



## **DRB-HICOM BERHAD**

(203430-W)

(Incorporated in Malaysia)

Interim Financial Report for the Financial Period  
Ended 30 September 2013

**INTERIM FINANCIAL REPORT ON UNAUDITED CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2013**

The Board of Directors is pleased to announce the unaudited financial results of the Group for the financial period ended 30 September 2013.

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

|  | Note | Current Quarter<br>3 Months Ended |                                    | Financial Period<br>6 Months Ended |                                    |
|--|------|-----------------------------------|------------------------------------|------------------------------------|------------------------------------|
|  |      | 30.09.2013<br>RM'000              | 30.09.2012<br>(Restated)<br>RM'000 | 30.09.2013<br>RM'000               | 30.09.2012<br>(Restated)<br>RM'000 |
| Revenue  |      | 3,649,337                         | 3,535,418                          | 6,703,895                          | 6,998,471                          |
| Cost of sales and operating expenses   |      | (3,462,407)                       | (3,399,754)                        | (6,467,015)                        | (6,824,141)                        |
| Other income   |      | 116,618                           | 74,122                             | 256,210                            | 188,484                            |
| Other expenses   |      | (34,136)                          | (17,307)                           | (87,073)                           | (37,794)                           |
| Profit from operations   |      | 269,412                           | 192,479                            | 406,017                            | 325,020                            |
| Finance costs  |      | (87,079)                          | (85,304)                           | (175,701)                          | (162,534)                          |
| Share of results of jointly controlled entities (net of tax)                 |      | 15,186                            | 15,519                             | 23,652                             | 25,983                             |
| Share of results of associated companies (net of tax)                        |      | 30,105                            | 39,969                             | 69,872                             | 72,109                             |
| <b>PROFIT BEFORE TAXATION</b>  | 14   | <b>227,624</b>                    | 162,663                            | <b>323,840</b>                     | 260,578                            |
| Taxation   | 19   | (60,592)                          | (49,811)                           | (112,968)                          | (94,341)                           |
| <b>NET PROFIT FOR THE FINANCIAL PERIOD</b>                                   |      | <b>167,032</b>                    | 112,852                            | <b>210,872</b>                     | 166,237                            |
| <b>OTHER COMPREHENSIVE (LOSS)/INCOME</b>                                     |      |                                   |                                    |                                    |                                    |
| <u>Items that will be reclassified subsequently to profit or loss:</u>       |      |                                   |                                    |                                    |                                    |
| Net gain on fair value changes of securities: available-for-sale             |      | 32,462                            | 21,892                             | 14,572                             | 26,111                             |
| Currency translation differences of foreign subsidiaries                     |      | (49,372)                          | (7,460)                            | (66,991)                           | (2,300)                            |
| Share of other comprehensive income/(loss) of an associated company          |      | -                                 | (465)                              | 77                                 | 212                                |
| <u>Reclassification adjustments:</u>   |      |                                   |                                    |                                    |                                    |
| Transfer of reserve of an associated company to profit or loss upon disposal |      | 2,217                             | -                                  | 2,217                              | -                                  |
| Gain on fair value changes of securities: available-for-sale                 |      |                                   |                                    |                                    |                                    |
| - Transfer to profit or loss upon disposal                                   |      | -                                 | -                                  | -                                  | 5,528                              |
| <b>OTHER COMPREHENSIVE (LOSS)/ INCOME FOR THE FINANCIAL PERIOD</b>           |      | <b>(14,693)</b>                   | 13,967                             | <b>(50,125)</b>                    | 29,551                             |
| <b>TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD</b>                   |      | <b>152,339</b>                    | 126,819                            | <b>160,747</b>                     | 195,788                            |
| Net profit for the financial period attributable to:                         |      |                                   |                                    |                                    |                                    |
| Owners of the Company  |      | 137,970                           | 80,650                             | 148,226                            | 113,251                            |
| Non-controlling interest   |      | 29,062                            | 32,202                             | 62,646                             | 52,986                             |
|  |      | <b>167,032</b>                    | 112,852                            | <b>210,872</b>                     | 166,237                            |
| Total comprehensive income for the financial period attributable to:         |      |                                   |                                    |                                    |                                    |
| Owners of the Company  |      | 114,045                           | 87,526                             | 94,327                             | 133,426                            |
| Non-controlling interest   |      | 38,294                            | 39,293                             | 66,420                             | 62,362                             |
|  |      | <b>152,339</b>                    | 126,819                            | <b>160,747</b>                     | 195,788                            |
| Basic earnings per share (sen):  | 25   | <b>7.14</b>                       | 4.17                               | <b>7.67</b>                        | 5.86                               |

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the financial year ended 31 March 2013 and the explanatory notes attached to the interim financial report.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

|  | Note  | Unaudited<br>As at<br>30.09.2013<br>RM'000 | Audited<br>As at<br>31.03.2013<br>(Restated)<br>RM'000 |
|--|-------|--|--|
| <b>ASSETS</b>  |       |  |  |
| <b>NON-CURRENT ASSETS</b>  |       |  |  |
| Property, plant and equipment  |       | 5,113,968                                  | 4,983,782  |
| Concession assets  |       | 248,157                                    | 253,888  |
| Prepaid lease properties   |       | 11,623                                     | 11,772   |
| Investment properties  |       | 561,995                                    | 551,514  |
| Land held for property development   |       | 715,776                                    | 1,051,772  |
| Jointly controlled entities  |       | 411,796                                    | 429,448  |
| Associated companies   |       | 1,182,593                                  | 1,184,012  |
| Intangible assets  |       | 914,023                                    | 809,082  |
| Deferred tax assets  |       | 228,798                                    | 282,283  |
| Investment securities: financial assets at fair value through profit or loss |       |  |  |
| - Banking  |       | 83,834                                     | 84,373   |
| Investment securities: available-for-sale                                    |       |  |  |
| - Banking  |       | 5,911,310                                  | 5,106,283  |
| - Non-banking  |       | 929,117                                    | 1,007,236  |
| Investment securities: held-to-maturity                                      |       |  |  |
| - Banking  |       | 575  | 575  |
| - Non-banking  |       | 454,827                                    | 459,841  |
| Other receivables  |       | 12,804                                     | 12,289   |
| Other assets   |       | 320  | 320  |
| Banking related assets   |       |  |  |
| - Financing of customers   |       | 8,593,384                                  | 8,056,313  |
| - Statutory deposits with Bank Negara Malaysia                               |       | 651,721                                    | 612,721  |
|  |       | <b>26,026,621</b>                          | <b>24,897,504</b>                                      |
| <b>CURRENT ASSETS</b>  |       |  |  |
| Assets held for sale   |       | 347,061                                    | 5,665  |
| Inventories  |       | 1,901,470                                  | 1,990,412  |
| Property development costs   |       | 220,027                                    | 235,643  |
| Trade and other receivables  |       | 3,788,082                                  | 4,305,683  |
| Reinsurance assets   |       | 260,691                                    | 222,361  |
| Investment securities: financial assets at fair value through profit or loss |       |  |  |
| - Banking  |       | 4,800                                      | -  |
| - Non-banking  |       | 408,367                                    | 361,522  |
| Investment securities: available-for-sale                                    |       |  |  |
| - Banking  |       | 595,870                                    | 1,360,708  |
| - Non-banking  |       | 16,835                                     | 32,608   |
| Investment securities: held-to-maturity                                      |       |  |  |
| - Non-banking  |       | 21,680                                     | 31,545   |
| Banking related assets   |       |  |  |
| - Cash and short-term funds  |       | 1,560,754                                  | 3,341,694  |
| - Financing of customers   |       | 1,850,843                                  | 2,052,700  |
| Bank balances and cash deposits  |       | 3,669,817                                  | 3,284,116  |
| Derivative assets  | 22(a) | 24,228                                     | 8,332  |
|  |       | <b>14,670,525</b>                          | <b>17,232,989</b>                                      |
| <b>TOTAL ASSETS</b>  |       | <b>40,697,146</b>                          | <b>42,130,493</b>                                      |

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

|  | Note  | Unaudited<br>As at<br>30.09.2013<br>RM'000 | Audited<br>As at<br>31.03.2013<br>(Restated)<br>RM'000 |
|--|-------|--|--|
| <b>EQUITY AND LIABILITIES</b>  |       |  |  |
| Share Capital  |       | 1,719,601                                  | 1,719,601  |
| Reserves   |       | 5,359,385                                  | 5,348,649  |
| <b>Equity attributable to owners of the Company</b>                    |       | <b>7,078,986</b>                           | <b>7,068,250</b>                                       |
| <b>Non-controlling interest</b>  |       | <b>1,300,646</b>                           | <b>1,254,030</b>                                       |
| <b>TOTAL EQUITY</b>  |       | <b>8,379,632</b>                           | <b>8,322,280</b>                                       |
| <b>NON-CURRENT LIABILITIES</b>   |       |  |  |
| Life insurance contract liabilities                                    |       | 1,658,145                                  | 1,743,628  |
| Deferred income  |       | 90,832                                     | 91,454   |
| Long term borrowings   | 21(c) | 3,706,163                                  | 3,667,866  |
| Provision for liabilities and charges                                  |       | 1,167                                      | 1,023  |
| Provision for concession assets  |       | 29,831                                     | 19,250   |
| Post-employment benefit obligations                                    |       | 38,268                                     | 45,981   |
| Deferred tax liabilities   |       | 106,806                                    | 102,336  |
| Banking related liabilities  |       |  |  |
| - Deposits from customers  |       | 38,478                                     | 31,505   |
|  |       | <b>5,669,690</b>                           | <b>5,703,043</b>                                       |
| <b>CURRENT LIABILITIES</b>   |       |  |  |
| General and life insurance contract liabilities                        |       | 792,660                                    | 715,061  |
| Deferred income  |       | 41,180                                     | 38,567   |
| Trade and other payables   |       | 5,632,982                                  | 5,505,394  |
| Provision for liabilities and charges                                  |       | 162,635                                    | 155,525  |
| Provision for concession assets  |       | 41,749                                     | 89,809   |
| Post-employment benefit obligations                                    |       | -  | 60   |
| Bank borrowings  |       |  |  |
| - Bank overdrafts  | 21(a) | 18,997                                     | 15,143   |
| - Others   | 21(b) | 2,508,411                                  | 2,794,047  |
| Banking related liabilities  |       |  |  |
| - Deposits from customers  |       | 16,990,131                                 | 18,541,613   |
| - Deposits and placements of banks and other financial institutions    |       | 10,644                                     | 10,774   |
| - Bills and acceptances payable  |       | 291,692                                    | 132,750  |
| - Recourse obligation on financing sold to Cagamas                     |       | 60,278                                     | 61,679   |
| Derivative liabilities   | 22(a) | 11,886                                     | 22,999   |
| Dividend payable   |       | 84,579                                     | 21,749   |
|  |       | <b>26,647,824</b>                          | <b>28,105,170</b>                                      |
| <b>TOTAL LIABILITIES</b>   |       | <b>32,317,514</b>                          | <b>33,808,213</b>                                      |
| <b>TOTAL EQUITY AND LIABILITIES</b>                                    |       | <b>40,697,146</b>                          | <b>42,130,493</b>                                      |
| <b>NET ASSETS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY (RM)</b> |       | <b>* 3.66</b>                              | <b>* 3.66</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 2013 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 2013  | 1,933,237                             | 1,719,601            | 20,701               | 911,016               | 22,265                                  | (5,967)                           | 240,989               | 4,191,941                | 7,100,546   | 1,253,764                       | 8,354,310        |
| Prior years' adjustments (Note 2 (ii))   | -                                     | -                    | -                    | -                     | -                                       | -                                 | (32,296)              | -                        | (32,296)  | 266                             | (32,030)         |
| As restated  | 1,933,237                             | 1,719,601            | 20,701               | 911,016               | 22,265                                  | (5,967)                           | 208,693               | 4,191,941                | 7,068,250   | 1,254,030                       | 8,322,280        |
| Total comprehensive (loss)/ income for the financial year                                | -                                     | -                    | -                    | -                     | (66,951)                                | 10,758                            | 2,294                 | 148,226                  | 94,327  | 66,420                          | 160,747          |
| <u>Transactions with owners</u>  |                                       |                      |                      |                       |   |                                   |                       |                          |   |                                 |                  |
| Effect of changes in shareholdings in subsidiary companies                               | -                                     | -                    | -                    | -                     | -                                       | -                                 | -                     | 988                      | 988   | (4,588)                         | (3,600)          |
| Effect of reclassification of a former jointly controlled entity to a subsidiary company | -                                     | -                    | -                    | -                     | -                                       | -                                 | -                     | -                        | -   | 12,733                          | 12,733           |
| Transfer of a subsidiary company's other reserves  | -                                     | -                    | -                    | -                     | -                                       | -                                 | 13,435                | (13,435)                 | -   | -                               | -                |
| Dividend paid to non-controlling interest  | -                                     | -                    | -                    | -                     | -                                       | -                                 | -                     | -                        | -   | (27,949)                        | (27,949)         |
| Final dividend in respect of financial year ended 31 March 2013                          | -                                     | -                    | -                    | -                     | -                                       | -                                 | -                     | (84,579)                 | (84,579)  | -                               | (84,579)         |
| <b>At 30 September 2013</b>  | <b>1,933,237</b>                      | <b>1,719,601</b>     | <b>20,701</b>        | <b>911,016</b>        | <b>(44,686)</b>                         | <b>4,791</b>                      | <b>224,422</b>        | <b>4,243,141</b>         | <b>7,078,986</b>                                    | <b>1,300,646</b>                | <b>8,379,632</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 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        |
| Prior years' adjustments *                                      | -                                     | -                    | -                    | -                     | -                                       | 5,005                             | -                     | 82,462                   | 87,467  | 84,036                          | 171,503          |
| Prior years' adjustments (Note 2 (ii))                          | -                                     | -                    | -                    | -                     | -                                       | -                                 | (2,233)               | -                        | (2,233)   | -                               | (2,233)          |
| As restated   | 1,933,237                             | 1,719,601            | 20,701               | 911,016               | 7,996                                   | (30,002)                          | 180,468               | 3,437,104                | 6,246,884   | 1,215,649                       | 7,462,533        |
| Total comprehensive income for the financial period             | -                                     | -                    | -                    | -                     | (2,109)                                 | 22,072                            | 212                   | 113,251                  | 133,426   | 62,362                          | 195,788          |
| <u>Transactions with owners</u>                                 |                                       |                      |                      |                       |   |                                   |                       |                          |   |                                 |                  |
| Effect of changes in shareholdings in subsidiary companies      | -                                     | -                    | -                    | -                     | -                                       | -                                 | 5                     | 1,157                    | 1,162   | (9,235)                         | (8,073)          |
| Transfer of a subsidiary company's other reserves               | -                                     | -                    | -                    | -                     | -                                       | -                                 | 29,333                | (29,333)                 | -   | -                               | -                |
| Dividend paid to non-controlling interest                       | -                                     | -                    | -                    | -                     | -                                       | -                                 | -                     | -                        | -   | (11,310)                        | (11,310)         |
| Final dividend in respect of financial year ended 31 March 2012 | -                                     | -                    | -                    | -                     | -                                       | -                                 | -                     | (57,997)                 | (57,997)  | -                               | (57,997)         |
| <b>At 30 September 2012</b>                                     | <b>1,933,237</b>                      | <b>1,719,601</b>     | <b>20,701</b>        | <b>911,016</b>        | <b>5,887</b>                            | <b>(7,930)</b>                    | <b>210,018</b>        | <b>3,464,182</b>         | <b>6,323,475</b>                                    | <b>1,257,466</b>                | <b>7,580,941</b> |

\* In respect of the changes in Bank Negara Malaysia Guidelines for Life Insurers – unallocated surplus and reserve of non-participating funds held by a Life insurance subsidiary company.

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 2013 and the explanatory notes attached to the interim financial report.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

|  | <b>6 Months Ended<br/>30.09.2013</b> | <b>6 Months Ended<br/>30.09.2012<br/>(Restated)</b> |
|--|--------------------------------------|---|
|  | <b>RM'000</b>                        | <b>RM'000</b>                                       |
| Net profit for the financial period  | 210,872                              | 166,237   |
| Adjustments:   |                                      |   |
| - Depreciation and amortisation of property, plant and equipment/prepaid lease properties            | 280,181                              | 338,679   |
| - Finance costs  | 175,701                              | 162,534   |
| - Taxation   | 112,968                              | 94,341  |
| - Share of results of jointly controlled entities (net of tax)                                       | (23,652)                             | (25,983)  |
| - Share of results of associated companies (net of tax)  | (69,872)                             | (72,109)  |
| - Others   | 82,535                               | 127,399   |
| Operating profit before working capital changes  | 768,733                              | 791,098   |
| Changes in working capital:  |                                      |   |
| Net increase in banking related assets   | (447,979)                            | (735,412)   |
| Net decrease in banking related liabilities  | (1,387,098)                          | (2,028,662)   |
| Net decrease/(increase) in current assets  | 828,050                              | (772,882)   |
| Net decrease in current liabilities  | (116,397)                            | (819,634)   |
| Net cash used in operations  | (354,691)                            | (3,565,492)   |
| Interest received  | 51,284                               | 45,833  |
| Dividends received from jointly controlled entities  | 14,209                               | 49,246  |
| Dividends received from associated companies   | 36,595                               | 39,501  |
| Dividends received from investments  | 109                                  | 2,618   |
| Tax paid, net of refund  | (95,270)                             | (85,569)  |
| Finance costs paid   | (152,612)                            | (125,486)   |
| Provision for liabilities and charges paid   | (26,177)                             | (14,625)  |
| Provision for concession assets paid   | (48,060)                             | (46,910)  |
| Post-employment benefit obligations paid   | (11,971)                             | (178)   |
| Net cash outflow from operating activities   | <b>(586,584)</b>                     | <b>(3,701,062)</b>                                  |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>  |                                      |   |
| Acquisition of investment securities   | (267,798)                            | (345,749)   |
| Purchase of property, plant and equipment/intangible assets/investment properties                    | (468,302)                            | (431,174)   |
| Acquisition of investment securities by a banking subsidiary company (net of proceeds from disposal) | (1,457,764)                          | 380,218   |
| Acquisition of land held for property development  | (5,589)                              | (1,834)   |
| Acquisition of additional shares in subsidiary companies   | (2,625)                              | (6,305)   |
| Proceeds from disposal/maturity of investment securities   | 341,677                              | 329,910   |
| Proceeds from disposal of property, plant and equipment/concession assets                            | 11,280                               | 2,671   |
| Redemption of available-for-sale securities  | 1,442,169                            | -   |
| Capital redemption of a jointly controlled entity received   | 5,000                                | -   |
| Net cash inflow from acquisition of subsidiary companies   | 2,307                                | -   |
| Acquisition of an associated company   | -                                    | (1,000)   |
| Proceeds from disposal of associated companies   | 35,407                               | 6,190   |
| Net cash outflow from investing activities   | <b>(364,238)</b>                     | <b>(67,073)</b>                                     |

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

|  | <b>6 Months Ended<br/>30.09.2013<br/>RM'000</b> | <b>6 Months Ended<br/>30.09.2012<br/>(Restated)<br/>RM'000</b> |
|--|---|--|
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>  |   |  |
| Proceeds from bank borrowings  | 922,474   | 1,569,256  |
| Repayment of bank borrowing/hire purchase and finance leases                         | (1,336,610)                                     | (603,114)  |
| Fixed deposits held as security/maintained as sinking fund                           | (256,767)                                       | 38,662   |
| Dividends paid to shareholders   | (21,749)  | -  |
| Dividends paid to non-controlling interest   | (27,949)  | (11,310)   |
| <b>Net cash (outflow)/inflow from financing activities</b>                           | <b>(720,601)</b>                                | <b>993,494</b>   |
| <b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>                                     | <b>(1,671,423)</b>                              | <b>(2,774,641)</b>   |
| Effects of foreign currency translation  | 12,208  | 1,626  |
| <b>CASH AND CASH EQUIVALENTS AS AT BEGINNING OF THE FINANCIAL PERIOD</b>             | <b>5,978,035</b>                                | <b>7,213,747</b>   |
| <b>CASH AND CASH EQUIVALENTS AS AT END OF THE FINANCIAL PERIOD</b>                   | <b>4,318,820</b>                                | <b>4,440,732</b>   |
| Cash and cash equivalents as at end of the financial period comprise the followings: |   |  |
| Bank balances and cash deposits  | 3,669,817                                       | 2,775,707  |
| Banking related assets – cash and short-term funds                                   | 1,560,754                                       | 1,963,176  |
| Bank overdrafts  | (18,997)  | (18,454)   |
|  | 5,211,574                                       | 4,720,429  |
| Less: Fixed deposits held as security  | (874,923)                                       | (268,064)  |
| Less: Bank balance in respect of Automotive Development Fund liabilities             | (17,831)  | (11,633)   |
|  | 4,318,820                                       | 4,440,732  |

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the financial year ended 31 March 2013 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 2013.

### **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 2013 except for the adoption of the following new and revised FRSs, and Amendments to FRSs which are relevant to the Group’s operations with effect from 1 April 2013:

|                       |  |
|-----------------------|--|
| FRS 10                | Consolidated Financial Statements  |
| FRS 11                | Joint Arrangements   |
| FRS 12                | Disclosure of Interests in Other Entities  |
| FRS 13                | Fair Value Measurement   |
| FRS 119               | Employee Benefits (2011)   |
| FRS 127               | Separate Financial Statements (2011)   |
| FRS 128               | Investments in Associates and Joint Ventures (2011)  |
| Amendments to FRS 1   | First-time Adoption of Financial Reporting Standards - Government Loans                    |
| Amendment to FRS 1    | First-time Adoption of Financial Reporting Standards [Improvements to FRSs (2012)]         |
| Amendments to FRS 7   | Financial Instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities |
| Amendments to FRS 10  | Consolidated Financial Statements: Transition Guidance                                     |
| Amendments to FRS 11  | Joint Arrangements: Transition Guidance  |
| Amendments to FRS 12  | Disclosure of Interests in Other Entities: Transition Guidance                             |
| Amendment to FRS 101  | Presentation of Financial Statements [Improvements to FRSs (2012)]                         |
| Amendments to FRS 101 | Presentation of Financial Statements - Presentation of Items of Other Comprehensive Income |
| Amendment to FRS 116  | Property, Plant and Equipment [Improvements to FRSs (2012)]                                |
| Amendment to FRS 132  | Financial Instruments: Presentation [Improvements to FRSs (2012)]                          |
| Amendment to FRS 134  | Interim Financial Reporting [Improvements to FRSs (2012)]                                  |

## 2. CHANGES IN ACCOUNTING POLICIES (Continued)

The adoption of the above standards did not result in material impact on the financial statements of the Group other than the following:

### (i) **FRS 11 Joint Arrangements**

The Group has carried out an assessment on adoption of FRS 11 and has concluded that there is no change in the classification of investments in jointly controlled entities with the exception of Exedy (Malaysia) Sdn. Bhd. (“Exedy”), an associated company of PROTON Holdings Berhad (“PROTON”). Exedy has been reclassified from investment in an associated company to investment in a jointly controlled entity as joint decisions are required to be made by all the shareholders in respect of its operational and financial matters.

### (ii) **FRS 119 Employee Benefits (2011)**

The revised FRS 119 requires the recognition of changes in defined benefit obligations and changes in fair value of plan assets when they occur, and hence eliminates the ‘corridor method’ permitted under the previous version of FRS 119 and accelerates the recognition of past service costs. The revised FRS 119 requires all actuarial gains and losses to be recognised immediately through other comprehensive income in order for the net pension asset or liability recognised in the consolidated statement of financial position to reflect the full value of the plan deficit or surplus. This revised accounting standard has been applied retrospectively.

The effects of the changes in accounting policies adopted by the Group are as follows:

|   | As previously stated<br>RM'000 | Effect of change in accounting policy – 2 (i)<br>RM'000 | Effect of change in accounting policy – 2 (ii)<br>RM'000 | As restated<br>RM'000 |
|---|--------------------------------|---|--|-----------------------|
| <b>As at 31 March 2013</b>                          |                                |   |  |                       |
| <b>Consolidated Statement Of Financial Position</b> |                                |   |  |                       |
| <u>Non-current assets</u>                           |                                |   |  |                       |
| Jointly controlled entities                         | 409,207                        | 20,241  | -  | 429,448               |
| Associated companies                                | 1,204,253                      | (20,241)  | -  | 1,184,012             |
| <u>Non-current liabilities</u>                      |                                |   |  |                       |
| Post-employment benefit obligations                 | 13,951                         | -   | 32,030   | 45,981                |
| <b>Consolidated Statement Of Changes in Equity</b>  |                                |   |  |                       |
| Other reserves                                      | 240,989                        | -   | (32,296)   | 208,693               |
| Non-controlling interest                            | 1,253,764                      | -   | 266  | 1,254,030             |

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

The effects of the changes in accounting policies adopted by the Group are as follows:  
(Continued)

|  | As previously<br>stated<br>RM'000 | Effect of<br>change in<br>accounting<br>policy – 2 (i)<br>RM'000 | Effect of<br>change in<br>accounting<br>policy – 2 (ii)<br>RM'000 | As restated<br>RM'000 |
|--|-----------------------------------|--|---|-----------------------|
| <b>For the financial period ended 30 September 2012</b>      |                                   |  |   |                       |
| <b>Consolidated Statement Of Comprehensive Income</b>        |                                   |  |   |                       |
| Share of results of jointly controlled entities (net of tax) | 25,476                            | 507  | -   | 25,983                |
| Share of results associated companies (net of tax)           | 72,616                            | (507)  | -   | 72,109                |
| <b>For the quarter ended 30 September 2012</b>               |                                   |  |   |                       |
| <b>Consolidated Statement Of Comprehensive Income</b>        |                                   |  |   |                       |
| Share of results of jointly controlled entities (net of tax) | 15,420                            | 99   | -   | 15,519                |
| Share of results associated companies (net of tax)           | 40,068                            | (99)   | -   | 39,969                |
| <b>As at 31 March 2012</b>                                   |                                   |  |   |                       |
| <b>Consolidated Statement Of Changes in Equity</b>           |                                   |  |   |                       |
| Other reserves   | 182,701                           | -  | (2,233)   | 180,468               |

**3. SEASONALITY OR CYCLICALITY OF OPERATIONS**

The businesses of the Group were not materially affected by any seasonal or cyclical fluctuations during the financial period ended 30 September 2013.

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

There was no material item of an unusual nature, size or incidence affecting the assets, liabilities, equity, net income or cash flows during the financial period ended 30 September 2013.

**5. CHANGES IN ESTIMATES**

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

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

There was no issuance and repayment of debt securities, share buy backs, share cancellations, shares held as treasury shares and resale of treasury shares for the financial period ended 30 September 2013.

**7. DIVIDENDS PAID**

- (a) An interim gross dividend of 1.5 sen 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.
- (b) The shareholders have approved a final gross dividend of 0.5 sen per share, less taxation of 25% and a tax exempt dividend of 4.0 sen per share at the last Annual General Meeting held on 19 September 2013 in respect of the financial year ended 31 March 2013. The net dividend amounting to RM84,579,121 was paid on 18 October 2013.

**8. SEGMENTAL INFORMATION**

The information of each of the Group's business segments for the financial period ended 30 September 2013 is as follows:

|                       | <b>Automotive<br/>RM'000</b> | <b>Services<br/>RM'000</b> | <b>Property,<br/>Asset &amp;<br/>Construction<br/>RM'000</b> | <b>Investment<br/>Holding<br/>RM'000</b> | <b>Group<br/>RM'000</b> |
|-----------------------|------------------------------|----------------------------|--|--|-------------------------|
| <b>Revenue</b>        |                              |                            |  |  |                         |
| Total revenue         | 5,567,394                    | 1,314,378                  | 180,527  | 17,812                                   | 7,080,111               |
| Inter-segment revenue | (279,047)                    | (12,871)                   | (66,486)   | (17,812)                                 | (376,216)               |
| External revenue      | 5,288,347                    | 1,301,507                  | 114,041  | -  | 6,703,895               |
|                       |                              |                            |  |  |                         |

**8. SEGMENTAL INFORMATION (Continued)**

|   | <b>Automotive<br/>RM'000</b> | <b>Services<br/>RM'000</b> | <b>Property,<br/>Asset &amp;<br/>Construction<br/>RM'000</b> | <b>Investment<br/>Holding<br/>RM'000</b> | <b>Group<br/>RM'000</b> |
|---|------------------------------|----------------------------|--|--|-------------------------|
| <b>Results</b>  |                              |                            |  |  |                         |
| Segment profit  | 227,572                      | 152,435                    | 328  | (10,815)                                 | 369,520                 |
| Unallocated expenses  |                              |                            |  |  | (13,467)                |
| Interest income   |                              |                            |  |  | 49,964                  |
| Finance costs   |                              |                            |  |  | (175,701)               |
| Share of results of jointly<br>controlled entities (net of tax) | 20,999                       | -                          | 2,653  | -  | 23,652                  |
| Share of results of associated<br>companies (net of tax)        | 41,825                       | 26,961                     | 1,086  | -  | 69,872                  |
| Profit before taxation  |                              |                            |  |  | 323,840                 |
| Taxation  |                              |                            |  |  | (112,968)               |
| Net profit for the financial<br>period                          |                              |                            |  |  | 210,872                 |
| Attributable to:  |                              |                            |  |  |                         |
| Owners of the Company   |                              |                            |  |  | 148,226                 |
| Non-controlling interest  |                              |                            |  |  | 62,646                  |

**9. 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.

**10. SUBSEQUENT EVENT**

Save as disclosed in Note 20, there has not arisen in the interval between the end of this reporting period and the date of this announcement, any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group.

**11. CHANGES IN THE COMPOSITION OF THE GROUP DURING THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2013**

- (a) On 26 June 2013, PROTON Holdings Berhad, a wholly-owned subsidiary company of the Group, completed the acquisition of the remaining 2.5% equity interest in PHN Industry Sdn. Bhd. ("PHN Industry") for a cash consideration of RM2,625,000. Subsequently, the Group's effective equity interest in PHN Industry increased from 97.5% to 100%.
- (b) On 1 July 2013, Proton Edar Sdn. Bhd., an indirect wholly-owned subsidiary of the Group, completed the disposal of its 40% equity interest in Netstar Advanced Systems Sdn. Bhd. ("Netstar") for a cash consideration of RM3,008,773. As a result, Netstar ceased to be an associated company of the Group.
- (c) On 1 July 2013, HICOM Holdings Berhad, effectively 100% owned subsidiary company of the Group, completed the disposal of its 21.01% equity interest in Niro Ceramic (M) Sdn. Bhd. ("Niro Ceramic") for a cash consideration of approximately RM30,462,000. As a result, Niro Ceramic ceased to be an associated company of the Group.
- (d) On 2 July 2013, Miyazu (Malaysia) Sdn. Bhd. which was previously a jointly controlled entity of the Group has been classified as a subsidiary company, in accordance with FRS 10.
- (e) On 2 August 2013, Alam Flora Sdn. Bhd., an indirect 97.37% owned subsidiary company of the Group, completed the acquisition of the entire equity interest comprising 2 ordinary shares of RM1.00 in DRB-HICOM Environmental Services Sdn. Bhd. ("DHES") from HICOM Holdings Berhad via an internal re-organisation. The Group's effective equity interest in DHES is 97.37%.
- (f) On 4 September 2013, Lotus Cars Malaysia Sdn. Bhd. ("Lotus Cars Malaysia") was incorporated with the issued and paid-up share capital of RM2.00 comprising 2 ordinary shares of RM1.00 each. The core business of Lotus Cars Malaysia is to act as a distributor of Lotus cars and its related spare parts and accessories in Malaysia.
- (g) On 25 September 2013, Lotus Advance Technologies Sdn. Bhd. ("LATSB"), effectively a wholly-owned subsidiary company of the Group, completed the acquisition of 100% equity interest in Symphony Lotus Limited ("SLL") for a total cash consideration of USD3.00 and transfer and assignment of the amounts owing by SLL to SLL's shareholders to LATSB for a cash consideration of USD15,000,000. As a result, SLL became a wholly-owned subsidiary of the Group.
- (h) On 30 September 2013, HICOM Holdings Berhad completed the disposal of its 30% equity interest in Midea Scott & English Electronics Sdn. Bhd. ("Midea SEE") for a cash consideration of RM936,000. As a result, Midea SEE ceased to be an associated company of the Group.
- (i) On 30 September 2013, Bank Muamalat Malaysia Berhad, a direct 70% subsidiary company of the Group, disposed its 20% equity interest in Pos Ar-Rahnu Sdn. Bhd. ("Pos Ar-Rahnu") to POS Malaysia Berhad for a cash consideration of RM1,000,000. As a result, the Group's effective interest in Pos Ar-Rahnu had reduced to 32.21% from 39.77%.

**12. CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

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

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

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

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

|  | <b>As at 30.09.2013</b>            |  |  |
|--|------------------------------------|--|--|
|  | <b>Principal Amount<br/>RM'000</b> | <b>Credit Equivalent Amount<br/>RM'000</b> | <b>Risk Weighted Amount<br/>RM'000</b> |
| Direct credit substitutes                            | 6,352                              | 6,352                                      | 6,352                                  |
| Trade-related contingencies                          | 21,635                             | 4,327                                      | 1,868                                  |
| Transaction related contingencies                    | 373,318                            | 186,659                                    | 181,857                                |
| Obligations under an on-going underwriting agreement | 7,500                              | 3,750                                      | 750                                    |
| Credit extension commitment:                         |                                    |  |  |
| – maturity within one year                           | 758,298                            | 151,660                                    | 121,403                                |
| – maturity exceeding one year                        | 2,183,540                          | 1,091,770                                  | 295,259                                |
| Bills of collection                                  | 23,331                             | -  | -                                      |
| Profit rate related contracts                        | 875,000                            | 42,392                                     | 8,478                                  |
| Foreign exchange related contracts                   | 975,841                            | 13,695                                     | 5,196                                  |
|  | <b>5,224,815</b>                   | <b>1,500,605</b>                           | <b>621,163</b>                         |

**14. PROFIT BEFORE TAXATION**

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

|   | 3 Months Ended       |                      | 6 Months Ended       |                      |
|---|----------------------|----------------------|----------------------|----------------------|
|   | 30.09.2013<br>RM'000 | 30.09.2012<br>RM'000 | 30.09.2013<br>RM'000 | 30.09.2012<br>RM'000 |
| Allowance for/write off of investment securities and financing of customers             | 43,634               | 1,135                | 70,875               | 1,278                |
| Amortisation of :   |                      |                      |                      |                      |
| - intangible assets   | 41,514               | 36,521               | 80,931               | 108,134              |
| - concession assets   | 2,864                | 4,059                | 5,731                | 8,112                |
| Depreciation and amortisation of property, plant and equipment/prepaid lease properties | 144,825              | 174,653              | 280,181              | 338,679              |
| Doubtful debts (net of write backs)   | 2,706                | (6,810)              | 4,993                | (321)                |
| Finance costs   | 87,079               | 85,304               | 175,701              | 162,534              |
| Impairment loss/(reversal of impairment loss) (net) of                                  |                      |                      |                      |                      |
| - assets held for sale  | -                    | -                    | 7,293                | -                    |
| - property, plant and equipment   | (7)                  | (246)                | 6,423                | 88                   |
| - investment securities: available-for-sale   | 9,849                | 9,687                | 6,821                | 11,339               |
| Inventories written off/down (net of write backs)                                       | 526                  | 7,024                | (3,806)              | 9,942                |
| Loss on fair value adjustment of investment properties                                  | 1,820                | 1,352                | 2,211                | 2,703                |
| Net write off of property, plant and equipment  | (33)                 | 117                  | 186                  | 283                  |
| Dividend income   | (64)                 | (42)                 | (109)                | (2,626)              |
| (Gain)/loss on disposal of:   |                      |                      |                      |                      |
| - investment securities   | (3,665)              | (3,839)              | (8,105)              | (21,143)             |
| - property, plant and equipment   | (1,007)              | 3,595                | (3,748)              | 3,550                |
| - concession assets   | (922)                | -                    | (922)                | -                    |
| - associated companies  | (3,832)              | -                    | (3,832)              | (1,643)              |
| (Gain)/loss on fair value adjustment of securities at fair value through profit or loss | 833                  | (761)                | (176)                | (289)                |



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

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

|   | 3 Months Ended       |                      | 6 Months Ended       |                      |
|---|----------------------|----------------------|----------------------|----------------------|
|   | 30.09.2013<br>RM'000 | 30.09.2012<br>RM'000 | 30.09.2013<br>RM'000 | 30.09.2012<br>RM'000 |
| Interest income on short term deposits          | (29,773)             | (21,451)             | (49,964)             | (41,543)             |
| Marked to market net (gain)/loss on derivatives | (13,371)             | 1,242                | (27,009)             | (13,296)             |
| Net foreign exchange differences                | (17,049)             | 3,014                | (17,226)             | 2,076                |

**15. REVIEW OF PERFORMANCE**

- (a) For the financial period ended 30 September 2013, the Group's revenue declined marginally by 4.2% to RM6.7 billion as compared to RM7.0 billion in the previous corresponding period ended 30 September 2012.

| Group Business Sectors                     | 6 Months Ended       | 6 Months Ended       | Variance         |
|--|----------------------|----------------------|------------------|
|  | 30.09.2013<br>RM'000 | 30.09.2012<br>RM'000 |                  |
| (i) Automotive                             | 5,288,347            | 5,505,629            | (217,282)        |
| (ii) Services                              | 1,301,507            | 1,294,166            | 7,341            |
| (iii) Property, Asset & Construction (PAC) | 114,041              | 198,676              | (84,635)         |
| <b>Total</b>                               | <b>6,703,895</b>     | <b>6,998,471</b>     | <b>(294,576)</b> |

**(i) Automotive Sector**

The slight drop in Automotive sector's revenue was mainly attributed to different sales mix of vehicles sold during the financial period.

**(ii) Services Sector**

Generally, all the companies in the Services sector achieved satisfactory performance during the period under review.

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

(a) (Continued)

(iii) **PAC Sector**

The lower revenue was mainly due to lower percentage of completion of the property development projects during the current financial period.

(b) The Group achieved a higher profit before taxation of RM323.84 million for the financial period ended 30 September 2013 as compared with RM260.58 million in the corresponding period ended 30 September 2012, an increase of 24% mainly contributed by automotive sector.

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

The Group achieved a higher profit before taxation of RM227.62 million in the current quarter ended 30 September 2013 compared with RM96.22 million in the preceding quarter ended 30 June 2013. The increase is mainly due to the better performance of the automotive and services companies in the Group.

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

As announced by Bank Negara Malaysia, the Malaysian economy recorded a stronger growth in the third quarter with domestic demand remaining as key driver of growth as well as improvement in exports. The GDP for the third quarter of 2013 was 5% surpassing the second quarter growth of 4.4%. The targeted growth rate for the full year is expected to be around 4.5% to 5%.

In line with its strategic business objectives, the Group has completed the acquisition of Composites Technology Research Malaysia Sdn. Bhd. on 4 November 2013 and is expected to complete the acquisition of Konsortium Logistik Berhad in December 2013. In addition, the divestment of certain identified non-core assets is progressing and will be finalised by the end of the financial year. The business opportunities arising from the new investments will provide synergies with existing businesses of the Group to achieve business and operational efficiencies and effectiveness which will be able to provide long-term sustainable growth for the Group.

The financial performance of the Group for the financial year ending 31 March 2014 is expected to be satisfactory.

**18. PROFIT FORECAST OR PROFIT GUARANTEE**

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

**19. TAXATION**

Taxation comprises the following:

|                   | 3 Months Ended       |                      | 6 Months Ended       |                      |
|-------------------|----------------------|----------------------|----------------------|----------------------|
|                   | 30.09.2013<br>RM'000 | 30.09.2012<br>RM'000 | 30.09.2013<br>RM'000 | 30.09.2012<br>RM'000 |
| Current taxation  | 28,655               | 22,231               | 53,723               | 74,951               |
| Deferred taxation | 31,937               | 27,580               | 59,245               | 19,390               |
| <b>Total</b>      | <b>60,592</b>        | <b>49,811</b>        | <b>112,968</b>       | <b>94,341</b>        |

The Group's effective tax rate for the financial period ended 30 September 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.

**20. STATUS OF CORPORATE PROPOSALS**

- (a) 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 fulfilment of the conditions precedent.
- (b) On 12 July 2013, DRB-HICOM Defence Technologies Sdn. Bhd. ("DEFTECH"), a wholly-owned subsidiary company of the Group, entered into a Share Sale Agreement with the Minister of Finance Incorporated ("MOF") to acquire 466,778,067 ordinary shares of RM1.00 each representing 96.87% equity interest in Composites Technology Research Malaysia Sdn. Bhd. ("CTRM") from MOF for a total cash consideration of approximately RM298,300,000. The acquisition was completed on 4 November 2013. As a result, CTRM became a subsidiary company of the Group.

**20. STATUS OF CORPORATE PROPOSALS (Continued)**

- (c) On 15 August 2013, Uni.Asia Capital Sdn. Bhd. (“UAC”), an indirect 51% owned subsidiary company of the Group, has submitted an application to Bank Negara Malaysia (“BNM”) to seek the approval of the Minister of Finance pursuant to Sections 89 and 90 of the Financial Services Act, 2013, to review a proposal for UAC to enter into a Sale and Purchase Agreement (“SPA”) with a company to be respectively owned by The Prudential Insurance Company of America and Bank Simpanan Nasional in relation to the proposed disposal of UAC’s entire 100% equity interest in Uni.Asia Life Assurance Berhad for a total cash consideration of RM518 million subject to any adjustment thereto. The signing of the SPA is pending approval from BNM.
- (d) On 25 October 2013, KL Airport Services Sdn. Bhd. (“KLAS”), effectively a wholly-owned subsidiary company of the Group, entered into a conditional Share Sale and Purchase Agreement (“SSPA”) with Bendahara 1 Sdn. Bhd. for the proposed acquisition of 155,462,322 ordinary shares of RM1.00 each in Konsortium Logistik Berhad (“KLB”) (“KLB Shares”) representing approximately 61.61% equity interest in KLB for a total purchase consideration of RM240,966,599.10 or RM1.55 per KLB Share (“Proposed Acquisition”). With the Proposed Acquisition, KLB will become a 61.61% owned subsidiary company of KLAS. Pursuant to Section 218(2) of the Capital Markets & Services Act, 2007 and Section 9(1) of the Malaysian Code on Take-Over and Mergers, 2010, KLAS and its parties acting in concert, if any, will be obligated to extend a mandatory general offer for the remaining KLB Shares not owned by KLAS after the Proposed Acquisition at a cash offer price of RM1.55 for each KLB Share. The SSPA is pending fulfilment of the conditions precedent.

**21. BORROWINGS AND DEFERRED LIABILITIES**

Total Group borrowings are as follows:

|            |                              | <b>As at<br/>30.09.2013<br/>RM'000</b> |
|------------|------------------------------|--|
|            | <b>Short Term Borrowings</b> |  |
| <b>(a)</b> | <b>Bank overdrafts</b>       |  |
|            | - Secured                    | 10,677                                 |
|            | - Unsecured                  | 8,320                                  |
|            | <b>Total</b>                 | <b>18,997</b>                          |

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

|  | <b>As at<br/>30.09.2013<br/>RM'000</b> |
|--|--|
| <b>(b) Short Term Borrowings (Continued)</b>                                     |  |
| <b>Others</b>  |  |
| <u>Secured</u>   |  |
| Bankers acceptances  | 142,080                                |
| Revolving credits  | 274,471                                |
| Hire purchase and finance lease liabilities – portion repayable within 12 months | 13,617                                 |
| Long term loans – portion repayable within 12 months                             | 1,053,509                              |
| Long term loans under Islamic financing – portion repayable within 12 months     | 176,959                                |
| Sub-total  | 1,660,636                              |
| <u>Unsecured</u>   |  |
| Bankers acceptances  | 544,938                                |
| Revolving credits  | 248,000                                |
| Short term loans   | 3,557                                  |
| Long term loans – portion repayable within 12 months                             | 1,818                                  |
| Long term loans under Islamic financing – portion repayable within 12 months     | 36,233                                 |
| Deferred liability   | 13,229                                 |
| Sub-total  | 847,775                                |
| <b>Total</b>   | <b>2,508,411</b>                       |
| <b>(c) Long Term Borrowings</b>  |  |
| <u>Secured</u>   |  |
| Hire purchase and finance lease liabilities - portion repayable within 12 months | 45,015                                 |
|  | (13,617)                               |
|  | 31,398                                 |
| Long term loans - portion repayable within 12 months                             | 2,131,460                              |
|  | (1,053,509)                            |
|  | 1,077,951                              |

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

|   | <b>As at<br/>30.09.2013<br/>RM'000</b> |
|---|--|
| <b>(c) Long Term Borrowings (Continued)</b> |  |
| <u>Secured</u> (Continued)                  |  |
| Long term loans under Islamic financing     | 2,341,288                              |
| - portion repayable within 12 months        | (176,959)                              |
|   | <b>2,164,329</b>                       |
| <u>Unsecured</u>                            |  |
| Long term loans                             | 17,335                                 |
| - portion repayable within 12 months        | (1,818)                                |
|   | <b>15,517</b>                          |
| Long term loans under Islamic financing     | 453,201                                |
| - portion repayable within 12 months        | (36,233)                               |
|   | <b>416,968</b>                         |
| <b>Total</b>                                | <b>3,706,163</b>                       |
| <b>Grand Total</b>                          | <b>6,233,571</b>                       |

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

| <b>As at</b> | <b>Amount</b>  |
|--------------|--|
| 30.09.2013   | RM226.7 million (SGD 87.5 million)<br>RM1.56 million (Thai Baht 15 million)<br>RM1.08 billion (GBP 203.97 million) |

## 22. OUTSTANDING DERIVATIVES

- (a) Derivatives outstanding as at 30 September 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/<br>Notional<br>Value<br>RM'000 | Fair value       |                       |
|---|--|------------------|-----------------------|
|   |  | Assets<br>RM'000 | Liabilities<br>RM'000 |
| <b>Financial instruments at fair value through profit or loss</b> |  |                  |                       |
| Forward foreign exchange contracts                                | 832,802                                  | 14,227           | 7,877                 |
| Currency swap foreign exchange contracts                          | 759,079                                  | 4,859            | 4,009                 |
| Islamic profit rate swap  | 875,000                                  | 5,142            | -                     |
|   | 2,466,881                                | 24,228           | 11,886                |

There is no significant change for the financial derivatives in respect of the following since the last financial year ended 31 March 2013:

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

During the current financial period, the Group recognised a total net gain of RM27.01 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 30 September 2013.

## 23. MATERIAL LITIGATION

As at the date of this report, there is no significant update on those material litigations disclosed in Annual Report for the financial year ended 31 March 2013.

**24. DIVIDEND**

No interim dividend has been declared for the financial period ended 30 September 2013.

**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 period.

|   | 3 Months Ended |             | 6 Months Ended |             |
|---|----------------|-------------|----------------|-------------|
|   | 30.09.2013     | 30.09.2012  | 30.09.2013     | 30.09.2012  |
| Net profit attributable to owners of the Company (RM'000) | 137,970        | 80,650      | 148,226        | 113,251     |
| 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>7.14</b>    | <b>4.17</b> | <b>7.67</b>    | <b>5.86</b> |

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

The retained profits of the Group as at 30 September 2013 are analysed as follows:

|   | As at<br>30.09.2013<br>RM'000 | As at<br>30.09.2012<br>(Restated)<br>RM'000 |
|---|-------------------------------|---|
| Total retained profits of the Company and subsidiaries:               |                               |   |
| - Realised  | 3,668,731                     | 3,024,768                                   |
| - Unrealised  | 106,437                       | 21,517                                      |
|   | <b>3,775,168</b>              | <b>3,046,285</b>                            |
| Total share of retained profits from jointly controlled entities:     |                               |   |
| - Realised  | 146,684                       | 151,607                                     |
| - Unrealised  | 2,597                         | 1,550                                       |
| Total share of retained profits from associated companies:            |                               |   |
| - Realised  | 317,322                       | 263,614                                     |
| - Unrealised  | 1,370                         | 1,126                                       |
| Total Group retained profits as per consolidated financial statements | <b>4,243,141</b>              | <b>3,464,182</b>                            |



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

**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

DATO' CHAN CHOY LIN, CAROL  
Secretary

Shah Alam  
28 November 2013