

10. SEASONAL OR CYCLICAL FACTORS

The businesses of the Group were not materially affected by any seasonal or cyclical fluctuations during the financial period ended 30 September 2000.

11. ISSUANCE OR REPAYMENT OF DEBT AND EQUITY SECURITIES

- (a) During the financial period ended 30 September 2000, the issued and paid-up share capital of the Company was increased from RM263,005,002 to RM912,394,647 by way of issue of 649,389,645 new ordinary shares of RM1.00 each at an issue price of RM4.57 per share pursuant to the acquisitions of Gadek, Gadek Capital and HICOM.
- (b) Other than the above, there were no issuance and repayment of debt securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the financial period ended 30 September 2000.

12. GROUP BORROWINGS

- (i) Total Group borrowings are as follows :

(a) Short Term Borrowings

	As at 30.9.2000 RM'000	As at 31.3.2000 RM'000
Secured		
Bank Overdrafts	50,257	2,492
Bankers acceptance	77,357	-
Letter of credits	23,604	-
Revolving credits	217,401	492
Short term loans	558,237	-
Long term loans – portion repayable within 12 months	65,169	26,399
Bonds 1996/2001 (see note (i) below)	1,643,600	-
	<u>2,635,625</u>	<u>29,383</u>
Unsecured		
Bank overdrafts	80,224	36,528
Bankers acceptance	139,298	-
Revolving credits	419,189	555,756
Short term loans	221,693	-
Long term loans – portion repayable within 12 months	60,847	25,781
Total	<u>3,556,876</u>	<u>647,448</u>

12. **GROUP BORROWINGS (continued)**

(b) **Long Term Borrowings**

	As at 30.9.2000 RM'000	As at 31.3.2000 RM'000
Secured		
Hire purchase and leasing creditors	272,482	218,253
- Portion repayable within 12 months included under creditors	(143,348)	(115,340)
	<u>129,134</u>	<u>102,913</u>
Long term loans	471,997	55,500
- Portion repayable within 12 months included under short term borrowings	(65,169)	(26,399)
	<u>406,828</u>	<u>29,101</u>
Unsecured		
Long term loans	652,640	154,356
- Portion repayable within 12 months included under short term borrowings	(60,847)	(25,781)
	<u>591,793</u>	<u>128,575</u>
Deferred liability	9,700	-
Murabahah Underwritten Notes Issuance Facility ("MUNIF")	364,000	-
Total	<u>1,501,455</u>	<u>260,589</u>
Grand Total	<u>5,058,331</u>	<u>908,037</u>

- Note : (i) The Bonds 1996/2001 comprise of HICOM Bonds of RM915 million and Gadek bonds of RM728.6 million, both maturing on 19 March 2001.
- (ii) Apart from the following Ringgit equivalent of foreign currency borrowing, the rest of the total borrowings are denominated in Ringgit Malaysia.:

As at	Amount
30/9/2000	RM26.45 million (USD6.96 million)
31/3/2000	RM34.05 million (USD8.96 million)

13. CONTINGENT LIABILITIES

Contingent liabilities of the Group as at 30 September 2000 comprise the following :

	RM'000
(a) Corporate guarantees given to third parties.	57,112
(b) Claim against a subsidiary company for the cancellation and discontinuance of charter flight services	8,892
(c) Claim against a subsidiary company in respect of loss of profit due to the revocation of offer of tender	1,265
(d) A finance subsidiary of the Group makes various commitments and incurs certain contingent liabilities with legal recourse to its customers. No material losses are anticipated as a result of these transactions. The risk weighted exposures of the above subsidiary are as follows:	

	Current Quarter		Previous Financial Year End	
	Principal	Credit Equivalent Amount*	Principal	Credit Equivalent Amount*
	Amount	Amount*	Amount	Amount*
	RM Million	RM Million	RM Million	RM Million
Direct credit substitutes	5	5	15	15
Housing loans sold directly and indirectly to Cagamas with recourse	336	336	340	340
Irrevocable commitments to extend credit				
- maturity more than one year	82	41	85	43
- maturity less than one year	6	0	38	0
Total	429	382	478	398

* The credit equivalent amount is arrived at using the credit conversion factor as per Bank Negara Malaysia guidelines.

14. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

The Group does not have any financial instruments with off balance sheet risk at the date this report.

15. MATERIAL LITIGATION

Save as disclosed in Note 13 (b) and (c), there was no material litigation pending as at the date of this announcement.

16. **SEGMENTAL INFORMATION**

- a) The information of each of the Group's industry segments is as follows :

	Current Year To Date
	30.9.2000 RM'000
Turnover	
Automotive	1,901,260
Property and Construction	181,182
Services	638,269
Investment Holdings	8,111
Total (see note (i) below)	<u>2,728,822</u>
Profit before taxation	
Automotive	225,579
Property and Construction	2,305
Services	(33,763)
Investment Holdings	(17,863)
Total	<u>176,258</u>
Total assets employed	
Automotive	4,865,698
Property and Construction	1,382,002
Services	6,912,562
Investment Holdings	1,100,440
Total	<u>14,260,702</u>

- (i) Included in the total turnover is interest income of RM45,413,000.
- b) The Group's share of turnover of associated companies for the current financial period ended 30 September 2000 amounted to RM661,884,000.

17. COMPARISON WITH PRECEDING QUARTER'S RESULTS

The Group recorded a profit before taxation of RM90.3 million for the second quarter ended 30 September 2000 compared to a profit before taxation of RM85.9 million in the previous quarter ended 30 June 2000.

18. REVIEW OF PERFORMANCE

- (a) For the financial period ended 30 September 2000, the Group recorded an unaudited profit before taxation of RM176.26 million compared to RM17.22 million in the previous corresponding period. The substantial increase in profits is reflective of the overall performance of the various companies in the enlarged DRB-HICOM Group.
- (b) Apart from the proposals as mentioned in Note 9, there has not arisen in the interval between the end of the second quarter and the date of this announcement, any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect substantially the results of the operations of the Group.

19. PROSPECTS FOR THE CURRENT FINANCIAL YEAR

The Malaysian economy continues to improve and the prospects going into 2001 are encouraging. In line with the improving economic conditions, the companies in the enlarged DRB-HICOM Group are expected to contribute positively to the Group's profitability.

Barring any unforeseen circumstances, the Board of Directors is confident that the Group will be able to record commendable results in the current financial year ending on 31 March 2001.

20. VARIANCE OF FORECAST PROFIT

This note is not applicable for the second quarter.

21. DIVIDEND

No interim dividend is recommended for the quarter under review.

BY ORDER OF THE BOARD.

CHANG PIE HOON
CHOO CHOCK FAH
Secretaries

Shah Alam
17 November 2000