PROTON HOLDINGS BERHAD (623177-A)
(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTER ENDED 31 MARCH 2011

PROTON HOLDINGS BERHAD
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 31 MARCH 2011

	Individual Period		Cumulative Period	
	31.03.11 RM'000	31.03.10 RM'000	31.03.11 RM'000	31.03.10 RM'000
Revenue	2,618,275	2,257,218	8,981,732	8,226,859
Operating expenses	(2,813,935)	(2,433,060)	(9,225,019)	(8,297,604)
Other operating income	275,098	184,786	443,846	324,920
Profit before finance cost	**79,438**	**8,944**	**200,559**	**254,175**
Finance cost	(4,520)	(3,930)	(12,693)	(12,053)
Share of results of associated and jointly controlled entities (net of tax)	5,937	7,889	27,368	18,771
Profit before taxation and zakat	**80,855**	**12,903**	**215,234**	**260,893**
Taxation and zakat	(19,212)	(10,262)	(63,091)	(41,961)
Profit for the period	**61,643**	**2,641**	**152,143**	**218,932**
OTHER COMPREHENSIVE INCOME:				
Translation of foreign operations	(4,272)	(31,046)	5,044	12,517
Total comprehensive income	**57,371**	**(28,405)**	**157,187**	**231,449**
Profit for the period attributable to:				
Equity holders of the Company	61,643	2,641	152,143	218,932
Minority interests	-	-	-	-
	61,643	**2,641**	**152,143**	**218,932**
Total comprehensive income attributable to:				
Equity holders of the Company	57,371	(28,405)	157,187	231,449
Minority interests	-	-	-	-
	57,371	**(28,405)**	**157,187**	**231,449**
Earnings per share attributable to equity holders of the Company (sen):				
Basic (sen)	11.2	0.5	27.7	39.9
Diluted (sen)	N/A	N/A	N/A	N/A

The unaudited condensed consolidated income statement should be read in conjunction with the audited financial statement for the financial year ended 31 March 2010 and the accompanying explanatory notes attached to the interim financial statement.

PROTON HOLDINGS BERHAD
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2011

	Unaudited as at 31.03.11 RM'000	Audited as at 31.03.10 RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	2,530,276	2,624,418
Goodwill	29,008	29,008
Intangible assets	877,294	563,963
Associated companies and jointly controlled entities	367,847	355,184
Deferred tax assets	16,945	15,033
Total Non-Current Assets	**3,821,370**	**3,587,606**
Current Assets		
Inventories	1,206,827	1,227,212
Trade and other receivables	1,459,108	966,336
Tax recoverable	3,478	25,301
Financial assets classified as held for trading	4,542	9,676
Cash, bank balances and deposits	1,278,919	1,652,089
Total Current Assets	**3,952,874**	**3,880,614**
Non-current assets held for disposal	-	36,931
TOTAL ASSETS	**7,774,244**	**7,505,151**
EQUITY AND LIABILITIES		
Equity Attributable to Equity Holders of the Company		
Share capital	549,213	549,213
Reserves	4,854,179	4,783,776
Total Equity	**5,403,392**	**5,332,989**
Non-current Liabilities		
Long term borrowings	9,746	29,649
Other non-current liabilities	59,955	59,001
Deferred tax liabilities	8,187	10,740
Total Non-Current Liabilities	**77,888**	**99,390**
Current Liabilities		
Trade and other payables	1,760,196	1,734,033
Provisions	151,209	184,404
Derivative liabilities	440	-
Taxation	18,914	12,099
Short term borrowings	362,205	142,236
Total Current Liabilities	**2,292,964**	**2,072,772**
Total Liabilities	**2,370,852**	**2,172,162**
TOTAL EQUITY AND LIABILITIES	**7,774,244**	**7,505,151**
Net assets per share attributable to equity holders of the Company (RM)	**9.84**	**9.71**

The unaudited condensed consolidated balance sheet should be read in conjunction with the audited financial statement for the financial year ended 31 March 2010 and the accompanying explanatory notes attached to the interim financial statement.

PROTON HOLDINGS BERHAD
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 31 MARCH 2011

	<------ Attributable to equity holders of the Company					------>
	<------ Non - distributable			------>		
	Share capital RM'000	Capital reserve RM'000	Asset revaluation reserve RM'000	Foreign exchange reserves RM'000	Retained earnings RM '000	Total equity RM'000
At 1 April 2010	549,213	475,617	2,362	(66,995)	4,372,792	5,332,989
Effects of applying FRS 139	-	-	-	-	(4,402)	(4,402)
	549,213	475,617	2,362	(66,995)	4,368,390	5,328,587
Changes in equity for the period to 31 March 2011:						
Total comprehensive income for the year	-	-	-	5,044	152,143	157,187
Dividends paid	-	-	-	-	(82,382)	(82,382)
Assets revaluation reserve realised	-	-	(2,362)	-	2,362	-
At 31 March 2011	549,213	475,617	-	(61,951)	4,440,513	5,403,392
At 1 April 2009	549,213	475,617	2,362	(79,512)	4,153,860	5,101,540
Changes in equity for the period to 31 March 2010:						
Total comprehensive income for the year	-	-	-	12,517	218,932	231,449
At 31 March 2010	549,213	475,617	2,362	(66,995)	4,372,792	5,332,989

The unaudited condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statement for the financial year ended 31 March 2010 and the accompanying explanatory notes attached to the interim financial statement.

PROTON HOLDINGS BERHAD
UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE QUARTER ENDED 31 MARCH 2011

	12 months ended 31.03.11 RM'000	**12 months ended 31.03.10 RM'000**
CASH FLOWS GENERATED FROM OPERATING ACTIVITIES	284,451	1,290,090
CASH FLOWS USED IN INVESTING ACTIVITIES	(796,505)	(392,273)
CASH FLOWS GENERATED FROM/(USED IN) FINANCING ACTIVITIES	96,538	(173,704)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(415,516)	724,113
EXCHANGE RATE EFFECTS	8,909	(17,387)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF FINANCIAL YEAR	1,606,109	899,383
CASH AND CASH EQUIVALENTS AT THE END OF FINANCIAL YEAR	1,199,502	1,606,109
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash, bank balances and deposits	1,278,919	1,652,089
Fixed deposits pledged as security	(75,000)	(25,468)
Restricted cash received under Automotive Development Fund	(4,417)	(20,512)
	1,199,502	1,606,109

The unaudited condensed consolidated cash flow statement should be read in conjunction with the audited financial statement for the financial year ended 31 March 2010 and the accompanying explanatory notes attached to the interim financial statement.

PROTON HOLDINGS BERHAD

NOTES TO THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

1. BASIS OF PREPARATION

The interim financial statement has been prepared in accordance with Financial Reporting Standard ("FRS") 134: Interim Financial Reporting and paragraph 9.22 and Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The unaudited interim financial statement should be read in conjunction with the audited financial statements for the financial year ended 31 March 2010. These explanatory notes attached to the interim financial statement provides an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 March 2010.

2. ACCOUNTING POLICIES

The significant accounting policies adopted are consistent with those used in preparation of the audited financial statement for the financial year ended 31 March 2010 except for the adoption of the following new FRSs, Amendments to FRSs and IC Interpretations that are effective for the financial period from 1 April 2010.

On 1 April 2010, the Group adopted the following FRSs:

FRS 7	Financial Instruments: Disclosures
FRS 5	Non-current Assets Held for Sale and Discontinued Operations
FRS 8	Operating Segments
FRS 101	Presentation of Financial Statements (revised)
FRS 123	Borrowing Costs (revised)
FRS 127	Consolidated and Separate Financial Statements
FRS 139	Financial Instruments: Recognition and Measurement
Amendments to FRS 7	Financial Instruments: Disclosures
Amendments to FRS 8	Operating Segments
Amendments to FRS 107	Statement of Cash Flows
Amendments to FRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
Amendments to FRS 110	Events after the Balance Sheet Date
Amendments to FRS 117	Leases
Amendments to FRS 118	Revenue
Amendments to FRS 119	Employee Benefits
Amendments to FRS 120	Accounting for Government Grants
Amendments to FRS 123	Borrowing Costs
Amendments to FRS 128	Investments in Associates
Amendments to FRS 132	Financial Instruments: Presentation
Amendments to FRS 134	Interim Financial Reporting
Amendments to FRS 136	Impairment of Assets
Amendments to FRS 139	Financial Instruments: Recognition and Measurement
IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 10	Interim Financial Reporting and Impairment
IC Interpretation 13	Customer Loyalty Programmes
IC Interpretation 14	FRS 119: The Limit on a Defined Benefits Asset, Minimum Funding Requirements and their Interaction

The adoption of the above FRSs, Amendments to FRSs and IC Interpretations are not expected to have a significant impact on the interim financial report, other than as discussed below:

(a) FRS 7: Financial Instruments: Disclosures

The adoption of FRS 7 requires additional disclosures regarding fair value measurements and liquidity risk in the full year financial statements, and has no effect on reported profit or equity. However, FRS 7 disclosures are not required in the interim financial statement, and hence, no further disclosures had been made in the interim financial statement.

2. ACCOUNTING POLICIES (CONT'D)

(b) FRS 8: Operating Segments

FRS 8 replaces FRS 114 2004: Segment Reporting requires a 'management approach', under which segment information is presented on a similar basis as that used for internal reporting purposes. As a result, the Group's segmental reporting had been presented based on the internal reporting to the 'Chief Operating Decision Maker' who makes decisions on the allocation of resources and assesses the performance of the reportable segments. The Group concluded that the operating segments determined in accordance to FRS 8 are similar to the business segments previously identified under FRS 114.

This is a disclosure standard and hence does not have any impact on the financial position and performance of the Group.

(c) FRS 101: Presentation of Financial Statements (Revised)

FRS 101 separates owner and non-owner changes in equity. Therefore, the current consolidated statement of changes in equity only includes details of transactions with owners. All non-owner changes in equity are presented as a single line labelled as total comprehensive income. Comparative information, with exception of the requirements under FRS 139, had been re-presented so that it is in conformity with the revised standard. This standard does not have any impact on the financial position and results of the Group. Certain comparative figures have been reclassified to conform with the current period's presentation as follows:

RM'000 **Group**	Income statement as previously reported	Effects of Revised FRS 101	Statement of comprehensiv income as restated
12 months ended 31 March 2010			
Profit for the financial year	218,932	-	218,932
Other comprehensive income	-	12,517	12,517
Total comprehensive income			231,449
Total comprehensive income attributable to:			
Equity holders of the Company			231,449
Minority interests			-
			231,449

(d) Amendment to FRS 117: Leases

The Group has adopted the amendment to FRS 117 which requires the reassessment and determination of leasehold lands. The Group has reassessed and determined that all leasehold lands of the Group are in substance finance leases and has been classified as leasehold land within property, plant and equipment. The change in accounting policy had been made retrospectively in accordance with the transitional provisions of the amendment.

(e) FRS 139 and Amendments to FRS 139: Financial Instruments - Recognition and Measurement

The new FRS 139 establishes principles for the recognition and measurement of the Group's financial assets, financial liabilities and contracts to buy and sell non-financial items.

FRS 139 sets out the new requirements for the recognition and measurement of the Group's financial instruments. Financial instruments are initially measured at fair values. Subsequently, the accounting policies relating to the recognition and measurement of financial instruments are as follows:

2. ACCOUNTING POLICIES (cont'd)

(e) FRS 139 and Amendments to FRS 139: Financial Instruments - Recognition and Measurement (cont'd)

(i) Loans and Receivables

Prior to 1 April 2010, loans and receivables were stated at gross receivables less provision for doubtful debts. Under FRS 139, loans and receivables are initially measured at fair values and subsequently at amortised cost using the effective interest method. Gains and losses arising from the derecognition of the loans and receivables, amortisation under the effective interest method and impairment losses are recognised in the income statement.

(ii) Fair Value Through Profit or Loss

Financial assets held for trading, including derivatives (except those designated as hedges) and those designated at fair value through profit or loss on initial recognition are the two sub-categories under this category. A financial asset is classified in this category if it is acquired principally for the purpose of selling in the short term.

Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months from the reporting date.

(iii) Cash Flow Hedge

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction and could affect the profit or loss. In a cash flow hedge, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised in other comprehensive income and the ineffective portion is recognised in profit or loss.

Subsequently, the cumulative gain or loss recognised in other comprehensive income is reclassified from equity into income statement in the same period or periods which the hedged forecast cash flow affect profit or loss. If the hedge item is a non-financial asset or liability, the associated gain or loss recognised in other comprehensive income is removed from equity and included in the initial amount of the asset or liability. However, loss recognised in other comprehensive income that will not be recovered in one or more future periods is reclassified from equity to the income statement.

Cash flow hedge accounting is discontinued prospectively when the hedging instrument expires or is sold, terminated or exercised, the hedge is no longer highly effective, the forecast transaction is no longer expected to occur or the hedge design is revoked. If the hedge is for a forecast transaction, the cumulative gain or loss on the hedging instrument remains in other comprehensive income until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, any related cumulative gain or loss is recognised in other comprehensive income on the hedging instrument is reclassified from equity to the income statement.

(iv) Available-for-sale financial assets

Available-for-sale financial assets comprise investment in debt securities that are not held for trading and are subsequently measured at fair value with gain or loss recognised in other comprehensive income.

Impact on opening balances

In accordance with the transitional provisions of FRS 139, the above changes are applied prospectively and the comparatives as at 31 March 2010 are not restated. Hence, the changes have been accounted for by restating the opening balances as at 1 April 2010 in the consolidated statement of financial position. The effect of changes in the consolidated statement of financial position is as follows:

	As at 31.03.2010 RM'000	Effect of FRS 139 RM'000	As at 1.04.2010 RM'000
Non-current Assets			
Investment in associated companies and jointly controlled entities	355,184	(4,402)	350,782

2. ACCOUNTING POLICIES (cont'd)

(f) <u>IC Interpretation 13 Customer Loyalty Programmes</u>

Prior to the adoption of IC Interpretation 13, free service given to customers during campaigns and on purchase of cars are not treated as a separately identifiable component of the sale transactions. With the adoption of IC Interpretation 13, revenue attributed to the free service is deferred as a liability at the date of the initial sale transactions and only recognised when the services are redeemed.

The adoption of IC Interpretation 13 is not material to the prior year's financial statements, hence the impact is reflected in the financial year ended 31 March 2011.

3. AUDIT QUALIFICATIONS

The annual audited financial statement for the financial year ended 31 March 2010 was not subject to any qualification.

4. SEASONAL OR CYCLICAL FACTORS

The businesses of the Group were not materially affected by any seasonal or cyclical factors during the current financial period under review.

5. UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE OR INCIDENCE

There were no unusual items affecting assets, liabilities, equity, net income, or cash flow during the current financial period under review.

6. SIGNIFICANT ESTIMATES AND CHANGES IN ESTIMATES

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. In order to enhance the information content of the estimates, certain key variables that are anticipated to have a material impact on the Group's results and financial position are tested for sensitivity to changes in the underlying parameters.

The estimates and assumptions that have risks of causing significant adjustments to the carrying amounts of assets and liabilities are in the following areas:

I) impairment of goodwill on the acquisition of subsidiary,
ii) impairment of property, plant and equipment and capitalised development cost,
iii) assessment of the recoverability of deferred tax assets,
iv) depreciation of property, plant and equipment and capitalised development cost, and
v) allowance for inventory write down.

Except for the above, there were no other significant changes in estimates that have had a material effect in the current financial period under review.

7. SIGNIFICANT ITEMS

The individually significant items for the current financial period under review are as follows:

	Current quarter
<u>Income Statement</u>	RM'million
Research & Development ("R&D") grant under Hybrid and Electric Vehicle program	222
R&D expenditure written off against the above grant	(222)

8. DEBT AND EQUITY SECURITIES

There were no issuances, cancellations, repurchases, resale and repayment of debts and equity securities during the current financial period under review.

9. DIVIDENDS PAID

There were no dividends declared and paid during the current financial period under review.

10. SEGMENTAL REPORTING

Segmental information is presented in respect of the Group's reportable segments which are based on internal reports regularly reviewed by the entity's Chief Operating Decision Maker in order to allocate resources to the segment and to assess its performance.

Analysis of the Group's revenue and results are as follows:

	PROTON		**LOTUS**	**INVESTMENT**	**ELIMINATION**	**TOTAL**
		Selling &	Manufacturing	**HOLDING &**		
	Manufacturing	Distribution	& Distribution	**OTHERS**		
31 MARCH 2011	RM'million	RM'million	RM'million	RM'million	RM'million	RM'million
Revenue						
External sales	438.7	7,882.0	660.9	0.1	-	8,981.7
Inter-segment sales	6,592.8	-	66.1	140.4	(6,799.3)	-
Total revenue	7,031.5	7,882.0	727.0	140.5	(6,799.3)	8,981.7
Results						
Segment operating profit/(loss)	189.0	176.1	(149.3)	12.0	(40.0)	187.8

Total profit for reportable segments	187.8
Share of results of associated companies and jointly controlled entities (net of tax)	27.4
Profit before taxation and zakat	215.2
Income taxes and zakat of Company and its subsidiary companies	(63.1)
Net profit after taxation and zakat	152.1

	PROTON		**LOTUS**	**INVESTMENT**	**ELIMINATION**	**TOTAL**
		Selling &	Manufacturing	**HOLDING &**		
	Manufacturing	Distribution	& Distribution	**OTHERS**		
31 MARCH 2010	RM'million	RM'million	RM'million	RM'million	RM'million	RM'million
Revenue						
External sales	392.7	7,118.2	713.1	2.9	-	8,226.9
Inter-segment sales	6,000.4	-	64.3	230.0	(6,294.7)	-
Total revenue	6,393.1	7,118.2	777.4	232.9	(6,294.7)	8,226.9
Results						
Segment operating profit/(loss)	49.0	190.0	(56.7)	2.6	57.2	242.1

Total profit for reportable segments	242.1
Share of results of associated companies and jointly controlled entities (net of tax)	18.8
Profit before taxation	260.9
Income taxes of Company and its subsidiary companies	(42.0)
Net profit after taxation	218.9

11. PROPERTY, PLANT & EQUIPMENT

There were no changes to the valuation of property, plant and equipment since the previous audited financial statements.

12. MATERIAL SUBSEQUENT EVENTS

The Board is not aware of any material event or transaction during the current financial period under review to the date of this announcement, which affects substantially the results of the operations of the Group.

13. CHANGES IN THE COMPOSITION OF THE GROUP

There were no changes in the composition of the Group in the current financial period under review.

14. CONTINGENT ASSETS AND CONTINGENT LIABILITIES

There were no material changes to the contingent liabilities as disclosed in the Audited Financial Statement for the financial year ended 31 March 2010.

15. CAPITAL COMMITMENTS

Capital commitments for property, plant and equipment and intangible assets approved by the Board but not provided for in the financial statements as at 31 March 2011 are as follows:

	RM '000
Contracted for	403,877
Not contracted for	2,653,831

16. PERFORMANCE REVIEW

Group profit before taxation for the year ended 31 March 2011 at RM215 million is lower than the profit of RM261 million posted in the previous financial year. The decline in profit is largely attributable to higher losses incurred by Lotus Group International Limited (LGIL). As part of the transformation plans to improve its performance, LGIL incurred higher branding and restructuring costs in the rebuilding of its brand to achieve 5-year business plans. This was however, partly offset by increased contribution from the PROTON cars business which improved from RM239 million to RM365 million this year. The operational improvement is the cumulative result from the execution of various initiatives over the last few years, such as, cost control through Process and Operational Excellence and Value Added Value Engineering - commonly known as PROPEX and VAVE respectively, manufacturing efficiency and dealers' and vendors' rationalisation.

Earnings from the PROTON cars business improved mainly driven by of higher sales volume and supported by models with better profit margins. Domestic sales volume grew by 10% compared to the corresponding period last year, largely driven by the Saga and Persona and the new-launched, Inspira.

17. MATERIAL CHANGE IN THE RESULTS OF CURRENT QUARTER AS COMPARED WITH THE IMMEDIATE PRECEDING QUARTER

The Group returned to profitability recording a profit before taxation of RM81 million compared to the loss of RM51 million in the immediate preceding quarter. The profit is largely attributable to higher sales of PROTON cars and to a lesser extent, improved performance of LGIL.

PROTON's domestic sales volume for the quarter grew by more than 50% compared to the last quarter and this was primarily driven by sales of the 3 core-models, Persona, Saga and Exora, as well as, the newly-launched Inspira. Higher sales volume also contributed to LGIL's improved performance.

The recognition of Research and Development (R&D) grant income during the quarter under the Hybrid and Electric Vehicle program is effectively offset by R&D expenditure.

18. COMMENTARY ON PROSPECTS

The domestic car sales continues to grow in the first quarter of the financial year as the economic sentiment in Malaysia remains positive. However, the Malaysian Automotive Association (MAA) expects the recent earthquake and tsunami in Japan to have some impact on the Malaysian car industry in the later part of the calendar year due to supply constraints.

As for the PROTON cars business, only the Inspira model which still has a high part content from Japan might be affected by the disruption in parts supply. However, this is not anticipated to last beyond September 2011. The Group is currently focusing all efforts to ensure minimal disruption in production in all plants.

In line with its transformation, LGIL will continue to invest in order to achieve its business transformation plans. Financial resources have been allocated towards the investment in current range of products while ensuring that development of future products continues to progress. In order to reposition and strengthen the infrastructure to compete with other premium sports car marques, LGIL will also continue to invest in brand equity improvement through active marketing and motorsports, rationalisation of sales and after-sales network; as well as, production capabilities.

Given the uncertainties surrounding the global automotive industry, particularly, the anticipated volatility of the Japanese Yen and spiralling fuel and raw material prices, the Group will continue to invest in the development of new technologies and products and improve operational efficiencies to sustain earnings.

19. PROFIT FORECAST

The Group did not issue any profit forecast or profit guarantee in respect of the current financial period under review.

20. INCOME TAX EXPENSE & ZAKAT

Income tax expense and zakat comprises of the following:

		Current quarter	Current to date
		RM'000	RM'000
Taxation			
Malaysia	- current year provision	21,723	46,035
	- over provision in respect of prior year	-	(3,162)
Outside Malaysia		2,889	21,289
		24,612	64,162
Deferred Tax			
Malaysia		(1,262)	(327)
Outside Malaysia		(4,138)	(4,138)
Taxation		19,212	59,697
Zakat		-	3,394
Taxation and zakat		19,212	63,091
Effective tax rate		23.8%	27.7%

The lower effective tax rate for the current quarter is mainly due to the recognition of non-taxable income by certain subsidiaries which is partly offset by higher tax suffered on profits earned by the other subsidiaries within the Group.

The effective tax rate for the current financial year is higher than the statutory tax rate due to tax suffered by certain subsidiaries expressed as a percentage of the impaired Group profit and higher tax rate on profits earned by certain overseas subsidiaries.

21. SALE OF UNQUOTED INVESTMENTS AND PROPERTIES

(a) Total disposal of unquoted securities for the current financial period under review are as follows:

	Current quarter	Current to date
	RM'000	RM'000
Total sales proceeds	7,000	9,207
Total profit on disposal	4,100	4,995

(b) There were no other disposal of properties and non-current investments outside the ordinary course of business for the current financial period under review except for, the disposal of leasehold land and building in Indonesia. The gain on the disposal amounted RM2.2 million.

22. SALE OF QUOTED SECURITIES

There were no purchases or disposals of quoted securities for the current financial period under review.

The adoption of FRS 139 has resulted in the Group's short term investment which consists of quoted securities classified under 'Financial assets at fair value through profit or loss' (FVTPL).

FVTPL are subsequently measured at fair value with gain or loss recognised in profit or loss. The category of financial assets is classified as current assets.

23. CORPORATE PROPOSALS

There were no corporate proposals announced but not completed at the date of this announcement.

24. GROUP BORROWINGS AND DEBT SECURITIES

Particulars of Group's borrowings as at 31 March 2011 are as follows:

	RM'000
Long Term Borrowings:	
Secured:	
Long term loans	9,746
Total Long Term Borrowings	9,746
Short Term Borrowings:	
Secured:	
Current portion of long term loans	952
Revolving credit	56,300
	57,252
Unsecured:	
Bridging loan	244,692
Bankers' acceptances	54,169
Revolving credit	6,092
	304,953
Total Short Term Borrowings	362,205
Total Borrowings	**371,951**

The currency profile of borrowings is as follows:

	RM'000
Functional Currency	
Ringgit Malaysia	54,192
Pounds Sterling	317,759
Total	**371,951**

25. REALISED AND UNREALISED PROFITS DISCLOSURE

Total Group's realised and unrealised profits are as follows:

	Unaudited As at 31.03.2011 RM'000
Total retained profits/(accumulated losses) of PROTON and its subsidiaries:	
- realised	4,333,326
- unrealised	(66,177)
	4,267,149
Total share of retained profits from associated companies:	
- realised	63,011
- unrealised	-
	63,011
Total share of retained profits/(accumulated losses) from jointly controlled entities:	
- realised	92,671
- unrealised	(12,669)
	80,002
Consolidation adjustments	**30,351**
Total Group retained profits	**4,440,513**

26. DERIVATIVE FINANCIAL INSTRUMENTS

The outstanding forward foreign currency contracts as at 31 March 2011 were as follows:

Currency	**Contract Amounts '000**	**Equivalent Amount in RM'000**	**Expiry Dates**
Payables			
Japanese Yen	2,400,000	88,529	6/04/11 - 20/05/11

Forward foreign exchange contracts are entered into with licensed banks to hedge certain portion of the Group's payables and receivables from exchange rates movements. As the exchange rates are pre-determined under such contracts, in the event of exchange rates movement, exposure to opportunity gain/(loss) is expected. Given that the contracts are entered into licensed banks, we are of the view that credit risk and counterparty risk are minimal. Apart from a small fee payable to the banks there are no cash requirements for the forward contracts.

27. CHANGES IN MATERIAL LITIGATION

(a) As reported in the audited financial statements for the financial year ended 31 March 2010, a vendor has commenced arbitration proceedings against two subsidiary companies. The claim against one subsidiary company amounts to RM19.3 million and against the other subsidiary company is for RM8.2 million.

The subsidiaries companies and the vendor have entered into a global settlement agreement dated 29 March 2011 for both claims. In light of the settlement, the arbitration was terminated on 28 March 2011.

(b) New litigation - details are as follows:
A subsidiary company entered into a Licence Agreement ("the Licence") in respect of certain trade marks for use in limited areas of motorsport for a period of 5 years. The Licensee has not honoured the terms of the Licence and as a result the subsidiary company gave notice to terminate the Licence in August 2010. The Licensee is disputing the termination and argues that the termination amounts to a repudiation of the Licence.

The Licensee initially issued proceedings against the subsidiary company in September 2010 but these were withdrawn and consolidated into the proceedings issued by the subsidiary company in October 2010.

The subsidiary company applied for Summary Judgment in respect of the interpretation of two of the clauses in the Licence with the balance of the claims being held over until a full trial in November/December 2011. This application was heard by the Court on 21 January 2011. At the hearing, the Judge decided that matters of liability needed to be resolved sooner rather than later and ordered a speedy trial of the action.

The trial proceeded from 21 March 2011 and concluded on 1 April 2011. Judgment from the court is pending.

Other than the above, there were no other changes in the material litigations since the last announcement.

28. DIVIDEND

The Board does not recommend any dividend to be declared for the current financial quarter ended 31 March 2011.

29. EARNINGS PER SHARE ("EPS")

Basic EPS

The basic earnings per share is calculated on the net profit attributable to equity holders of the Company divided by the weighted average number of ordinary shares as at 31 March 2011.

	Current quarter RM'000	Current to date RM'000
Net profit attributable to equity holders (RM'000)	61,643	152,143
Weighted average number of shares ('000)	549,213	549,213
Earnings per share (sen)	11.2	27.7

Diluted EPS

Diluted EPS is not applicable as at 31 March 2011 as there are no dilutive potential ordinary shares.

BY ORDER OF THE BOARD
LEE SIEW YOKE
COMPANY SECRETARY
Subang Jaya, 25 May 2011