



# **DRB-HICOM BERHAD**

(203430-W)

(Incorporated in Malaysia)

Interim Financial Report for the Financial Period  
Ended 30 September 2011

**INTERIM FINANCIAL REPORT ON UNAUDITED CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2011**

The Board of Directors is pleased to announce the unaudited financial results of the Group for the financial period ended 30 September 2011.

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	Note	Current quarter 3 Months Ended		Year to date 6 Months Ended	
		30.09.2011 RM'000	30.09.2010 RM'000	30.09.2011 RM'000	30.09.2010 RM'000
Revenue		1,476,900	1,647,676	3,059,441	3,201,259
Cost of sales and operating expenses		(1,434,025)	(1,523,540)	(2,905,231)	(3,004,809)
Other income		128,353	37,682	152,258	149,897
Other expenses		(34,656)	(16,908)	(42,280)	(26,883)
Profit from operations		136,572	144,910	264,188	319,464
Finance cost		(32,724)	(21,413)	(59,171)	(40,328)
Share of results of jointly controlled entities (net of tax)		26,304	20,286	46,415	43,798
Share of results of associated companies (net of tax)		33,907	42,388	58,941	86,712
<b>PROFIT BEFORE TAXATION</b>		<b>164,059</b>	186,171	<b>310,373</b>	409,646
Taxation	18	(42,717)	(31,218)	(80,372)	(54,470)
<b>NET PROFIT FOR THE FINANCIAL PERIOD</b>		<b>121,342</b>	154,953	<b>230,001</b>	355,176
<b>OTHER COMPREHENSIVE (LOSS)/INCOME</b>					
(Loss)/gain on fair value changes of securities: available-for-sale		(26,208)	34,137	(16,319)	19,792
Currency translation differences of foreign subsidiaries		1,733	159	3,613	(2,303)
Share of other comprehensive (loss)/income of an associated company		(290)	(187)	(269)	297
<b>OTHER COMPREHENSIVE (LOSS)/ INCOME FOR THE FINANCIAL PERIOD</b>		<b>(24,765)</b>	34,109	<b>(12,975)</b>	17,786
<b>TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD</b>		<b>96,577</b>	189,062	<b>217,026</b>	372,962
Net profit for the financial period attributable to:					
Owners of the Company		104,278	132,191	195,345	289,974
Non-controlling interest		17,064	22,762	34,656	65,202
		121,342	154,953	230,001	355,176
Total comprehensive income for the financial period attributable to:					
Owners of the Company		84,347	157,018	183,376	303,183
Non-controlling interest		12,230	32,044	33,650	69,779
		96,577	189,062	217,026	372,962
Basic earnings per share (sen):	26	5.39	6.84	10.10	15.00

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the financial year ended 31 March 2011 and the explanatory notes attached to the interim financial report.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<b>Unaudited As at 30.09.2011 RM'000</b>	<b>Audited As at 31.03.2011 RM'000</b>
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	1,852,861	1,840,697
Prepaid lease properties	16,213	19,459
Investment properties	559,490	554,452
Land held for property development	946,864	946,560
Jointly controlled entities	345,673	336,709
Associated companies	1,077,500	484,515
Intangible assets	211,430	219,021
Deferred tax assets	122,369	155,629
Securities: Available-for-sale		
- Banking	3,123,510	3,163,859
- Non-banking	1,027,632	962,272
Securities: Held-to-maturity		
- Banking	575	28,224
- Non-banking	443,501	462,861
Other assets	320	320
Banking related assets		
- Financing of customers	5,001,233	4,813,029
- Statutory deposits with Bank Negara Malaysia	400,221	94,121
	<b>15,129,392</b>	<b>14,081,728</b>
<b>CURRENT ASSETS</b>		
Non-current assets held for sale	3,189	3,390
Inventories	541,591	523,545
Property development costs	236,533	230,727
Trade and other receivables	1,564,659	1,409,121
Reinsurance assets	259,105	270,290
Securities: Financial assets at fair value through profit or loss		
- Non-banking	336,594	443,209
Securities: Available-for-sale		
- Banking	1,086,502	1,151,047
- Non-banking	50,326	70,115
Securities: Held-to-maturity		
- Banking	27,649	-
- Non-banking	34,649	14,712
Banking related assets		
- Cash and short-term funds	2,774,260	6,447,295
- Financing of customers	2,453,388	2,298,082
Bank balances and cash deposits	1,413,696	1,350,316
Derivative assets	43,897	2,342
	<b>10,826,038</b>	<b>14,214,191</b>
<b>TOTAL ASSETS</b>	<b>25,955,430</b>	<b>28,295,919</b>

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)**

	Note	Unaudited As at 30.09.2011 RM'000	Audited As at 31.03.2011 RM'000
<b>EQUITY AND LIABILITIES</b>			
Share Capital		1,719,601	1,719,601
Reserves		3,385,859	3,260,743
<b>Equity attributable to owners of the Company</b>		<b>5,105,460</b>	<b>4,980,344</b>
<b>Non-controlling interest</b>		<b>1,171,219</b>	<b>1,151,768</b>
<b>TOTAL EQUITY</b>		<b>6,276,679</b>	<b>6,132,112</b>
<b>NON-CURRENT LIABILITIES</b>			
Life assurance contract liabilities		1,754,603	1,732,565
Deferred income		82,420	79,000
Banking related liabilities			
- Deposits from customers		27,232	27,082
- Deposits and placements of banks and other financial institutions		8,874	-
Long term and deferred liabilities			
- Borrowings	22(c)	890,227	825,241
- Provision for liabilities and charges		1,031	761
Deferred tax liabilities		59,118	65,757
		<b>950,376</b>	<b>891,759</b>
		<b>2,823,505</b>	<b>2,730,406</b>
<b>CURRENT LIABILITIES</b>			
General and life insurance contract liabilities		642,770	708,582
Trade and other payables		1,854,093	2,076,130
Provision for liabilities and charges		2,691	3,445
Bank borrowings			
- Bank overdrafts	22(a)	16,002	5,997
- Others	22(b)	1,229,533	515,180
Banking related liabilities			
- Deposits from customers		12,725,022	15,812,819
- Deposits and placements of banks and other financial institutions		13,635	14,993
- Bills and acceptances payable		305,660	291,375
Derivative liabilities		7,843	4,880
Dividend payable		57,997	-
		<b>16,855,246</b>	<b>19,433,401</b>
<b>TOTAL LIABILITIES</b>		<b>19,678,751</b>	<b>22,163,807</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>25,955,430</b>	<b>28,295,919</b>
<b>NET ASSETS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY (RM)</b>		<b>* 2.64</b>	<b>* 2.58</b>

\* Based on 1,933,237,051 ordinary shares in issue.

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the financial year ended 31 March 2011 and the explanatory notes attached to the interim financial report.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

	Issued and fully paid ordinary shares		Non-distributable					Retained Earnings RM'000	Equity attributable to owners of the Company RM'000	Non-controlling Interest RM'000	Total RM'000
	Number of shares '000	Nominal value RM'000	Share Premium RM'000	Merger Reserve RM'000	Currency Translation Differences RM'000	Available-for-sale Reserve RM'000	Other Reserves RM'000				
Balance at beginning of the financial year 1.4.2011	1,933,237	1,719,601	20,701	911,016	8,138	(22,807)	156,195	2,187,500	4,980,344	1,151,768	6,132,112
Total comprehensive income for the financial period	-	-	-	-	2,974	(14,121)	(822)	195,345	183,376	33,650	217,026
Subscription of shares in a subsidiary company by non-controlling interest	-	-	-	-	-	-	-	-	-	500	500
Effect of changes in shareholdings in a subsidiary company	-	-	-	-	-	-	-	(263)	(263)	-	(263)
Transfer of a subsidiary company's other reserves	-	-	-	-	-	-	12,384	(12,384)	-	-	-
Dividend paid to non-controlling interest	-	-	-	-	-	-	-	-	-	(14,699)	(14,699)
Final dividend in respect of financial year ended 31 March 2011	-	-	-	-	-	-	-	(57,997)	(57,997)	-	(57,997)
<b>Balance as at 30.09.2011</b>	<b>1,933,237</b>	<b>1,719,601</b>	<b>20,701</b>	<b>911,016</b>	<b>11,112</b>	<b>(36,928)</b>	<b>167,757</b>	<b>2,312,201</b>	<b>5,105,460</b>	<b>1,171,219</b>	<b>6,276,679</b>

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Continued)**

	Issued and fully paid ordinary shares		Non-distributable					Retained Earnings RM'000	Equity attributable to owners of the Company RM'000	Non-controlling Interest RM'000	Total RM'000
	Number of shares '000	Nominal value RM'000	Share Premium RM'000	Merger Reserve RM'000	Currency Translation Differences RM'000	Available-for-sale Reserve RM'000	Other Reserves RM'000				
Balance at beginning of the financial year 1.4.2010	1,933,237	1,719,601	20,701	911,016	6,550	-	65,996	1,855,872	4,579,736	1,242,774	5,822,510
Effect of adopting FRS 139	-	-	-	-	-	7,070	-	(27,783)	(20,713)	(7,805)	(28,518)
As restated	1,933,237	1,719,601	20,701	911,016	6,550	7,070	65,996	1,828,089	4,559,023	1,234,969	5,793,992
Acquisitions of additional interests in subsidiary companies	-	-	-	-	-	-	-	-	-	(157,096)	(157,096)
Total comprehensive income for the financial period	-	-	-	-	(485)	13,397	297	289,974	303,183	69,779	372,962
Transfer of a subsidiary company's other reserves	-	-	-	-	(371)	(37,081)	66,407	(25,151)	3,804	1,626	5,430
Dividend paid to non-controlling interest	-	-	-	-	-	-	-	-	-	(14,622)	(14,622)
Final dividend in respect of financial year ended 31 March 2010	-	-	-	-	-	-	-	(36,248)	(36,248)	-	(36,248)
<b>Balance as at 30.09.2010</b>	<b>1,933,237</b>	<b>1,719,601</b>	<b>20,701</b>	<b>911,016</b>	<b>5,694</b>	<b>(16,614)</b>	<b>132,700</b>	<b>2,056,664</b>	<b>4,829,762</b>	<b>1,134,656</b>	<b>5,964,418</b>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the financial year ended 31 March 2011 and the explanatory notes attached to the interim financial report.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>6 Months Ended 30.09.2011 RM'000</b>	<b>6 Months Ended 30.09.2010 RM'000</b>
Net profit for the financial period	230,001	355,176
Adjustments:		
- Depreciation and amortisation of property, plant and equipment / prepaid lease properties	75,625	71,702
- Finance cost	59,171	40,328
- Taxation	80,372	54,470
- Share of results of jointly controlled entities (net of tax)	(46,415)	(43,798)
- Share of results of associated companies (net of tax)	(58,941)	(86,712)
- Negative goodwill arising from accretion of interest in a subsidiary company	-	(71,216)
- Others	9,353	34,569
Operating profit before working capital changes	349,166	354,519
Changes in working capital:		
Net increase in banking related assets	(680,205)	(213,806)
Net decrease in banking related liabilities	(3,065,846)	(742,899)
Net increase in current assets	(202,223)	(166,838)
Net decrease in current liabilities	(302,419)	(78,577)
Net cash used in operations	(3,901,527)	(847,601)
Interest received	22,210	19,003
Dividends received from jointly controlled entities	38,087	26,796
Dividends received from associated companies	88,478	40,579
Dividends received from investments	2,683	1,126
Tax paid, net of refund	(38,607)	(18,420)
Finance cost paid	(57,775)	(27,699)
Net cash outflow from operating activities	<b>(3,846,451)</b>	<b>(806,216)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from disposal of property, plant and equipment / non-current assets held for sale	4,605	4,147
Proceeds from disposal / maturity of investments	447,984	1,424,776
Redemption of available-for-sale securities	896,500	295,290
Purchase of property, plant and equipment / intangible assets / investment properties	(118,865)	(62,881)
Acquisition of investments / land held for property development	(411,552)	(1,652,562)
Acquisition of investments, net of proceeds from disposal by a banking subsidiary company	(738,502)	(300,891)
Net cash flow from disposal of a subsidiary company	80	-
Subscription of shares by non-controlling interest in a subsidiary company	500	-
Acquisition of an associated company	(622,791)	-
Acquisition of additional shares in a subsidiary company	(263)	(12)
Capital reduction and repayment in a subsidiary company	-	(80,829)
Proceeds from dilution of an associated company	-	658
Net cash outflow from investing activities	<b>(542,304)</b>	<b>(372,304)</b>

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)**

	<b>6 Months Ended 30.09.2011 RM'000</b>	<b>6 Months Ended 30.09.2010 RM'000</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from bank borrowings	1,452,844	717,769
Repayment of bank borrowings / hire purchase and finance leases	(669,282)	(677,763)
Fixed deposits held as security	(60,635)	(17,276)
Dividend paid to non-controlling interest	(14,699)	(14,622)
Net cash inflow from financing activities	<b>708,228</b>	<b>8,108</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(3,680,527)</b>	<b>(1,170,412)</b>
Effects of foreign currency translation	232	(136)
CASH AND CASH EQUIVALENTS AS AT BEGINNING OF THE FINANCIAL PERIOD	7,736,646	7,095,926
<b>CASH AND CASH EQUIVALENTS AS AT END OF THE FINANCIAL PERIOD</b>	<b>4,056,351</b>	<b>5,925,378</b>
Cash and cash equivalents as at end of the financial period comprise the followings:		
Bank balances and cash deposits	1,413,696	1,157,946
Banking related assets – cash and short-term funds	2,774,260	4,846,693
Bank overdrafts	(16,002)	(25,339)
	4,171,954	5,979,300
Less: Fixed deposits held as security	(115,603)	(53,922)
	4,056,351	5,925,378

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the financial year ended 31 March 2011 and the explanatory notes attached to the interim financial report.



## **EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT**

### **1. BASIS OF PREPARATION**

The interim financial report is prepared in accordance with Financial Reporting Standard (“FRS”) 134 on “Interim Financial Reporting” and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad and should be read in conjunction with the Group’s annual audited financial statements for the financial year ended 31 March 2011.

### **2. CHANGES IN ACCOUNTING POLICIES**

The accounting policies and methods of computation adopted for the interim financial report are consistent with those adopted for the annual audited financial statements for the financial year ended 31 March 2011 except for the adoption of the following new and revised FRSs, Issues Committee (“IC”) Interpretations and amendments to FRSs which are relevant to the Group’s operations with effect from 1 April 2011:

FRS 1	First-time Adoption of Financial Reporting Standards
FRS 3	Business Combinations (Revised)
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations
Amendments to FRS 7	Improving Disclosures about Financial Instruments
Amendments to FRS 101	Presentation of Financial Statements
Amendments to FRS 121	The Effects of Changes in Foreign Exchange Rates
Amendments to FRS 127	Consolidated and Separate Financial Statements
Amendments to FRS 128	Investments in Associates
Amendments to FRS 131	Investments in Joint Ventures
Amendments to FRS 132	Financial Instruments: Presentation
Amendments to FRS 134	Interim Financial Reporting
Amendments to FRS 138	Intangible Assets
Amendments to FRS 139	Financial Instruments: Recognition and Measurement
IC Interpretation 4	Determining Whether an Arrangement contains a Lease
IC Interpretation 12	Service Concession Arrangements
IC Interpretation 13	Customer Loyalty Programmes
Amendment to IC Interpretation 9	Reassessment of Embedded Derivatives

**2. CHANGES IN ACCOUNTING POLICIES (Continued)**

The adoption of the new/revised FRSs, IC Interpretations and amendments to FRSs did not result in substantial changes to the Group's accounting policies.

**3. SEASONALITY OR CYCLICALITY OF OPERATIONS**

The businesses of the Group were not materially affected by any seasonal or cyclical fluctuations during the financial period ended 30 September 2011.

**4. ITEMS OF UNUSUAL NATURE, SIZE OR INCIDENCE**

There was no item of an unusual nature, size or incidence affecting the assets, liabilities, equity, net income or cash flows during the financial period ended 30 September 2011. In the previous financial period ended 30 September 2010, the Group had recognised a one-off negative goodwill of RM71.22 million arising from accretion of interest in a subsidiary company which is shown under other income.

**5. CHANGES IN ESTIMATES**

There was no change in estimates of amounts reported in prior financial years that has a material effect in the interim financial report.

**6. ISSUANCE OR REPAYMENT OF DEBT AND EQUITY SECURITIES**

Save as mentioned below, there was 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 2011.

- (a) Issuance of Tier 2 Capital Islamic Subordinated Sukuk of RM400 million by a banking subsidiary company; and
- (b) Redemption of Subordinated Bonds of RM250 million by a banking subsidiary company.

**7. DIVIDENDS PAID**

The shareholders have approved a final dividend of 4.0 sen gross per share, less taxation of 25% at the last Annual General Meeting held on 8 September 2011 in respect of the financial year ended 31 March 2011. The net dividend amounting to RM57,997,112 was paid on 7 October 2011.

## 8. SEGMENTAL INFORMATION

The information of each of the Group's business segments for the financial period ended 30 September 2011 is as follows:

	<b>Automotive RM'000</b>	<b>Services RM'000</b>	<b>Property, Asset &amp; Construction RM'000</b>	<b>Investment Holding RM'000</b>	<b>Group RM'000</b>
<b>Revenue</b>					
Total revenue	1,625,139	1,364,695	147,972	12,812	3,150,618
Inter-segment revenue	(8,448)	(14,248)	(55,669)	(12,812)	(91,177)
External revenue	1,616,691	1,350,447	92,303	-	3,059,441
<b>Results</b>					
Segment profit/(loss)	99,035	174,534	(8,967)	18,450	283,052
Unallocated expenses					(40,554)
Interest income					21,690
Finance cost					(59,171)
Share of results of jointly controlled entities (net of tax)	39,542	-	6,873	-	46,415
Share of results of associated companies (net of tax)	48,038	9,304	1,599	-	58,941
Profit before taxation					310,373
Taxation					(80,372)
Net profit for the financial period					230,001
Attributable to:					
Owners of the Company					195,345
Non-controlling interest					34,656

## 9. PROPERTY, PLANT AND EQUIPMENT

There is no revaluation of property, plant and equipment brought forward from the previous audited annual financial statements as the Group does not adopt a revaluation policy on its property, plant and equipment.

## 10. SUBSEQUENT EVENT

Save as disclosed in Note 21, there has not arisen in the interval between the end of this reporting period and the date of this announcement, any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group.

**11. CHANGES IN THE COMPOSITION OF THE GROUP DURING THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2011**

- (a) On 1 April 2011, HICOM Terang Sdn. Bhd. (“HTSB”), a wholly-owned subsidiary company of the Group was incorporated. The issued and paid-up share capital of HTSB is RM2.00 comprising 2 ordinary shares of RM1.00 each.
- (b) On 25 May 2011, HICOM-Potenza Sports Cars Sdn. Bhd. (“HPSC”) increased its issued and paid-up share capital from RM2.00 to RM5 million by issuance of 4,999,998 new ordinary shares of RM1.00 each. HICOM Holdings Berhad, effectively a 100% owned subsidiary of the Group, subscribed 4,499,998 ordinary shares in HPSC representing 90% equity interest.
- (c) On 10 June 2011, Intrakota Komposit Sdn. Bhd., a 70% owned dormant subsidiary company of the Group, completed the Sale and Purchase of Shares Agreement with RA Focus Capital Sdn. Bhd. to dispose its entire 55.78% equity interest in Toong Fong Omnibus Company Sendirian Berhad (“TFOC”) for a cash consideration of RM80,000 and as a result, TFOC ceased to be a subsidiary of the Group.
- (d) On 1 July 2011, POS Malaysia Berhad (“POSM”) became an associated company of the Group following the completion of the acquisition of 32.21% equity interest in POSM.
- (e) On 9 September 2011, Automotive Corporation (Malaysia) Sdn. Bhd., an indirect wholly-owned subsidiary of the Group, completed the acquisition of 375,000 ordinary shares of RM1.00 each and 150,000 ordinary shares of RM1.00 each representing 5% and 2% respectively of the issued and paid up share capital of HICOM Automotive Manufacturers (Malaysia) Sdn. Bhd. (“HAMM”) from Itochu Corporation and Lion Motor Sdn. Bhd. for a total cash consideration of RM262,500. As a result, HAMM became a wholly-owned subsidiary company of the Group.

**12. CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

There has been no material change in contingent liabilities or contingent assets since the last annual audited financial statements.

**13. COMMITMENTS AND CONTINGENT LIABILITIES OF BANK MUAMALAT MALAYSIA BERHAD**

No material loss is anticipated as these amounts arose in the business of the Bank Muamalat Malaysia Berhad in which it makes various commitments and incurs certain contingent liabilities with legal recourse to its customers.

Risk Weighted Exposures of Bank Muamalat Malaysia Berhad are as follows:

	<b>As at 30 September 2011</b>		
	<b>Principal Amount RM'000</b>	<b>Credit Equivalent Amount RM'000</b>	<b>Risk Weighted Amount RM'000</b>
Direct credit substitutes	313	313	313
Trade-related contingencies	79,012	15,802	4,249
Transaction related contingencies	607,531	303,765	244,179
Obligations under an on-going underwriting agreement	55,000	27,500	5,500
Housing financing sold directly and indirectly to Cagamas with recourse	355,653	355,653	165,165
Credit extension commitment:			
– maturity within one year	374,792	74,958	67,611
– maturity exceeding one year	2,079,303	1,039,652	349,107
Bills of collection	33,360	-	-
Foreign exchange related contracts	600,387	13,184	11,837
	<b>4,185,351</b>	<b>1,830,827</b>	<b>847,961</b>

**14. REVIEW OF PERFORMANCE**

The Group's revenue for the financial period ended 30 September 2011 declined by 4.4% to RM3.06 billion compared to RM3.20 billion in the previous corresponding period ended 30 September 2010 mainly due to lower sales recorded by companies in the Automotive sector.

For the financial period ended 30 September 2011, the Group posted a pre-tax profit of RM310.37 million compared to RM409.65 million in the previous corresponding period ended 30 September 2010. In the previous corresponding period, the Group had recognised a one-off exceptional item i.e. negative goodwill of RM71.22 million arising from accretion of equity interest in EON Bhd. Excluding this exceptional item, the pre-tax profits would have been RM338.43 million for the previous corresponding period ended 30 September 2010. On this comparison, the current financial period's operating profits has dropped by RM28.06 million. The reduction was mainly attributable to lower share of results of associated companies. The financial results is analysed as below:

**14. REVIEW OF PERFORMANCE (Continued)**

		Financial period ended		Variance RM'000
		30 Sept 2011 RM'000	30 Sept 2010 RM'000	
(a)	Profit from subsidiaries	205,017	207,920	(2,903)
(b)	Share of results of JCEs	46,415	43,798	2,617
(c)	Share of results of associated companies	58,941	86,712	(27,771)
	<b>Sub-total (operational profits)</b>	<b>310,373</b>	<b>338,430</b>	<b>(28,057)</b>
(d)	Negative goodwill (EON)	–	71,216	(71,216)
(e)	<b>Group's Profit Before Tax</b>	<b>310,373</b>	<b>409,646</b>	<b>(99,273)</b>

**15. COMPARISON WITH PRECEDING QUARTER'S RESULTS**

The Group achieved a higher pre-tax profit of RM164.06 million in the current quarter ended 30 September 2011 as compared to RM146.31 million in the preceding quarter ended 30 June 2011. The increase is mainly contributed by higher share of results of jointly controlled entities and recognition of share of results of POS Malaysia Berhad.

**16. PROSPECTS FOR THE FINANCIAL YEAR ENDING 31 MARCH 2012**

In the 2012 Budget announcement on 7 October 2011, the Government aims to implement various development plans to stimulate the domestic economy with both public and private investments. The Government is targeting a GDP growth of between 5.5% and 6% for 2012. However, the current external business environment has become increasingly challenging with the economic slow down in Europe and the United States as well as the continuing European debt crisis.

The automotive and automotive components supply constraints arising from the flood situation in Thailand compounded with the unfavourable exchange rate movements are expected to affect the Group's automotive business. The Group's services and property, asset management and construction businesses are expected to remain stable on the back of the moderate GDP growth for 2011 supported by domestic consumer demand.

Given the above foregoing situation, the Group's financial performance for the financial year ending 31 March 2012 will remain challenging.

**17. PROFIT FORECAST OR PROFIT GUARANTEE**

The Group has not issued any profit forecast or profit guarantee for the current financial period in a public document.

**18. TAXATION**

Taxation comprises the following:

	<b>3 Months Ended</b>		<b>6 Months Ended</b>	
	<b>30.09.2011</b>	<b>30.09.2010</b>	<b>30.09.2011</b>	<b>30.09.2010</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Current taxation	10,310	28,739	48,184	62,374
Deferred taxation	32,407	2,479	32,188	(7,904)
<b>Total</b>	<b>42,717</b>	<b>31,218</b>	<b>80,372</b>	<b>54,470</b>

The Group's effective tax rate for the financial period ended 30 September 2011 is higher than the statutory tax rate mainly due to certain expenses which were not deductible for tax purposes and also under provision of tax in prior years.

**19. SALE OF UNQUOTED INVESTMENTS AND/OR PROPERTIES**

Other than disclosed in Note 11 (c), there was no sale of unquoted investments or properties during the financial period ended 30 September 2011.

**20. PURCHASE OR DISPOSAL OF QUOTED SECURITIES**

The following particulars on quoted securities do not include transactions in any quoted securities undertaken by the insurance and banking subsidiary companies of the Group:

- (a) There was no other disposal / purchase of quoted securities during the financial period ended 30 September 2011.
- (b) Investments in quoted securities other than investments in subsidiaries and associated companies as at 30 September 2011 are as follows:

	<b>Outside Malaysia RM'000</b>
At cost	38,781
At carrying value	10,854
At market value	10,854

**21. STATUS OF CORPORATE PROPOSALS**

- (a) On 14 December 2010, the Company entered into a Memorandum of Understanding (“MOU”) with KAMAZ Group from the Republic of Tatarstan to manufacture and assemble selected KAMAZ heavy duty trucks for the Malaysian and ASEAN market subject to the result of a feasibility study to be undertaken. The MOU shall continue to be in force until the execution of the final agreements or until termination of the MOU by mutual agreement of both parties.
- (b) Alam Flora Sdn. Bhd. (“AFSB”), a 60.53% indirect subsidiary company of the Group, had on 19 September 2011 entered into a Concession Agreement with the Government of Malaysia and Solid Waste and Public Cleansing Management Corporation to grant AFSB the right to undertake the collection services and public cleansing management services within the geographical area delineated for the collection services and public cleansing management services in the States of Pahang, Federal Territories of Kuala Lumpur and Putrajaya for a period of 22 years commencing from 1 September 2011 to 1 September 2033.
- (c) On 31 October 2011, the Company had obtained the approval of the Securities Commission for the establishment of the Sukuk Programme of up to RM1.8 billion. The Sukuk under the Sukuk Programme shall be issued under the Shariah principle of Murabahah via Tawarruq arrangement. The tenure of the Sukuk Programme is up to fifteen (15) years from the date of first issuance. The Malaysian Rating Corporation Berhad has accorded an AA- rating.

**22. BORROWINGS AND DEFERRED LIABILITIES**

Total Group borrowings are as follows:

		<b>As at 30.09.2011 RM'000</b>
(a)	<b>Short Term Borrowings</b>	
	<b>Bank overdrafts</b>	
	- Secured	6,282
	- Unsecured	9,720
	<b>Total</b>	<b>16,002</b>



**22. BORROWINGS AND DEFERRED LIABILITIES (Continued)**

	<b>As at 30.09.2011 RM'000</b>
(b) <b>Others</b>	
<u>Secured</u>	
Bankers acceptances	19,227
Revolving credits	13,100
Short term loans	651,631
Hire purchase and finance lease liabilities payable within 12 months	9,474
Long term loans – portion repayable within 12 months	24,204
Long term loans under Islamic financing – portion repayable within 12 months	95,747
Sub-total	813,383
<u>Unsecured</u>	
Bankers acceptances	199,076
Revolving credits	173,300
Short term loans	5,630
Deferred liability	38,144
Sub-total	416,150
<b>Total</b>	<b>1,229,533</b>
(c) <b>Long Term Borrowings</b>	
<u>Secured</u>	
Hire purchase and finance lease liabilities - portion repayable within 12 months	22,261 (9,474)
	12,787
Long term loans - portion repayable within 12 months	290,485 (24,204)
	266,281
Long term loans under Islamic financing - portion repayable within 12 months	306,906 (95,747)
	211,159
<u>Unsecured</u>	
Long term loans under Islamic financing	400,000
<b>Total</b>	<b>890,227</b>
<b>Grand Total</b>	<b>2,135,762</b>

**Note:** Apart from the following Ringgit equivalent of foreign currency borrowings, the rest of the borrowings and deferred liabilities are denominated in Ringgit Malaysia.

<b>As at</b>	<b>Amount</b>
30.09.2011	RM222.7 million (SGD 89.5 million) RM5.6 million (Thai Baht 55 million)

**23. OUTSTANDING DERIVATIVES**

- (a) Derivatives outstanding as at 30 September 2011 consist of forward foreign exchange contracts which are measured at their fair value together with their corresponding contract/notional amounts as below:

	Contract / Notional Value RM'000	Fair value	
		Assets RM'000	Liabilities RM'000
<b>Forward foreign exchange contracts :</b>			
- Less than a year	617,930	35,101	921
<b>Currency swap foreign exchange contacts :</b>			
- Less than a year	335,339	8,796	4,920
<b>Islamic profit rate swap :</b>			
- More than a year	75,000	-	2,002
	1,028,269	43,897	7,843

There is no significant change for the financial derivatives in respect of the following since the last financial year ended 31 March 2011:

- (i) the credit risk, market risk and liquidity risk associated with these financial derivatives;
  - (ii) the cash requirements of the financial derivatives; and
  - (iii) the policy in place for mitigating or controlling the risks associated with these financial derivatives.
- (b) Disclosure of gains/loss arising from fair value changes of financial liabilities

During the current financial period, the Group recognised a total net gain of RM38.59 million in the consolidated statement of comprehensive income arising from the fair value changes on the forward foreign exchange contracts and currency swap foreign exchange contracts which are marked to market as at 30 September 2011.

**24. MATERIAL LITIGATION**

There is no material litigation pending as at the date of this report.

**25. DIVIDEND**

No interim dividend has been declared for the financial period ended 30 September 2011.

**26. EARNINGS PER SHARE**

The basic earnings per share is calculated by dividing the Group's net profit attributable to owners of the Company by the number of ordinary shares in issue during the financial period.

	3 Months Ended		6 Months Ended	
	30.09.2011	30.09.2010	30.09.2011	30.09.2010
Net profit attributable to owners of the Company (RM'000)	104,278	132,191	195,345	289,974
Number of ordinary shares in issue ('000)	1,933,237	1,933,237	1,933,237	1,933,237
Basic earnings per share (sen)	<b>5.39</b>	<b>6.84</b>	<b>10.10</b>	<b>15.00</b>

**27. DISCLOSURE OF REALISED AND UNREALISED PROFITS / LOSSES**

The retained profits of the Group as at 30 September 2011 are analysed as follows:

	As at 30 September 2011 RM'000	As at 30 September 2010 RM'000
Total retained profits of the Company and subsidiaries:		
- Realised	1,883,241	1,579,654
- Unrealised	39,990	99,873
	<b>1,923,231</b>	<b>1,679,527</b>
Total share of retained profits from jointly controlled entities:		
- Realised	199,967	208,313
- Unrealised	5,446	1,036
Total share of retained profits from associated companies:		
- Realised	181,532	161,358
- Unrealised	2,025	6,430
Total Group retained profits as per consolidated financial statements	<b>2,312,201</b>	<b>2,056,664</b>

**28. AUDIT REPORT OF THE PRECEDING ANNUAL FINANCIAL STATEMENTS**

The audit report of the Group's preceding audited annual financial statements was not subject to any qualification.

BY ORDER OF THE BOARD

CHAN CHOY LIN, CAROL  
Secretary

Shah Alam  
24 November 2011