



DRB-HICOM BERHAD

(203430-W)

(Incorporated in Malaysia)

Interim Financial Report for the Financial Period
Ended 31 December 2014

INTERIM FINANCIAL REPORT ON UNAUDITED CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2014

The Board of Directors is pleased to announce the unaudited consolidated financial results of DRB-HICOM Group ("the Group") for the current quarter/financial period ended 31 December 2014.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Current Quarter 3 Months Ended		Financial Period 9 Months Ended	
		31.12.2014 RM'000	31.12.2013 (Restated) RM'000	31.12.2014 RM'000	31.12.2013 (Restated) RM'000
Revenue		3,528,547	3,329,303	10,477,995	10,033,198
Cost of sales and operating expenses		(3,505,146)	(3,305,069)	(10,307,790)	(9,772,084)
Other income		112,540	251,075	403,520	507,285
Other expenses		(16,013)	(36,712)	(76,128)	(123,785)
Profit from operations		119,928	238,597	497,597	644,614
Finance costs		(103,074)	(88,990)	(294,537)	(264,691)
Share of results of jointly controlled entities (net of tax)		4,929	11,900	27,252	35,552
Share of results of associated companies (net of tax)		74,688	18,913	227,345	88,785
PROFIT BEFORE TAXATION	15	96,471	180,420	457,657	504,260
Taxation	20	(72,702)	6,095	(176,337)	(106,873)
NET PROFIT FOR THE QUARTER/FINANCIAL PERIOD		23,769	186,515	281,320	397,387
OTHER COMPREHENSIVE LOSS					
<u>Items that will be reclassified subsequently to profit or loss:</u>					
Net loss on fair value changes of securities: available-for-sale		(17,766)	(24,119)	(11,674)	(9,547)
Currency translation differences of foreign subsidiaries		17,349	(22,501)	(8,501)	(89,492)
Share of other comprehensive income of an associated company		-	-	-	77
<u>Reclassification adjustments:</u>					
Gain on fair value changes of securities: available-for-sale					
- Transfer to profit or loss upon disposal		-	-	789	-
Transfer of reserve of an associated company to profit or loss upon disposal		-	-	-	2,217
OTHER COMPREHENSIVE LOSS FOR THE QUARTER/FINANCIAL PERIOD (NET OF TAX)		(417)	(46,620)	(19,386)	(96,745)
TOTAL COMPREHENSIVE INCOME FOR THE QUARTER/ FINANCIAL PERIOD		23,352	139,895	261,934	300,642
Net profit for the quarter/financial period attributable to:					
Owners of the Company		9,468	147,657	210,399	295,883
Holders of Perpetual Sukuk		151	-	151	-
Non-controlling interest		14,150	38,858	70,770	101,504
		23,769	186,515	281,320	397,387
Total comprehensive income for the quarter/financial period attributable to:					
Owners of the Company		14,010	109,049	194,198	203,376
Holders of Perpetual Sukuk		151	-	151	-
Non-controlling interest		9,191	30,846	67,585	97,266
		23,352	139,895	261,934	300,642
Basic earnings per share (sen):	26	0.49	7.64	10.88	15.31

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 31.12.2014 RM'000	Audited As at 31.03.2014 (Restated) RM'000
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment		5,522,424	5,605,728
Concession assets		233,532	242,139
Prepaid lease properties		56,951	58,070
Investment properties		504,480	540,505
Land held for property development		761,861	733,306
Jointly controlled entities		396,717	413,371
Associated companies		1,314,195	1,226,189
Intangible assets		1,276,931	1,106,909
Deferred tax assets		165,006	219,773
Investment securities: financial assets at fair value through profit or loss			
- Banking		91,491	98,710
Investment securities: available-for-sale			
- Banking		6,529,603	5,608,740
- Non-banking		46,308	131,031
Investment securities: held-to-maturity			
- Banking		138,430	-
- Non-banking		-	45,569
Other receivables		292,793	378,359
Other assets		509	633
Banking related assets			
- Financing of customers		9,302,205	8,410,371
- Statutory deposits with Bank Negara Malaysia		757,721	648,721
		27,391,157	25,468,124
CURRENT ASSETS			
Assets held for sale		-	5,799
Inventories		2,207,593	2,038,213
Property development costs		249,513	257,711
Trade and other receivables		4,543,301	3,830,163
Reinsurance assets		-	211,478
Investment securities: available-for-sale			
- Banking		776,655	456,507
- Non-banking		-	982
Investment securities: held-to-maturity			
- Non-banking		-	41,263
Banking related assets			
- Cash and short-term funds		589,896	1,087,047
- Financing of customers		3,513,503	3,287,185
Bank balances and cash deposits		2,814,477	3,047,754
Derivative assets	23(a)	82,366	20,796
		14,777,304	14,284,898
TOTAL ASSETS		42,168,461	39,753,022

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

	Note	Unaudited As at 31.12.2014 RM'000	Audited As at 31.03.2014 (Restated) RM'000
EQUITY AND LIABILITIES			
Share Capital		1,719,601	1,719,601
Reserves		5,758,416	5,591,882
Equity attributable to owners of the Company		7,478,017	7,311,483
Perpetual Sukuk		708,924	-
Non-controlling interest		955,082	1,200,065
TOTAL EQUITY		9,142,023	8,511,548
NON-CURRENT LIABILITIES			
Deferred income		130,160	103,660
Long term borrowings	22(c)	5,204,672	5,359,595
Provision for liabilities and charges		2,146	1,807
Provision for concession assets		64,532	43,742
Post-employment benefit obligations		32,991	33,099
Deferred tax liabilities		78,418	76,945
Banking related liabilities			
- Deposits from customers		51,800	45,976
		5,564,719	5,664,824
CURRENT LIABILITIES			
General insurance contract liabilities		-	691,616
Deferred income		56,058	58,445
Trade and other payables		6,131,778	5,334,370
Provision for liabilities and charges		177,265	182,843
Provision for concession assets		23,580	27,281
Bank borrowings			
- Bank overdrafts	22(a)	34,894	14,806
- Others	22(b)	1,838,584	1,764,843
Banking related liabilities			
- Deposits from customers		17,887,521	17,260,467
- Deposits and placements of banks and other financial institutions		1,220,532	101,074
- Bills and acceptances payable		67,453	105,004
Derivative liabilities	23(a)	24,054	6,902
Dividend payable		-	28,999
		27,461,719	25,576,650
TOTAL LIABILITIES		33,026,438	31,241,474
TOTAL EQUITY AND LIABILITIES		42,168,461	39,753,022
NET ASSETS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY * (RM)		3.87	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	Perpetual Sukuk 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
Prior years' adjustments (Note 3)	-	-	-	-	-	-	-	5,350	5,350	-	213	5,563
As restated	1,933,237	1,719,601	20,701	911,016	(89,405)	(15,440)	271,832	4,493,178	7,311,483	-	1,200,065	8,511,548
Total comprehensive (loss)/ income for the financial period	-	-	-	-	(8,790)	(7,477)	66	210,399	194,198	151	67,585	261,934
Net issuance of Perpetual Sukuk (Note 7)	-	-	-	-	-	-	-	-	-	708,773	-	708,773
Transactions with owners												
Effect of changes in shareholding in subsidiary companies	-	-	-	-	-	-	226	(3,143)	(2,917)	-	(9,083)	(12,000)
Disposal of subsidiary companies	-	-	-	89,023	-	-	18,047	(44,821)	62,249	-	(157,490)	(95,241)
Subscription of redeemable preference shares in a subsidiary company by non-controlling interest	-	-	-	-	(222)	-	222	-	-	-	2,937	2,937
Subscription of ordinary shares in subsidiary companies by non-controlling interest	-	-	-	-	-	-	-	-	-	-	2,002	2,002
Transfer of a subsidiary company's reserves	-	-	-	-	-	-	28,070	(28,070)	-	-	-	-
Dividend paid to non-controlling interest	-	-	-	-	-	-	-	-	-	-	(150,934)	(150,934)
Final dividend in respect of financial year ended 31 March 2014	-	-	-	-	-	-	-	(86,996)	(86,996)	-	-	(86,996)
At 31 December 2014	1,933,237	1,719,601	20,701	1,000,039	(98,417)	(22,917)	318,463	4,540,547	7,478,017	708,924	955,082	9,142,023

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 year	-	-	-	-	(89,105)	(5,696)	2,294	295,883	203,376	97,266	300,642
<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 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)
At 31 December 2013	1,933,237	1,719,601	20,701	911,016	(66,840)	(11,663)	244,024	4,371,196	7,188,035	1,326,560	8,514,595

* 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

	9 Months Ended 31.12.2014	9 Months Ended 31.12.2013 (Restated)
	RM'000	RM'000
Net profit for the financial period	281,320	397,387
Adjustments:		
- Depreciation and amortisation of property, plant and equipment/prepaid lease properties	399,209	438,374
- Finance costs	294,537	264,691
- Taxation	176,337	106,873
- Share of results of jointly controlled entities (net of tax)	(27,252)	(35,552)
- Share of results of associated companies (net of tax)	(227,345)	(88,785)
- Gain on disposals of subsidiary companies	(97,424)	-
- Gain on bargain purchase	-	(118,267)
- Others	47,389	55,507
Operating profit before working capital changes	846,771	1,020,228
Changes in working capital:		
Net increase in banking related assets	(1,310,812)	(907,119)
Net increase/(decrease) in banking related liabilities	1,714,785	(1,926,153)
Net (increase)/decrease in current assets	(875,696)	289,710
Net increase in current liabilities	987,238	268,203
Net cash generated from/(used in) operations	1,362,286	(1,255,131)
Interest received	47,025	72,248
Dividends received from jointly controlled entities	23,600	14,209
Dividends received from associated companies	141,791	47,234
Dividends received from investments	-	142
Tax paid, net of refund	(165,394)	(153,674)
Finance costs paid	(260,689)	(219,938)
Provision for liabilities and charges paid	(60,457)	(85,776)
Post-employment benefit obligations paid	(174)	(53,423)
Provision for concession assets paid	(1,744)	(12,295)
Net cash inflow/(outflow) from operating activities	1,086,244	(1,646,404)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of investment securities by a banking subsidiary company (net of proceeds from disposal)	(1,577,579)	(1,426,608)
Additional cost incurred for land held for property development	(336)	(7,642)
Acquisition of additional shares in subsidiary company	(12,000)	(2,625)
Purchase of property, plant and equipment/intangible assets/investment properties	(609,560)	(711,905)
Net cash outflow from acquisition of subsidiary companies	(34,804)	(320,734)
Net cash outflow from disposal of subsidiary companies	(273,435)	-
Proceeds from disposal/maturity of investment securities	35	479,776
Proceeds from disposal of jointly controlled entity/associated companies	20,456	35,407
Proceeds from disposal of property, plant and equipment/assets held for sale	71,373	23,309

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

	9 Months Ended 31.12.2014 RM'000	9 Months Ended 31.12.2013 (Restated) RM'000
CASH FLOWS FROM INVESTING ACTIVITIES (Continued)		
Redemption of available-for-sale securities	214,748	1,697,425
Subscription of ordinary shares in subsidiary companies by non-controlling interest	2,002	-
Capital redemption of a jointly controlled entity received	-	5,000
Acquisition of investment securities	-	(496,993)
Net cash outflow from investing activities	(2,199,100)	(725,590)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net proceeds from issuance of Perpetual Sukuk	708,773	-
Proceeds from bank borrowings	3,324,159	3,186,656
Repayment of bank borrowing/hire purchase and finance leases	(3,400,051)	(3,109,430)
Fixed deposits held as security/maintained as sinking fund	(425,860)	(208,993)
Dividends paid to shareholders	(115,994)	(106,328)
Dividends paid to non-controlling interest	(150,934)	(29,093)
Net cash outflow from financing activities	(59,907)	(267,188)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,172,763)	(2,639,182)
Effects of foreign currency translation	(3,622)	(6,338)
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	2,101,951	3,332,515
Cash and cash equivalents as at end of the financial period comprise the followings:		
Bank balances and cash deposits	2,814,477	2,957,301
Banking related assets – cash and short-term funds	589,896	789,274
Bank overdrafts	(34,894)	(19,896)
	3,369,479	3,726,679
Less: Fixed deposits held as security	(1,248,370)	(827,149)
Less: Bank balance in respect of Automotive Development Fund liabilities	(19,158)	(18,761)
Add: Cash and cash equivalents attributable to asset held for sale	-	451,746
	2,101,951	3,332,515

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. COMPLETION OF PURCHASE PRICE ALLOCATION

During the current financial period, the Group has completed the purchase price allocation (“PPA”) exercise to determine the fair values of the net assets of the following subsidiary companies within the stipulated time period, i.e. twelve months from the respective acquisition dates, in accordance with FRS 3 ‘*Business Combinations*’.

3. COMPLETION OF PURCHASE PRICE ALLOCATION (Continued)

The details are as follows:

	CTRM	KLB	SSKM
Date of acquisition	4 November 2013	16 December 2013	18 June 2014
Provisional goodwill/(gain on bargain purchase)	(RM111,677,000)	RM239,484,000	RM1,937,000
Final goodwill/(gain on bargain purchase)	(RM118,267,000)	RM192,097,000	RM1,972,000
Differences	(RM6,590,000)	(RM47,387,000)	RM35,000
Note	(a)	(a)	(b)

- (a) The changes in the provisional fair values of Composites Technology Research Malaysia Sdn. Bhd. (“CTRM”)’s and Konsortium Logistik Berhad (“KLB”)’s identifiable assets, liabilities and contingent liabilities have been reflected in the Consolidated Statement of Financial Position as at previous financial year end 31 March 2014.
- (b) The changes in the provisional fair values of Sistem Sewa Kereta Malaysia Sdn. Bhd. (“SSKM”)’s identifiable assets, liabilities and contingent liabilities has been reflected in the Consolidated Statement of Financial Position as at current financial period ended 31 December 2014.

Below are the effects of the final PPA adjustments for the acquisitions of CTRM and KLB as at 31 March 2014 in accordance with FRS 3:

	As previously stated RM’000	Adjustments RM’000	As restated RM’000
As at 31 March 2014			
Consolidated Statement of Financial Position			
<u>Non-current assets</u>			
Property, plant and equipment	5,561,456	44,272	5,605,728
Prepaid lease properties	37,709	20,361	58,070
Intangible assets	1,145,450	(38,541)	1,106,909
<u>Non-current liabilities</u>			
Deferred tax liabilities	61,166	15,779	76,945
<u>Current liabilities</u>			
Trade and other payables	5,329,620	4,750	5,334,370
Consolidated Statement of Changes in Equity			
Retained earnings	4,487,828	5,350	4,493,178
Non-controlling interest	1,199,852	213	1,200,065

3. COMPLETION OF PURCHASE PRICE ALLOCATION (Continued)

	As previously stated RM'000	Adjustments RM'000	As restated RM'000
For the financial period ended 31 December 2013			
Consolidated Statement of Comprehensive Income			
<u>Quarter</u>			
Cost of sales and operating expenses	(3,304,505)	(564)	(3,305,069)
Other income	244,485	6,590	251,075
Taxation	6,090	5	6,095
Net profit for the quarter attributable to Owners of the Company	141,625	6,032	147,657
Net profit for the quarter attributable to Non-controlling interest	38,859	(1)	38,858
Total comprehensive income for the quarter attributable to Owners of the Company	103,017	6,032	109,049
Total comprehensive income for the quarter attributable to Non-controlling interest	30,847	(1)	30,846
<u>Financial Period</u>			
Cost of sales and operating expenses	(9,771,520)	(564)	(9,772,084)
Other income	500,695	6,590	507,285
Taxation	(106,878)	5	(106,873)
Net profit for the financial period attributable to Owners of the Company	289,851	6,032	295,883
Net profit for the financial period attributable to Non-controlling interest	101,505	(1)	101,504
Total comprehensive income for the financial period attributable to Owners of the Company	197,344	6,032	203,376
Total comprehensive income for the financial period attributable to Non-controlling interest	97,267	(1)	97,266

4. 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 2014.

5. ITEMS OF UNUSUAL NATURE, SIZE OR INCIDENCE

Save as disclosed 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 2014.

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 for a total cash consideration of approximately RM374.5 million (Refer Note 12(c)). As a result, the Group had realised a gain on disposal of RM97.47 million which has been included under other income in the consolidated statement of comprehensive income for the financial period ended 31 December 2014.

6. 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.

7. ISSUANCE OR REPAYMENT OF DEBT AND EQUITY SECURITIES

Save as disclosed below, there was no issuance and repayment of debt securities, share buy backs, share cancellations, shares held as treasury shares and resale of treasury shares for the financial period ended 31 December 2014.

(a) Perpetual Sukuk Musharakah Programme

On 28 October 2014, the Company made an application to the Securities Commission ("SC") for a proposed perpetual sukuk musharakah programme of RM2.0 billion in nominal value ("Perpetual Sukuk Musharakah Programme") and approval was obtained from SC on 27 November 2014. The Perpetual Sukuk Musharakah Programme is unsecured and Malaysian Rating Corporation Berhad ("MARC") has assigned a rating of A_{IS} (stable).

On 30 December 2014, the First Issuance of the Perpetual Sukuk Musharakah amounting to RM715 million was made by the Company. The details of the First Issuance are as follows:

	RM'000
Total proceeds of the First issuance	715,000
Less: direct expenses attributable to the issuance	(6,227)
Net proceeds	<u>708,773</u>

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

8. DIVIDENDS PAID

- (a) 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.
- (b) The shareholders have approved a single tier final dividend of 4.5 sen per share at the last Annual General Meeting held on 30 September 2014 in respect of the financial year ended 31 March 2014. The net dividend of RM86,995,667 was paid on 30 October 2014.

9. SEGMENTAL INFORMATION

The information of each of the Group's business segments for the financial period ended 31 December 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	8,609,238	2,088,617	291,978	40,712	11,030,545
Inter-segment revenue	(375,645)	(82,115)	(54,078)	(40,712)	(552,550)
External revenue	8,233,593	2,006,502	237,900	-	10,477,995
Results					
Segment profit	64,285	249,912	38,846	14,963	368,006
Gain on disposal of subsidiary companies					97,424
Unallocated expenses					(15,646)
Interest income on short term deposits					47,813
Finance costs					(294,537)
Share of results of jointly controlled entities (net of tax)	21,288	-	5,964	-	27,252
Share of results of associated companies (net of tax)	192,504	34,841	-	-	227,345
Profit before taxation					457,657
Taxation					(176,337)
Net profit for the financial period					281,320
Attributable to:					
Owners of the Company					210,399
Holder of Perpetual Sukuk					151
Non-controlling interest					70,770

10. PROPERTY, PLANT AND EQUIPMENT

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

11. SUBSEQUENT EVENT

Save as disclosed in Note 21, there has not arisen in the interval between the end of this reporting period and the date of this announcement, any item, transaction or event of a material and unusual nature that would likely affect substantially the results of the operations of the Group.

12. CHANGES IN THE COMPOSITION OF THE GROUP DURING THE FINANCIAL PERIOD ENDED 31 DECEMBER 2014

- (a) 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. On 23 January 2015, SSKM changed its name to DRB-HICOM EZ Drive Sdn. Bhd.
- (b) 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.
- (c) 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.
- (d) On 26 September 2014, Composites Testing Laboratory Asia Sdn. Bhd. ("CTLA"), an indirect 96.87% owned subsidiary company of the Group, increased its paid-up share capital by issuance of 120,000 new ordinary shares of RM1.00 each to Composites Testing Laboratory ("CTL"), a company incorporated in Ireland. As a result, the Group's effective equity interest in CTLA reduced from 96.87% to 65.87%.
- (e) On 14 November 2014, the Company and ISUZU Motors Asia Limited ("IMA") entered into a share sale and purchase agreement with ISUZU HICOM Malaysia Sdn. Bhd. ("IHM"), a 49% indirect associated company of the Group, for the following:
 - i. Disposal of 25.57% equity interest in Isuzu Malaysia Sdn. Bhd. ("IMSB") by the Company to IHM for cash consideration of RM20.46 million; and
 - ii. Disposal of 25.43% equity interest in IMSB by IMA to IHM for cash consideration of RM20.34 million.

12. CHANGES IN THE COMPOSITION OF THE GROUP DURING THE FINANCIAL PERIOD ENDED 31 DECEMBER 2014 (Continued)

(e) (Continued)

The above disposals were completed on the even date and referred to as the internal re-organisation. As a result, the Group's effective shareholding in IMSB reduced from 49% to 48.42%.

(f) On 25 November 2014, HICOM Holdings Berhad ("HHB"), effectively a wholly-owned company of the Group, completed the acquisition of the remaining 30% equity interest in Oriental Summit Industries Sdn. Bhd. ("OSI") for a total cash consideration of RM12 million. As a result, the Group's effective equity interest in OSI increased from 70% to 100%.

(g) On 28 November 2014, Parcel Tankers Malaysia Sdn. Bhd. ("PTM"), an indirect wholly-owned subsidiary company of the Group, increased its paid-up share capital from RM250,000 to RM3,840,000 by issuance of 1,708,400 new ordinary shares of RM1.00 each to its existing holding company, PNSL Berhad (51%) and 1,881,600 new ordinary shares of RM1.00 each to Yuma Shipping Pte. Ltd., Singapore (49%). As a result, the Group's effective equity interest in PTM reduced from 100% to 51%.

13. 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.

14. COMMITMENTS AND CONTINGENT LIABILITIES OF BANK MUAMALAT MALAYSIA BERHAD

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

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

	As at 31.12.2014		
	Principal Amount RM'000	Credit Equivalent Amount RM'000	Risk Weighted Amount RM'000
Direct credit substitutes	41,835	41,835	41,660
Trade-related contingencies	24,616	4,923	3,962
Transaction related contingencies	280,630	140,315	139,888
Credit extension commitment:			
– maturity within one year	1,070,152	214,030	196,883
– maturity exceeding one year	2,215,731	1,107,866	336,653
Profit rate related contracts	3,675,000	125,308	25,062
Foreign exchange related contracts	1,221,194	55,174	33,230
	8,529,158	1,689,451	777,338

15. PROFIT BEFORE TAXATION

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

	3 Months Ended		9 Months Ended	
	31.12.2014 RM'000	31.12.2013 (Restated) RM'000	31.12.2014 RM'000	31.12.2013 (Restated) RM'000
Allowance for/write off of investment securities and financing of customers (net)	16,093	(44,283)	104,708	26,592
Amortisation of :				
- intangible assets	50,403	39,392	100,995	120,323
- concession assets	2,876	2,894	8,607	8,625
Depreciation and amortisation of property, plant and equipment/prepaid lease properties	131,632	158,193	399,209	438,374
Doubtful debts (net of write backs)	(7,499)	1,272	4,976	6,265

15. PROFIT BEFORE TAXATION (Continued)

	3 Months Ended		9 Months Ended	
	31.12.2014 RM'000	31.12.2013 (Restated) RM'000	31.12.2014 RM'000	31.12.2013 (Restated) RM'000
Finance costs	103,074	88,990	294,537	264,691
Impairment loss of/(write-back of impairment loss) (net)				
- assets held for sale	-	-	-	7,293
- property, plant and equipment	-	3,974	438	10,397
- investment securities: available-for-sale	6,617	1,451	(22,004)	8,272
Inventories written off/down (net of write backs)	(10,551)	(8,143)	(1,136)	(11,949)
Loss/(gain) on fair value adjustment of investment properties	181	(2,763)	1,385	(552)
Loss on dilution of shares in a jointly controlled entity	20	-	20	-
Net write off of property, plant and equipment	2,179	49	3,366	235
Dividend income	-	(30)	-	(139)
Gain on bargain purchase	-	(118,267)	-	(118,267)
Gain on disposal of:				
- investment securities	(2,712)	(8,464)	(8,285)	(16,569)
- assets held for sale	(20)	(521)	(46)	(530)
- property, plant and equipment	(1,197)	(5,611)	(2,683)	(9,359)
- concession assets	-	-	-	(922)
- subsidiary companies	-	-	(97,424)	-
- associated companies	-	-	-	(3,832)
Gain on fair value adjustment of securities at fair value through profit or loss	-	(216)	-	(392)
Interest income on short term deposits	(14,117)	(26,507)	(47,813)	(76,471)
Marked to market gain on derivatives	(37,229)	(4,566)	(44,418)	(31,575)
Net foreign exchange differences	(3,410)	(5,933)	(7,657)	(23,159)

16. REVIEW OF PERFORMANCE

- (a) For the financial period ended 31 December 2014, the Group's revenue increased by 4.4% to RM10.48 billion as compared with RM10.03 billion in the previous corresponding financial period ended 31 December 2013. All the business sectors of the Group contributed to the growth in revenue.

	Group Business Sectors	Financial Period 9 months Ended		Variance RM'000
		31.12.2014 RM'000	31.12.2013 RM'000	
(i)	Automotive	8,233,593	7,856,869	376,724
(ii)	Services	2,006,502	1,988,002	18,500
(iii)	Property, Asset & Construction (PAC)	237,900	188,327	49,573
	Total	10,477,995	10,033,198	444,797 ↑ 4.4%

(i) Automotive Sector

The increase in Automotive sector's revenue was mainly attributed to the recognition of higher revenue from defence projects.

(ii) Services Sector

Generally, most of the companies in this sector achieved satisfactory performance during the period under review.

(iii) PAC Sector

The higher revenue was contributed from the on-going property development projects.

- (b) The Group's pre-tax profit (excluding E.I) declined marginally by 6.7% to RM360.23 million for the financial period ended 31 December 2014 as compared with RM385.99 million in the corresponding financial period ended 31 December 2013. After taking into account the exceptional items (E.I) in the current and corresponding periods, the Group's overall profit before tax was RM457.66 million as compared with RM504.26 million previously.

16. REVIEW OF PERFORMANCE (Continued)

(b) (Continued)

		9 Months Ended		Variance RM'000
		31.12.2014 RM'000	31.12.2013 (Restated) RM'000	
(a)	PBT before finance costs	654,770	650,684	4,086
(b)	Finance costs	(294,537)	(264,691)	(29,846)
	Sub-total	360,233	385,993	(25,760)
(c)	E.I. - Gain on disposal of subsidiary companies	97,424	-	97,424
(d)	E.I. - Gain on bargain purchase	-	118,267	(118,267)
(e)	Group's Profit Before Tax	457,657	504,260	(46,603)

↓ 6.7 %

17. COMPARISON WITH PRECEDING QUARTER'S RESULTS

The Group recorded a lower pre-tax profit of RM96.47 million in the current quarter ended 31 December 2014 compared with RM176.13 million in the preceding quarter ended 30 September 2014. Included in the preceding quarter results is the gain of RM97.47 million arising from the disposal of an insurance subsidiary company.

18. PROSPECTS FOR THE FINANCIAL YEAR ENDING 31 MARCH 2015

In view of the prevailing global economic conditions and the impending implementation of Goods and Services Tax, consumers are generally anticipated to be more cautious and this may dampen the demand and sales of motor vehicles and properties in the fourth quarter of the financial year. Nevertheless, the Group will continue with its aggressive sales and business activities to meet these challenges.

For the full financial year ending 31 March 2015, notwithstanding the challenging and uncertain economic conditions, the Group is well positioned to deliver positive results albeit lower than the previous financial year.

19. 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.

20. TAXATION

Taxation comprises the following:

	3 Months Ended		9 Months Ended	
	31.12.2014	31.12.2013 (Restated)	31.12.2014	31.12.2013 (Restated)
	RM'000	RM'000	RM'000	RM'000
Current taxation	46,850	(22,869)	117,126	30,854
Deferred taxation	25,852	16,774	59,211	76,019
Total	72,702	(6,095)	176,337	106,873

The Group's effective tax rate for the financial period ended 31 December 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.

21. STATUS OF CORPORATE PROPOSALS

- (a) On 10 November 2014, KL Airport Services Sdn. Bhd. ("KLAS"), effectively a wholly-owned subsidiary company of the Group, entered into a share sale and purchase agreement ("SSA") with the shareholders of Gading Sari Aviation Services Sdn. Bhd. ("Gading Sari") for the acquisition of 100% equity interest in Gading Sari for a total cash consideration of RM72 million. The transaction was completed on 29 January 2015.

22. BORROWINGS AND DEFERRED LIABILITIES

Total Group borrowings are as follows:

	As at 31.12.2014 RM'000
(a) Short Term Borrowings	
Bank overdrafts	
- Secured	17,998
- Unsecured	16,896
Total	34,894

22. BORROWINGS AND DEFERRED LIABILITIES (Continued)

	As at 31.12.2014 RM'000
(b) Short Term Borrowings (Continued)	
Others (Continued)	
<u>Secured</u>	
Bankers acceptances	46,731
Revolving credits	69,458
Short term loans	74,314
Hire purchase and finance lease liabilities – portion repayable within 12 months	16,171
Long term loans – portion repayable within 12 months	395,542
Long term loans under Islamic financing – portion repayable within 12 months	91,857
	694,073
<u>Unsecured</u>	
Bankers acceptances	822,774
Revolving credits	267,297
Long term loans – portion repayable within 12 months	6,619
Long term loans under Islamic financing – portion repayable within 12 months	36,764
Deferred liability	11,057
Sub-total	1,144,511
Total	1,838,584
(c) Long Term Borrowings	
<u>Secured</u>	
Hire purchase and finance lease liabilities - portion repayable within 12 months	45,808
	(16,171)
	29,637
Long term loans - portion repayable within 12 months	2,444,999
	(395,542)
	2,049,457

22. BORROWINGS AND DEFERRED LIABILITIES (Continued)

	As at 31.12.2014 RM'000
(c) Long Term Borrowings (Continued)	
<u>Secured</u> (Continued)	
Long term loans under Islamic financing - portion repayable within 12 months	2,800,139 (91,857)
	2,708,282
<u>Unsecured</u>	
Long term loans - portion repayable within 12 months	20,103 (6,619)
	13,484
Long term loans under Islamic financing - portion repayable within 12 months	440,576 (36,764)
	403,812
Total	5,204,672
Grand Total	7,078,150

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

As at	Amount
31.12.2014	RM228.83 million (SGD 86.5 million) RM60.37 million (USD17.3 million) RM16.51 million (GBP3.0 million)

23. OUTSTANDING DERIVATIVES

- (a) Derivatives outstanding as at 31 December 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	1,265,304	45,336	4,936
Currency swap foreign exchange contracts	806,426	17,972	19,118
Islamic profit rate swap	3,675,000	19,058	-
	5,746,730	82,366	24,054

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 gain of RM44.4 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 2014.

24. MATERIAL LITIGATION

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

- (a) On 1 October 2003, Konsortium Logistik Berhad (“KLB”), acting as an agent for Petronas Dagangan Berhad (“Petronas Dagangan”), entered into an agreement with Sri Awad Pengangkutan Enterprise Sdn. Bhd. (“Sri Awad”) where Sri Awad was appointed to provide transportation services of Liquefied Petroleum Gas (“LPG”) solely and exclusively for Petronas Dagangan as the principal (“Main Agreement”).

On 21 August 2009, Sri Awad filed a Writ of Summons and Statement of Claim against Petronas Dagangan (as First Defendant) and KLB (as Second Defendant). Details of the claims are as follows:

- (i) Damages of RM17,864,168 for wrongful termination of services under the Main Agreement that was served by Petronas Dagangan to Sri Awad on 29 July 2008; and
- (ii) Damages of RM3,825,000 for loss suffered by Sri Awad in relation to the following:
- the failure of Petronas Dagangan to accept all 6 tanker units that was fabricated and manufactured to the specific specifications requested by Petronas Dagangan; and
 - the failure to make payments for the usage of the 2 out of 8 tanker units that was accepted by Petronas Dagangan which has resulted Sri Awad being unable to service the payments of the financing arrangement with Malaysian Industrial Development Finance Berhad (“MIDF”).

The case was part heard on 10, 11 and 13 November 2014 and continued trial on 18, 19, 22 and 23 December 2014. The High Court has fixed for Decision on 27 February 2015.

- (b) A contractual dispute between Gading Sari Aviation Services Sdn. Bhd. (“Plaintiff”), a new indirect wholly-owned subsidiary of the Group, and Neptune Air Sdn. Bhd. (“Defendant”) with both Parties contending that the other party is in breach of the Aircraft Dry Lease Agreement dated 23 November 2011 (“Agreement 1”) and the Aircraft Charter Agreement dated 23 November 2011 (“Agreement 2”) (collectively referred to as the “Agreements”). The dispute centers on a suspension notice dated 4 December 2012 issued by the Defendant pursuant to which the Defendant purportedly ceased the services under the Agreements (“Suspension”). The Plaintiff thereafter accepted the Suspension as a repudiation of the Agreements on the part of Defendant and terminated the same by notice dated 6 December 2012 (“Termination”).

In the action, the Plaintiff sought declaratory relief to validate the Termination and sought the recovery of losses incurred to extent of RM678,225 together with interest and cost. The Defendant, on the other hand, took the opposite position and maintained that the Termination was unlawful and has counterclaimed for RM81,821,083 together with interest and cost.

24. MATERIAL LITIGATION (Continued)

(b) (Continued)

The High Court on 30 April 2014 held as follows:

1. that the Suspension by the Defendant under Agreement 2 was unlawful and invalid and the Termination by the Plaintiff was lawful, valid and binding on the Defendant;
2. that the Suspension by the Defendant under Agreement 1 was lawful and valid and the Termination by the Plaintiff was unlawful and invalid;
3. that the damages to be assessed before the Senior Assistant Registrar; and
4. that the Defendant shall pay the Plaintiff costs of RM250,000 and the Plaintiff shall pay the Defendant costs of the counterclaim of RM250,000.

The Plaintiff has appealed the decision of the High Court to the Court of Appeal. The Defendant has likewise filed a Cross-Appeal. Both the Appeal and Cross-Appeal hearing proceeded on 25 February 2015 and the Court of Appeal has fixed for the Decision of the Appeal on 27 February 2015.

25. DIVIDEND

The Board of Directors is pleased to declare a single tier interim dividend of 1.50 sen (2014: a single tier interim dividend of 1.50 sen) per share amounting to RM28,998,556 for the current financial year ending 31 March 2015 which is proposed to be paid on 28 April 2015.

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 27 March 2015 in respect of the shares exempted from mandatory deposit;
- (b) Shares transferred into the Depositor's Securities Account before 4.00 p.m. on 31 March 2015 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.

26. EARNINGS PER SHARE

The basic earnings per share is calculated by dividing the Group's net profit attributable to owners of the Company by the number of ordinary shares in issue during the financial period.

	3 Months Ended		9 Months Ended	
	31.12.2014	31.12.2013 (Restated)	31.12.2014	31.12.2013 (Restated)
Net profit attributable to owners of the Company (RM'000)	9,468	147,657	210,399	295,883
Number of ordinary shares in issue ('000)	1,933,237	1,933,237	1,933,237	1,933,237
Basic earnings per share (sen)	0.49	7.64	10.88	15.31

27. DISCLOSURE OF REALISED AND UNREALISED PROFITS/LOSSES

The retained profits of the Group as at 31 December 2014 are analysed as follows:

	As at 31.12.2014 RM'000	As at 31.12.2013 (Restated) RM'000
Total retained profits of the Company and subsidiaries:		
- Realised	3,790,243	3,736,115
- Unrealised	160,527	158,251
	3,950,770	3,894,366
Total share of retained profits from jointly controlled entities:		
- Realised	138,103	158,757
- Unrealised	3,011	2,967
Total share of retained profits from associated companies:		
- Realised	443,381	318,752
- Unrealised	5,282	(3,646)
Total Group retained profits as per consolidated financial statements	4,540,547	4,371,196

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

28. AUDIT REPORT OF THE PRECEDING ANNUAL FINANCIAL STATEMENTS

The audit report of the Group's preceding audited annual financial statements was not subject to any qualification.

BY ORDER OF THE BOARD

DATO' CHAN CHOY LIN, CAROL
Secretary

Shah Alam
26 February 2015