



## **DRB-HICOM BERHAD**

(203430-W)

(Incorporated in Malaysia)

Interim Financial Report for the Financial Period  
Ended 31 December 2013

**INTERIM FINANCIAL REPORT ON UNAUDITED CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2013**

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

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	Note	Current Quarter 3 Months Ended		Financial Period 9 Months Ended	
		31.12.2013 RM'000	31.12.2012 (Restated) RM'000	31.12.2013 RM'000	31.12.2012 (Restated) RM'000
Revenue		3,329,303	2,775,221	10,033,198	9,773,692
Cost of sales and operating expenses		(3,304,505)	(2,773,225)	(9,771,520)	(9,597,366)
Other income		244,485	501,896	500,695	690,380
Other expenses		(36,712)	(1,607)	(123,785)	(39,401)
Profit from operations		232,571	502,285	638,588	827,305
Finance costs		(88,990)	(83,591)	(264,691)	(246,125)
Share of results of jointly controlled entities (net of tax)		11,900	9,189	35,552	35,172
Share of results of associated companies (net of tax)		18,913	34,721	88,785	106,830
<b>PROFIT BEFORE TAXATION</b>	14	<b>174,394</b>	462,604	<b>498,234</b>	723,182
Taxation	19	6,090	(44,502)	(106,878)	(138,843)
<b>NET PROFIT FOR THE FINANCIAL PERIOD</b>		<b>180,484</b>	418,102	<b>391,356</b>	584,339
<b>OTHER COMPREHENSIVE (LOSS)/INCOME</b>					
<i>Items that will be reclassified subsequently to profit or loss:</i>					
Net (loss)/gain on fair value changes of securities: available-for-sale		(24,119)	(3,061)	(9,547)	23,050
Currency translation differences of foreign subsidiaries		(22,501)	(3,851)	(89,492)	(6,151)
Share of other comprehensive income/(loss) of an associated company		-	(512)	77	(300)
<i>Reclassification adjustments:</i>					
Transfer of reserve of an associated company to profit or loss upon disposal		-	-	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>(46,620)</b>	(7,424)	<b>(96,745)</b>	22,127
<b>TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD</b>		<b>133,864</b>	410,678	<b>294,611</b>	606,466
Net profit for the financial period attributable to:					
Owners of the Company		141,625	391,467	289,851	504,718
Non-controlling interest		38,859	26,635	101,505	79,621
		<b>180,484</b>	418,102	<b>391,356</b>	584,339
Total comprehensive income for the financial period attributable to:					
Owners of the Company		103,017	386,223	197,344	519,649
Non-controlling interest		30,847	24,455	97,267	86,817
		<b>133,864</b>	410,678	<b>294,611</b>	606,466
Basic earnings per share (sen):	25	<b>7.32</b>	20.25	<b>14.99</b>	26.11

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 As at 31.12.2013 RM'000	Audited As at 31.03.2013 (Restated) RM'000
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		5,487,451	4,983,782
Concession assets		244,891	253,888
Prepaid lease properties		36,411	11,772
Investment properties		561,376	551,514
Land held for property development		735,878	1,051,772
Jointly controlled entities		424,239	429,448
Associated companies		1,179,007	1,184,012
Intangible assets		1,156,638	809,082
Deferred tax assets		219,565	282,283
Investment securities: financial assets at fair value through profit or loss			
- Banking		84,546	84,373
Investment securities: available-for-sale			
- Banking		5,733,277	5,106,283
- Non-banking		132,019	1,007,236
Investment securities: held-to-maturity			
- Banking		575	575
- Non-banking		45,650	459,841
Other receivables		9,346	12,289
Other assets		668	320
Banking related assets			
- Financing of customers		8,131,515	8,056,313
- Statutory deposits with Bank Negara Malaysia		636,721	612,721
		<b>24,819,773</b>	<b>24,897,504</b>
<b>CURRENT ASSETS</b>			
Assets held for sale		2,596,031	5,665
Inventories		2,566,568	1,990,412
Property development costs		245,458	235,643
Trade and other receivables		4,039,393	4,305,683
Reinsurance assets		249,877	222,361
Investment securities: financial assets at fair value through profit or loss			
- Banking		4,800	-
- Non-banking		-	361,522
Investment securities: available-for-sale			
- Banking		463,064	1,360,708
- Non-banking		1,408	32,608
Investment securities: held-to-maturity			
- Non-banking		40,643	31,545
Banking related assets			
- Cash and short-term funds		789,274	3,341,694
- Financing of customers		2,828,296	2,052,700
Bank balances and cash deposits		2,957,301	3,284,116
Derivative assets	22(a)	22,941	8,332
		<b>16,805,054</b>	<b>17,232,989</b>
<b>TOTAL ASSETS</b>		<b>41,624,827</b>	<b>42,130,493</b>

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

	Note	Unaudited As at 31.12.2013 RM'000	Audited As at 31.03.2013 (Restated) RM'000
<b>EQUITY AND LIABILITIES</b>			
Share Capital		1,719,601	1,719,601
Reserves		5,462,402	5,348,649
<b>Equity attributable to owners of the Company</b>		<b>7,182,003</b>	<b>7,068,250</b>
<b>Non-controlling interest</b>		<b>1,326,561</b>	<b>1,254,030</b>
<b>TOTAL EQUITY</b>		<b>8,508,564</b>	<b>8,322,280</b>
<b>NON-CURRENT LIABILITIES</b>			
Life insurance contract liabilities		-	1,743,628
Deferred income		109,023	91,454
Long term borrowings	21(c)	4,040,636	3,667,866
Provision for liabilities and charges		1,069	1,023
Provision for concession assets		36,102	19,250
Post-employment benefit obligations		40,976	45,981
Deferred tax liabilities		72,801	102,336
Banking related liabilities			
- Deposits from customers		44,177	31,505
		<b>4,344,784</b>	<b>5,703,043</b>
<b>CURRENT LIABILITIES</b>			
Liabilities relating to assets held for sale		1,891,132	-
General and life insurance contract liabilities		720,207	715,061
Deferred income		46,053	38,567
Trade and other payables		6,284,183	5,505,394
Provision for liabilities and charges		165,264	155,525
Provision for concession assets		36,386	89,809
Post-employment benefit obligations		-	60
Bank borrowings			
- Bank overdrafts	21(a)	19,896	15,143
- Others	21(b)	2,794,334	2,794,047
Banking related liabilities			
- Deposits from customers		15,953,057	18,541,613
- Deposits and placements of banks and other financial institutions		590,760	10,774
- Bills and acceptances payable		204,620	132,750
- Recourse obligation on financing sold to Cagamas		59,554	61,679
Derivative liabilities	22(a)	6,033	22,999
Dividend payable		-	21,749
		<b>28,771,479</b>	<b>28,105,170</b>
<b>TOTAL LIABILITIES</b>		<b>33,116,263</b>	<b>33,808,213</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>41,624,827</b>	<b>42,130,493</b>
<b>NET ASSETS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY (RM)</b>		<b>* 3.72</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	-	-	-	-	(89,105)	(5,696)	2,294	289,851	197,344	97,267	294,611
<u>Transactions with owners</u>											
Effect of changes in shareholdings in subsidiary companies	-	-	-	-	-	-	-	988	988	(4,588)	(3,600)
Acquisition of a subsidiary company	-	-	-	-	-	-	-	-	-	(3,788)	(3,788)
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	-	-	-	-	-	-	33,037	(33,037)	-	-	-
Dividend paid to non-controlling interest	-	-	-	-	-	-	-	-	-	(29,093)	(29,093)
Final dividend in respect of financial year ended 31 March 2013	-	-	-	-	-	-	-	(84,579)	(84,579)	-	(84,579)
<b>At 31 December 2013</b>	<b>1,933,237</b>	<b>1,719,601</b>	<b>20,701</b>	<b>911,016</b>	<b>(66,840)</b>	<b>(11,663)</b>	<b>244,024</b>	<b>4,365,164</b>	<b>7,182,003</b>	<b>1,326,561</b>	<b>8,508,564</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	-	-	-	-	(6,032)	21,268	(305)	504,718	519,649	86,817	606,466
<u>Transactions with owners</u>											
Effect of changes in shareholdings in subsidiary companies	-	-	-	-	-	-	5	311	316	(45,190)	(44,874)
Transfer of a subsidiary company's other reserves	-	-	-	-	-	-	42,398	(42,398)	-	-	-
Dividend paid to non-controlling interest	-	-	-	-	-	-	-	-	-	(15,148)	(15,148)
Final dividend in respect of financial year ended 31 March 2012	-	-	-	-	-	-	-	(57,997)	(57,997)	-	(57,997)
<b>At 31 December 2012</b>	<b>1,933,237</b>	<b>1,719,601</b>	<b>20,701</b>	<b>911,016</b>	<b>1,964</b>	<b>(8,734)</b>	<b>222,566</b>	<b>3,841,738</b>	<b>6,708,852</b>	<b>1,242,128</b>	<b>7,950,980</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>9 Months Ended 31.12.2013</b>	<b>9 Months Ended 31.12.2012 (Restated)</b>
	<b>RM'000</b>	<b>RM'000</b>
Net profit for the financial period	391,356	584,339
Adjustments:		
- Depreciation and amortisation of property, plant and equipment/prepaid lease properties	438,352	498,729
- Finance costs	264,691	246,125
- Taxation	106,878	138,843
- Share of results of jointly controlled entities (net of tax)	(35,552)	(35,172)
- Share of results of associated companies (net of tax)	(88,785)	(106,830)
- Gain on bargain purchase	(111,677)	-
- Gain on disposal of a business	-	(412,552)
- Others	54,965	44,064
Operating profit before working capital changes	1,020,228	957,546
Changes in working capital:		
Net increase in banking related assets	(907,119)	(1,094,690)
Net decrease in banking related liabilities	(1,926,153)	(1,431,337)
Net decrease/(increase) in current assets	289,710	(984,862)
Net increase/(decrease) in current liabilities	268,203	(247,188)
Net cash used in operations	(1,255,131)	(2,800,531)
Interest received	72,248	71,182
Dividends received from jointly controlled entities	14,209	54,246
Dividends received from associated companies	47,234	51,809
Dividends received from investments	142	2,632
Tax paid, net of refund	(153,674)	(135,747)
Finance costs paid	(219,938)	(206,261)
Provision for liabilities and charges paid	(85,776)	(31,603)
Provision for concession assets paid	(53,423)	(98,438)
Post-employment benefit obligations paid	(12,295)	(283)
Net cash outflow from operating activities	<b>(1,646,404)</b>	<b>(3,092,994)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of investment securities	(496,993)	(444,947)
Purchase of property, plant and equipment/intangible assets/investment properties	(711,905)	(588,820)
Acquisition of investment securities by a banking subsidiary company (net of proceeds from disposal)	(1,426,608)	(2,061,074)
Acquisition of land held for property development	(7,642)	(1,644)
Acquisition of additional shares in subsidiary companies	(2,625)	(53,905)
Proceeds from disposal/maturity of investment securities	479,776	519,536
Proceeds from disposal of property, plant and equipment/concession assets	23,309	17,054
Redemption of available-for-sale securities	1,697,425	1,846,000
Capital redemption of a jointly controlled entity received	5,000	-
Net cash outflow from acquisition of subsidiary companies	(320,734)	-
Acquisition of an associated company	-	(1,000)
Subscription of shares in an associated company	-	(1,800)
Proceeds from disposal of associated companies	35,407	6,190
Net cash outflow from investing activities	<b>(725,590)</b>	<b>(764,410)</b>

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

	<b>9 Months Ended 31.12.2013 RM'000</b>	<b>9 Months Ended 31.12.2012 (Restated) RM'000</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from bank borrowings	3,186,656	2,419,702
Repayment of bank borrowing/hire purchase and finance leases	(3,109,430)	(1,247,391)
Fixed deposits held as security/maintained as sinking fund	(208,993)	(382,282)
Dividends paid to shareholders	(106,328)	(57,997)
Dividends paid to non-controlling interest	(29,093)	(15,148)
<b>Net cash (outflow)/inflow from financing activities</b>	<b>(267,188)</b>	<b>716,884</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(2,639,182)</b>	<b>(3,140,520)</b>
Effects of foreign currency translation	(6,338)	(1,570)
CASH AND CASH EQUIVALENTS AS AT BEGINNING OF THE FINANCIAL PERIOD	5,978,035	7,213,747
<b>CASH AND CASH EQUIVALENTS AS AT END OF THE FINANCIAL PERIOD</b>	<b>3,332,515</b>	<b>4,071,657</b>
Cash and cash equivalents as at end of the financial period comprise the followings:		
Bank balances and cash deposits	2,957,301	3,338,648
Banking related assets – cash and short-term funds	789,274	1,447,774
Bank overdrafts	(19,896)	(14,124)
	3,726,679	4,772,298
Less: Fixed deposits held as security	(827,149)	(687,144)
Less: Bank balance in respect of Automotive Development Fund liabilities	(18,761)	(13,497)
Add: Cash and cash equivalents attributable to asset held for sale	451,746	-
	3,332,515	4,071,657

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 to 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. 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 RM'000	Effect of change in accounting policy – 2 (i) RM'000	Effect of change in accounting policy – 2 (ii) RM'000	As restated 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 stated RM'000	Effect of change in accounting policy – 2 (i) RM'000	Effect of change in accounting policy – 2 (ii) RM'000	As restated RM'000
<b>For the financial period ended 31 December 2012</b>				
<b>Consolidated Statement Of Comprehensive Income</b>				
Share of results of jointly controlled entities (net of tax)	34,451	721	-	35,172
Share of results associated companies (net of tax)	107,551	(721)	-	106,830
<b>For the quarter ended 31 December 2012</b>				
<b>Consolidated Statement Of Comprehensive Income</b>				
Share of results of jointly controlled entities (net of tax)	8,975	214	-	9,189
Share of results associated companies (net of tax)	34,935	(214)	-	34,721
<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 31 December 2013.

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

Save as mentioned below, 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 31 December 2013.

- (a) On 4 November 2013, Composites Technology Research Malaysia Sdn. Bhd. (“CTRM”) became a 96.87% subsidiary company of the Group following the completion of the acquisition by DRB-HICOM Defence Technologies Sdn. Bhd. The initial accounting for CTRM’s business combination in the consolidated financial statements of DRB-HICOM involves identifying and determining the fair values to be assigned to CTRM’s identifiable assets, liabilities and contingent liabilities and the cost of the combination. As at 31 December 2013, the fair value of CTRM’s identifiable assets, liabilities and contingent liabilities can only be determined provisionally pending the completion of purchase price allocation (“PPA”) on CTRM’s identifiable assets, liabilities and contingent liabilities. The CTRM’s business combination has been accounted for using these provisional values. The Group shall recognise any adjustments to these provisional values upon completion of the PPA exercise within twelve months from the acquisition date.

The initial accounting has resulted in a gain on bargain purchase amounting to approximately RM111.68 million which has been recognised as other income in the consolidated statement of comprehensive income of DRB-HICOM Berhad for the current quarter and financial period ended 31 December 2013.

- (b) On 16 December 2013, Konsortium Logistik Berhad (“KLB”) became a 61.61% subsidiary company of the Group following the completion of the acquisition by KL Airport Services Sdn. Bhd. Subsequent to the acquisition, KLAS extended a take-over offer (MGO) to the non-controlling shareholders of KLB to sell their shares at an offer price of RM1.55 per KLB Share. Under the requirement of FRS 10 Consolidated Financial Statements, both the acquisition of 61.61% equity and the MGO are inter-linked and hence to be accounted for as a single transaction. Therefore, the acquisition of KLB is accounted for based on 100% ownership as of 16 December 2013 and accordingly, no non-controlling interest is recognised in the financial statements. The amount payable under the MGO has been reflected as current liability in the consolidated statement of financial position of DRB-HICOM Berhad as at 31 December 2013.

The initial accounting for KLB’s business combination in the consolidated financial statements of DRB-HICOM involves identifying and determining the fair values to be assigned to KLB’s identifiable assets, liabilities and contingent liabilities and the cost of the combination. As at 31 December 2013, the fair value of KLB’s identifiable assets, liabilities and contingent liabilities can only be determined provisionally pending the completion of purchase price allocation (“PPA”) on KLB’s identifiable assets, liabilities and contingent liabilities. The KLB’s business combination has been accounted for using these provisional values. The Group shall recognise any adjustments to these provisional values upon completion of the PPA exercise within twelve months from the acquisition date.

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

(b) (Continued)

The initial accounting has resulted in a goodwill on consolidation amounting to approximately RM239.48 million which has been recognised as intangible asset in the consolidated statement of financial position of DRB-HICOM Berhad as at 31 December 2013.

(c) Included under other income in the consolidated statement of comprehensive income for the corresponding quarter and financial period ended 31 December 2012 is the gain on disposal of HICOM Power Sdn. Bhd.'s entire business of RM412.55 million.

**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 31 December 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 31 December 2013 is as follows:

	<b>Automotive RM'000</b>	<b>Services RM'000</b>	<b>Property, Asset &amp; Construction RM'000</b>	<b>Investment Holding RM'000</b>	<b>Group RM'000</b>
<b>Revenue</b>					
Total revenue	8,255,922	2,006,587	301,254	26,729	10,590,492
Inter-segment revenue	(399,053)	(18,585)	(112,927)	(26,729)	(557,294)
External revenue	7,856,869	1,988,002	188,327	-	10,033,198
<b>Results</b>					
Segment profit	152,440	311,990	8,936	(11,088)	462,278
Gain on bargain purchase					111,677
Unallocated expenses					(11,838)
Interest income					76,471
Finance costs					(264,691)
Share of results of jointly controlled entities (net of tax)	31,382	-	4,170	-	35,552
Share of results of associated companies (net of tax)	53,996	33,703	1,086	-	88,785
Profit before taxation					498,234
Taxation					(106,878)
Net profit for the financial period					391,356
Attributable to:					
Owners of the Company					289,851
Non-controlling interest					101,505

## 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 31 DECEMBER 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 company of the Group.

**11. CHANGES IN THE COMPOSITION OF THE GROUP DURING THE FINANCIAL PERIOD ENDED 31 DECEMBER 2013 (Continued)**

- (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%.
- (j) On 4 November 2013, DRB-HICOM Defence Technologies Sdn. Bhd., a wholly-owned subsidiary company of the Group, completed the acquisition of 96.87% equity interest comprising 466,778,067 ordinary shares of RM1.00 each in Composites Technology Research Malaysia Sdn. Bhd. ("CTRM") for a total cash consideration of RM298.30 million. As a result, CTRM became a subsidiary company of the Group.
- (k) On 16 December 2013, KL Airport Services Sdn. Bhd. ("KLAS"), an indirect wholly-owned subsidiary company of the Group, completed the acquisition of 61.61% equity interest comprising 155,462,322 ordinary shares of RM1.00 each in Konsortium Logistik Berhad ("KLB") for a total cash consideration of RM240.97 million. As a result, KLB became a subsidiary company of the Group.

**12. CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

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



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

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

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

	As at 31.12.2013		
	Principal Amount RM'000	Credit Equivalent Amount RM'000	Risk Weighted Amount RM'000
Direct credit substitutes	27,114	27,114	26,598
Trade-related contingencies	36,535	7,307	2,850
Transaction related contingencies	350,753	175,377	172,043
Obligations under an on-going underwriting agreement	7,500	3,750	750
Credit extension commitment:			
– maturity within one year	680,766	136,153	119,220
– maturity exceeding one year	2,488,867	1,244,433	446,752
Bills of collection	34,218	-	-
Profit rate related contracts	875,000	51,465	10,293
Foreign exchange related contracts	288,801	4,501	3,701
	<b>4,789,554</b>	<b>1,650,100</b>	<b>782,207</b>

**14. PROFIT BEFORE TAXATION**

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

	3 Months Ended		9 Months Ended	
	31.12.2013 RM'000	31.12.2012 RM'000	31.12.2013 RM'000	31.12.2012 RM'000
Allowance for/write off of investment securities and financing of customers (net of write backs)	(44,283)	(16,141)	26,592	(14,863)
Amortisation of :				
- intangible assets	39,392	60,608	120,323	168,742
- concession assets	2,894	4,062	8,625	12,174
Depreciation and amortisation of property, plant and equipment/prepaid lease properties	158,171	160,050	438,352	498,729

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

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

	3 Months Ended		9 Months Ended	
	31.12.2013 RM'000	31.12.2012 RM'000	31.12.2013 RM'000	31.12.2012 RM'000
Doubtful debts (net of write backs)	1,272	6,378	6,265	6,057
Finance costs	88,990	83,591	264,691	246,125
Impairment loss/(reversal of impairment loss) (net) of				
- assets held for sale	-	-	7,293	-
- property, plant and equipment	3,974	(6,991)	10,397	(6,903)
- investment securities: available-for-sale	1,451	(4,148)	8,272	7,191
Intangible assets written off	-	2,043	-	2,043
Inventories written off/down (net of write backs)	(8,143)	(1,851)	(11,949)	8,091
Net write off of property, plant and equipment	49	922	235	1,205
Dividend income	(30)	(707)	(139)	(3,333)
Gain on bargain purchase	(111,677)	-	(111,677)	-
(Gain)/loss on fair value adjustment of investment properties	(2,763)	1,429	(552)	4,132
Gain on disposal of:				
- a business	-	(412,552)	-	(412,552)
- investment securities	(8,464)	(10,441)	(16,569)	(31,584)
- property, plant and equipment	(5,611)	(4,027)	(9,359)	(477)
- concession assets	-	-	(922)	-
Gain on disposal of:				
- associated companies	-	-	(3,832)	(1,643)
Gain on fair value adjustment of securities at fair value through profit or loss	(216)	(173)	(392)	(462)
Interest income on short term deposits	(26,507)	(20,577)	(76,471)	(62,120)
Marked to market net gain on derivatives	(4,566)	(5,252)	(31,575)	(18,548)

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

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

	<b>3 Months Ended</b>		<b>9 Months Ended</b>	
	<b>31.12.2013 RM'000</b>	<b>31.12.2012 RM'000</b>	<b>31.12.2013 RM'000</b>	<b>31.12.2012 RM'000</b>
Net foreign exchange differences	(5,933)	3,125	(23,159)	5,201
Reversal of provision for major overhauls	-	(78,861)	-	(78,861)

**15. REVIEW OF PERFORMANCE**

- (a) For the financial period ended 31 December 2013, the Group's revenue increased by 2.7% to RM10.03 billion as compared to RM9.77 billion in the previous corresponding period ended 31 December 2012.

<b>Group Business Sectors</b>	<b>9 Months Ended 31.12.2013 RM'000</b>	<b>9 Months Ended 31.12.2012 RM'000</b>	<b>Variance RM'000</b>
(i) Automotive	7,856,869	7,544,269	312,600
(ii) Services	1,988,002	1,932,657	55,345
(iii) Property, Asset & Construction (PAC)	188,327	296,766	(108,439)
<b>Total</b>	<b>10,033,198</b>	<b>9,773,692</b>	<b>259,506</b>

**(i) Automotive Sector**

The increase in Automotive sector's revenue were mainly attributed to the higher recognition of revenue from defence projects and the inclusion of Composites Technology Research Malaysia Sdn. Bhd. sales revenue.

**(ii) Services Sector**

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

**(iii) PAC Sector**

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

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

- (b) The Group's pre-tax profits (after finance cost but excluding E.I.) increased by 24.4% to RM386.56 million for the financial period ended 31 December 2013 as compared with RM310.63 million in the corresponding period ended 31 December 2012.

After taking into account the exceptional items (E.I.) in the current and corresponding periods, the Group's overall profit before tax was RM498.23 million as compared with RM723.18 million previously.

		9 Months Ended		Variance RM'000
		31.12.2013 RM'000	31.12.2012 RM'000	
(a)	Operating profits from subsidiaries	526,911	414,753	112,158
(b)	Finance costs	(264,691)	(246,125)	(18,566)
	<b>Sub-total</b>	<b>262,220</b>	<b>168,628</b>	<b>93,592</b>
(c)	Share of results of JCEs	35,552	35,172	380
(d)	Share of results of associated companies	88,785	106,830	(18,045)
	<b>Sub-total</b>	<b>386,557</b>	<b>310,630</b>	<b>75,927</b>
(e)	E.I. - Gain on bargain purchase	111,677	-	111,677
(f)	E.I. - Gain on disposal of a business	-	412,552	(412,552)
(g)	<b>Group's Profit Before Tax</b>	<b>498,234</b>	<b>723,182</b>	<b>(224,948)</b>

↑ 24.4 %

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

The Group achieved a lower profit before taxation of RM174.39 million in the current quarter ended 31 December 2013 compared with RM227.62 million in the preceding quarter ended 30 September 2013. The reduction is mainly due to lower performance of certain automotive companies in the Group.

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

The Malaysian economy expanded by 4.7% in 2013 and is expected to grow between 5% and 5.5% in 2014 driven by domestic demand and improving global economy. The positive economic outlook will continue to support the growth of the Group businesses.

The recent acquisitions of two major subsidiary companies i.e. Composites Technology Research Malaysia Sdn. Bhd. and Konsortium Logistik Berhad will broaden the Group's business activities in the composite material manufacturing and engineering industry and the integrated logistics services sector respectively, which will provide the impetus for future growth.

In facing the current challenging economic environment, the Group will continue in its efforts to improve operational efficiencies and managing the cost of doing businesses so as to remain competitive and profitable. Overall, the Group expects the financial performance for the financial year ending 31 March 2014 to remain 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:

	<b>3 Months Ended</b>		<b>9 Months Ended</b>	
	<b>31.12.2013</b>	<b>31.12.2012</b>	<b>31.12.2013</b>	<b>31.12.2012</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Current taxation	(22,869)	25,057	30,854	100,008
Deferred taxation	16,779	19,445	76,024	38,835
<b>Total</b>	<b>(6,090)</b>	<b>44,502</b>	<b>106,878</b>	<b>138,843</b>

The Group's effective tax rate for the financial period ended 31 December 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 18 December 2013, Uni.Asia Capital Sdn. Bhd. (“UAC”), an indirect 51% owned subsidiary company of the Group, entered into a Sale and Purchase Agreement (“SPA”) with 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. The disposal was completed on 2 January 2014.
- (c) As mentioned in Note 11 (k), the acquisition of Konsortium Logistik Berhad (“KLB Shares”) was completed on 16 December 2013. Pursuant to Section 218(2) of the Capital Markets & Services Act, 2007 (“CMSA”) and Section 9(1) of the Malaysian Code on Take-Over and Mergers, 2010, KL Airport Services Sdn. Bhd. (“KLAS”) and its parties acting in concert have extended an unconditional take-over offer for the remaining KLB Shares not owned by KLAS at a cash offer price of RM1.55 for each KLB Share. On 26 February 2014 and based on valid acceptances, KLAS has invoked the provisions of Section 222 of the CMSA to compulsorily acquire any remaining KLB shares.
- (d) On 30 January 2014, Edaran Otomobil Nasional Berhad (“EON”), effectively a wholly-owned subsidiary company of the Group, entered into a Share Sale Agreement with Pekali Malim Sdn. Bhd. for the acquisition of 75,000 ordinary shares of RM1.00 each in Multi Automotive Service and Assist Sdn. Bhd. (“MASA”) representing a 30% equity interest in MASA for a cash consideration of RM250,000. The transaction was completed on the same date and EON’s shareholding in MASA increased from 70% to 100%.
- (e) On 18 February 2014, Uni.Asia Capital Sdn. Bhd. (“UAC”), an indirect 51% owned subsidiary company of the Group, 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 Liberty UK and Europe Holdings Limited (“Liberty UK”), an indirect subsidiary of Liberty Mutual Holding Company Inc. in relation to the proposed disposal of UAC’s entire equity interest in Uni.Asia General Insurance Berhad of approximately 68.1% for a total cash consideration of RM374.5 million subject to the terms and conditions of the SPA. The application is pending approval from BNM.

**21. BORROWINGS AND DEFERRED LIABILITIES**

Total Group borrowings are as follows:

	<b>As at 31.12.2013 RM'000</b>
<b>Short Term Borrowings</b>	
<b>(a) Bank overdrafts</b>	
- Secured	11,545
- Unsecured	8,351
<b>Total</b>	<b>19,896</b>
<b>(b) Others</b>	
<u>Secured</u>	
Bankers acceptances	150,595
Revolving credits	242,875
Short term loans	56,693
Hire purchase and finance lease liabilities – portion repayable within 12 months	17,716
Long term loans – portion repayable within 12 months	1,086,869
Long term loans under Islamic financing – portion repayable within 12 months	154,549
Sub-total	1,709,297
<u>Unsecured</u>	
Bankers acceptances	705,687
Revolving credits	317,000
Short term loans	8,974
Long term loans – portion repayable within 12 months	4,825
Long term loans under Islamic financing – portion repayable within 12 months	36,233
Deferred liability	12,318
Sub-total	1,085,037
<b>Total</b>	<b>2,794,334</b>

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

	<b>As at 31.12.2013 RM'000</b>
<b>(c) Long Term Borrowings</b>	
<u>Secured</u>	
Hire purchase and finance lease liabilities - portion repayable within 12 months	54,735 (17,716)
	37,019
Long term loans - portion repayable within 12 months	2,269,130 (1,086,869)
	1,182,261
Long term loans under Islamic financing - portion repayable within 12 months	2,547,067 (154,549)
	2,392,518
<u>Unsecured</u>	
Long term loans - portion repayable within 12 months	23,292 (4,825)
	18,467
Long term loans under Islamic financing - portion repayable within 12 months	446,604 (36,233)
	410,371
<b>Total</b>	<b>4,040,636</b>
<b>Grand Total</b>	<b>6,854,866</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>
31.12.2013	RM227.1 million (SGD 87.5 million) RM1.5 million (Thai Baht 15 million) RM1.11 billion (GBP 206.4 million)



**22. OUTSTANDING DERIVATIVES**

- (a) Derivatives outstanding as at 31 December 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:

	<b>Contract/ Notional Value RM'000</b>	<b>Fair value</b>	
		<b>Assets RM'000</b>	<b>Liabilities RM'000</b>
<b>Financial instruments at fair value through profit or loss</b>			
Forward foreign exchange contracts	597,146	8,129	4,693
Currency swap foreign exchange contracts	136,271	596	1,340
Islamic profit rate swap	875,000	14,216	-
	<b>1,608,417</b>	<b>22,941</b>	<b>6,033</b>

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 RM31.58 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 December 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**

The Board of Directors is pleased to declare a single-tier interim dividend of 1.50 sen (2013: 1.50 sen gross less 25% tax) per share amounting to RM28,998,556 for the current financial year ending 31 March 2014 which is proposed to be paid on 28 April 2014.

A Depositor shall qualify for entitlement only in respect of:

- (a) Shares deposited into the Depositor's Securities Account before 12.30 p.m. on 31 March 2014 in respect of the shares exempted from mandatory deposit;
- (b) Shares transferred into the Depositor's Securities Account before 4.00 p.m. on 2 April 2014 in respect of transfers; and
- (c) Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

**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.

	<b>3 Months Ended</b>		<b>9 Months Ended</b>	
	<b>31.12.2013</b>	<b>31.12.2012</b>	<b>31.12.2013</b>	<b>31.12.2012</b>
Net profit attributable to owners of the Company (RM'000)	141,625	391,467	289,851	504,718
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>7.32</b>	<b>20.25</b>	<b>14.99</b>	<b>26.11</b>

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

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

	<b>As at 31.12.2013 RM'000</b>	<b>As at 31.12.2012 (Restated) RM'000</b>
Total retained profits of the Company and subsidiaries:		
- Realised	3,730,083	3,377,281
- Unrealised	158,251	26,201
	<b>3,888,334</b>	<b>3,403,482</b>
Total share of retained profits from jointly controlled entities:		
- Realised	158,757	148,732
- Unrealised	2,967	468
Total share of retained profits from associated companies:		
- Realised	318,752	288,459
- Unrealised	(3,646)	597
Total Group retained profits as per consolidated financial statements	<b>4,365,164</b>	<b>3,841,738</b>

**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  
27 February 2014