



## **DRB-HICOM BERHAD**

(203430-W)

(Incorporated in Malaysia)

Interim Financial Report for the Financial Year  
Ended 31 March 2013

**INTERIM FINANCIAL REPORT ON UNAUDITED CONSOLIDATED RESULTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013**

The Board of Directors is pleased to announce the unaudited financial results of the Group for the financial year ended 31 March 2013.

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	Note	Current Quarter 3 Months Ended		Financial Year 12 Months Ended	
		31.03.2013	31.03.2012 (Restated)	31.03.2013	31.03.2012 (Restated)
		RM'000	RM'000	RM'000	RM'000
Revenue		3,361,035	2,124,192	13,134,727	6,878,205
Cost of sales and operating expenses		(3,072,161)	(2,034,873)	(12,669,527)	(6,567,232)
Other income		188,171	1,379,637	878,551	1,579,203
Other expenses		(91,958)	(38,173)	(131,359)	(83,532)
Profit from operations		385,087	1,430,783	1,212,392	1,806,644
Finance cost		(91,478)	(62,827)	(337,603)	(152,936)
Share of results of jointly controlled entities (net of tax)		4,636	18,139	39,087	79,870
Share of results of associated companies (net of tax)		15,940	9,760	123,491	87,821
<b>PROFIT BEFORE TAXATION</b>	15	<b>314,185</b>	1,395,855	<b>1,037,367</b>	1,821,399
Taxation	20	(199,586)	(44,405)	(338,429)	(146,791)
<b>NET PROFIT FOR THE FINANCIAL YEAR</b>		<b>114,599</b>	1,351,450	<b>698,938</b>	1,674,608
<b>OTHER COMPREHENSIVE INCOME/(LOSS)</b>					
Net gain/(loss) on fair value changes of securities: available-for-sale					
- Gain/(loss) on fair value changes		437	12,238	23,487	(9,309)
- Transfer to profit or loss upon disposal		-	-	5,528	-
Currency translation differences of foreign subsidiaries		21,120	(3,305)	14,969	(347)
Share of other comprehensive loss of an associated company		(336)	(1,097)	(636)	(356)
Fair value adjustment on investment property		-	3,046	-	3,046
Transfer of reserves of a jointly controlled entity to profit or loss		-	(3,420)	-	(3,420)
<b>OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE FINANCIAL YEAR</b>		<b>21,221</b>	7,462	<b>43,348</b>	(10,386)
<b>TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR</b>		<b>135,820</b>	1,358,912	<b>742,286</b>	1,664,222
Net profit for the financial year attributable to:					
Owners of the Company		70,587	1,321,999	575,305	1,596,920
Non-controlling interest		44,012	29,451	123,633	77,688
		<b>114,599</b>	1,351,450	<b>698,938</b>	1,674,608
Total comprehensive income for the financial year attributable to:					
Owners of the Company		93,324	1,325,740	612,973	1,584,512
Non-controlling interest		42,496	33,172	129,313	79,710
		<b>135,820</b>	1,358,912	<b>742,286</b>	1,664,222
Basic earnings per share (sen):	26	<b>3.65</b>	68.38	<b>29.76</b>	82.60

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the financial year ended 31 March 2012 and the explanatory notes attached to the interim financial report.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Note	Unaudited As at 31.03.2013 RM'000	Audited As at 31.03.2012 (Restated) RM'000
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		4,983,782	4,956,988
Concession assets		253,888	377,552
Prepaid lease properties		11,772	16,067
Investment properties		551,514	553,121
Land held for property development		1,051,772	1,045,230
Jointly controlled entities		409,207	434,557
Associated companies		1,204,253	1,138,197
Intangible assets		809,082	868,046
Deferred tax assets		282,283	485,348
Investment securities: available-for-sale			
- Banking		5,106,283	4,734,273
- Non-banking		1,007,236	1,038,911
Investment securities: held-to-maturity			
- Banking		575	46,547
- Non-banking		459,841	496,244
Investment securities: financial assets at fair value through profit or loss			
- Banking		84,373	-
Other receivables		12,289	44,608
Other assets		320	320
Banking related assets			
- Financing of customers		8,056,313	7,092,217
- Statutory deposits with Bank Negara Malaysia		612,721	527,721
		<b>24,897,504</b>	<b>23,855,947</b>
<b>CURRENT ASSETS</b>			
Assets held for sale		5,665	21,299
Inventories		1,990,412	1,519,108
Property development costs		235,643	232,872
Trade and other receivables		4,305,683	3,194,648
Reinsurance assets		222,361	238,832
Investment securities: financial assets at fair value through profit or loss			
- Non-banking		361,522	391,886
Investment securities: available-for-sale			
- Banking		1,360,708	1,404,751
- Non-banking		32,608	45,961
Investment securities: held-to-maturity			
- Banking		-	28,786
- Non-banking		31,545	62,272
Banking related assets			
- Cash and short-term funds		3,341,694	4,501,556
- Financing of customers		2,052,700	1,741,990
Bank balances and cash deposits		3,284,116	3,040,318
Derivative assets	23(a)	8,332	10,199
		<b>17,232,989</b>	<b>16,434,478</b>
<b>TOTAL ASSETS</b>		<b>42,130,493</b>	<b>40,290,425</b>

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

	Note	Unaudited As at 31.03.2013 RM'000	Audited As at 31.03.2012 (Restated) RM'000
<b>EQUITY AND LIABILITIES</b>			
Share Capital		1,719,601	1,719,601
Reserves		5,380,945	4,835,953
<b>Equity attributable to owners of the Company</b>		<b>7,100,546</b>	<b>6,555,554</b>
<b>Non-controlling interest</b>		<b>1,253,764</b>	<b>1,215,649</b>
<b>TOTAL EQUITY</b>		<b>8,354,310</b>	<b>7,771,203</b>
<b>NON-CURRENT LIABILITIES</b>			
Life insurance contract liabilities		1,743,628	1,624,745
Deferred income		91,454	96,655
Long term borrowings	22(c)	3,667,866	3,475,561
Provision for liabilities and charges		1,023	824
Provision for concession assets		89,809	149,594
Post-employment benefit obligations		13,366	15,298
Deferred tax liabilities		102,336	101,979
Banking related liabilities			
- Deposits from customers		31,505	24,207
- Recourse obligation on financing sold to Cagamas		-	61,679
		<b>5,740,987</b>	<b>5,550,542</b>
<b>CURRENT LIABILITIES</b>			
General and life insurance contract liabilities		715,061	673,196
Deferred income		38,567	32,756
Trade and other payables		5,505,394	6,019,481
Provision for liabilities and charges		155,525	159,309
Provision for concession assets		19,250	181,968
Post-employment benefit obligations		645	14
Bank borrowings			
- Bank overdrafts	22(a)	15,143	9,768
- Others	22(b)	2,794,047	1,882,187
Banking related liabilities			
- Deposits from customers		18,541,613	17,652,397
- Deposits and placements of banks and other financial institutions		10,774	11,896
- Bills and acceptances payable		132,750	310,324
- Recourse obligation on financing sold to Cagamas		61,679	3,231
Derivative liabilities	23(a)	22,999	32,153
Dividend payable		21,749	-
		<b>28,035,196</b>	<b>26,968,680</b>
<b>TOTAL LIABILITIES</b>		<b>33,776,183</b>	<b>32,519,222</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>42,130,493</b>	<b>40,290,425</b>
<b>NET ASSETS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY (RM)</b>		<b>* 3.67</b>	<b>* 3.39</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 2012 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				
At 1 April 2012 (previously stated)	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
Prior years' adjustments (Note 2 (iii))	-	-	-	-	-	5,005	-	82,462	87,467	84,036	171,503
Adjustment to provisional negative goodwill (Note 3)	-	-	-	-	-	-	-	306,437	306,437	-	306,437
As restated	1,933,237	1,719,601	20,701	911,016	7,996	(30,002)	182,701	3,743,541	6,555,554	1,215,649	7,771,203
Total comprehensive income for the financial year	-	-	-	-	14,269	24,035	(636)	575,305	612,973	129,313	742,286
Effect of changes in shareholdings in subsidiary companies	-	-	-	-	-	-	5	11,760	11,765	(74,229)	(62,464)
Subscription of shares in a subsidiary company by non-controlling interest	-	-	-	-	-	-	-	-	-	1,200	1,200
Subscription of redeemable preference shares in a subsidiary company by non-controlling interest	-	-	-	-	-	-	-	-	-	700	700
Transfer of a subsidiary company's other reserves	-	-	-	-	-	-	58,919	(58,919)	-	-	-
Dividend paid to non-controlling interest	-	-	-	-	-	-	-	-	-	(18,869)	(18,869)
Final dividend in respect of financial year ended 31 March 2012	-	-	-	-	-	-	-	(57,997)	(57,997)	-	(57,997)
Interim dividend in respect of financial year ended 31 March 2013	-	-	-	-	-	-	-	(21,749)	(21,749)	-	(21,749)
<b>At 31 March 2013</b>	<b>1,933,237</b>	<b>1,719,601</b>	<b>20,701</b>	<b>911,016</b>	<b>22,265</b>	<b>(5,967)</b>	<b>240,989</b>	<b>4,191,941</b>	<b>7,100,546</b>	<b>1,253,764</b>	<b>8,354,310</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				
At 1 April 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
Prior years' adjustments (Note 2 (iii))	-	-	-	-	-	2,892	-	84,967	87,859	84,413	172,272
Restated	1,933,237	1,719,601	20,701	911,016	8,138	(19,915)	156,195	2,272,467	5,068,203	1,236,181	6,304,384
Total comprehensive income for the financial year	-	-	-	-	(142)	(10,087)	(2,179)	1,596,920	1,584,512	79,710	1,664,222
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)
<b>At 31 March 2012</b>	<b>1,933,237</b>	<b>1,719,601</b>	<b>20,701</b>	<b>911,016</b>	<b>7,996</b>	<b>(30,002)</b>	<b>182,701</b>	<b>3,743,541</b>	<b>6,555,554</b>	<b>1,215,649</b>	<b>7,771,203</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 2012 and the explanatory notes attached to the interim financial report.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>12 Months Ended 31.03.2013</b>	<b>12 Months Ended 31.03.2012 (Restated)</b>
	<b>RM'000</b>	<b>RM'000</b>
Net profit for the financial year	698,938	1,674,608
Adjustments:		
- Depreciation and amortisation of property, plant and equipment/prepaid lease properties	607,711	179,158
- Finance cost	337,603	152,936
- Taxation	338,429	146,791
- Share of results of jointly controlled entities (net of tax)	(39,087)	(79,870)
- Share of results of associated companies (net of tax)	(123,491)	(87,821)
- Gain on disposal of a business	(412,552)	-
- Negative goodwill (gain on bargain purchase) arising from acquisition of a subsidiary company	-	(1,277,959)
- Others	64,235	(17,479)
Operating profit before working capital changes	1,471,786	690,364
Changes in working capital:		
Net increase in banking related assets	(1,424,716)	(2,221,604)
Net increase in banking related liabilities	779,497	1,917,465
Net increase in current assets	(1,189,860)	(984,820)
Net (decrease)/increase in current liabilities	(252,398)	769,066
Net cash (outflow) / inflow operations	(615,691)	170,471
Interest received	90,363	40,104
Dividends received from jointly controlled entities	66,886	78,172
Dividends received from associated companies	58,246	95,108
Dividends received from investments	3,369	5,031
Tax paid, net of refund	(195,244)	(91,181)
Finance cost paid	(293,293)	(161,854)
Provision for liabilities and charges paid	(67,163)	(4,066)
Provision for concession assets paid	(139,850)	-
Post-employment benefit obligations paid	(1,311)	-
Net cash (outflow) / inflow from operating activities	<b>(1,093,688)</b>	<b>131,785</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from disposal of property, plant and equipment/prepaid lease properties/concession assets	76,480	8,253
Proceeds from disposal/maturity of investments	694,154	964,426
Proceeds from disposal of associated company	6,190	2,730
Redemption of available-for-sale securities	3,028,970	1,695,000
Purchase of property, plant and equipment/concession assets/investment properties/intangible assets	(836,835)	(264,118)
Acquisition of investments	(515,724)	(1,026,817)
Acquisition of land held for property development	(3,113)	(82,411)
Acquisition of investments by a banking subsidiary company (net of proceeds from disposal)	(3,287,066)	(3,443,904)
Acquisition of additional shares in subsidiary companies	(71,493)	(15,431)
Acquisition of an associated company	(1,000)	(605,170)

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

	<b>12 Months Ended 31.03.2013</b>	<b>12 Months Ended 31.03.2012 (Restated)</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES (Continued)</b>		
Subscription of shares in a subsidiary company by non-controlling interest	1,200	-
Subscription of redeemable preference shares in a subsidiary company by non-controlling interest	700	-
Net cash inflow from disposal of a subsidiary company	-	80
Net cash outflow from acquisition of a subsidiary company	-	(397,406)
Subscription of shares by non-controlling interest in a subsidiary company	-	500
<b>Net cash outflow from investing activities</b>	<b>(907,537)</b>	<b>(3,164,268)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from bank borrowings	3,535,650	3,645,667
Repayment of bank borrowing/hire purchase and finance leases	(2,381,263)	(757,911)
Fixed deposits held as security/maintained as sinking fund	(308,614)	(263,391)
Dividend paid to non-controlling interest	(18,869)	(27,769)
Dividend paid to shareholders	(57,997)	(86,996)
<b>Net cash inflow from financing activities</b>	<b>768,907</b>	<b>2,509,600</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(1,232,318)</b>	<b>(522,883)</b>
Effects of foreign currency translation	(3,394)	(16)
<b>CASH AND CASH EQUIVALENTS AS AT BEGINNING OF THE FINANCIAL YEAR</b>	<b>7,213,747</b>	<b>7,736,646</b>
<b>CASH AND CASH EQUIVALENTS AS AT END OF THE FINANCIAL YEAR</b>	<b>5,978,035</b>	<b>7,213,747</b>
Cash and cash equivalents as at end of the financial year comprise the followings:		
Bank balances and cash deposits	3,284,116	3,040,318
Banking related assets – cash and short-term funds	3,341,694	4,501,556
Bank overdrafts	(15,143)	(9,768)
	6,610,667	7,532,106
Less: Fixed deposits held as security	(618,156)	(309,542)
Less: Bank balance in respect of Automotive Development Fund liabilities	(14,476)	(8,817)
	5,978,035	7,213,747

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the financial year ended 31 March 2012 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 2012.

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

#### **(i) Changes in accounting policies and effects arising from adoption of revised FRSs**

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 2012 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 2012:

Amendments to FRS 7	Transfers of Financial Assets
Amendments to FRS 112	Deferred Tax: Recovery of Underlying Assets
FRS 124	Related Party Disclosures
Amendments to IC Interpretation 14	Prepayments of a minimum funding requirement
IC Interpretation 19	Extinguishing financial liabilities with equity instruments

The adoption of the standards and interpretations above will have no material impact to the financial statements of the Group and of the Company in the period of initial application.

#### **(ii) Malaysian Financial Reporting Standards**

On 19 November 2011, the Malaysian Accounting Standards Board (“MASB”) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (“MFRS Framework”).

The MFRS Framework is to be applied by all Entities Other than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture and IC Interpretation 15 Agreements for Construction of Real Estate (“IC 15”), including its parent, significant investor and venturer (herein called “Transitioning Entities”).

Transitioning Entities will be allowed to defer adoption of the new MFRS Framework for additional two years. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2014.

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

(ii) Malaysian Financial Reporting Standards (Continued)

The Group falls within the scope definition of Transitioning Entities and accordingly, will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the financial year beginning 1 April 2014. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits.

The subsidiary companies within the Group which do not fall within the scope of Transitioning Entities have adopted the MFRS Framework. As the Group and the Company falls within the scope of Transitioning Entities, adjustments have been made to reflect the consolidated financial statements under FRS.

(iii) Changes in Bank Negara Malaysia (“BNM”) Guidelines for Life Insurers – Unallocated surplus and reserve of non-participating funds held by a Life insurance subsidiary company

Prior to 1 April 2012, BNM requires the Life insurers to recognise the unallocated surplus and reserve of non-participating funds as part of actuarial insurance contract liabilities.

On 21 February 2012, BNM issued a revised Guideline which is effective for financial periods commencing after 1 January 2012. Under this new guideline, Life insurers are no longer required to classify the unallocated surplus and reserve of non-participating funds as part of insurance contract liabilities as insurers are now required to classify them in accordance with the requirements of FRS. Accordingly, the Life insurance subsidiary company changed its accounting policy to classify its unallocated surplus and AFS reserve of non-participating funds from the insurance contract liabilities to equity. This change in accounting policy is accounted for retrospectively and is consistent with the life insurance industry practice.

(iv) Accounting treatment of Recourse Obligation on Financing sold to Cagamas by a banking subsidiary company

In prior financial years, Bank Muamalat Malaysia Berhad, a 70% owned subsidiary company of the Group, set-off the balances relating to financing sold to Cagamas against the total financing of customers in the statement of financial position. This treatment is in accordance with Bank Negara Malaysia Guidelines, whereby these balances were disclosed and included as part of commitments and contingencies. Following the removal of the Bank Negara Malaysia’s modification in relation to the accounting treatment of financing sold to Cagamas during the current financial year, the balances relating to financing sold to Cagamas have been included in total financing of customers in the statement of financial position in accordance with FRS 139.

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

The effects of the change in accounting policy adopted by the insurance and banking subsidiary companies to the Group are as follows:

	As previously stated RM'000	Effect of change in accounting policy - 2 (iii) RM'000	Effect of change in accounting policy - 2 (iv) RM'000	As restated RM'000
<b>As at 31 March 2012</b>				
<b>Consolidated statement of financial position</b>				
<u>Non-current assets</u>				
Financing of customers	7,030,538	-	61,679	7,092,217
<u>Current assets</u>				
Financing of customers	1,738,759	-	3,231	1,741,990
<u>Non-current liabilities</u>				
Life insurance contract liabilities	1,839,124	(214,379)	-	1,624,745
Deferred tax liabilities	59,103	42,876	-	101,979
Recourse obligation on financing sold to Cagamas	-	-	61,679	61,679
<u>Current liabilities</u>				
Recourse obligation on financing sold to Cagamas	-	-	3,231	3,231
<b>Consolidated statement of changes in equity</b>				
Available-for-sale ("AFS") reserve	(35,007)	5,005	-	(30,002)
Retained earnings	3,354,642	82,462	-	3,437,104
Non-controlling interest	1,131,613	84,036	-	1,215,649
<b>As at 31 March 2011</b>				
<b>Consolidated statement of changes in equity</b>				
Available-for-sale ("AFS") reserve	(22,807)	2,892	-	(19,915)
Retained earnings	2,187,500	84,967	-	2,272,467
Non-controlling interest	1,151,768	84,413	-	1,236,181

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

The effects of the change in accounting policy adopted by the insurance and banking subsidiary companies to the Group are as follows: (Continued)

	As previously stated RM'000	Effect of change in accounting policy - 2 (iii) RM'000	Effect of change in accounting policy - 2 (iv) RM'000	As restated RM'000
<b>For the financial year ended 31 March 2012</b>				
<b>Consolidated statement of comprehensive income</b>				
Other expenses	(77,392)	(6,140)	-	(83,532)
Taxation	(148,019)	1,228	-	(146,791)
<u>Consolidated other comprehensive income</u>				
Loss on fair value changes of investment securities: available-for-sale	(13,452)	4,143	-	(9,309)
Net profit for the financial year attributable to:				
Owners of the Company	1,292,988	(2,505)	-	1,290,483
Non-controlling interest	80,095	(2,407)	-	77,688
Total comprehensive income for the financial year attributable to:				
Owners of the Company	1,278,467	(392)	-	1,278,075
Non-controlling interest	80,087	(377)	-	79,710

**3. COMPLETION OF PURCHASE PRICE ALLOCATION OF PROTON'S BUSINESS COMBINATION**

Following the acquisition of 100% equity interest in PROTON Holdings Berhad ("PROTON") on 26 June 2012, which thus became a wholly-owned subsidiary of DRB-HICOM Group, the initial accounting for purchase price allocation ("PPA") of PROTON's business combination was determined only provisionally basis as at 31 March 2012 as the fair values to be assigned to PROTON's identifiable assets, liabilities and contingent liabilities could only be determined provisionally then. The PROTON's business combination has been accounted for using these provisional values and hence, the Group had initially reflected a negative goodwill on consolidation amounting to RM971.52 million which was reflected as other income in the Group financial results for year ended 31 March 2012.

**3. COMPLETION OF PURCHASE PRICE ALLOCATION OF PROTON'S BUSINESS COMBINATION (Continued)**

Pursuant to FRS 3 *Business Combinations*, the Group has twelve months from the initial acquisition date (16 March 2012) to determine the estimated fair values of PROTON's assets and liabilities. The Group had completed its purchase price allocation exercise within stipulated time period in accordance with FRS 3 and based on the fair values of net assets of PROTON, the negative goodwill has increased from RM971.52 million to RM1.28 billion. The additional negative goodwill of RM306.44 million has been adjusted into the retained earnings as at 31 March 2012. Consequently, the Group's profit before taxation increased from RM1.51 billion to RM1.82 billion and the Group's profit after taxation/non-controlling interest increased from RM1.29 billion to RM1.60 billion for the financial year ended 31 March 2012.

Below is the effect of PPA adjustments as at 31 March 2012 in accordance with FRS 3:

	<b>As previously stated RM'000</b>	<b>Adjustments RM'000</b>	<b>As restated RM'000</b>
<b>As at 31 March 2012</b>			
<b>Consolidated statement of financial position</b>			
<u>Non-current assets</u>			
Property, plant and equipment	4,509,324	447,664	4,956,988
Jointly controlled entities	436,258	(1,701)	434,557
Associated companies	1,136,680	1,517	1,138,197
Intangible assets	1,228,431	(360,385)	868,046
Deferred tax assets	162,603	322,745	485,348
Investment securities: held-to-maturity (Non-banking)	547,251	(51,007)	496,244
Other receivables	-	44,608	44,608
<u>Current assets</u>			
Inventories	1,516,757	2,351	1,519,108
Trade and other receivables	3,173,088	21,560	3,194,648
Investment securities: held-to-maturity (Non-banking)	85,175	(22,903)	62,272
<u>Non-current liabilities</u>			
Deferred income	89,030	7,625	96,655
<u>Current liabilities</u>			
Trade and other payables	5,945,744	73,737	6,019,481
Provision for liabilities and charges	142,659	16,650	159,309
<b>Consolidated statement of changes in equity</b>			
Retained earnings (Refer to Note 2)	3,437,104	306,437	3,743,541

**3. COMPLETION OF PURCHASE PRICE ALLOCATION OF PROTON'S BUSINESS COMBINATION (Continued)**

	<b>As previously stated RM'000</b>	<b>Adjustments RM'000</b>	<b>As restated RM'000</b>
<b>For the financial year ended 31 March 2012</b>			
<b>Consolidated statement of comprehensive income</b>			
Other income	1,272,766	306,437	1,579,203
Net profit for the financial year attributable to Owners of the Company (Refer to Note 2)	1,290,483	306,437	1,596,920
Total comprehensive income for the financial year attributable to Owners of the Company (Refer to Note 2)	1,278,075	306,437	1,584,512

**4. 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 2013.

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

Save as mentioned 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 2013.

The shareholders of the Company had approved the disposal of HICOM Power Sdn. Bhd.'s (subsidiary company of the Group) entire business on 26 November 2012 for a cash consideration of RM575 million. The disposal was completed on 17 December 2012 and as a result, the Group had realised a gain on disposal of RM412.55 million which has been included under other income in the consolidated statement of comprehensive income on page 1.

**6. CHANGES IN ESTIMATES**

There was no change in estimate of amount reported in prior financial years that has a material effect to this interim financial report.

## 7. ISSUANCE OR REPAYMENT OF DEBT AND EQUITY SECURITIES

Save for the issuance of the balance of the Islamic Medium Term Notes (Sukuk) Programme of RM230 million by DRB-HICOM Berhad on 12 April 2012, there was no other 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 2013.

## 8. DIVIDENDS PAID

- (a) 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 20 September 2012 in respect of the financial year ended 31 March 2012. The net dividend amounting to RM57,997,112 was paid on 19 October 2012.
- (b) An interim dividend of 1.5 sen gross per share less taxation of 25% amounting to RM21,748,917 for the financial year ended 31 March 2013, was paid on 29 April 2013.

## 9. SEGMENTAL INFORMATION

The information of each of the Group's business segments for the financial year ended 31 March 2013 is as follows:

	Automotive RM'000	Services RM'000	Property, Asset & Construction RM'000	Investment Holding RM'000	Group RM'000
<b>Revenue</b>					
Total revenue	10,981,623	2,624,210	500,806	38,364	14,145,003
Inter-segment revenue	(845,785)	(32,806)	(93,321)	(38,364)	(1,010,276)
External revenue	10,135,838	2,591,404	407,485	-	13,134,727
<b>Results</b>					
Segment profit	194,883	498,306	38,956	17,912	750,057
Unallocated expenses					(45,540)
Interest income					95,323
Gain on disposal of a business					412,552
Finance cost					(337,603)
Share of results of jointly controlled entities (net of tax)	35,141	-	3,946	-	39,087
Share of results of associated companies (net of tax)	70,719	48,936	3,836	-	123,491
Profit before taxation					1,037,367
Taxation					(338,429)
Net profit for the financial year					698,938
Attributable to:					
Owners of the Company					575,305
Non-controlling interest					123,633

**10. PROPERTY, PLANT AND EQUIPMENT**

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

**11. 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.

**12. CHANGES IN THE COMPOSITION OF THE GROUP DURING THE FINANCIAL YEAR ENDED 31 MARCH 2013**

- (a) On 15 June 2012, HICOM Holdings Berhad, effectively 100% owned subsidiary of the Group, completed the acquisition of the remaining equity interest in Comtrac Sdn. Bhd. (“Comtrac”) for a total cash consideration of RM6,305,000. As a result, Comtrac became a wholly-owned subsidiary company of the Group. Subsequently, the effective equity interest in Glenmarie Cove Development Sdn. Bhd. increased from 89.50% to 100%.
- (b) On 21 June 2012, HICOM Holdings Berhad completed the disposal of its entire 20% equity interest in THK Rhythm Malaysia Sdn. Bhd. (“THK Rhythm”) (formerly known as TRW Steering & Suspension (Malaysia) Sdn. Bhd.) to THK Rhythm Co. Ltd., THK Co. Ltd. and Vincus Holdings Sdn. Bhd. for a total cash consideration of RM6,190,000. As a result, THK Rhythm ceased to be an associated company of the Group.
- (c) On 25 June 2012, POS Malaysia Berhad (“POSM”) and Bank Muamalat Malaysia Berhad (“BMMB”) entered into a collaboration through the execution of a Shareholders’ Agreement to jointly participate via a joint venture company known as Pos Ar-Rahnu Sdn. Bhd., to undertake the Islamic pawn broking business (Ar-Rahnu). POSM and BMMB have an equity interest of 80% and 20% respectively in the above company.
- (d) On 26 June 2012, PROTON became a wholly-owned subsidiary company of the Group following the completion of the compulsory acquisition of the remaining PROTON shares under the Mandatory General Offer.
- (e) On 27 June 2012, HICOM Holdings Berhad completed the acquisition of the entire equity interest comprising 2 ordinary shares of RM1.00 each in HICOM Terang Sdn. Bhd. (“HTSB”) via an internal re-organisation. On 29 June 2012, HTSB changed its name to DRB-HICOM Environmental Services Sdn. Bhd.



**12. CHANGES IN THE COMPOSITION OF THE GROUP DURING THE FINANCIAL YEAR ENDED 31 MARCH 2013 (Continued)**

- (f) On 1 August 2012, HICOM Polymers Industry Sdn. Bhd., a wholly-owned subsidiary company of the Group, completed the acquisition of the entire equity interest comprising 2 ordinary shares of RM1.00 each in Stagwell Sdn. Bhd. from Comtrac Sdn. Bhd. via an internal re-organisation. On 20 September 2012, Stagwell Sdn. Bhd. changed its name to HICOM HBPO Sdn. Bhd. ("HICOM HBPO"). On 24 December 2012, HICOM HBPO increased its issued and paid-up capital from RM2.00 to RM3,000,000 by the issuance of 1,799,998 new ordinary shares of RM1.00 each to HICOM Polymers Industry Sdn. Bhd. (60%) and 1,200,000 new ordinary shares of RM1.00 each to HBPO GmbH (40%).
- (g) On 8 October 2012, Proton Marketing Sdn. Bhd., an indirect wholly-owned subsidiary company of the Group, completed the acquisition of the entire 90% equity interest comprising 4,500,000 ordinary shares of RM1.00 each in HICOM-Potenza Sports Cars Sdn. Bhd. ("HPSC") from HICOM Holdings Berhad via an internal re-organisation. As a result, HPSC became a direct subsidiary of PROTON group.
- (h) On 1 November 2012, the Group completed the internal re-organisation exercise to rationalise and align the Group's businesses and investments in the business of marketing of Proton motor vehicles, related spare parts and servicing of Proton vehicles ("Proton Business") in Edaran Otomobil Nasional Berhad ("EON") and Proton Edar Sdn. Bhd. ("PESB") for a total consideration of RM400,800,000 which involved the following:
- (i) The sale of EON's assets and liabilities related to the Proton Business by EON to PESB;
  - (ii) The sale of the freehold property held under HS(D) 266738 PT 2041, Bandar Glenmarie, District of Petaling, State of Selangor by EON Properties Sdn. Bhd. ("EPSB") to EON;
  - (iii) The acquisition of 100% equity interest in EPSB by PESB from EON;
  - (iv) The acquisition of 100% equity interest in Automotive Conversion Engineering Sdn. Bhd. by PESB from EON;
  - (v) The acquisition of 40% equity interest in Proton Parts Centre Sdn. Bhd. ("PPCSB") by Proton Marketing Sdn. Bhd. ("PMSB") from EON; and
  - (vi) The acquisition of 5% equity interest in PPCSB by PMSB from HICOM Holdings Berhad.

In view of the above, EON ceased to market and distribute PROTON cars since 1 November 2012 and the companies acquired by PESB and PMSB have effectively become direct subsidiaries of PROTON group.

**12. CHANGES IN THE COMPOSITION OF THE GROUP DURING THE FINANCIAL YEAR ENDED 31 MARCH 2013 (Continued)**

- (i) On 12 November 2012, HICOM Holdings Berhad (“HHB”) completed the acquisition of 16,000,000 and 12,000,000 ordinary shares of RM1.00 each in Alam Flora Sdn. Bhd. (“AFSB”) from KDEB Waste Management Sdn. Bhd. and PJBUMI Waste Management Sdn. Bhd. for cash consideration of RM27,200,000 and RM20,400,000 respectively. As a result, the Group’s shareholding in AFSB increased from 60.53% to 97.37%.
- (j) On 1 February 2013, Edaran Otomobil Nasional Berhad (“EON”), an indirect wholly-owned subsidiary company of the Group, completed the acquisition of the entire equity interest in HICOM Auto Sdn. Bhd. (“HASB”) from HICOM Holdings Berhad via an internal re-organisation. As a result, HASB became a direct subsidiary of EON group.
- (k) On 5 March 2013, the Company completed the acquisition of an additional 11% equity interest in Motosikal Dan Enjin Nasional Sdn. Bhd. (“MODENAS”) from Sotjiz Corporation for a cash consideration of RM17.59 million. As a result, the Group’s shareholding in MODENAS increased from 70% to 81%.
- (l) On 6 March 2013, Faurecia HICOM Emissions Control Technologies (M) Sdn. Bhd. was incorporated, pursuant to the Joint Venture Agreement dated 4 October 2012 between Oriental Summit Industries Sdn. Bhd. (35%) and Faurecia Exhaust International SAS (65%) respectively. As a result, Faurecia HICOM became an associated company of the Group.
- (m) On 6 March 2013, HICOM-Chevrolet Sdn. Bhd., a 49% dormant associated company of DRB-HICOM Berhad, was dissolved. The dissolution of the associated company did not have any impact to the Group.

**13. CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

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

**14. 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 2013		
	Principal Amount RM'000	Credit Equivalent Amount RM'000	Risk Weighted Amount RM'000
Direct credit substitutes	16,362	16,362	8,362
Trade-related contingencies	73,372	14,674	4,904
Transaction related contingencies	501,061	250,531	191,325
Obligations under an on-going underwriting agreement	25,000	12,500	2,500
Credit extension commitment:			
– maturity within one year	450,046	90,009	76,294
– maturity exceeding one year	1,944,354	972,177	256,626
Bills of collection	19,712	-	-
Profit rate related contracts	875,000	37,250	7,450
Foreign exchange related contracts	395,124	6,670	4,341
	<b>4,300,031</b>	<b>1,400,173</b>	<b>551,802</b>

**15. PROFIT BEFORE TAXATION**

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

	Current Quarter 3 Months Ended		Financial Year 12 Months Ended	
	31.03.2013 RM'000	31.03.2012 RM'000	31.03.2013 RM'000	31.03.2012 RM'000
Allowance for/write off of investment securities and financing of customers (net of write backs)	(4,735)	(29,792)	(19,598)	30,433
Amortisation of :				
- intangible assets	(14,126)	10,299	154,616	27,201
- concession assets	(3,316)	10,284	8,858	10,284

**15. PROFIT BEFORE TAXATION (Continued)**

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

	Current Quarter 3 Months Ended		Financial Year 12 Months Ended	
	31.03.2013 RM'000	31.03.2012 RM'000	31.03.2013 RM'000	31.03.2012 RM'000
Depreciation and amortisation of property, plant and equipment/prepaid lease properties	108,982	63,676	607,711	179,158
Doubtful debts (net of write backs)	40,336	3,763	46,393	(13,454)
Finance cost	91,478	62,827	337,603	152,936
(Reversal of)/impairment loss of				
- property, plant and equipment	9,479	(3,043)	2,576	(2,707)
- investment securities	4,577	11,978	11,768	(29,540)
- intangible assets	44,844	-	44,844	-
Inventories written off/down (net of write backs)	5,613	2,149	13,704	3,593
Intangible assets written off	(151)	-	1,892	-
(Gain)/loss on fair value adjustment of investment properties	(2,382)	(4,224)	1,750	58
Write off of property, plant and equipment	1,935	2,772	3,140	34,920
Dividend income	(36)	(1,242)	(3,369)	(5,044)
(Gain)/loss on fair value adjustment of investment securities at fair value through profit or loss	(54)	455	(516)	180
Gain on disposal of:				
- a business (Note 5)	-	-	(412,552)	-
- investment securities	(32,783)	(21,384)	(41,993)	(26,399)
- an associated company	-	-	(1,643)	-
- property, plant and equipment	(54,594)	(133)	(55,071)	(1,790)
- prepaid lease properties	-	(27)	-	(316)
- a subsidiary company	-	-	-	(80)
Interest income on short term deposits	(33,203)	(17,562)	(95,323)	(52,051)
Insurance claims	-	-	-	(31,214)
Marked to market (gain)/loss on derivatives	11,261	29,184	(7,287)	19,321
Negative goodwill (gain on bargain purchase) arising from acquisition of a subsidiary company	-	(1,277,959)	-	(1,277,959)
Net foreign exchange differences	12,922	(2,420)	18,123	(12,694)
Reversal of provision for major overhauls	-	-	(78,861)	-

**16. REVIEW OF PERFORMANCE**

- (a) The Group registered a higher revenue of RM13.13 billion for the financial year ended 31 March 2013 as compared to the RM6.88 billion in the previous financial year ended 31 March 2012, representing an increase of 91%. The increase is mainly attributed to the inclusion of PROTON's revenue during the current financial year. All the Group's business sectors achieved higher sales revenue. The segmental analysis is as below:

<b>Group Business Sectors</b>		<b>Financial Year 31 March 2013 RM'000</b>	<b>Financial Year 31 March 2012 RM'000</b>	<b>Variance RM'000</b>
(i)	Automotive	10,135,838	4,059,048	6,076,790
(ii)	Property, Asset & Construction (PAC)	407,485	260,373	147,112
(iii)	Services	2,591,404	2,558,784	32,620
<b>Total</b>		<b>13,134,727</b>	<b>6,878,205</b>	<b>6,256,522</b>

↑ 91%

**(i) Automotive Sector**

The increase in Automotive sector's revenue is principally due to the inclusion of PROTON's revenue.

**(ii) PAC Sector**

The increase in revenue of PAC sector was mainly due to higher completion of property development projects.

**(iii) Services Sector**

Most of the operating companies under this sector achieved higher sales except for the sales revenue foregone on disposal of HICOM Power's business in December 2012.

- (b) The Group's operating profits (before exceptional items) for the financial year ended 31 March 2013 rose by 15% to RM624.82 million from RM543.44 million achieved in the previous financial year ended 31 March 2012. The higher profits were attributed to the better financial performance of subsidiary companies, higher share of results of associated companies and also PPA adjustments at Group level arising from the acquisition of PROTON.

With the inclusion of exceptional gain on disposal of HICOM Power's business of RM412.55 million and adjusted negative goodwill of RM1.28 billion in the current and previous financial years respectively, the Group's total profit before tax for the financial year ended 31 March 2013 was RM1.037 billion compared to RM1.821 billion in the previous financial year.

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

For the current quarter ended 31 March 2013, the Group recorded a profit before tax of RM314.19 million as compared to RM462.60 million in the preceding quarter ended 31 December 2012. Excluding the one-off gain of RM412.55 million, the preceding quarter profits would have been RM50.05 million. On this basis, the current quarter's operating results is higher compared to the preceding quarter due to better performance of subsidiary companies and also the PPA adjustments at Group level arising from the acquisition of PROTON.

**18. PROSPECTS FOR THE FINANCIAL YEAR ENDING 31 MARCH 2014**

Malaysia's economic growth moderated to 4.1% year on year in Q1 2013 from 6.5% in Q4 2012, dragged down by sluggish exports while domestic demand remained robust. On the back of strong domestic demand, the TIV of motor vehicles rose 12.8% to 210,153 units for the first four months of 2013 compared to 186,318 units for the same corresponding period last year. Meanwhile, Bank Negara Malaysia forecasts the economy to expand by between 5% to 6% in 2013, from 5.6% in 2012. Economic activities will be anchored by the continued resilience of the domestic demand, supported by a gradual improvement in the external sector.

Given the above positive momentum, the Group will continue to pursue various business initiatives to enhance and strengthen its financial and operational performances. The operating companies in the automotive, services and property sectors of the Group are expected to generate positive growth in their business activities. For the financial year ending 31 March 2014, the Group expects to record a satisfactory financial performance.

**19. 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.

**20. TAXATION**

Taxation comprises the following:

	Current Quarter 3 Months Ended		Financial Year 12 Months Ended	
	31.03.2013 RM'000	31.03.2012 (Restated) RM'000	31.03.2013 RM'000	31.03.2012 (Restated) RM'000
Current taxation	40,442	77,251	140,450	150,062
Deferred taxation	159,144	(32,846)	197,979	(3,271)
<b>Total</b>	<b>199,586</b>	<b>44,405</b>	<b>338,429</b>	<b>146,791</b>

**20. TAXATION (Continued)**

The Group's effective tax rate for the financial year ended 31 March 2013 is higher than the statutory tax rate mainly due to profits of certain companies which for income tax purposes cannot be set-off against losses incurred by other companies and certain expenses which were not deductible for tax purposes.

**21. STATUS OF CORPORATE PROPOSALS**

- (a) On 13 August 2012, the Group obtained Bank Negara Malaysia's approval in principle to commence preliminary negotiations with certain parties in relation to the proposed disposal of equity interests in Uni.Asia General Insurance Berhad and Uni.Asia Life Assurance Berhad. The Group is currently negotiating with the relevant parties on the disposal.
- (b) On 19 February 2013, DRB-HICOM Defence Technologies Sdn. Bhd., a wholly-owned subsidiary company of the Group, had accepted an offer from the Minister of Finance Inc. ("MoF") to acquire the entire 466,778,067 ordinary shares of RM1.00 each representing 96.87% equity interest in Composites Technology Research Malaysia Sdn. Bhd. owned by MoF for a total cash consideration of approximately RM298.3 million. The Sale and Purchase Agreement is expected to be signed soon.
- (c) On 27 March 2013, PROTON Holdings Berhad ("PROTON"), a wholly-owned subsidiary of the Group, entered into a Share Sale Agreement with Mitsubishi Corporation to acquire the remaining 2.5% equity interest in PHN Industry Sdn. Bhd. ("PHN Industry") for a cash consideration of RM2.63 million. Upon acquisition, the Group's effective interest in PHN Industry will increase from 97.5% to 100%. The acquisition is pending regulatory approval.
- (d) On 8 April 2013, Neraca Prisma Sdn. Bhd. and Benua Kurnia Sdn. Bhd., indirect wholly-owned subsidiary companies of the Group entered into Sale and Purchase agreements ("SPAs") for the proposed disposal of certain parcels of freehold land held under title PTD 99396 (HSD 329948) and PTD 68903 (HSD 290184) measuring approximately 613.79 acres to Promosi Etika Sdn. Bhd. for a total cash consideration of approximately RM534.73 million. The completion of the SPAs is pending the fulfillment of the conditions precedent.

**22. BORROWINGS AND DEFERRED LIABILITIES**

Total Group borrowings are as follows:

	<b>As at 31.03.2013 RM'000</b>
<b>Short Term Borrowings</b>	
<b>(a) Bank overdrafts</b>	
- Secured	8,174
- Unsecured	6,969
<b>Total</b>	<b>15,143</b>
<b>(b) Others</b>	
<u>Secured</u>	
Bankers acceptances	47,986
Revolving credits	294,713
Hire purchase and finance lease liabilities – portion repayable within 12 months	13,983
Long term loans – portion repayable within 12 months	1,210,147
Long term loans under Islamic financing – portion repayable within 12 months	178,286
Sub-total	1,745,115
<u>Unsecured</u>	
Bankers acceptances	799,252
Revolving credits	227,079
Long term loans – portion repayable within 12 months	1,818
Long term loans under Islamic financing – portion repayable within 12 months	6,233
Deferred liability	14,550
Sub-total	1,048,932
<b>Total</b>	<b>2,794,047</b>



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

	<b>As at 31.03.2013 RM'000</b>
<b>(c) Long Term Borrowings</b>	
<u>Secured</u>	
Hire purchase and finance lease liabilities	35,671
- portion repayable within 12 months	(13,983)
	21,688
Long term loans	2,293,115
- portion repayable within 12 months	(1,210,147)
	1,082,968
Long term loans under Islamic financing	2,313,813
- portion repayable within 12 months	(178,286)
	2,135,527
<u>Unsecured</u>	
Long term loans	9,599
- portion repayable within 12 months	(1,818)
	7,781
Long term loans under Islamic financing	426,135
- portion repayable within 12 months	(6,233)
	419,902
<b>Total</b>	<b>3,667,866</b>
<b>Grand Total</b>	<b>6,477,056</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>
31.03.2013	RM217.87 million (SGD 87.5 million) RM956.57 million (GBP 203.8 million)

**23. OUTSTANDING DERIVATIVES**

- (a) Derivatives outstanding as at 31 March 2013 consist of foreign exchange contracts and profit rate swap 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>Financial instruments at fair value through profit or loss</b>			
Forward foreign exchange contracts	535,246	6,524	14,553
Currency swap foreign exchange contracts	340,894	1,808	720
Islamic profit rate swap	875,000	-	7,726
	1,751,140	8,332	22,999

There is no significant change for the financial derivatives in respect of the following since the last financial year ended 31 March 2012:

- (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 gain of RM7.29 million in the consolidated statement of comprehensive income arising from the fair value changes on the foreign exchange contracts and profit rate swap which are marked to market as at 31 March 2013.

## **24. MATERIAL LITIGATION**

Save as disclosed below, there is no material litigation pending as at the date of this report.

- (a) Proton Automobiles (China) Limited (“Proton Automobiles”) which is now an indirect subsidiary company of the Group, had on 11 July 2006 issued a notice of termination to the joint venture partner, Goldstar Heavy Industrial Co. Ltd (“the JV Partner”) of a joint venture contract (“JV Contract”). The JV Partner is disputing the termination. According to the JV Contract, all disputes must be referred to arbitration in Singapore. Proton Automobiles had commenced arbitration proceedings at the Singapore International Arbitration Centre on 31 January 2008. On 5 May 2009, the arbitration tribunal rejected the JV Partner's claim that the Chinese court should have jurisdiction. On 12 January 2010, the arbitration tribunal found in favour of Proton Automobiles and ruled that the JV Contract had been validly terminated by Proton Automobiles. The arbitration tribunal ruled as follows:
- (i) that the Singapore arbitration tribunal has jurisdiction over the dispute and rejected the JV Partner's claim that a Chinese court should have jurisdiction over the dispute. The JV Partner is ordered to pay Proton Automobiles all its legal costs relating to the jurisdiction proceedings in the total sum of S\$424,058 (“Interim Award”); and
  - (ii) that the JV Contract has been validly terminated pursuant to the notice of termination and that the JV Partner pay Proton Automobiles all its legal and arbitration costs totalling S\$655,056 (“Final Award”).

There are currently 3 matters before the Chinese Intermediate People’s Court in Dongguan:

- Action 1 - Proton Automobiles’ application for enforcement of the Interim Award;
- Action 2 - Proton Automobiles’ application for enforcement of the Final Award;
- Action 3 - the JV Partner's claim against Proton Automobiles for further capital contribution to the joint venture company based on a forged Memorandum.

The Chinese Intermediate People’s Court has dismissed Action 1. Proton Automobiles filed an appeal against this decision. The Chinese Higher People’s Court has dismissed Proton Automobiles’ appeal. Proton Automobiles will file a Review to the Supreme People's Court in Beijing.

On 20 February 2012, the Chinese Intermediate People’s Court heard Action 2. No decision has been delivered to-date.

**24. MATERIAL LITIGATION (Continued)**

(a) (Continued)

Action 3 was fixed for exchange of evidence on 17 October 2012 and hearing on 18 October 2012. On 17 October 2012, the JV Partner amended its claim for Proton Automobiles to inject all of the balance capital contribution of USD16.07 million. In light of the amendment, the hearing date on 18 October was vacated. The new hearing date was fixed for 20 November 2012 wherein the Court further adjourned as the JV Partner produced new evidence. The matter was then fixed for exchange of evidence on 24 January 2013 and hearing on 28 February 2013.

During the exchange of evidence on 24 January 2013, the JV Partner produced more new evidence. The hearing date on 28 February 2013 has been vacated and the hearing was fixed on 1 March 2013. On 25 February 2013, parties were informed by the court that 1 March 2013 hearing date will be vacated. On 3 April 2013, the court notified the parties that the hearing is fixed on 15 April 2013. On 15 April 2013, the trial proceeded. Matter is now pending delivery of judgment by the Court.

(b) On 29 June 2012, Perusahaan Otomobil Nasional Sdn. Bhd. ("PONSB"), an indirect wholly owned subsidiary of the Group, was served with a Writ of Summons and Statement of Claim from Messrs. Shafee & Co., the solicitors for Yasmin Jurumuda Sdn. Bhd. ("Jurumuda"). Jurumuda's claim is premised on 2 agreements namely:

- (i) Agreement on Proposed Concession on Build, Operate and Transfer Basis for PONS B Motorpool Building ("BOT Agreement"); and
- (ii) Supply Agreement for Non-Component Items ("SANCI Agreement").

Jurumuda's claim among others are for a Court declaration that the deletion of the scope of services by PONS B was wrong at law; the sum of RM54,387,000 arising from balance unpaid under the BOT Agreement, loss of profits under the BOT and SANCI Agreements, general and exemplary damages, interest and costs.

PONSB has appointed Messrs. Shearn Delamore & Co. to defend the above case. On 3 July 2012, PONS B filed its Memorandum of Appearance. On 20 July 2012, PONS B filed an application for a Court Order to stay the above legal proceedings pending disposal of the Arbitration proceedings to be held between Jurumuda and PONS B. On 29 August 2012, the Court allowed PONS B's application to stay the legal proceedings pending arbitration with costs in the cause. Both parties have agreed to refer the matter to arbitration and are in the midst of appointing an arbitrator. Matter is fixed for mention on 28 August 2013 for parties to inform the Court as to the status of the matter at arbitration and/or out of court settlement.

#### **24. MATERIAL LITIGATION (Continued)**

- (c) Electric Angels MSC Sdn. Bhd. ("Electric Angels") filed an originating summons in the High Court against Proton Edar Sdn. Bhd. ("PESB"), an indirect subsidiary company of the Group, to seek an order from court for PESB to provide the sales records for Proton cars sold for the period from year 2006 until year 2009 pursuant to a LiveMarketing Agreement executed between Electric Angels and PESB on 14 June 2006. The High Court ruled in favour of PESB. Electric Angels then appealed to the Court of Appeal which on 10 October 2012 allowed the appeal.

PESB has been directed by the Court of Appeal to furnish the sales records for Proton cars sold for the period from year 2006 until year 2009. Electric Angels is demanding an estimated sum of RM12 million including unpaid commissions. However, PESB is disputing this amount. PESB has furnished the sales records to Electric Angels in compliance with the directions of the Court of Appeal. Parties will proceed to determine the commission payable as result of sales generated by Electric Angels' online marketing tool.

- (d) On 23 August 2012, DRB-HICOM Berhad had via its solicitors in United Kingdom, received a claim for inter alia a sum of £6,737,240 and general damages to be determined for wrongful dismissal ("Claim") issued by the solicitors acting on behalf of Dany Taner Bahar ("DB") against Group Lotus Plc ("GLP") and DRB-HICOM Berhad.

On 9 October 2012, DRB-HICOM Berhad and GLP have filed its Defence to the Claim including a Counterclaim against DB through the appointed solicitors in response to the Claim. The court had also approved the addition of Lotus Cars Limited ("LCL") as an additional claimant to the Counterclaim.

On 9 November 2012, DB filed his Reply and Defence to Counterclaim in response to the Defence and the Counterclaim filed by DRB-HICOM Berhad, GLP and LCL. The parties subsequently issued Requests For Information ("RFI") which sought further and better particulars of each parties' pleadings. Both parties exchanged their responses to the RFIs on 1 February 2013 and in the process of discovering further information, critical information on the issue of a purported second limits of authority document ("LOA2") was discovered. On 3 March 2013, DRB-HICOM Berhad and GLP filed an application to amend the Defence and Counterclaim to incorporate the new information on the LOA2. A hearing date for the amendment application has not been fixed.

DRB-HICOM Berhad, GLP and LCL are currently preparing the documents for the extensive discovery process that will continue until at least the second calendar quarter of 2013. A trial window has also been preliminarily identified for the first and second calendar quarters of 2014.

#### **25. DIVIDEND**

The Board of Directors recommend for approval at the Annual General Meeting the payment of a final dividend of 4.5 sen (2012: 4.0 sen less taxation of 25%) comprising of 0.5 sen gross per share less taxation of 25% and tax exempt dividend of 4.0 sen in respect of the financial year ended 31 March 2013. The book closure and dividend payment dates will be announced later. The total gross dividend for the financial year ended 31 March 2013 is 6.0 sen (2012: 6.0 sen) per share.

**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 year.

	Current Quarter 3 Months Ended		Financial Year 12 Months Ended	
	31.03.2013	31.03.2012 (Restated)	31.03.2013	31.03.2012 (Restated)
Net profit attributable to owners of the Company (RM'000)	70,587	1,321,999	575,305	1,596,920
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>3.65</b>	<b>68.38</b>	<b>29.76</b>	<b>82.60</b>

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

The retained profits of the Group as at 31 March 2013 are analysed as follows:

	As at 31 March 2013 RM'000	As at 31 March 2012 (Restated) RM'000
Total retained profits of the Company and subsidiaries:		
- Realised	3,568,865	3,298,243
- Unrealised	174,888	60,520
	<u>3,743,753</u>	<u>3,358,763</u>
Total share of retained profits from jointly controlled entities:		
- Realised	133,994	163,154
- Unrealised	1,521	(94)
Total share of retained profits from associated companies:		
- Realised	313,228	218,043
- Unrealised	(555)	3,675
Total Group retained profits as per consolidated financial statements	<u>4,191,941</u>	<u>3,743,541</u>

**DRB-HICOM BERHAD**  
(203430-W)  
(Incorporated in Malaysia)

**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  
30 May 2013