



## **DRB-HICOM BERHAD**

(203430-W)

(Incorporated in Malaysia)

Interim Financial Report for the Financial Year  
Ended 31 March 2015

**INTERIM FINANCIAL REPORT ON UNAUDITED CONSOLIDATED RESULTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015**

The Board of Directors is pleased to announce the unaudited consolidated financial results of DRB-HICOM Group (“the Group”) for the current quarter/financial year ended 31 March 2015.

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	Note	Current Quarter 3 Months Ended		Financial Year 12 Months Ended	
		31.03.2015 RM'000	31.03.2014 (Restated) RM'000	31.03.2015 RM'000	31.03.2014 (Restated) RM'000
Revenue		3,209,844	4,167,544	13,687,839	14,200,742
Cost of sales and operating expenses		(3,227,819)	(3,930,624)	(13,535,609)	(13,702,708)
Other income		151,546	218,866	555,066	726,151
Other expenses		(38,270)	(107,886)	(114,398)	(231,671)
Profit from operations		95,301	347,900	592,898	992,514
Finance costs		(97,517)	(103,894)	(392,054)	(368,585)
Share of results of jointly controlled entities (net of tax)		(471)	(67)	26,781	35,485
Share of results of associated companies (net of tax)		47,241	53,542	274,586	142,327
<b>PROFIT BEFORE TAXATION</b>	15	<b>44,554</b>	297,481	<b>502,211</b>	801,741
Taxation	20	<b>59,274</b>	(44,598)	<b>(117,063)</b>	(151,471)
<b>NET PROFIT FOR THE QUARTER/FINANCIAL YEAR</b>		<b>103,828</b>	252,883	<b>385,148</b>	650,270
<b>OTHER COMPREHENSIVE INCOME/(LOSS)</b>					
<u>Items that will not be reclassified to profit or loss:</u>					
(Loss)/gain on valuation of post employment benefit obligations		(4,641)	6,221	(4,641)	6,221
Fair value adjustment on investment properties		15,147	2,315	15,147	2,315
<u>Items that will be reclassified subsequently to profit or loss:</u>					
Net gain/(loss) on fair value changes of securities: available-for-sale		31,576	751	19,902	(8,796)
Currency translation differences of foreign subsidiaries		6,166	(22,526)	(2,335)	(112,018)
Share of other comprehensive income of an associated company		-	-	-	77
<u>Reclassification adjustments:</u>					
Gain/(loss) on fair value changes of securities: available-for-sale					
- Transfer to profit or loss upon disposal		-	(8,958)	789	(8,958)
Transfer of reserve of an associated company to profit or loss upon disposal		-	-	-	2,217
<b>OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE QUARTER/FINANCIAL YEAR (NET OF TAX)</b>		<b>48,248</b>	(22,197)	<b>28,862</b>	(118,942)
<b>TOTAL COMPREHENSIVE INCOME FOR THE QUARTER/FINANCIAL YEAR</b>		<b>152,076</b>	230,686	<b>414,010</b>	531,328

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (Continued)**

	Note	Current Quarter 3 Months Ended		Financial Year 12 Months Ended	
		31.03.2015 RM'000	31.03.2014 (Restated) RM'000	31.03.2015 RM'000	31.03.2014 (Restated) RM'000
Net profit for the quarter/financial year attributable to:					
Owners of the Company		89,888	166,286	300,287	462,169
Holders of Perpetual Sukuk		14,250	-	14,401	-
Non-controlling interest		(310)	86,597	70,460	188,101
		<u>103,828</u>	<u>252,883</u>	<u>385,148</u>	<u>650,270</u>
Total comprehensive income for the quarter/financial year attributable to:					
Owners of the Company		123,825	148,480	318,023	351,856
Holders of Perpetual Sukuk		14,250	-	14,401	-
Non-controlling interest		14,001	82,206	81,586	179,472
		<u>152,076</u>	<u>230,686</u>	<u>414,010</u>	<u>531,328</u>
Basic earnings per share (sen):	26	<u>4.65</u>	<u>8.60</u>	<u>15.53</u>	<u>23.91</u>

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 31.03.2015 RM'000	Audited As at 31.03.2014 (Restated) RM'000
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		5,562,954	5,605,728
Concession assets		230,651	242,139
Prepaid lease properties		53,412	58,070
Investment properties		560,325	540,505
Land held for property development		728,086	733,306
Jointly controlled entities		390,252	413,371
Associated companies		1,307,016	1,226,189
Intangible assets		1,392,565	1,106,909
Deferred tax assets		123,588	219,773
Investment securities: financial assets at fair value through profit or loss			
- Banking		118,657	98,710
Investment securities: available-for-sale			
- Banking		5,411,269	5,608,740
- Non-banking		46,238	131,031
Investment securities: held-to-maturity			
- Banking		139,042	-
- Non-banking		-	45,569
Other receivables		155,336	378,359
Other assets		509	633
Banking related assets			
- Financing of customers		10,259,671	8,410,371
- Statutory deposits with Bank Negara Malaysia		757,721	648,721
		<b>27,237,292</b>	<b>25,468,124</b>
<b>CURRENT ASSETS</b>			
Assets held for sale		63,405	5,799
Inventories		2,364,414	2,038,213
Property development costs		320,695	257,711
Trade and other receivables		4,587,513	3,830,163
Reinsurance assets		-	211,478
Investment securities: available-for-sale			
- Banking		1,024,210	456,507
- Non-banking		-	982
Investment securities: held-to-maturity			
- Non-banking		-	41,263
Banking related assets			
- Cash and short-term funds		1,226,944	1,087,047
- Financing of customers		2,998,566	3,287,185
Bank balances and cash deposits		2,461,408	3,047,754
Derivative assets	23(a)	74,975	20,796
		<b>15,122,130</b>	<b>14,284,898</b>
<b>TOTAL ASSETS</b>		<b>42,359,422</b>	<b>39,753,022</b>

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

	Note	Unaudited As at 31.03.2015 RM'000	Audited As at 31.03.2014 (Restated) RM'000
<b>EQUITY AND LIABILITIES</b>			
Share Capital		1,719,601	1,719,601
Reserves		5,850,985	5,591,882
<b>Equity attributable to owners of the Company</b>		<b>7,570,586</b>	<b>7,311,483</b>
<b>Perpetual Sukuk</b>		822,291	-
<b>Non-controlling interest</b>		959,290	1,200,065
<b>TOTAL EQUITY</b>		<b>9,352,167</b>	<b>8,511,548</b>
<b>NON-CURRENT LIABILITIES</b>			
Deferred income		139,509	103,660
Long term borrowings	22(c)	4,832,149	5,359,595
Provision for liabilities and charges		3,110	1,807
Provision for concession assets		74,574	43,742
Post-employment benefit obligations		34,791	33,099
Deferred tax liabilities		91,292	76,945
Banking related liabilities			
- Deposits from customers		51,826	45,976
		<b>5,227,251</b>	<b>5,664,824</b>
<b>CURRENT LIABILITIES</b>			
General insurance contract liabilities		-	691,616
Deferred income		50,869	58,445
Trade and other payables		5,995,704	5,334,370
Provision for liabilities and charges		195,653	182,843
Provision for concession assets		17,557	27,281
Bank borrowings			
- Bank overdrafts	22(a)	21,835	14,806
- Others	22(b)	2,065,779	1,764,843
Banking related liabilities			
- Deposits from customers		18,870,198	17,260,467
- Deposits and placements of banks and other financial institutions		408,836	101,074
- Bills and acceptances payable		67,723	105,004
Derivative liabilities	23(a)	56,851	6,902
Dividend payable		28,999	28,999
		<b>27,780,004</b>	<b>25,576,650</b>
<b>TOTAL LIABILITIES</b>		<b>33,007,255</b>	<b>31,241,474</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>42,359,422</b>	<b>39,753,022</b>
<b>NET ASSETS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY * (RM)</b>		<b>3.92</b>	<b>3.78</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 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 income for the financial year	-	-	-	-	(2,902)	14,626	6,012	300,287	318,023	14,401	81,586	414,010
Net issuance of Perpetual Sukuk (Note 7)	-	-	-	-	-	-	-	-	-	807,890	-	807,890
<u>Transactions with owners</u>												
Effect of changes in shareholding in subsidiary companies	-	-	-	-	-	-	(539)	(4,662)	(5,201)	-	(13,882)	(19,083)
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	-	-	-	3,530	3,530
Subscription of ordinary shares in subsidiary companies by non-controlling interest	-	-	-	-	-	-	-	27	27	-	1,975	2,002
Transfer of a subsidiary company's reserves	-	-	-	-	-	-	29,114	(29,114)	-	-	-	-
Dividend paid to non-controlling interest	-	-	-	-	-	-	-	-	-	-	(156,494)	(156,494)
Final dividend in respect of financial year ended 31 March 2014	-	-	-	-	-	-	-	(86,996)	(86,996)	-	-	(86,996)
Interim dividend in respect of financial year ended 31 March 2015	-	-	-	-	-	-	-	(28,999)	(28,999)	-	-	(28,999)
<b>At 31 March 2015</b>	<b>1,933,237</b>	<b>1,719,601</b>	<b>20,701</b>	<b>1,000,039</b>	<b>(92,529)</b>	<b>(814)</b>	<b>324,688</b>	<b>4,598,900</b>	<b>7,570,586</b>	<b>822,291</b>	<b>959,290</b>	<b>9,352,167</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 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)
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	-	-	-	-	(111,670)	(9,473)	10,830	462,169	351,856	179,472	531,328
<u>Transactions with owners</u>											
Effect of changes in shareholdings in subsidiary companies	-	-	-	-	-	-	-	4,955	4,955	(4,737)	218
Acquisition of a subsidiary company	-	-	-	-	-	-	-	-	-	(3,574)	(3,574)
Effect of reclassification of former jointly controlled entities to subsidiary companies	-	-	-	-	-	-	-	-	-	13,496	13,496
Subscription of ordinary shares in a subsidiary company by non-controlling interest	-	-	-	-	-	-	-	-	-	58,500	58,500
Subscription of redeemable preference shares in a subsidiary company by non-controlling interest	-	-	-	-	-	-	-	-	-	15,755	15,755
Transfer of a subsidiary company's other reserves	-	-	-	-	-	-	52,309	(52,309)	-	-	-
Dividend paid to non-controlling interest	-	-	-	-	-	-	-	-	-	(312,877)	(312,877)
Final dividend in respect of financial year ended 31 March 2013	-	-	-	-	-	-	-	(84,579)	(84,579)	-	(84,579)
Interim dividend in respect of financial year ended 31 March 2014	-	-	-	-	-	-	-	(28,999)	(28,999)	-	(28,999)
At 31 March 2014	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

\* 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**

	<b>12 Months Ended 31.03.2015 RM'000</b>	<b>12 Months Ended 31.03.2014 (Restated) RM'000</b>
Net profit for the financial year	385,148	650,270
Adjustments:		
- Depreciation and amortisation of property, plant and equipment/prepaid lease properties	534,496	571,100
- Finance costs	392,054	368,585
- Taxation	117,063	151,471
- Share of results of jointly controlled entities (net of tax)	(26,781)	(35,485)
- Share of results of associated companies (net of tax)	(274,586)	(142,327)
- Gain on disposals of subsidiary companies	(97,424)	(83,069)
- Gain on bargain purchase	-	(118,267)
- Others	(2,373)	135,616
Operating profit before working capital changes	1,027,597	1,497,894
Changes in working capital:		
Net increase in banking related assets	(1,745,266)	(1,646,554)
Net increase/(decrease) in banking related liabilities	1,886,062	(1,265,800)
Net (increase)/decrease in current assets	(832,930)	786,079
Net increase/(decrease) in current liabilities	1,014,487	(513,035)
Net cash generated from/(used in) operations	1,349,950	(1,141,416)
Interest received	69,226	96,049
Dividends received from jointly controlled entities	23,600	24,009
Dividends received from associated companies	141,851	65,124
Dividends received from investments	-	277
Tax paid, net of refund	(213,018)	(80,880)
Finance costs paid	(394,551)	(292,378)
Provision for liabilities and charges paid	(67,692)	(132,965)
Post-employment benefit obligations paid	(18,967)	(62,196)
Provision for concession assets paid	(7,255)	(24,638)
Net cash inflow/(outflow) from operating activities	<b>883,144</b>	<b>(1,549,014)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of investment securities by a banking subsidiary company (net of proceeds from disposal)	(707,308)	(1,413,821)
Acquisition of additional shares in subsidiary companies	(19,083)	(3,375)
Additional cost incurred for land held for property development	(941)	(2,285)
Additional investment in an associated company	(2,100)	(1,400)
Net cash outflow from acquisition of subsidiary companies	(78,436)	(440,592)
Net cash (outflow)/inflow from disposal of subsidiary companies	(273,437)	29,205
Purchase of property, plant and equipment/intangible assets/investment properties	(900,033)	(958,594)
Proceeds from disposal/maturity of investment securities	35	480,024
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	21,055	27,486



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

	<b>12 Months Ended 31.03.2015</b>	<b>12 Months Ended 31.03.2014 (Restated)</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES (Continued)</b>		
Redemption of available-for-sale securities	234,748	1,824,425
Redemption of preference shares by a jointly controlled entity	5,000	5,000
Subscription of ordinary shares in subsidiary companies by non-controlling interest	2,002	58,500
Acquisition of investment securities	-	(496,993)
<b>Net cash outflow from investing activities</b>	<b>(1,698,042)</b>	<b>(857,013)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net proceeds from issuance of Perpetual Sukuk	807,890	-
Proceeds from bank borrowings	4,421,967	5,750,773
Repayment of bank borrowing/hire purchase and finance leases	(4,652,775)	(5,392,617)
Fixed deposits held as security/maintained as sinking fund	(235,694)	(204,354)
Dividends paid to shareholders	(115,994)	(106,328)
Dividends paid to non-controlling interest	(156,494)	(312,877)
<b>Net cash inflow/(outflow) from financing activities</b>	<b>68,900</b>	<b>(265,403)</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(745,998)</b>	<b>(2,671,430)</b>
Effects of foreign currency translation	57,933	(28,269)
<b>CASH AND CASH EQUIVALENTS AS AT BEGINNING OF THE FINANCIAL YEAR</b>	<b>3,278,336</b>	<b>5,978,035</b>
<b>CASH AND CASH EQUIVALENTS AS AT END OF THE FINANCIAL YEAR</b>	<b>2,590,271</b>	<b>3,278,336</b>
Cash and cash equivalents as at end of the financial year comprise the followings:		
Bank balances and cash deposits	2,461,408	3,047,754
Banking related assets – cash and short-term funds	1,226,944	1,087,047
Bank overdrafts	(21,835)	(14,806)
	3,666,517	4,119,995
Less: Fixed deposits held as security	(1,058,204)	(822,510)
Less: Bank balance in respect of Automotive Development Fund liabilities	(18,042)	(19,149)
	2,590,271	3,278,336

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 year, 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:

	<b>CTRM</b>	<b>KLB</b>	<b>SSKM</b>
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 year ended 31 March 2015.

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:

	<b>As previously stated RM’000</b>	<b>Adjustments RM’000</b>	<b>As restated RM’000</b>
<b>As at 31 March 2014</b>			
<b>Consolidated Statement of Financial Position</b>			
<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
<b>Consolidated Statement of Changes in Equity</b>			
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)**

	<b>As previously stated RM'000</b>	<b>Adjustments RM'000</b>	<b>As restated RM'000</b>
<b>For the financial year ended 31 March 2014</b>			
<b>Consolidated Statement of Comprehensive Income</b>			
<b><u>Quarter</u></b>			
Cost of sales and operating expenses	(3,929,726)	(898)	(3,930,624)
Taxation	(44,814)	216	(44,598)
Net profit for the quarter attributable to Owners of the Company	166,968	(682)	166,286
Total comprehensive income for the quarter attributable to Owners of the Company	149,162	(682)	148,480
<b><u>Financial Year</u></b>			
Cost of sales and operating expenses	(13,701,246)	(1,462)	(13,702,708)
Other income	719,561	6,590	726,151
Taxation	(151,692)	221	(151,471)
Net profit for the financial year attributable to Owners of the Company	456,819	5,350	462,169
Net profit for the financial year attributable to Non- controlling interest	188,102	(1)	188,101
Total comprehensive income for the financial year attributable to Owners of the Company	346,506	5,350	351,856
Total comprehensive income for the financial year attributable to Non-controlling interest	179,473	(1)	179,472

**4. SEASONALITY OR CYCLICALITY OF OPERATIONS**

The businesses of the Group were not materially affected by any seasonal or cyclical fluctuations during the financial year ended 31 March 2015.

**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 year ended 31 March 2015.

- (a) 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 year ended 31 March 2015.
- (b) Included under other income in the consolidated statement of comprehensive income in the previous financial year ended 31 March 2014 are the gain on disposal of Uni.Asia Life Assurance Berhad of RM83.07 million and gain on bargain purchase of RM118.27 million arising from the acquisition of Composites Technology Research Malaysia Sdn. Bhd.

**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 year ended 31 March 2015.

- (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<sub>IS</sub> (stable).

During the current financial year, the Company had undertaken two issuances of the Perpetual Sukuk Musharakah Programme totaling RM815 million.

	<b>RM’000</b>
Total proceeds	815,000
Less: direct expenses attributable to the issuance	(7,110)
Net proceeds	<u>807,890</u>

## 8. DIVIDENDS PAID

- (a) A single tier interim dividend of 1.5 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.
- (c) A single tier interim dividend of 1.5 sen per share amounting to RM28,998,556 for the financial year ended 31 March 2015, was paid on 28 April 2015.

## 9. SEGMENTAL INFORMATION

The information of each of the Group's business segments for the financial year ended 31 March 2015 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	11,307,998	2,711,169	367,565	54,229	14,440,961
Inter-segment revenue	(525,694)	(103,863)	(69,336)	(54,229)	(753,122)
External revenue	10,782,304	2,607,306	298,229	-	13,687,839
<b>Results</b>					
Segment profit	64,426	299,756	81,620	15,876	461,678
Gain on disposal of subsidiary companies					97,424
Unallocated expenses					(31,336)
Interest income on short term deposits					65,132
Finance costs					(392,054)
Share of results of jointly controlled entities (net of tax)	21,875	-	4,906	-	26,781
Share of results of associated companies (net of tax)	232,833	41,753	-	-	274,586
Profit before taxation					502,211
Taxation					(117,063)
Net profit for the financial year					385,148

**9. SEGMENTAL INFORMATION (Continued)**

	Automotive RM'000	Services RM'000	Property, Asset & Construction RM'000	Investment Holding RM'000	Group RM'000
<b>Results (Continued)</b>					
Attributable to:					
Owners of the Company					300,287
Holder of Perpetual Sukuk					14,401
Non-controlling interest					70,460

**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 YEAR ENDED 31 MARCH 2015**

- (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.

**12. CHANGES IN THE COMPOSITION OF THE GROUP DURING THE FINANCIAL YEAR ENDED 31 MARCH 2015 (Continued)**

- (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. On 31 March 2015, Composites Technology Research Malaysia Sdn. Bhd. (“CTRM”), the holding company of CTLA, acquired the shares held by CTL, for a total cash consideration of RM200,000. As a result, CTLA became a wholly-owned subsidiary company of CTRM.
- (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.

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 subsidiary 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%.
- (h) On 29 January 2015, KL Airport Services Sdn. Bhd., an indirect wholly-owned subsidiary company of the Group, completed the acquisition of the 100% equity interest in Gading Sari Aviation Services Sdn. Bhd. (“GSAS”) for a cash consideration of RM72 million. As a result, GSAS became a wholly-owned subsidiary company of the Group. On 16 April 2015, GSAS changed its name to DRB-HICOM ASIA Cargo Express Sdn. Bhd.



**12. CHANGES IN THE COMPOSITION OF THE GROUP DURING THE FINANCIAL YEAR ENDED 31 MARCH 2015 (Continued)**

- (i) On 26 February 2015, pursuant to the Group intercompany balances restructuring, DRB-HICOM Berhad completed the acquisition of the remaining 30.01% equity interest in HICOM Holdings Berhad (“HHB”) from Mega Consolidated Sdn. Bhd., an effectively wholly-owned subsidiary company of the Group. As a result, HHB became a direct wholly-owned subsidiary company of DRB-HICOM Berhad.
- (j) On 20 March 2015, DRB-HICOM ASIA Cargo Express Sdn. Bhd. (“DHACE”) (formerly known as Gading Sari Aviation Services Sdn. Bhd.), completed the acquisition of 100% equity interest in Gading Sari Aviation Services Ltd. (“GSASL”) for a cash consideration of USD2. As a result, GSASL became a subsidiary company of DHACE.
- (k) On 23 March 2015, HHB completed the acquisition of the remaining 49% equity interest in HICOM Petro-Pipes Sdn. Bhd. (“HPP”) for a cash consideration of RM6.883 million. As a result, HPP became an indirect wholly-owned subsidiary company of the Group.
- (l) On 26 March 2015, Glenmarie Properties Sdn. Bhd., an indirect wholly-owned subsidiary company of the Group, completed the acquisition of the entire equity interest comprising 1,000 ordinary shares of RM1.00 each in HICOM Vertex Sdn. Bhd. from HHB via an internal re-organisation.
- (m) On 26 March 2015, PHN Industry Sdn. Bhd., an indirect wholly-owned subsidiary company of the Group, completed the acquisition of the entire equity interest comprising 2 ordinary shares of RM1.00 each in Connemara Development Sdn. Bhd. (“CDSB”) from HICOM Berhad via an internal re-organisation. On 28 April 2015, CDSB changed its name to DRB-HICOM Mechatronics Sdn. Bhd.

**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 31.03.2015		
	Principal Amount RM'000	Credit Equivalent Amount RM'000	Risk Weighted Amount RM'000
Direct credit substitutes	62,225	62,225	62,072
Trade-related contingencies	18,829	3,766	2,810
Transaction related contingencies	246,641	123,320	122,737
Credit extension commitment:			
– maturity within one year	1,261,070	252,214	229,846
– maturity exceeding one year	2,010,431	1,005,215	240,756
Profit rate related contracts	3,675,000	86,250	17,250
Foreign exchange related contracts	2,181,114	67,921	44,486
	<b>9,455,310</b>	<b>1,600,911</b>	<b>719,957</b>

**15. PROFIT BEFORE TAXATION**

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

	3 Months Ended		12 Months Ended	
	31.03.2015 RM'000	31.03.2014 (Restated) RM'000	31.03.2015 RM'000	31.03.2014 (Restated) RM'000
Allowance for/write off of investment securities and financing of customers (net)	(4,254)	(10,338)	100,454	16,254
Amortisation of :				
- intangible assets	30,088	40,495	131,083	160,818
- concession assets	2,881	2,792	11,488	11,417
Depreciation and amortisation of property, plant and equipment/prepaid lease properties	135,287	132,726	534,496	571,100
Doubtful debts (net of write backs)	6,749	25,720	11,725	31,985

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

	3 Months Ended		12 Months Ended	
	31.03.2015 RM'000	31.03.2014 (Restated) RM'000	31.03.2015 RM'000	31.03.2014 (Restated) RM'000
Finance costs	97,517	103,894	392,054	368,585
Impairment loss of/(write-back of impairment loss) (net)				
- assets held for sale	-	-	-	7,293
- property, plant and equipment	1,059	(7,259)	1,497	3,138
- intangible assets	1,937	35,032	1,937	35,032
- investment securities: available-for-sale	70	(9,420)	(21,934)	(1,148)
- land held for property development	(22,148)	-	(22,148)	-
Inventories written off/down (net of write backs)	13,410	12,800	12,274	851
Loss on dilution of shares in a jointly controlled entity	-	-	20	-
Net write off of property, plant and equipment	1,173	6,526	4,539	6,761
Dividend income	-	(138)	-	(277)
Gain on bargain purchase	-	-	-	(118,267)
Gain on disposal of:				
- investment securities	(7,063)	(3,625)	(15,348)	(20,194)
- assets held for sale	-	(69)	(46)	(599)
- property, plant and equipment	219	(6,333)	(2,464)	(15,692)
- concession assets	-	-	-	(930)
- subsidiary companies	-	(83,069)	(97,424)	(83,069)
- associated companies	-	-	-	(3,832)
Gain/(loss) on fair value adjustment of:				
- securities at fair value through profit or loss	-	750	-	358
- investment properties	(2,277)	(14,455)	(892)	(15,007)
Interest income on short term deposits	(17,319)	(24,929)	(65,132)	(101,400)
Marked to market loss/(gain) on derivatives	40,188	3,014	(4,230)	(28,561)
Net foreign exchange differences	(13,970)	(14,692)	(21,627)	(37,851)

## 16. REVIEW OF PERFORMANCE

### 16.1 Revenue

	Group Business Sectors	3 Months Ended			12 Months Ended		
		31.03.2015 RM'000	31.03.2014 RM'000	Variance RM'000	31.03.2015 RM'000	31.03.2014 RM'000	Variance RM'000
(i)	Automotive	2,548,711	2,881,159	(332,448)	10,782,304	10,738,028	44,276
(ii)	Services	600,804	714,951	(114,147)	2,607,306	2,702,953	(95,647)
(iii)	Property, Asset & Construction (PAC)	60,329	571,434	(511,105)	298,229	759,761	(461,532)
	<b>Total</b>	<b>3,209,844</b>	<b>4,167,544</b>	<b>(957,700)</b>	<b>13,687,839</b>	<b>14,200,742</b>	<b>(512,903)</b>

(a) For the current quarter ended 31 March 2015, the Group's revenue decreased by 23% to RM3.21 billion compared with RM4.17 billion in the corresponding quarter.

(i) **Automotive Sector**

The decline in revenue is mainly attributable to the lower sale of motor vehicles during the quarter under review.

(ii) **Services Sector**

The drop in the revenue is mainly attributed to the absence of revenue from the insurance business following the disposal of the insurance subsidiary company, Uni.Asia General Insurance Berhad in July 2014.

(iii) **PAC Sector**

The unfavourable variance in revenue was mainly due to the one-off disposal of certain parcels of land amounting to RM485.3 million in the corresponding quarter.

(b) For the financial year ended 31 March 2015, the Group's revenue declined marginally by 3.6% to RM13.69 billion compared with RM14.2 billion in the previous financial year ended 31 March 2014.

(i) **Automotive Sector**

Most of the companies in this sector achieved satisfactory performance during the current financial year.

(ii) **Services Sector**

The drop in the revenue is mainly attributed to the sales revenue forgone following the disposal of UAG during the financial year.

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

**16.1 Revenue (Continued)**

(b) (Continued)

**(iii) PAC Sector**

The unfavourable variance in revenue was mainly due to the one-off disposal of certain parcels of land amounting to RM485.3 million in the previous financial year.

**16.2 Profit Before Tax (PBT)**

The details of Group's PBT are as follows:

		3 Months Ended				12 Months Ended		
		31.03.2015	31.03.2014	Variance		31.03.2015	31.03.2014	Variance
		RM'000	(Restated) RM'000	RM'000		RM'000	(Restated) RM'000	RM'000
(i)	PBT before finance costs	142,071	153,483	(11,412)		796,841	804,167	(7,326)
(ii)	Finance costs	(97,517)	(103,894)	6,377		(392,054)	(368,585)	(23,469)
	<b>Sub-total</b>	<b>44,554</b>	<b>49,589</b>	<b>(5,035)</b>	↓ 10.2%	<b>404,787</b>	<b>435,582</b>	<b>(30,795)</b>
(iii)	E.I. - Gain on disposal of subsidiary companies	-	83,069	(83,069)		97,424	83,069	14,355
(iv)	E.I. - Gain on disposal of land banks	-	164,823	(164,823)		-	164,823	(164,823)
(v)	E.I. - Gain on bargain purchase	-	-	-		-	118,267	(118,267)
(vi)	<b>Group's Profit Before Tax</b>	<b>44,554</b>	<b>297,481</b>	<b>(252,927)</b>		<b>502,211</b>	<b>801,741</b>	<b>(299,530)</b>

For the current quarter and financial year ended 31 March 2015, the Group's operating pre-tax profit (excluding E.I.) declined marginally by 10.2% and 7.1% respectively compared with the corresponding quarter and previous financial year ended 31 March 2014.

The Group's overall profit (with E.I.) for the current quarter was RM44.55 million compared with RM297.48 million in the corresponding quarter, whereas, for the full financial year ended 31 March 2015, it was RM502.21 million compared with RM801.74 million previously.

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

The Group recorded a lower pre-tax profit of RM44.55 million in the current quarter ended 31 March 2015 compared with RM96.47 million in the preceding quarter ended 31 December 2014 mainly due to the lower profit contribution from certain companies in the automotive and services sectors.

**18. PROSPECTS FOR THE FINANCIAL YEAR ENDING 31 MARCH 2016**

Malaysia's gross domestic product (GDP) expanded by 5.6% in the first quarter of 2015 driven by public spending and domestic demand. The GDP growth for the full year 2015 is expected to be between 4.5% and 5%.

The uncertain global and domestic economic sentiments may affect domestic consumption of the Group's products and services. Given the circumstances, the Group will continue to intensify its marketing strategies to expand and sustain its revenue streams and also remain vigilant on cost and risk management.

Despite the challenging market conditions, the Group expects to achieve satisfactory performance for the financial year ending 31 March 2016.

**19. PROFIT FORECAST OR PROFIT GUARANTEE**

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

**20. TAXATION**

Taxation comprises the following:

	3 Months Ended		12 Months Ended	
	31.03.2015 RM'000	31.03.2014 (Restated) RM'000	31.03.2015 RM'000	31.03.2014 (Restated) RM'000
Current taxation	(102,849)	58,666	14,277	89,520
Deferred taxation	43,575	(14,068)	102,786	61,951
<b>Total</b>	<b>(59,274)</b>	<b>44,598</b>	<b>117,063</b>	<b>151,471</b>

The Group's effective tax rate (excluding the results of jointly controlled entities and associated companies which are equity accounted net of tax) for the financial year ended 31 March 2015 is higher than the statutory tax rate mainly due to losses of certain companies which cannot be set-off against profits of other companies and certain expenses which were not deductible for tax purposes.

**21. STATUS OF CORPORATE PROPOSALS**

- (a) On 26 February 2015, the Company entered into a conditional share sale agreement (“SSA”) with Northern Gateway Sdn. Bhd. for the proposed acquisition of 100% equity interest in Northern Gateway Infrastructure Sdn. Bhd. for a total cash consideration of RM20 million. The completion of the acquisition is pending fulfillment of the conditions precedent.
- (b) On 17 April 2015, PROTON Holdings Berhad and Lotus Group International Limited, effectively wholly-owned subsidiary companies of the Group, entered into an Equity Joint Venture contract with Goldstar Heavy Industrial Co. Ltd. to form a joint venture company to be named as Goldstar LOTUS Automobile Co. Ltd. (“JV Company”) to produce and sell LOTUS branded passenger cars, engines, parts and components, and accessories, and to provide after-sales services (including spare parts), in connection with its products in the People’s Republic of China.
- (c) On 27 April 2015, Edaran Otomobil Nasional Berhad, an indirect wholly-owned subsidiary company of the Group, entered into a share sale agreement with Johnson Controls Holding Japan TYK for the disposal of its entire 30% equity interest in Johnson Controls Automotive Holding (M) Sdn. Bhd. for a cash consideration of RM45 million. The transaction was completed on the even date.

**22. BORROWINGS AND DEFERRED LIABILITIES**

Total Group borrowings are as follows:

	<b>As at 31.03.2015 RM’000</b>
<b>(a) Short Term Borrowings</b>	
<b>Bank overdrafts</b>	
- Secured	10,621
- Unsecured	11,214
<b>Total</b>	<b>21,835</b>
<b>(b) Others</b>	
<u>Secured</u>	
Bankers acceptances	31,513
Revolving credits	67,321
Short term loans	93,966
Hire purchase and finance lease liabilities – portion repayable within 12 months	17,293
Long term loans – portion repayable within 12 months	411,560

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

	<b>As at 31.03.2015 RM'000</b>
<b>Short Term Borrowings (Continued)</b>	
<b>(b) Others (Continued)</b>	
<u>Secured</u> (Continued)	
Long term loans under Islamic financing – portion repayable within 12 months	181,381
	803,034
<u>Unsecured</u>	
Bankers acceptances	933,974
Revolving credits	275,404
Short term loans	1,610
Long term loans – portion repayable within 12 months	5,026
Long term loans under Islamic financing – portion repayable within 12 months	36,699
Deferred liability	10,032
Sub-total	1,262,745
<b>Total</b>	<b>2,065,779</b>
<b>(c) Long Term Borrowings</b>	
<u>Secured</u>	
Hire purchase and finance lease liabilities	44,348
- portion repayable within 12 months	(17,293)
	27,055
Long term loans	2,247,252
- portion repayable within 12 months	(411,560)
	1,835,692
Long term loans under Islamic financing	2,731,487
- portion repayable within 12 months	(181,381)
	2,550,106



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

	<b>As at 31.03.2015 RM'000</b>
<b>(c) Long Term Borrowings (Continued)</b>	
<u>Unsecured</u>	
Long term loans	17,267
- portion repayable within 12 months	(5,026)
	12,241
Long term loans under Islamic financing	443,754
- portion repayable within 12 months	(36,699)
	407,055
<b>Total</b>	<b>4,832,149</b>
<b>Grand Total</b>	<b>6,919,763</b>

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

<b>As at</b>	<b>Amount</b>
31.03.2015	RM230.38 million (SGD 85.5 million) RM67.18 million (USD18.1 million) RM9.86 million (GBP1.8 million) RM1.73 million (Baht 15 million)

**23. OUTSTANDING DERIVATIVES**

- (a) Derivatives outstanding as at 31 March 2015 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	1,546,620	64,074	12,286
Currency swap foreign exchange contracts	1,489,564	10,901	33,758
Islamic profit rate swap	3,675,000	-	10,807
	<b>6,711,184</b>	<b>74,975</b>	<b>56,851</b>

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 year, the Group recognised a total net gain of RM4.23 million in the consolidated statement of comprehensive income arising from the fair value changes on the foreign exchange contracts and profit rate swap which are marked to market as at 31 March 2015.

## **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” or “Plaintiff”) 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. On 22 April 2015, the High Court has dismissed the Plaintiff’s claims.

- (b) A contractual dispute between DRB-HICOM Asia Cargo Express Sdn. Bhd. (formerly known as 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 filed an appeal and the Defendant has also filed a cross appeal on the High Court decision and on 27 February 2015, the Court of Appeal ("COA") held as follows:

1. Plaintiff appeal for item 1 and 4 above was allowed.
2. Defendant cross-appeal for item 2 and 4 above was dismissed.
3. Costs for the appeal and cross appeal RM30,000 payable by Defendant to Plaintiff.

On 26 March 2015, the Defendant has filed an Application for Leave to Appeal at the Federal Court which is currently fixed for case management on 6 August 2015.

- (c) UB Racing Srl ("UB"), a company based in Italy, has filed a suit at the High Court of London on 6 March 2015 against Lotus Cars Limited ("Lotus"), an indirect wholly-owned subsidiary company of the Group, for a claim of EUR6.36 million made up of UB's projected profit from the contract amounting to EUR2,298,458 and the loss which it said that it incurred amounting to EUR4,056,245. UB claimed that it suffered this alleged losses pursuant to Lotus's failure to provide cars in accordance with the contract between Lotus and UB dated 24 February 2012. UB claimed that because the cars were not delivered on time, it was unable to participate in the FIA European Rally Championships in 2012 and 2013 thereby suffering the alleged losses. Lotus was unable to deliver the cars to UB because the Lotus R-GT Exige was still under development. Lotus' position on the claim is that whilst it accepts that it did not deliver the cars as the cars were still under development, UB has to prove that the alleged losses were actually suffered. Lotus has to file its Defence by 3 June 2015.

**25. DIVIDEND**

The Board of Directors recommend for approval at the forthcoming Annual General Meeting the payment of a single tier final dividend of 4.5 sen (2014: 4.5 sen) in respect of the financial year ended 31 March 2015. The book closure and dividend payment dates will be announced later. The total dividend payout for the financial year ended 31 March 2015 is 6.0 sen single tier (2014: 6.0 sen single tier) per share.

**26. EARNINGS PER SHARE**

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

	<b>3 Months Ended</b>		<b>12 Months Ended</b>	
	<b>31.03.2015</b>	<b>31.03.2014 (Restated)</b>	<b>31.03.2015</b>	<b>31.03.2014 (Restated)</b>
Net profit attributable to owners of the Company (RM'000)	89,888	166,286	300,287	462,169
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>4.65</b>	<b>8.60</b>	<b>15.53</b>	<b>23.91</b>

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

The retained profits of the Group as at 31 March 2015 are analysed as follows:

	<b>As at 31.03.2015 RM'000</b>	<b>As at 31.03.2014 (Restated) RM'000</b>
Total retained profits of the Company and subsidiaries:		
- Realised	3,949,449	3,802,758
- Unrealised	61,048	176,878
	<b>4,010,497</b>	<b>3,979,636</b>
Total share of retained profits from jointly controlled entities:		
- Realised	131,262	150,343
- Unrealised	3,387	2,311
Total share of retained profits from associated companies:		
- Realised	445,325	360,238
- Unrealised	8,429	650
Total Group retained profits as per consolidated financial statements	<b>4,598,900</b>	<b>4,493,178</b>

**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  
28 May 2015