

**DRB-HICOM**

**35<sup>th</sup>**

**ANNUAL  
GENERAL  
MEETING**

28 May 2025

**Questions from  
Minority Shareholders Watch  
Group (MSWG)**

### Question 1:

A historic moment in Malaysia's automotive industry was created with the launch of Malaysia's first electric vehicle ("EV"), on 16 December 2024 – the Proton e.MAS 7 (page 26 of AR2024).

- a) To-date, how many Proton e.MAS 7 cars were sold since its launch in December 2024? What is the status of bookings and the delivery waiting time for the Proton e.MAS 7?

### Answer (1a):

- As of 30 April 2025, PROTON sold 2,716 units of Proton e.MAS 7 over the cumulative 5,500 bookings since its launch on 16 December 2024.
- The delivery period is between 1 to 3 months, subject to the model variant and colour choice.

### Question (1b):

While EV tax exemptions are expected to further stimulate demand, the Group is likely to face intensified competition from increasingly affordable Chinese EVs models. Additionally, with the upcoming launch of Perodua EV, expected in the later part of this year, how will it impact the Group's EV market share?

### Answer (1b):

- The Malaysian government has set a growth target of 20% EV market share by 2030.
- This presents significant opportunities for PROTON, as EV market share stood at 2.87% as of 31 March 2025.
- The EV development synergy between PROTON and Geely has mapped a detailed consideration to fulfil customer expectations and overcome stiff competitions in the market.
- The recent unveiling of the PROTON e.MAS 5 at the Malaysia Auto Show on 9 May 2025 and several new models in the pipeline, marks a pivotal step forward to delivering affordable and practical EV solutions with the aim of capturing a larger market share of the growing EV segment.

### Question (1c):

In relation to the PROTON's phased relocation of operations from Shah Alam to Tanjung Malim (page 32 of AR2024), what is the total estimated cost of relocation to be incurred? When does PROTON plan to complete its full relocation to Tanjung Malim?

### Answer (1c):

- The total estimated cost of relocation is approximately RM107 million comprised of manufacturing facilities, R&D vehicle and powertrain test labs, data centre and office equipment.
- Additional consideration on manpower costs and inventory management is being assessed.
- The relocation of operations to Tanjung Malim is scheduled to complete by the fourth quarter of 2027.

### Question 2:

Overall, Bank Muamalat Malaysia Berhad (“Bank Muamalat”) recorded higher revenue of RM2.11 billion (FYE2023: RM1.72 billion), but lower profit of RM201.05 million (FYE2023: RM326.74 million), with a significant increase in net impairment of RM45.07 million (FYE2023: RM0.63 million) (pages 429 to 432 of AR2024)

- a) What was the Bank Muamalat’s net interest margin (“NIM”) for FYE2024 as compared to the industry average? What is the Bank’s expectation for its NIM in the financial year ending 2025?

### Answer (2a):

- For FY2024, Bank Muamalat recorded a net interest margin (“NIM”) of 2.06%, slightly below the industry average of 2.07%, due to a decrease in value of certain investments in December 2024.
- Excluding this one-off item, the adjusted NIM would have stood at 2.10%, reflecting a stronger underlying performance and outperforming the industry benchmark.
- Looking ahead to FY2025, the Bank strives to improve its NIM higher than 2.10%, driven by strategic growth in higher-yielding product segments, aimed at optimising return on assets while maintaining prudent risk management.

### Question (2b):

The expected credit loss increased substantially by 24.25% to RM98.19 million (FYE2023: RM79.02 million) under Stage 3 allowance for impaired financing (page 370 of AR2024).

- i. Which segment of customers and the utilisation of the financing had caused the increase in credit impairment? Are there any other specific industries where the Group foresees an increase in credit risk going forward?

### Answer (2b)(i):

- The increase in credit impairment for FY2024 was mainly driven by retail, commercial and SME segments particularly from legacy accounts prior to 2017.
- The potential increase in credit risk mainly affects businesses in export dependent-sector.
- Given BMMB's diversified financing portfolio and not overly concentrated in the high-risk segments, its credit risk is expected to remain within manageable levels moving forward.

### Question (2b):

- ii. Meanwhile, Bank Muamalat wrote off more impaired loans in FYE2024 at RM161.35 million compared to RM98.8 million (page 372 of AR2024). From which segment of customers and the types of financing that these written-off loans involved? Were these loans related to the Bank's COVID-19 relief measures? Additionally, please explain/elaborate on the recovery efforts of these written-off loans.

### Answer (2b)(ii):

- The increase in loan write-offs for FY2024 was mainly from the Corporate and Retail segments.
- The Corporate segment involved legacy accounts, with an outstanding balance of approximately RM64.7 million, targeted for recovery with expected material recoveries in FY2025.
- The Retail segment contributed a substantial portion, primarily from legacy personal financing products.

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### Answer (2b)(ii): (continued)

- These exposures were not related to the Bank's COVID-19 relief measures but stemmed from aging accounts that met the write-off criteria under the Bank's internal credit and recovery policies.
- The Recovery Department has strengthened efforts through legal actions, negotiated settlements, and collaboration with external recovery agents, with significant recoveries anticipated in FY2025 to support the Bank's financial performance and enhance asset quality.

Question (2c):

What was Bank Muamalat's gross impaired loan ratio for FYE2024? What is the overall view of Bank Muamalat's asset quality moving forward?

### Answer (2c):

- As of FY2024, Bank Muamalat's gross impaired loan ("GIL") ratio was 1.05%, below the industry average of 1.45%.
- The increase in impaired loans was mainly due to large legacy accounts in the non-retail segment, some of which were written off during the year.
- Looking forward, the Bank is taking a prudent stance on asset quality.
- For FY2025, a higher Expected Credit Loss ("ECL"), including additional overlays, has been budgeted to rebuild the Loan Loss Coverage Ratio ("LLCR"), which stood at 75.65% as of December 2024.
- The target is to restore the LLCR to above 100%, reinforcing the commitment to strong risk buffers.

### Question (2d):

One of Bank Muamalat's future digital initiatives includes strengthening its cybersecurity and data privacy (page 48 of AR2024).

- i. What was the total investment in cybersecurity for FYE2024 and the budgeted allocation for 2025 to strengthen the Bank's cybersecurity infrastructure?

### Answer (2d)(i):

- Total Investment in cybersecurity FY2024: RM6.0 million
- Budget allocation for cybersecurity infrastructure FY2025: RM10.7 million

Question (2d):

- ii. Considering recent artificial intelligence-enabled scam attempts targeting senior C-suite executives, how resilient are Bank Muamalat's defences against similar scams?

### Answer (2d)(ii):

- Bank Muamalat has proactively enhanced its resilience against artificial intelligence-enabled scams by reinforcing its cybersecurity framework in line with BNM's Risk Management in Technology policy.
- The Bank continuously strengthens its IT security posture through its Cybersecurity Strategic Plan and adoption of the Zero Trust Maturity Model, focusing on multi-factor authentication and ongoing risk assessments.
- Cybersecurity awareness programs are regularly conducted across all employees and board members, including cyber threat intelligence reports that highlight potential risks, indicators of compromise, and dark web credential exposure.

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### Answer (2d)(ii): (continued)

- Financial processes are further safeguarded by the establishment of policies and guidelines that require dual verification (maker-checker) for all transactions.
- In addition, the Bank monitors its digital footprint using tools such as Security ScoreCard and BNM's Financial Threat Intelligence Platform whilst maintaining an 'A' rating since November 2023.

### Question 3:

Pos Malaysia Berhad (“Pos Malaysia”) has continued to incur losses over the past five consecutive years, adversely impacting DRB-HICOM’s bottom line.

Given that many countries operate their national postal services under government ownership, would the Group consider engaging with the Malaysian Government to explore a potential restructuring or divestment of its postal segment, thereby enabling DRB-HICOM to exit this non-performing business?

### Answer (3):

- While the Group values Pos Malaysia long-term strategic relevance within our business portfolio, the structural challenges it faces such as declining mail volumes, rising operational costs and increasing market competition require strategic policy support from the Government.
- These challenges are not unique to Pos Malaysia, as postal operators worldwide are undergoing similar regulatory shifts, and support from their respective policymakers.

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### Answer (3): (continued)

- The Group has been actively engaging with key stakeholders to restore financial sustainability through Universal Service Obligation (“USO”) reform with Malaysian Communications and Multimedia Commission (“MCMC”), market transparency for ‘choice’ via the Association of Malaysian Express Carriers (“AMEC”) and Malaysia Competition Commission (“MyCC”) with regards to ‘unmasking’, mandated floor pricing, and a renewed business models that balance public service delivery with commercial and financial viability.
- Such efforts are part of our broader initiatives to align Malaysia’s postal industry with global best practices, where government support remains essential to safeguarding the long-term future of postal infrastructure.



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**THANK YOU**

