting; or
- (b) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 340(2) of CA 2016 (but shall not extend to any extension as may be allowed pursuant to Section 340(4) of CA 2016); or
- (c) the Shareholders’ Mandate is revoked or varied by an ordinary resolution passed by the shareholders of the Company at a general meeting;

whichever is earlier;

AND THAT the Directors of the Company be hereby authorised to complete and do all such acts (including executing all such documents as may be required), as they may consider expedient or necessary to give effect to the Shareholders’ Mandate.”

20. **CLOSE OF MEETING**

There being no other business to be transacted, Dato' Chairman thanked the shareholders and proxy holders for their support and participation. He further thanked Boardroom Share Registrars and Boardroom Corporate Services for the technical support provided which enabled the proceedings of the first virtual AGM of the Company to be conducted smoothly.

Lastly, he commended the Management for their combined effort in ensuring that the 30th AGM was a success and declared the 30th AGM closed at 11.35 a.m.

Dated this 22nd day of July, 2020

CONFIRMED



CHAIRMAN



20 July 2020

Mr. Devanesan Evanson

Chief Executive Officer
Minority Shareholder Watch Group
Tingkat 11, Bangunan KWSP
No 3, Changkat Raja Chulan
Off Jalan Raja Chulan
50200 Kuala Lumpur

Dear Sir,

Re: 30th Annual General Meeting (“AGM”) of DRB-HICOM Berhad (“DRB-HICOM” or the “Company”) to be held on Wednesday, 22 July 2020

With reference to your letter which was emailed to us on 9 July 2020, please find below our responses to your questions:

Strategic & Financial Matters

1) How has COVID-19 pandemic impact the Group’s automotive sector in terms of changes to the Group’s plans for launches of new/enhanced models of vehicles? Are there any disruptions to the supply chain?

The COVID-19 pandemic has fundamentally impacted all industries including the Automotive sector. The resulting downturn in the economy, disruptions in supply chain and weaker consumer sentiment has adversely impacted the businesses. The Malaysian Automotive Association has revised its 2020 total industry volume (“TIV”) forecast downwards from TIV of 604,287 units in 2019 to 400,000 units.

With the re-commencement of the Group’s businesses in early May 2020, the Group will continue with the launches of new/enhanced models with emphasis on the unique selling proposition of each model. To regain the interest of the market, promotion of the Group’s value-for-money products will be undertaken on digital platforms, which will be more cost-efficient.

The Government’s PENJANA scheme, where sales tax is exempted for passenger vehicles until the end of December 2020 is expected to boost the overall sales performance.

DRB-HICOM BERHAD
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2) In terms of exports, PROTON sold a total of 1,007 units overseas, aided by the successful launch of the X70 in Brunei. The company has also entered into a Licensing and Technical Assistance Agreement with ALHAJ Automotive with the objective of setting up a plant in Karachi to assemble PROTON cars for the Pakistan market (page 103 of Annual Report for Financial Period ended 31 December 2019 ("AR")).

(a) How many units of PROTON cars were sold to Pakistan in FP2019 and to-date?

As agreed during the inking of the partnership agreement between PROTON and ALHAJ Automotive in 2019, both organisations have set a compelling sales target to start the business in Pakistan. The initial phase will be implemented through the importation of CBU units of the Proton Saga and Proton X70. However, due to the impact of COVID-19 across the globe, the progress of the project has slowed down and both parties are currently assessing the impact.

(b) What is the status regarding the setting up of a plant in Karachi?

The construction of the plant is on-going and installation of jigs is scheduled to take place at the end of December 2020. However, a slight delay is expected due to the COVID-19 pandemic.

3) Aerospace Division (page 113 of AR):

(a) Composites Technology Research Malaysia Sdn. Bhd. ("CTRM") Composites Engineering ("CTRM CE") has submitted quotations for contracts amounting to more than USD1 million per year. What is the probable success rate?

The quotation submitted is for the proposed supply of satellite communication products for maritime application to the Original Equipment Manufacturer ("OEM") based in United States of America and the outcome is yet to be determined.

(b) In terms of wind energy, CTRM was recently awarded the contract to develop vertical axis wind turbines, creating the potential for CTRM CE to venture into the manufacture of large-scale wind turbines utilising the autoclave manufacturing process, similar to structural components for aerospace.

What is the duration of the said contract and what is the estimated percentage revenue contribution to the Group, going forward?

Wind energy is one of the long-term strategies at CTRM. We expect the business will grow and contribute to CTRM's performance within the next 3 to 5 years. However, the existing aerostructures business will remain as the key contributor to revenue for CTRM.

4) How will the COVID-19 pandemic affect the Group's capital expenditure plans for financial year ending 2020 across the Group's various business segments? What would be the estimated amount?

DRB-HICOM Group set-up a Business Recovery Task Force ("BRTF") early in the crisis, in March. The BRTF establishes a crisis management structure for the Group, focusing on the entire spectrum of business challenges and opportunities faced by the Group due to the COVID-19 crisis.

One of the focus areas is on cash and liquidity management. This includes re-prioritising capital expenditure with emphasis given to projects identified as critical. The BRTF will also undertake financial and operational risk assessment, considering a period of greater economic uncertainty as a result of the pandemic and the varied nature of the Group's businesses.

Nevertheless, the Group will continue to undertake critical capital expenditure for modernisation, expansion and replacement of assets.

5) The Group's PBT came in at RM472.5 million, reversing a loss before tax of RM46.9 million in the same period a year ago. Net profit, meanwhile, was RM439.1 million. The significant increase in profit was due to the divestment of Alam Flora as well as the improved performance of the Group's Automotive Sector (page 93 of AR).

Without Alam Flora, will the Group be able to remain profitable, going forward?

The Group's operating profit before tax for the nine-month period ended 31 December 2019 amounted to RM277.6 million, and this excludes the gain on divestment of Alam Flora Sdn. Bhd. and also the impairment loss on goodwill (which is non-operating item).

The Group's operating financial performance will continue to be derived from its existing business activities in Automotive, Services and Property Sectors. However, the operational performance is expected to be impacted by the effects of the on-going COVID-19 pandemic crisis. The Group is taking all the necessary measures to minimise these effects.

6) Other expenses increased to RM420.7 million (FY2019: RM150.5 million) (page 134 of AR).

(a) What is the reason for the significant increase in other expenses?

The increase is mainly due to the recognition of impairment loss on goodwill mainly in the postal and logistics subsidiary companies due to its unfavourable financial performance.

(b) What are the major items in other expenses and the breakdown?

Included in other expenses are mainly impairment loss on goodwill (intangible assets), allowance for expected credit losses on receivables, forex losses and research and development expenditure as disclosed in Note 6 on pages 217 to 219 of the Annual Report.

Corporate Governance Matters

7) Resolution 4 - To approve the payment of Directors' fees up to an aggregate amount of RM2,220,000.00 to the Non-Executive Directors from 23 July 2020 until the conclusion of the next Annual General Meeting.

Due to the COVID-19 pandemic, the Group will find it difficult to estimate the financial impact of the MCO and consequential economic fallout in the current financial year ending 31 December 2020 (page 124 of AR).

Board/Board Committee	Existing Fees (per annum)		Revised Fees (per annum) (effective from 23 July 2020)	
	Chairman	Member	Chairman	Member
Board	RM140,000	RM90,000	RM300,000	RM180,000
Board Audit Committee	RM17,000	RM12,000	RM50,000	RM40,000
Board Nomination and Remuneration Committee	RM10,000	RM8,000	RM10,000 (No Change)	RM8,000 (No Change)
Board Risk & Sustainability Committee	RM10,000	RM8,000	RM30,000	RM20,000

The Group has explained that the rationale for the revision to the Group's Directors' Remuneration Framework is for the Group to formulate Directors' compensation which is comparable with its regional peers, given that it has not been revised since 2012 (page 65 of AR).

Nevertheless, MSWG is of the view that the proposed revised fees for the Board's Chairman and Members of 100% and above from the existing fees are high considering the current pandemic environment where pay-cuts and lay-offs are widespread.

(a) Is it reasonable to increase the fees for the Board's Chairman and Members by such a significant amount in such dire times?

It should be noted that the last fee review was in 2012.

Since then, the Director's role has become increasingly more significant, with changes to relevant corporate governance, guidelines and laws by regulators taking place. The fiduciary duty of Directors towards the Company requires having on board persons with adequate calibre and competency to make strategic decisions, give valuable insights and act in the best interest of all stakeholders. Increasingly complex transactions also require the expertise of the Directors, to take a closer look at how capital allocation decisions are made.

The proposed fee review is also comparable with the prevalent market and regional peers.

(b) Will not such significant increase in Directors fees affect the Group's performance adversely, going forward? (Note: the Group's net loss for the financial period from continuing operations was RM137.0 million (FY2019: Net loss from continuing operations of RM26.8 million))

It should be noted that the proposed increase of total directors' fees amounts to RM 2.2 million (which includes one additional director) in 2020 compared with RM 1.2 million (annualized) in 2019 and this translates to about RM 83,000 per month.

Further, it must be noted that, as an investment holding company, the Group registered a net profit of RM 439.1 million for the financial period December 2019 and a net profit of RM 51.2 million for the financial year March 2019.

Hence, the increase in Directors' fees would not affect the Group's performance adversely as the Board is expected to protect the interests of investors, through its oversight role, by guiding the Management to invest the Company's resources in the highest return alternatives.

- (c) **Given such a challenging economic condition, does the Group have any cost optimisation plans such as staff-related cost cutting measures to be carried out during the financial year ending 2020 e.g. salary reduction, lay-offs?**

The Group has deployed sustainable staff-related cost reduction programs such as deferring new recruitment and short-term incentives. Adjustments were made to work arrangements such as reassignment of excess workforce to training and skills upgrading. This would equip employees with better skills and knowledge, ultimately increasing productivity to enable our companies to meet business demands when economic growth recovers. Direct adjustments to salary or lay-offs may only be applicable to companies that are severely affected due to COVID-19 crisis.

Should you require further information or clarification, please do not hesitate to contact Puan Norli Dollah at 03-2052 8194.

Yours sincerely,
DRB-HICOM BERHAD



DATO' SRI SYED FAISAL ALBAR
Group Managing Director

Key Matters Discussed		Response from the Directors/Management
1.	<p>E-Vouchers:</p> <p>Is DRB-HICOM giving away any e-vouchers for those attending this AGM?</p>	<p>There are no door gifts or e-vouchers for this virtual AGM. However, it will certainly be considered for our physical AGM in the future.</p>
2.	<p>Why is the Company not considering Dividend Reinvestment Policy like some other Public Listed Companies?</p>	<p>The main reason for dividend reinvestment is for cash preservation. One of the factors that the Company considers prior to any dividend declaration is whether it has sufficient funds to fulfil its requirements in compliance with the Companies Act 2016.</p>
3.	<p>Will the Company and its subsidiary companies promote transparency on disposal of assets, for example, when PROTON Holdings Berhad ("PROTON") disposes of its company's vehicles, are these open to the shareholders to purchase?</p>	<p>The disposal of the vehicles by the Company or its subsidiary companies is subject to the Company's Standard Operating Procedures ("SOPs") and Policies, which is not extended to the public.</p> <p>Moreover, DRB-HICOM recommends its shareholders as well as the public, to acquire the newer/current models launched by PROTON.</p>

Key Matters Discussed		Response from the Directors/Management
4.	Short term headwinds notwithstanding, would DRB-HICOM be able to detail its long-term plans on Electric Vehicles in light of its partnership with Zhejiang Geely Holding Group Co., Ltd ("Geely"), both for domestic and export (South East Asia) markets?	<p>The study on New Energy Vehicles ("NEV"), including electric vehicles and hybrid electric vehicles, is constantly being evaluated by the Group, especially PROTON.</p> <p>The viability of NEV and its successful implementation will be dependent on various factors including technology, infrastructure and regulations, as well as the relevant policies in Malaysia and the region to support the development of NEV.</p>
5.	Will there be any disposal of subsidiary or sub-business? If yes, how many percentages will contribute to the profit/loss of the Company after the disposal?	Over the years, the Group have been disposing and acquiring subsidiaries/sub-business with the objective of unlocking the values in line with its overall strategy.

Key Matters Discussed		Response from the Directors/Management
6.	Will our company publish all Questions and Answers from shareholders and the Minority Shareholder Watch Group ("MSWG") on the Company's website after the AGM?	In line with our common practice, we will publish the questions from MSWG and our respective responses on the Company's website at www.drb-hicom.com .
7.	a. When will PROTON X50 be launched and what are the variants and prices?	a. The name of the model and prices of the variants have not been confirmed as the new SUV is expected to be launched by the end of 2020. Furthermore, PROTON will need to engage with the Government due to various tax structures being implemented, before finalising the pricing.
	b. When will the PROTON's Geely based 7 seater be launched and what are its variants and prices?	b. As a car manufacturer, PROTON continues to review potential models which will be attractive to the Malaysian market and there are new models currently being developed in the pipeline.

Key Matters Discussed		Response from the Directors/Management
7.	c. Any discount given to the shareholders who want to buy PROTON cars?	c. Currently, the prices being offered minus taxes, due to the PENJANA Sales Tax Holiday, for models under the PROTON marques are very attractive and the PROTON's special package during this tax holiday period ends on 31 December 2020.
8.	What is the future prospect for the Company?	The Group will continue to evaluate and assess its strategy considering the implication of COVID-19 pandemic amidst challenging industry landscape. To generate a sustainable long term value to all its stakeholders, the Group remain focused in steering the Company forward through various strategic initiatives, which include the implementation of PROTON and Pos Malaysia turnaround plans.

DRB-HICOM BERHAD
30TH ANNUAL GENERAL MEETING
22 JULY 2020

	VOTED FOR	%	NO OF RECORDS	VOTED AGAINST	%	NO OF RECORDS
RESOLUTION 1	1,497,286,404	99.998826	510	17,572	0.001174	27
RESOLUTION 2	1,484,589,084	99.150920	417	12,713,292	0.849080	118
RESOLUTION 3	1,492,188,565	99.658864	428	5,107,811	0.341136	105
RESOLUTION 4	1,437,918,295	96.034916	368	59,368,681	3.965084	162
RESOLUTION 5	1,497,082,995	99.986444	377	202,975	0.013556	149
RESOLUTION 6	1,495,239,755	99.862378	479	2,060,613	0.137622	50
RESOLUTION 7	1,389,501,500	92.800358	437	107,800,368	7.199642	94
RESOLUTION 8	416,153,389	99.979162	465	86,738	0.020838	65

