



DRB-HICOM BERHAD

(203430-W)

(Incorporated in Malaysia)

Interim Financial Report for the Financial Period
Ended 30 June 2014

INTERIM FINANCIAL REPORT ON UNAUDITED CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2014

The Board of Directors is pleased to announce the unaudited consolidated financial results of DRB-HICOM Group for the financial period ended 30 June 2014.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	First Quarter 3 Months Ended		Financial Year 3 Months Ended	
		30.06.2014 RM'000	30.06.2013 RM'000	30.06.2014 RM'000	30.06.2013 RM'000
Revenue		3,724,751	3,054,558	3,724,751	3,054,558
Cost of sales and operating expenses		(3,610,379)	(3,004,608)	(3,610,379)	(3,004,608)
Other income		118,210	139,592	118,210	139,592
Other expenses		(33,076)	(52,937)	(33,076)	(52,937)
Profit from operations		199,506	136,605	199,506	136,605
Finance costs		(95,567)	(88,622)	(95,567)	(88,622)
Share of results of jointly controlled entities (net of tax)		12,914	8,466	12,914	8,466
Share of results of associated companies (net of tax)		68,202	39,767	68,202	39,767
PROFIT BEFORE TAXATION	14	185,055	96,216	185,055	96,216
Taxation	19	(49,906)	(52,376)	(49,906)	(52,376)
NET PROFIT FOR THE FINANCIAL PERIOD		135,149	43,840	135,149	43,840
OTHER COMPREHENSIVE LOSS					
<i>Items that will be reclassified subsequently to profit or loss:</i>					
Net gain/ (loss) on fair value changes of securities: available-for-sale		267	(17,890)	267	(17,890)
Currency translation differences of foreign subsidiaries		(7,246)	(17,619)	(7,246)	(17,619)
Share of other comprehensive income of an associated company		-	77	-	77
OTHER COMPREHENSIVE LOSS FOR THE FINANCIAL PERIOD		(6,979)	(35,432)	(6,979)	(35,432)
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD		128,170	8,408	128,170	8,408
Net profit for the financial period attributable to:					
Owners of the Company		107,837	10,256	107,837	10,256
Non-controlling interest		27,312	33,584	27,312	33,584
		135,149	43,840	135,149	43,840
Total comprehensive income/(loss) for the financial period attributable to:					
Owners of the Company		101,751	(19,718)	101,751	(19,718)
Non-controlling interest		26,419	28,126	26,419	28,126
		128,170	8,408	128,170	8,408
Basic earnings per share (sen):	25	5.58	0.53	5.58	0.53

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the financial year ended 31 March 2014 and the explanatory notes attached to the interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	Unaudited As at 30.06.2014 RM'000	Audited As at 31.03.2014 RM'000
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment		5,595,949	5,561,456
Concession assets		239,273	242,139
Prepaid lease properties		37,467	37,709
Investment properties		537,151	540,505
Land held for property development		738,178	733,306
Jointly controlled entities		414,581	413,371
Associated companies		1,284,912	1,226,189
Intangible assets		1,153,634	1,145,450
Deferred tax assets		220,405	219,773
Investment securities: financial assets at fair value through profit or loss			
- Banking		84,717	98,710
Investment securities: available-for-sale			
- Banking		5,864,791	5,608,740
- Non-banking		131,425	131,031
Investment securities: held-to-maturity			
- Banking		138,709	-
- Non-banking		25,398	45,569
Other receivables		277,087	378,359
Other assets		633	633
Banking related assets			
- Financing of customers		8,854,564	8,410,371
- Statutory deposits with Bank Negara Malaysia		675,721	648,721
		26,274,595	25,442,032
CURRENT ASSETS			
Assets held for sale		46,337	5,799
Inventories		2,206,511	2,038,213
Property development costs		260,324	257,711
Trade and other receivables		4,381,534	3,830,163
Reinsurance assets		220,460	211,478
Investment securities: available-for-sale			
- Banking		473,369	456,507
- Non-banking		959	982
Investment securities: held-to-maturity			
- Non-banking		60,751	41,263
Banking related assets			
- Cash and short-term funds		470,727	1,087,047
- Financing of customers		3,107,794	3,287,185
Bank balances and cash deposits		2,978,804	3,047,754
Derivative assets	22(a)	20,437	20,796
		14,228,007	14,284,898
TOTAL ASSETS		40,502,602	39,726,930

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

	Note	Unaudited As at 30.06.2014 RM'000	Audited As at 31.03.2014 RM'000
EQUITY AND LIABILITIES			
Share Capital		1,719,601	1,719,601
Reserves		5,688,283	5,586,532
Equity attributable to owners of the Company		7,407,884	7,306,133
Non-controlling interest		1,229,208	1,199,852
TOTAL EQUITY		8,637,092	8,505,985
NON-CURRENT LIABILITIES			
Deferred income		106,052	103,660
Long term borrowings	21(c)	5,238,279	5,359,595
Provision for liabilities and charges		2,190	1,807
Provision for concession assets		50,641	43,742
Post-employment benefit obligations		33,267	33,099
Deferred tax liabilities		56,000	61,166
Banking related liabilities			
- Deposits from customers		49,568	45,976
		5,535,997	5,649,045
CURRENT LIABILITIES			
Liabilities related to assets held for sale		5,050	-
General insurance contract liabilities		718,558	691,616
Deferred income		56,331	58,445
Trade and other payables		6,138,490	5,329,620
Provision for liabilities and charges		185,894	182,843
Provision for concession assets		26,887	27,281
Post-employment benefit obligations		30	-
Bank borrowings			
- Bank overdrafts	21(a)	32,759	14,806
- Others	21(b)	1,816,442	1,764,843
Banking related liabilities			
- Deposits from customers		16,354,657	17,260,467
- Deposits and placements of banks and other financial institutions		947,594	101,074
- Bills and acceptances payable		31,579	105,004
Derivative liabilities	22(a)	15,242	6,902
Dividend payable		-	28,999
		26,329,513	25,571,900
TOTAL LIABILITIES		31,865,510	31,220,945
TOTAL EQUITY AND LIABILITIES		40,502,602	39,726,930
NET ASSETS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY (RM)		* 3.83	* 3.78

* 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 2014 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 2014	1,933,237	1,719,601	20,701	911,016	(89,405)	(15,440)	271,832	4,487,828	7,306,133	1,199,852	8,505,985
Total comprehensive (loss)/ income for the financial period	-	-	-	-	(6,179)	93	-	107,837	101,751	26,419	128,170
<u>Transactions with owners</u>											
Subscription of redeemable preference shares in a subsidiary company by non-controlling interest	-	-	-	-	(222)	-	222	-	-	2,937	2,937
Transfer of a subsidiary company's reserves	-	-	-	-	-	-	14,535	(14,535)	-	-	-
At 30 June 2014	1,933,237	1,719,601	20,701	911,016	(95,806)	(15,347)	286,589	4,581,130	7,407,884	1,229,208	8,637,092

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 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 *	-	-	-	-	-	-	(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 period	-	-	-	-	(17,475)	(12,576)	77	10,256	(19,718)	28,126	8,408
<u>Transactions with owners</u>											
Effect of changes in shareholdings in subsidiary companies	-	-	-	-	-	-	-	988	988	(4,588)	(3,600)
Transfer of a subsidiary company's reserves	-	-	-	-	-	-	6,234	(6,234)	-	-	-
Dividend paid to non-controlling interest	-	-	-	-	-	-	-	-	-	(18,226)	(18,226)
At 30 June 2013	1,933,237	1,719,601	20,701	911,016	4,790	(18,543)	215,004	4,196,951	7,049,520	1,259,342	8,308,862

* In respect of the change in accounting policy of FRS 119 *Employee Benefits (2011)*.

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 2014 and the explanatory notes attached to the interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	3 Months Ended 30.06.2014 RM'000	3 Months Ended 30.06.2013 RM'000
Net profit for the financial period	135,149	43,840
Adjustments:		
- Depreciation and amortisation of property, plant and equipment/prepaid lease properties	133,799	135,356
- Finance costs	95,567	88,622
- Taxation	49,906	52,376
- Share of results of jointly controlled entities (net of tax)	(12,914)	(8,466)
- Share of results of associated companies (net of tax)	(68,202)	(39,767)
- Others	28,728	10,651
Operating profit before working capital changes	362,033	282,612
Changes in working capital:		
Net increase in banking related assets	(302,514)	(194,324)
Net decrease in banking related liabilities	(129,123)	(1,458,399)
Net increase in current assets	(604,313)	(42,468)
Net increase in current liabilities	838,727	76,018
Net cash generated from/(used in) operations	164,810	(1,336,561)
Interest received	20,105	19,413
Dividends received from jointly controlled entities	666	2,450
Dividends received from associated companies	8,923	4,474
Dividends received from investments	-	45
Tax paid, net of refund	(70,576)	(43,515)
Finance costs paid	(95,256)	(83,682)
Provision for liabilities and charges paid	(25,227)	(9,675)
Post-employment benefit obligations paid	(57)	(129)
Provision for concession assets paid	-	(24,044)
Net cash inflow/(outflow) from operating activities	3,388	(1,471,224)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of investment securities by a banking subsidiary company (net of proceeds from disposal)	(437,798)	(955,584)
Purchase of property, plant and equipment/intangible assets/investment properties	(203,509)	(201,386)
Additional cost incurred for land held for property development	(169)	(5,027)
Net cash outflow from acquisitions of subsidiary companies	(24,003)	-
Proceeds from disposal/maturity of investment securities	39,035	175,002
Proceeds from disposal of property, plant and equipment/concession asset	1,745	10,212
Acquisition of investment securities	-	(167,872)
Acquisition of additional shares in subsidiary companies	-	(2,625)
Redemption of available-for-sale securities	-	867,456
Net cash outflow from investing activities	(624,699)	(279,824)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

	3 Months Ended 30.06.2014 RM'000	3 Months Ended 30.06.2013 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from bank borrowings	1,017,860	987,543
Repayment of bank borrowing/hire purchase and finance leases	(1,070,150)	(696,842)
Fixed deposits held as security/maintained as sinking fund	(51,086)	(168,628)
Dividends paid to shareholders	(28,999)	(21,749)
Dividends paid to non-controlling interest	-	(18,226)
Net cash (outflow)/inflow from financing activities	(132,375)	82,098
NET DECREASE IN CASH AND CASH EQUIVALENTS	(753,686)	(1,668,950)
Effects of foreign currency translation	(775)	(4,526)
CASH AND CASH EQUIVALENTS AS AT BEGINNING OF THE FINANCIAL PERIOD	3,278,336	5,978,035
CASH AND CASH EQUIVALENTS AS AT END OF THE FINANCIAL PERIOD	2,523,875	4,304,559
Cash and cash equivalents as at end of the financial period comprise the followings:		
Bank balances and cash deposits	2,978,804	3,563,780
Banking related assets – cash and short-term funds	470,727	1,564,434
Bank overdrafts	(32,759)	(20,909)
	3,416,772	5,107,305
Less: Fixed deposits held as security	(873,596)	(786,784)
Less: Bank balance in respect of Automotive Development Fund liabilities	(19,301)	(15,962)
	2,523,875	4,304,559

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the financial year ended 31 March 2014 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 2014.

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 2014 except for the adoption of the following Amendments to FRSs and Issues Committee (“IC”) Interpretations which are applicable to the Group with effect from 1 April 2014:

Amendments to FRS 10	Consolidated Financial Statements: Investment Entities
Amendments to FRS 12	Disclosure of Interests in Other Entities: Investment Entities
Amendments to FRS 127	Separate Financial Statements: Investment Entities
Amendments to FRS 132	Financial Instruments: Presentation – Offsetting Financial Assets and Liabilities
Amendments to FRS 136	Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Assets
IC Interpretation 21	Levies
Annual improvements to FRSs 2010 – 2012 Cycle	
Annual improvements to FRSs 2011 – 2013 Cycle	

The adoption and application of the above amendments or interpretation are not expected to have any material impact to the financial statements of the Group.

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 June 2014.

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 June 2014.

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 June 2014.

7. DIVIDENDS PAID

A single tier interim dividend of 1.50 sen per share amounting to RM28,998,556 for the financial year ended 31 March 2014, was paid on 28 April 2014.

8. SEGMENTAL INFORMATION

The information of each of the Group's business segments for the financial period ended 30 June 2014 is as follows:

	Automotive RM'000	Services RM'000	Property, Asset & Construction RM'000	Investment Holding RM'000	Group RM'000
Revenue					
Total revenue	3,022,574	805,978	79,763	13,270	3,921,585
Inter-segment revenue	(138,559)	(25,532)	(19,473)	(13,270)	(196,834)
External revenue	2,884,015	780,446	60,290	-	3,724,751
Results					
Segment profit	75,916	110,108	6,366	(7,388)	185,002
Unallocated expenses					(4,052)
Interest income on short term deposits					18,556
Finance costs					(95,567)
Share of results of jointly controlled entities (net of tax)	10,504	-	2,410	-	12,914
Share of results of associated companies (net of tax)	60,053	8,149	-	-	68,202
Profit before taxation					185,055

8. SEGMENTAL INFORMATION (Continued)

	Automotive RM'000	Services RM'000	Property, Asset & Construction RM'000	Investment Holding RM'000	Group RM'000
Taxation					(49,906)
Net profit for the financial period					135,149
Attributable to:					
Owners of the Company					107,837
Non-controlling interest					27,312

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 that would likely affect substantially the results of the operations of the Group.

11. CHANGES IN THE COMPOSITION OF THE GROUP DURING THE FINANCIAL PERIOD ENDED 30 JUNE 2014

On 18 June 2014, Edaran Otomobil Nasional Berhad, effectively a wholly-owned subsidiary company of the Group, completed the acquisition of 100% equity interest in Sistem Sewa Kereta Malaysia Sdn. Bhd. ("SSKM") for a cash consideration of RM5.50 million. As a result, SSKM became a wholly-owned subsidiary company of the Group.

12. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There has been no material change in contingent liabilities or contingent assets from what was reported in 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 30.06.2014		
	Principal Amount RM'000	Credit Equivalent Amount RM'000	Risk Weighted Amount RM'000
Direct credit substitutes	20,377	20,377	19,977
Trade-related contingencies	33,957	6,791	1,865
Transaction related contingencies	364,685	182,342	177,274
Credit extension commitment:			
– maturity within one year	977,261	195,452	173,874
– maturity exceeding one year	2,741,050	1,370,525	575,956
Bills of collection	39,284	-	-
Profit rate related contracts	2,800,000	83,927	16,785
Foreign exchange related contracts	987,847	7,409	3,243
	7,964,461	1,866,823	968,974

14. PROFIT BEFORE TAXATION

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

	3 Months Ended	
	30.06.2014 RM'000	30.06.2013 RM'000
Allowance for/write off of investment securities and financing of customers (net)	36,214	27,241
Amortisation of :		
- intangible assets	34,233	39,417
- concession assets	2,866	2,867
Depreciation and amortisation of property, plant and equipment/ prepaid lease properties	133,799	135,356
Doubtful debts (net of write backs)	4,137	2,287

14. PROFIT BEFORE TAXATION (Continued)

	3 Months Ended	
	30.06.2014 RM'000	30.06.2013 RM'000
Finance costs	95,567	88,622
Impairment loss of		
- assets held for sale	-	7,293
- property, plant and equipment	438	6,430
Inventories written off/down (net of write backs)	5,647	(4,332)
Loss on fair value adjustment of investment properties	555	391
Write off of property, plant and equipment	24	219
Dividend income	-	(45)
Gain on disposal of:		
- investment securities	(1,875)	(4,440)
- property, plant and equipment	(70)	(2,741)
Gain on fair value adjustment of investment securities at fair value through profit or loss	-	(1,009)
Interest income on short term deposits	(18,556)	(20,191)
Marked to market loss/(gain) on derivatives (net)	8,699	(13,638)
Net foreign exchange differences	(2,325)	(177)
Reversal of impairment loss of investment securities: available-for-sale (net)	(28,621)	(3,028)

15. REVIEW OF PERFORMANCE

- (a) The Group recorded a higher revenue of RM3.72 billion for the current quarter ended 30 June 2014 as compared to RM3.05 billion in the previous corresponding quarter ended 30 June 2013. The increase was mainly on account of higher sales recorded by companies in the automotive and services sectors.

Group Business Sectors	Quarter Ended 30.06.2014 RM'000	Quarter Ended 30.06.2013 RM'000	Variance RM'000
(i) Automotive	2,884,015	2,331,869	552,146
(ii) Services	780,446	644,822	135,624
(iii) Property, Asset & Construction (PAC)	60,290	77,867	(17,577)
Total	3,724,751	3,054,558	670,193

15. REVIEW OF PERFORMANCE (Continued)

(a) (Continued)

(i) Automotive Sector

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

(ii) Services Sector

The increase was contributed by all the companies in the Services sector during the period under review.

(iii) PAC Sector

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

(b) For the current quarter ended 30 June 2014, the Group achieved a higher pre-tax profit of RM185.06 million compared with RM96.22 million in the corresponding quarter ended 30 June 2013. The higher profits were mainly on account of better financial performance of companies in the automotive and services sectors and also higher share of profits from associated companies.

16. COMPARISON WITH PRECEDING QUARTER'S RESULTS

The Group recorded a pre-tax profit of RM185.06 million in the current quarter ended 30 June 2014 compared with RM298.38 million in the preceding quarter ended 31 March 2014. The preceding quarter results included a one-off gain on disposals of an insurance subsidiary company and certain parcels of land in Johor.

17. PROSPECTS FOR THE FINANCIAL YEAR ENDING 31 MARCH 2015

For the first half of 2014, Malaysia's economic growth improved to 6.3% on the back of resilient domestic demand and improvement in external demand. The Gross Domestic Product grew to 6.4% in the second quarter compared to 6.2% recorded in the first quarter of 2014.

The Group's improved financial performance for the first quarter ended 30 June 2014 was attributed to the healthy growth of the economy as well as the operating efficiencies of the Group's various business activities. The Group will continue to strengthen its core competencies in facing the challenging business and cost environment.

The Group expects to achieve satisfactory financial performance for the financial year ending 31 March 2015.

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	
	30.06.2014	30.06.2013
	RM'000	RM'000
Current taxation	56,141	25,068
Deferred taxation	(6,235)	27,308
Total	49,906	52,376

The Group's effective tax rate for the financial period ended 30 June 2014 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 10 July 2014, Scott & English (Malaysia) Sdn. Bhd., a 70% owned subsidiary company of the Group, disposed its entire 51% equity interest in Scott & English Trading (Sarawak) Sdn. Bhd. ("SET") for a cash consideration of RM649,000. As a result, SET ceased to be an indirect subsidiary company of the Group.
- (b) On 16 July 2014, Uni.Asia Capital Sdn. Bhd., an indirect 51% subsidiary company of the Group, completed the disposal of its entire equity interest of 68.09% in Uni.Asia General Insurance Berhad ("UAG") for a total cash consideration of approximately RM374.5 million. As a result, UAG ceased to be an indirect subsidiary company of the Group.

21. BORROWINGS AND DEFERRED LIABILITIES

Total Group borrowings are as follows:

	As at 30.06.2014 RM'000
Short Term Borrowings	
(a) Bank overdrafts	
- Secured	18,466
- Unsecured	14,293
Total	32,759
(b) Others	
<u>Secured</u>	
Bankers acceptances	8,981
Revolving credits	56,723
Short term loans	71,110
Hire purchase and finance lease liabilities – portion repayable within 12 months	17,272
Long term loans – portion repayable within 12 months	268,991
Long term loans under Islamic financing – portion repayable within 12 months	114,251
Sub-total	537,328
<u>Unsecured</u>	
Bankers acceptances	928,273
Revolving credits	295,368
Short term loans	1,377
Long term loans – portion repayable within 12 months	5,026
Long term loans under Islamic financing – portion repayable within 12 months	36,764
Deferred liability	12,306
Sub-total	1,279,114
Total	1,816,442

21. BORROWINGS AND DEFERRED LIABILITIES (Continued)

	As at 30.06.2014 RM'000
(c) Long Term Borrowings	
<u>Secured</u>	
Hire purchase and finance lease liabilities - portion repayable within 12 months	46,546 (17,272)
	29,274
Long term loans - portion repayable within 12 months	2,430,652 (268,991)
	2,161,661
Long term loans under Islamic financing - portion repayable within 12 months	2,739,013 (114,251)
	2,624,762
<u>Unsecured</u>	
Long term loans - portion repayable within 12 months	20,844 (5,026)
	15,818
Long term loans under Islamic financing - portion repayable within 12 months	443,528 (36,764)
	406,764
Total	5,238,279
Grand Total	7,087,480

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

As at	Amount
30.06.2014	RM222.43 million (SGD 86.5 million) RM61.22million (USD19.0 million) RM9.83 million (GBP1.8 million)

22. OUTSTANDING DERIVATIVES

- (a) Derivatives outstanding as at 30 June 2014 consist of foreign exchange contracts and profit rate swap which are measured at their fair value together with their corresponding contract/notional amounts as below:

	Contract/ Notional Value RM'000	Fair value	
		Assets RM'000	Liabilities RM'000
Financial instruments at fair value through profit or loss			
Forward foreign exchange contracts	678,910	1,569	6,392
Currency swap foreign exchange contracts	783,926	48	8,850
Islamic profit rate swap	2,800,000	18,820	-
	4,262,836	20,437	15,242

There is no significant change for the financial derivatives in respect of the following since the last financial year ended 31 March 2014:

- (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 loss of RM8.70 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 June 2014.

23. MATERIAL LITIGATION

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

24. DIVIDEND

No interim dividend has been declared for the financial period ended 30 June 2014.

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	
	30.06.2014	30.06.2013
Net profit attributable to owners of the Company (RM'000)	107,837	10,256
Number of ordinary shares in issue ('000)	1,933,237	1,933,237
Basic earnings per share (sen)	5.58	0.53

26. DISCLOSURE OF REALISED AND UNREALISED PROFITS/LOSSES

The retained profits of the Group as at 30 June 2014 are analysed as follows:

	As at 30.06.2014 RM'000	As at 30.06.2013 RM'000
Total retained profits of the Company and subsidiaries:		
- Realised	3,866,770	3,587,991
- Unrealised	141,116	136,741
	4,007,886	3,724,732
Total share of retained profits from jointly controlled entities:		
- Realised	151,161	150,585
- Unrealised	2,703	1,842
Total share of retained profits from associated companies:		
- Realised	420,016	319,230
- Unrealised	(636)	562
Total Group retained profits as per consolidated financial statements	4,581,130	4,196,951

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 August 2014