



DRB-HICOM BERHAD

(203430-W)

(Incorporated in Malaysia)

Interim Financial Report for the Financial Year
Ended 31 March 2012

INTERIM FINANCIAL REPORT ON UNAUDITED CONSOLIDATED RESULTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012

The Board of Directors is pleased to announce the unaudited financial results of the Group for the financial year ended 31 March 2012.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Fourth Quarter 3 Months Ended		Financial Year 12 Months Ended	
		31.03.2012 RM'000	31.03.2011 RM'000	31.03.2012 RM'000	31.03.2011 RM'000
Revenue		2,124,192	1,997,890	6,878,205	6,804,064
Cost of sales and operating expenses		(2,034,873)	(1,905,509)	(6,567,232)	(6,410,008)
Other income		101,678	85,524	301,244	207,108
Negative goodwill		971,522	-	971,522	71,216
Other expenses		(32,033)	(76,579)	(77,392)	(121,720)
Profit from operations		1,130,486	101,326	1,506,347	550,660
Finance cost		(62,827)	(18,934)	(152,936)	(78,088)
Share of results of jointly controlled entities (net of tax)		18,139	15,595	79,870	70,459
Share of results of associated companies (net of tax)		9,760	36,611	87,821	158,493
PROFIT BEFORE TAXATION	14	1,095,558	134,598	1,521,102	701,524
Taxation	19	(45,633)	(44,196)	(148,019)	(131,318)
NET PROFIT FOR THE QUARTER/FINANCIAL YEAR		1,049,925	90,402	1,373,083	570,206
OTHER COMPREHENSIVE INCOME/(LOSS)					
(Loss)/gain on fair value changes of securities: available-for-sale		8,095	25,808	(13,452)	11,888
Fair value adjustment on investment property		3,046	1,129	3,046	1,129
Currency translation differences of foreign subsidiaries		(3,305)	367	(347)	359
Share of other comprehensive (loss)/income of associated companies		(1,097)	(165)	(356)	4
Transfer of reserves of a jointly controlled entity to profit or loss		(3,420)	-	(3,420)	-
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE QUARTER/FINANCIAL YEAR		3,319	27,139	(14,529)	13,380
TOTAL COMPREHENSIVE INCOME FOR THE QUARTER/FINANCIAL YEAR		1,053,244	117,541	1,358,554	583,586
Net profit for the quarter/financial year attributable to:					
Owners of the Company		1,018,067	72,396	1,292,988	472,468
Non-controlling interest		31,858	18,006	80,095	97,738
		1,049,925	90,402	1,373,083	570,206
Total comprehensive income for the quarter/financial year attributable to:					
Owners of the Company		1,019,695	92,871	1,278,467	482,764
Non-controlling interest		33,549	24,670	80,087	100,822
		1,053,244	117,541	1,358,554	583,586
Basic earnings per share (sen):	25	52.66	3.75	66.88	24.44

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

		Unaudited As at 31.03.2012 RM'000	Audited As at 31.03.2011 RM'000
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment		4,509,324	1,840,697
Concession assets		377,552	-
Prepaid lease properties		16,067	19,459
Investment properties		553,121	554,452
Land held for property development		1,045,230	946,560
Jointly controlled entities		436,258	336,709
Associated companies		1,136,680	484,515
Intangible assets		1,228,431	219,021
Deferred tax assets		162,603	155,629
Securities: Available-for-sale			
- Banking		4,734,273	3,163,859
- Non-banking		1,038,911	962,272
Securities: Held-to-maturity			
- Banking		46,547	28,224
- Non-banking		547,251	462,861
Other assets		320	320
Banking related assets			
- Financing of customers		7,030,538	4,813,029
- Statutory deposits with Bank Negara Malaysia		527,721	94,121
		23,390,827	14,081,728
CURRENT ASSETS			
Non-current assets held for sale		21,299	3,390
Inventories		1,516,757	523,545
Property development costs		232,872	230,727
Trade and other receivables		3,173,088	1,409,121
Reinsurance assets		238,832	270,290
Securities: Financial assets at fair value through profit or loss			
- Non-banking		391,886	443,209
Securities: Available-for-sale			
- Banking		1,404,751	1,151,047
- Non-banking		45,961	70,115
Securities: Held-to-maturity			
- Banking		28,786	-
- Non-banking		85,175	14,712
Banking related assets			
- Cash and short-term funds		4,501,556	6,447,295
- Financing of customers		1,738,759	2,298,082
Bank balances and cash deposits		3,040,318	1,350,316
Derivative assets	22(a)	10,199	2,342
		16,430,239	14,214,191
TOTAL ASSETS		39,821,066	28,295,919

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

	Note	Unaudited As at 31.03.2012 RM'000	Audited As at 31.03.2011 RM'000
EQUITY AND LIABILITIES			
Share Capital		1,719,601	1,719,601
Reserves		4,442,049	3,260,743
Equity attributable to owners of the Company		6,161,650	4,980,344
Non-controlling interest		1,131,613	1,151,768
TOTAL EQUITY		7,293,263	6,132,112
NON-CURRENT LIABILITIES			
Life assurance contract liabilities		1,839,124	1,732,565
Deferred income		89,030	79,000
Banking related liabilities			
- Deposits from customers		24,207	27,082
Long term and deferred liabilities			
- Borrowings	21(c)	3,475,561	825,241
- Provision for liabilities and charges		824	761
- Provision for concession assets		149,594	-
Deferred tax liabilities		59,103	65,757
		3,685,082	891,759
		5,637,443	2,730,406
CURRENT LIABILITIES			
General and life insurance contract liabilities		673,196	708,582
Trade and other payables		5,961,055	2,076,130
Provision for concession assets		181,968	-
Deferred income		32,756	-
Provision for liabilities and charges		142,659	3,445
Bank borrowings			
- Bank overdrafts	21(a)	9,768	5,997
- Others	21(b)	1,882,187	515,180
Banking related liabilities			
- Deposits from customers		17,652,397	15,812,819
- Deposits and placements of banks and other financial institutions		11,896	14,993
- Bills and acceptances payable		310,324	291,375
Derivative liabilities	22(a)	32,153	4,880
		26,890,360	19,433,401
TOTAL LIABILITIES		32,527,803	22,163,807
TOTAL EQUITY AND LIABILITIES		39,821,066	28,295,919
NET ASSETS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY (RM)		* 3.19	* 2.58

* 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 year	-	-	-	-	(142)	(12,200)	(2,179)	1,292,988	1,278,467	80,087	1,358,554
Subscription of shares in a subsidiary company by non-controlling interest	-	-	-	-	-	-	-	-	-	500	500
Effect of changes in shareholdings in subsidiary companies	-	-	-	-	-	-	400	(10,565)	(10,165)	(72,973)	(83,138)
Transfer of a subsidiary company's other reserves	-	-	-	-	-	-	28,285	(28,285)	-	-	-
Dividend paid to non-controlling interest	-	-	-	-	-	-	-	-	-	(27,769)	(27,769)
Final dividend in respect of financial year ended 31 March 2011	-	-	-	-	-	-	-	(57,997)	(57,997)	-	(57,997)
Interim dividend in respect of financial year ended 31 March 2012	-	-	-	-	-	-	-	(28,999)	(28,999)	-	(28,999)
Balance as at 31.03.2012	1,933,237	1,719,601	20,701	911,016	7,996	(35,007)	182,701	3,354,642	6,161,650	1,131,613	7,293,263

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	-	-	-	-	-	-	-	-	-	(157,131)	(157,131)
Total comprehensive income for the financial year	-	-	-	-	1,959	7,204	1,133	472,468	482,764	100,822	583,586
Transfer of a subsidiary company's other reserves	-	-	-	-	(371)	(37,081)	89,066	(47,810)	3,804	1,626	5,430
Dividend paid to non-controlling interest	-	-	-	-	-	-	-	-	-	(28,518)	(28,518)
Final dividend in respect of financial year ended 31 March 2010	-	-	-	-	-	-	-	(36,248)	(36,248)	-	(36,248)
Interim dividend in respect of financial year ended 31 March 2011	-	-	-	-	-	-	-	(28,999)	(28,999)	-	(28,999)
Balance as at 31.03.2011	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

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

	12 Months Ended 31.03.2012 RM'000	12 Months Ended 31.03.2011 RM'000
Net profit for the financial year	1,373,083	570,206
Adjustments:		
- Depreciation and amortisation of property, plant and equipment / prepaid lease properties	179,158	145,997
- Finance cost	152,936	78,088
- Taxation	148,019	131,318
- Share of results of jointly controlled entities (net of tax)	(79,870)	(70,459)
- Share of results of associated companies (net of tax)	(87,821)	(158,493)
- Negative goodwill	(971,522)	(71,216)
- Others	(12,567)	(3,580)
Operating profit before working capital changes	701,416	621,861
Changes in working capital:		
Net increase in banking related assets	(2,156,694)	(680,234)
Net increase in banking related liabilities	1,852,555	1,589,450
Net increase in current assets	(1,048,362)	(19,646)
Net increase in current liabilities	2,344,311	246,041
Net cash generated from operations	1,693,226	1,757,472
Interest received	40,104	37,768
Dividends received from jointly controlled entities	78,172	65,659
Dividends received from associated companies	95,108	77,329
Dividends received from investments	5,031	3,232
Tax paid, net of refund	(91,181)	(114,771)
Finance cost paid	(161,854)	(74,856)
Provision for liabilities and charges paid	(4,066)	(3,207)
Deferred capital grants utilised	(2,020)	-
Net cash inflow from operating activities	1,652,520	1,748,626
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment / non-current assets held for sale	8,253	10,719
Proceeds from disposal / maturity of investments	954,426	1,804,759
Redemption of available-for-sale securities	1,705,000	-
Purchase of property, plant and equipment / intangible assets / investment properties	(264,118)	(151,591)
Acquisition of investments / land held for property development	(1,109,228)	(1,049,645)
Acquisition of investments, net of proceeds from disposal by a banking subsidiary company	(3,443,904)	(1,344,302)
Net cash flow from acquisition of a subsidiary company	(1,918,141)	-
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	(605,170)	-
Acquisition of additional shares in a subsidiary company	(15,431)	(12)
Proceeds from disposal/dilution of an associated company	2,730	658
Capital reduction and repayment in a subsidiary company	-	(80,829)
Net cash outflow from investing activities	(4,685,003)	(810,243)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

	12 Months Ended 31.03.2012 RM'000	12 Months Ended 31.03.2011 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from bank borrowings	3,645,667	1,301,430
Repayment of bank borrowings / hire purchase and finance leases	(757,911)	(1,486,990)
Fixed deposits held as security	(263,391)	(18,322)
Dividend paid to non-controlling interest	(27,769)	(28,518)
Dividend paid to shareholders	(86,996)	(65,247)
Net cash inflow/(outflow) from financing activities	2,509,600	(297,647)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(522,883)	640,736
Effects of foreign currency translation	(16)	(16)
CASH AND CASH EQUIVALENTS AS AT BEGINNING OF THE FINANCIAL YEAR	7,736,646	7,095,926
CASH AND CASH EQUIVALENTS AS AT END OF THE FINANCIAL YEAR	7,213,747	7,736,646
Cash and cash equivalents as at end of the financial year comprise the followings:		
Bank balances and cash deposits	3,040,318	1,350,316
Banking related assets – cash and short-term funds	4,501,556	6,447,295
Bank overdrafts	(9,768)	(5,997)
	7,532,106	7,791,614
Less: Fixed deposits held as security	(309,542)	(54,968)
Less: Bank balance in respect of Automotive Development Fund liabilities	(8,817)	-
	7,213,747	7,736,646

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 and revised FRSs, IC Interpretations and Amendments to FRSs did not result in substantial changes to the Group's accounting policies except for the adoption of IC Interpretation 12 Service Concession Arrangements by a subsidiary company described as follows:

The IC Interpretation 12 Service Concession Arrangements ("IC12") provides guidance on the accounting treatment of a service concession arrangement involving the provision of public sector services by private operators. Pursuant to IC 12, infrastructure shall not be recognised as tangible operating assets of the operator as the operator does not control but has the right to charge users for using the infrastructure until end of concession when it is surrendered to the grantor i.e. the Government. Hence, the infrastructure is to be recognised as Concession Assets.

IC 12 also requires that the contractual obligations to maintain the infrastructure to a specified standard or to restore the infrastructure when it has deteriorated below a specified condition, be recognised and measured in accordance with FRS 137: Provisions, Contingent Liabilities and Contingent Assets.

Adoption of this IC 12 has resulted in the derecognition of concession assets as property, plant and equipment and such expenditure has been recognised as Concession Assets on 1 September 2011. Concession assets comprise assets acquired and to be acquired by the subsidiary company in connection with the concession services.

3. SEASONALITY OR CYCLICALITY OF OPERATIONS

The businesses of the Group were not materially affected by any seasonal or cyclical fluctuations during the financial year ended 31 March 2012.

4. ITEMS OF UNUSUAL NATURE, SIZE OR INCIDENCE

Save as below, there was no item of an unusual nature, size or incidence affecting the assets, liabilities, equity, net income or cash flows during the financial year ended 31 March 2012.

- (a) On 16 March 2012, PROTON Holdings Berhad ("PROTON") became a subsidiary company of the Group following the completion of the acquisition by DRB-HICOM Berhad. The initial accounting for PROTON's business combination in the consolidated financial statements of DRB-HICOM involves identifying and determining the fair values to be assigned to PROTON's identifiable assets, liabilities and contingent liabilities and the cost of the combination. As at 31 March 2012, the fair value of PROTON's identifiable assets, liabilities and contingent liabilities can only be determined provisionally pending the completion of purchase price allocation ("PPA") on PROTON's identifiable assets, liabilities and contingent liabilities. The PROTON's business combination has been accounted for using these provisional values. The Group shall recognise any adjustments to these provisional values upon completion of the PPA exercise within twelve months from the acquisition date.

4. ITEMS OF UNUSUAL NATURE, SIZE OR INCIDENCE (Continued)

(a) (Continued)

The initial accounting has resulted in a negative goodwill (gain on bargain purchase) amounting to approximately RM971.52 million which has been recognised as other income (non-cash item) in the consolidated statement of comprehensive income.

Upon the acquisition becoming unconditional, the mandatory general offer (“MGO”) was triggered whereby the Company was required to offer to the non-controlling interest shareholders of PROTON to sell their shares at an offer price of RM5.50 per PROTON Share. Under the requirement of FRS 127 Consolidated and Separate Financial Statements, both the acquisition and the MGO are inter-linked and hence to be accounted for as a single transaction. The amount payable under the MGO of RM1.51 billion has been reflected as current liability in the Statement of Financial Position as at 31 March 2012.

- (b) In the previous financial year ended 31 March 2011, the Group had recognised a one-off negative goodwill of RM71.22 million arising from accretion of interest in a subsidiary company which was 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 to this 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 year ended 31 March 2012.

- (a) Issuance of Tier 2 Capital Islamic Subordinated Sukuk of RM400 million by a banking subsidiary company;
- (b) Redemption of Subordinated Bonds of RM250 million by a banking subsidiary company; and
- (c) Issuance of Islamic Medium Term Notes (Sukuk) Programme of RM1,570 million by DRB-HICOM Berhad.

7. DIVIDENDS PAID

- (i) 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.
- (ii) An interim dividend of 2.0 sen gross per share less taxation of 25% amounting to RM28,998,556 for the financial year ended 31 March 2012, was paid on 28 March 2012.

8. SEGMENTAL INFORMATION

The information of each of the Group's business segments for the financial year ended 31 March 2012 is as follows:

	Automotive RM'000	Services RM'000	Property, Asset & Construction RM'000	Investment Holding RM'000	Group RM'000
Revenue					
Total revenue	4,131,712	2,590,191	377,794	25,764	7,125,461
Inter-segment revenue	(72,664)	(31,407)	(117,421)	(25,764)	(247,256)
External revenue	4,059,048	2,558,784	260,373	-	6,878,205
Results					
Segment profit	143,634	354,310	6,647	22,808	527,399
Unallocated expenses					(44,625)
Interest income					52,051
Negative goodwill					971,522
Finance cost					(152,936)
Share of results of jointly controlled entities (net of tax)	67,061	-	12,809	-	79,870
Share of results of associated companies (net of tax)	58,031	27,667	2,123	-	87,821
Profit before taxation					1,521,102
Taxation					(148,019)
Net profit for the financial year					1,373,083
Attributable to:					
Owners of the Company					1,292,988
Non-controlling interest					80,095

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 20, there has not arisen in the interval between the end of this reporting year 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 YEAR ENDED 31 MARCH 2012

- (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 company 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 company 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. (“ACM”), an indirect wholly-owned subsidiary company 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. On 3 January 2012, HICOM Holdings Berhad completed the acquisition of the entire equity interest in HAMM from ACM via an internal re-organisation.

11. CHANGES IN THE COMPOSITION OF THE GROUP DURING THE FINANCIAL YEAR ENDED 31 MARCH 2012 (Continued)

- (f) On 4 October and 5 December 2011, HICOM Indungan Sdn. Bhd., an indirect wholly-owned subsidiary company of the Group, completed the acquisition of 18.75% and 6.25% equity interest in Rebak Island Marina Berhad (“Rebak”) from Lembaga Pembangunan Langkawi and Mofaz (M) Sdn. Bhd. respectively for a total cash consideration of approximately RM15.13 million. As a result, Rebak became a wholly-owned subsidiary company of the Group.
- (g) On 6 October 2011, HICOM Holdings Berhad completed the acquisition of the entire equity interest comprising one million ordinary shares of RM1.00 each in HICOM Auto Sdn. Bhd. (formerly known as HICOM Auto Distributor Sdn. Bhd.) from Automotive Corporation (Malaysia) Sdn. Bhd. via an internal re-organisation.
- (h) On 21 October 2011, Edaran Otomobil Nasional Berhad (“EON”), a wholly-owned subsidiary company of the Group, acquired an additional 15% equity interest in Multi Automotive Service & Assist Sdn. Bhd. (“MASA”) from Saripati (Malaysia) Sdn. Bhd. for a cash consideration of RM36,500. As a result, EON’s equity interest in MASA increased from 55% to 70%.
- (i) On 21 October 2011, HICOM Holdings Berhad completed the disposal of its entire 30% equity stake in ZF Steerings (Malaysia) Sdn. Bhd. (“ZF Steerings”) to ZF Lenksysteme GmbH for a cash consideration of RM2.73 million. As a result, ZF Steerings ceased to be an associated company of the Group.
- (j) On 31 December 2011, HICOM Holdings Berhad (“HHB”) converted its convertible redeemable loan stock of RM163,374 in Niro Ceramic (M) Sdn. Bhd. (“Niro Ceramic”) into 73,262 new ordinary shares of RM1.00 each at the conversion price of RM2.23. Based on the enlarged share capital, HHB’s shareholding in Niro Ceramic is 21.01%.
- (k) On 16 March 2012, PROTON Holdings Berhad (“PROTON”) became a 50.01% subsidiary company of the Group.
- (l) Subsequent to the acquisition of PROTON, Proton Parts Centre Sdn. Bhd., previously an indirect 45% jointly controlled entity, became an indirect wholly-owned subsidiary of the Group.
- (m) As a resultant from the acquisition of PROTON, the Group’s effective interest in PHN Industry Sdn. Bhd. and Proton City Development Corporation Sdn. Bhd. increased from 62.50% and 60% to 97.50% and 100% respectively.
- (n) On 20 March 2012, Edaran Otomobil Nasional Berhad (“EON”), a wholly owned subsidiary company of the Group, completed the acquisition of the entire equity interest comprising 500,000 shares of RM1.00 each in DRB-HICOM Leasing Sdn. Bhd. (formerly known as EON Inovasi Sdn. Bhd.) (“DHLBS”) from EON Trading Sdn. Bhd. via an internal re-organisation.

11. CHANGES IN THE COMPOSITION OF THE GROUP DURING THE FINANCIAL YEAR ENDED 31 MARCH 2012 (Continued)

- (o) On 28 March 2012, Glenmarie Properties Sdn. Bhd. (“GPSB”), a wholly-owned subsidiary company of the Group, acquired the entire 36% and 15% equity interests in HICOM Megah Sdn. Bhd. (“HMSB”) from Edaran Otomobil Nasional Berhad and HICOM Berhad respectively via an internal re-organisation. As a result, HMSB became a direct wholly-owned subsidiary of GPSB.

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:

	As at 31 March 2012		
	Principal Amount RM'000	Credit Equivalent Amount RM'000	Risk Weighted Amount RM'000
Direct credit substitutes	1,208	1,208	1,208
Trade-related contingencies	65,352	13,070	5,739
Transaction related contingencies	616,105	308,053	248,935
Obligations under an on-going underwriting agreement	41,000	20,500	4,100
Housing financing sold directly and indirectly to Cagamas with recourse	64,910	64,910	33,962
Credit extension commitment:			
– maturity within one year	349,478	69,896	65,135
– maturity exceeding one year	2,184,119	1,092,060	376,999
Bills of collection	19,883	-	-
Profit rate related contracts	75,000	6,000	1,200
Foreign exchange related contracts	870,214	5,001	3,783
	4,287,269	1,580,698	741,061

14. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting) the following:

	Current Quarter 3 Months Ended		Financial Year 12 Months Ended	
	31.03.2012 RM'000	31.03.2011 RM'000	31.03.2012 RM'000	31.03.2011 RM'000
Allowance for/write off of investment securities and financing of customers (net)	(29,792)	23,608	30,433	61,778
Amortisation of :				
- intangible assets	10,299	6,000	27,201	21,427
- Concession Assets	10,284	-	10,284	-
Depreciation and amortisation of property, plant and equipment / prepaid lease properties	63,676	38,139	179,158	145,997
Finance cost	62,827	18,934	152,936	78,088
Impairment loss of non-current assets held for sale	-	-	-	1,960
Inventories written off/down (net of write backs)	2,149	8,896	3,593	9,258
Loss/(gain) on fair value adjustment of investment properties	(4,224)	(6,566)	58	(2,553)
Marked to market loss/(gain) on derivatives	29,184	(2,580)	19,321	(6,760)
Property, plant and equipment written off	2,772	828	34,920	1,980
Dividend income	(1,242)	(996)	(5,044)	(3,232)
Doubtful debts (net of write backs)	3,763	15,482	(13,454)	38,212
(Gain)/loss on disposal of investment securities	(547)	8,176	(26,399)	(15,997)
Gain on disposal of:				
- property, plant and equipment	(133)	(1,052)	(1,790)	(5,427)
- prepaid lease properties	(27)	-	(316)	-
- shares in a subsidiary company	-	-	(80)	-
Gain on dilution of shares in an associated company	-	-	-	(570)
(Gain)/loss on fair value adjustment of securities at fair value through profit or loss	(33,647)	(1,791)	180	(26,791)
Interest income on short term deposits	(17,562)	(12,175)	(52,051)	(38,495)
Insurance claim receivables	-	-	(31,214)	-
Net foreign exchange differences	(2,420)	2,697	(12,694)	(10,720)
Negative goodwill	(971,522)	-	(971,522)	(71,216)
Impairment loss of property, plant and equipment (net of reversal)	(3,043)	16,052	(2,707)	20,004

15. REVIEW OF PERFORMANCE

- (a) The Group registered a total revenue of RM6.88 billion for the financial year ended 31 March 2012 as compared to RM6.80 billion in the previous financial year ended 31 March 2011.
- (b) For the financial year ended 31 March 2012, the Group achieved a higher pre-tax profit of RM1.52 billion compared to RM701.52 million in the previous financial year ended 31 March 2011. The increase is mainly attributable to the recognition of negative goodwill of RM971.52 million arising from the acquisition of PROTON as disclosed in Note 4 (a). The Group financial results is analysed as below:

		Financial Year Ended		Variance RM'000
		31 Mar 2012 RM'000	31 Mar 2011 RM'000	
(a)	Operating profits from subsidiaries	534,825	479,444	55,381
(b)	Finance costs	(152,936)	(78,088)	(74,848)
	Sub-total	381,889	401,356	(19,467)
(c)	Share of results of JCEs	79,870	70,459	9,411
(d)	Share of results of associated companies	87,821	158,493	(70,672)
	Sub-total	549,580	630,308	(80,728)
(e)	Negative goodwill	971,522	71,216	900,306
(f)	Group's Profit Before Tax	1,521,102	701,524	819,578

↑ 11.6 %

As shown above, the profits from subsidiary companies before finance costs has improved by 11.6% to RM534.83 million. Overall, the operating profits had dropped by 12.8% (RM80.73 million) from RM630.31 million to RM549.58 million and this were mainly due to lower share of results from an associated company which was affected by the automotive components supply constraints arising from the flood situation in Thailand and also the one-off financing costs incurred on borrowings to finance the acquisitions of new investments.

16. COMPARISON WITH PRECEDING QUARTER'S RESULTS

The Group achieved a pre-tax profit of RM1.10 billion in the current quarter ended 31 March 2012 as compared to RM115.17 million in the preceding quarter ended 31 December 2011. The increase is mainly attributable to recognition of negative goodwill of RM971.52 million arising from the acquisition of PROTON.

17. PROSPECTS FOR THE FINANCIAL YEAR ENDING 31 MARCH 2013

For the first quarter of 2012, the Malaysian economy grew by 4.7%, driven mainly by domestic demand. The expected spending from the Economic Transformation Program (ETP) projects is expected to sustain the economy and Bank Negara Malaysia has forecasted the economic growth of 4% to 5% for the whole year.

Supported by the expected favourable domestic economic conditions, the prospects of the Group's various business segments for the financial year ending 31 March 2013 are expected to be positive. Further, with the addition of the full year results of POS Malaysia Berhad and PROTON Holdings Berhad, the Group's performance and position will further improve.

18. PROFIT FORECAST OR PROFIT GUARANTEE

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

19. TAXATION

Taxation comprises the following:

	Current Quarter 3 Months Ended		Financial Year 12 Months Ended	
	31.03.2012 RM'000	31.03.2011 RM'000	31.03.2012 RM'000	31.03.2011 RM'000
Current taxation	77,251	35,100	150,062	128,754
Deferred taxation	(31,618)	9,096	(2,043)	2,564
Total	45,633	44,196	148,019	131,318

The Group's effective tax rate for the financial year ended 31 March 2012 is lower than the statutory tax rate mainly due to recognition of negative goodwill which is capital in nature.

20. STATUS OF CORPORATE PROPOSALS

As mentioned in Note 11(k), the acquisition of PROTON was completed on 16 March 2012. DRB-HICOM was thereafter obliged to extend a mandatory take-over offer to acquire all the remaining shares for cash consideration of RM5.50 per PROTON Share. At the date of this report, DRB-HICOM holds approximately 99.08% equity interest in PROTON. On 15 May 2012, DRB-HICOM has invoked the provisions of Section 222 of the Capital Markets & Services Act, 2007 to compulsorily acquire all the remaining PROTON Shares not already owned by the Company. Subsequently, on 16 May 2012, PROTON's entire issued and paid-up share capital was removed from the Official List of Bursa Securities.

21. BORROWINGS AND DEFERRED LIABILITIES

Total Group borrowings are as follows:

	As at 31.03.2012 RM'000
(a) Short Term Borrowings	
Bank overdrafts	5,005
- Secured	4,763
- Unsecured	
Total	9,768
(b) Others	
<u>Secured</u>	
Bankers acceptances	6,788
Revolving credits	257,148
Hire purchase and finance lease liabilities payable within 12 months	22,642
Long term loans – portion repayable within 12 months	937,743
Long term loans under Islamic financing – portion repayable within 12 months	163,925
Sub-total	1,388,246
<u>Unsecured</u>	
Bankers acceptances	289,630
Revolving credits	177,524
Short term loans	3,678
Long term loans – portion repayable within 12 months	442
Long term loans under Islamic financing – portion repayable within 12 months	696
Deferred liability	21,971
Sub-total	493,941
Total	1,882,187
(c) Long Term Borrowings	
<u>Secured</u>	
Hire purchase and finance lease liabilities - portion repayable within 12 months	56,010
	(22,642)
	33,368
Long term loans - portion repayable within 12 months	1,938,155
	(937,743)
	1,000,412
Long term loans under Islamic financing - portion repayable within 12 months	2,178,488
	(163,925)
	2,014,563

21. BORROWINGS AND DEFERRED LIABILITIES (Continued)

	As at 31.03.2012 RM'000
(c) Long Term Borrowings (Continued)	
<u>Unsecured</u>	
Long term loans under Islamic financing	10,000
- portion repayable within 12 months	(442)
	9,558
Long term loans under Islamic financing	418,356
- portion repayable within 12 months	(696)
	417,660
Total	3,475,561
Grand Total	5,367,516

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

As at	Amount
31.03.2012	RM215.9 million (SGD 88.5 million) RM3.7 million (Thai Baht 37 million) RM993.3 million (GBP 202.8 million)

22. OUTSTANDING DERIVATIVES

- (a) Derivatives outstanding as at 31 March 2012 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
Forward foreign exchange contracts:			
- Less than a year	872,474	8,032	26,795
Currency swap foreign exchange contacts:			
- Less than a year	759,728	2,167	1,469
Islamic profit rate swap:			
- More than a year	75,000	-	3,889
	1,707,202	10,199	32,153

22. OUTSTANDING DERIVATIVES

(a) (Continued)

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 year, the Group recognised a total net loss of RM19.32 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 31 March 2012.

23. MATERIAL LITIGATION

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

24. DIVIDEND

The Board of Directors recommend for approval at the Annual General Meeting the payment of a final dividend of 4.0 sen (2011: 4.0 sen) gross per share less taxation of 25% in respect of the financial year ended 31 March 2012. The book closure and dividend payment dates will be announced later. The total gross dividend for the financial year ended 31 March 2012 is 6.0 sen (2011: 6.0 sen) per share.

25. 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 year.

	Current Quarter		Financial Year	
	3 Months Ended		12 Months Ended	
	31.03.12	31.03.11	31.03.12	31.03.11
Net profit attributable to owners of the Company (RM'000)	1,018,067	72,396	1,292,988	472,468
Number of ordinary shares in issue ('000)	1,933,237	1,933,237	1,933,237	1,933,237
Basic earnings per share (sen)	52.66	3.75	66.88	24.44

26. DISCLOSURE OF REALISED AND UNREALISED PROFITS / LOSSES

The retained profits of the Group as at 31 March 2012 are analysed as follows:

	As at 31 March 2012 RM'000	As at 31 March 2011 RM'000
Total retained profits of the Company and subsidiaries:		
- Realised	2,909,344	1,719,973
- Unrealised	60,520	57,985
	2,969,864	1,777,958
Total share of retained profits from jointly controlled entities:		
- Realised	163,154	196,417
- Unrealised	(94)	32
Total share of retained profits from associated companies:		
- Realised	218,043	205,887
- Unrealised	3,675	7,206
Total Group retained profits as per consolidated financial statements	3,354,642	2,187,500

27. 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
29 May 2012