



DRB-HICOM BERHAD

(203430-W)

(Incorporated in Malaysia)

Interim Financial Report for the Financial Period
Ended 30 June 2015

INTERIM FINANCIAL REPORT ON UNAUDITED CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2015

The Board of Directors is pleased to announce the unaudited consolidated financial results of DRB-HICOM Group (“the Group”) for the current financial period ended 30 June 2015.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| | Note | Current Quarter 3 Months Ended | | Financial Period 3 Months Ended | |
|--|------|-----------------------------------|----------------------|------------------------------------|----------------------|
| | | 30.06.2015 RM'000 | 30.06.2014 RM'000 | 30.06.2015 RM'000 | 30.06.2014 RM'000 |
| Revenue | | 2,950,227 | 3,724,751 | 2,950,227 | 3,724,751 |
| Cost of sales and operating expenses | | (3,045,966) | (3,610,379) | (3,045,966) | (3,610,379) |
| Other income | | 154,384 | 118,210 | 154,384 | 118,210 |
| Other expenses | | (42,807) | (33,076) | (42,807) | (33,076) |
| Profit from operations | | 15,838 | 199,506 | 15,838 | 199,506 |
| Finance costs | | (93,522) | (95,567) | (93,522) | (95,567) |
| Share of results of joint ventures (net of tax) | | 8,657 | 12,914 | 8,657 | 12,914 |
| Share of results of associated companies (net of tax) | | 85,706 | 68,202 | 85,706 | 68,202 |
| PROFIT BEFORE TAXATION | 14 | 16,679 | 185,055 | 16,679 | 185,055 |
| Taxation | 19 | (5,783) | (49,906) | (5,783) | (49,906) |
| NET PROFIT FOR THE FINANCIAL PERIOD | | 10,896 | 135,149 | 10,896 | 135,149 |
| OTHER COMPREHENSIVE INCOME/(LOSS) | | | | | |
| <u>Items that will be reclassified subsequently to profit or loss:</u> | | | | | |
| Net (loss)/gain on fair value changes of securities: available-for-sale | | (7,123) | 267 | (7,123) | 267 |
| Currency translation differences of foreign subsidiaries | | 44,285 | (7,246) | 44,285 | (7,246) |
| OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE FINANCIAL PERIOD (NET OF TAX) | | 37,162 | (6,979) | 37,162 | (6,979) |
| TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD | | 48,058 | 128,170 | 48,058 | 128,170 |
| Net (loss)/profit for the financial period attributable to: | | | | | |
| Owners of the Company | | (19,718) | 107,837 | (19,718) | 107,837 |
| Holder of Perpetual Sukuk | | 17,646 | - | 17,646 | - |
| Non-controlling interest | | 12,968 | 27,312 | 12,968 | 27,312 |
| | | 10,896 | 135,149 | 10,896 | 135,149 |
| Total comprehensive income for the financial period attributable to: | | | | | |
| Owners of the Company | | 18,788 | 101,751 | 18,788 | 101,751 |
| Holder of Perpetual Sukuk | | 17,646 | - | 17,646 | - |
| Non-controlling interest | | 11,624 | 26,419 | 11,624 | 26,419 |
| | | 48,058 | 128,170 | 48,058 | 128,170 |
| Basic (loss)/earnings per share (sen): | 25 | (1.02) | 5.58 | (1.02) | 5.58 |

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the financial year ended 31 March 2015 and the explanatory notes attached to the interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | Note | Unaudited As at 30.06.2015 RM'000 | Audited As at 31.03.2015 RM'000 |
|--|-------|--|--|
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | | 5,667,823 | 5,562,954 |
| Concession assets | | 227,785 | 230,651 |
| Prepaid lease properties | | 53,067 | 53,412 |
| Investment properties | | 582,355 | 560,325 |
| Land held for property development | | 724,627 | 728,086 |
| Joint ventures | | 385,780 | 390,252 |
| Associated companies | | 1,392,846 | 1,307,016 |
| Intangible assets | | 1,491,776 | 1,392,565 |
| Deferred tax assets | | 127,512 | 123,588 |
| Investment securities: financial assets at fair value through profit or loss | | | |
| - Banking | | 126,534 | 118,657 |
| Investment securities: available-for-sale | | | |
| - Banking | | 5,283,391 | 5,411,269 |
| - Non-banking | | 46,238 | 46,238 |
| Investment securities: held-to-maturity | | | |
| - Banking | | 139,203 | 139,042 |
| Other receivables | | 157,606 | 155,336 |
| Other assets | | 509 | 509 |
| Banking related assets | | | |
| - Financing of customers | | 10,440,938 | 10,259,671 |
| - Statutory deposits with Bank Negara Malaysia | | 766,991 | 757,721 |
| | | 27,614,981 | 27,237,292 |
| CURRENT ASSETS | | | |
| Assets held for sale | | 36,718 | 63,405 |
| Inventories | | 2,504,831 | 2,364,414 |
| Property development costs | | 352,622 | 320,695 |
| Trade and other receivables | | 4,576,965 | 4,587,513 |
| Investment securities: available-for-sale | | | |
| - Banking | | 423,313 | 1,024,210 |
| Banking related assets | | | |
| - Cash and short-term funds | | 282,282 | 1,226,944 |
| - Financing of customers | | 3,157,427 | 2,998,566 |
| Bank balances and cash deposits | | 2,120,686 | 2,461,408 |
| Derivative assets | 22(a) | 69,274 | 74,975 |
| | | 13,524,118 | 15,122,130 |
| TOTAL ASSETS | | 41,139,099 | 42,359,422 |

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

| | Note | Unaudited As at 30.06.2015 RM'000 | Audited As at 31.03.2015 RM'000 |
|--|-------|--|--|
| EQUITY AND LIABILITIES | | | |
| EQUITY | | | |
| Share capital | | 1,719,601 | 1,719,601 |
| Reserves | | 5,869,773 | 5,850,985 |
| Equity attributable to owners of the Company | | 7,589,374 | 7,570,586 |
| Perpetual Sukuk | | 961,674 | 822,291 |
| Non-controlling interest | | 884,454 | 959,290 |
| TOTAL EQUITY | | 9,435,502 | 9,352,167 |
| NON-CURRENT LIABILITIES | | | |
| Deferred income | | 117,287 | 139,509 |
| Long term borrowings | 21(c) | 4,733,616 | 4,832,149 |
| Provision for liabilities and charges | | 4,298 | 3,110 |
| Provision for concession assets | | 82,349 | 74,574 |
| Post-employment benefit obligations | | 37,170 | 34,791 |
| Deferred tax liabilities | | 88,702 | 91,292 |
| Banking related liabilities | | | |
| - Deposits from customers | | 45,777 | 51,826 |
| | | 5,109,199 | 5,227,251 |
| CURRENT LIABILITIES | | | |
| Deferred income | | 71,464 | 50,869 |
| Trade and other payables | | 6,024,600 | 5,995,704 |
| Provision for liabilities and charges | | 203,957 | 195,653 |
| Provision for concession assets | | 17,058 | 17,557 |
| Bank borrowings | | | |
| - Bank overdrafts | 21(a) | 22,159 | 21,835 |
| - Others | 21(b) | 2,122,141 | 2,065,779 |
| Banking related liabilities | | | |
| - Deposits from customers | | 17,578,730 | 18,870,198 |
| - Deposits and placements of banks and other financial institutions | | 488,735 | 408,836 |
| - Bills and acceptances payable | | 23,363 | 67,723 |
| Derivative liabilities | 22(a) | 42,191 | 56,851 |
| Dividend payable | | - | 28,999 |
| | | 26,594,398 | 27,780,004 |
| TOTAL LIABILITIES | | 31,703,597 | 33,007,255 |
| TOTAL EQUITY AND LIABILITIES | | 41,139,099 | 42,359,422 |
| NET ASSETS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY * (RM) | | 3.93 | 3.92 |

* 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 2015 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 2015 | 1,933,237 | 1,719,601 | 20,701 | 1,000,039 | (92,529) | (814) | 324,688 | 4,598,900 | 7,570,586 | 822,291 | 959,290 | 9,352,167 |
| Total comprehensive income/(loss) for the financial period | - | - | - | - | 43,492 | (4,986) | - | (19,718) | 18,788 | 17,646 | 11,624 | 48,058 |
| Net issuance of Perpetual Sukuk (Note 6) | - | - | - | - | - | - | - | - | - | 149,224 | - | 149,224 |
| Distribution of Perpetual Sukuk | - | - | - | - | - | - | - | - | - | (27,487) | - | (27,487) |
| <u>Transactions with owners</u> | | | | | | | | | | | | |
| Capital repayment to non-controlling interest of a subsidiary company | - | - | - | - | - | - | - | - | - | - | (86,460) | (86,460) |
| Transfer of a subsidiary company's reserves | - | - | - | - | - | - | 8,098 | (8,098) | - | - | - | - |
| At 30 June 2015 | 1,933,237 | 1,719,601 | 20,701 | 1,000,039 | (49,037) | (5,800) | 332,786 | 4,571,084 | 7,589,374 | 961,674 | 884,454 | 9,435,502 |
| At 1 April 2014 | 1,933,237 | 1,719,601 | 20,701 | 911,016 | (89,405) | (15,440) | 271,832 | 4,487,828 | 7,306,133 | - | 1,199,852 | 8,505,985 |
| Total comprehensive (loss)/ income for the financial period | - | - | - | - | (6,179) | 93 | - | 107,837 | 101,751 | - | 26,419 | 128,170 |
| <u>Transactions with owners</u> | | | | | | | | | | | | |
| Subscription of redeemable preference shares in a subsidiary company by non-controlling interest | - | - | - | - | (222) | - | 222 | - | - | - | 2,937 | 2,937 |
| Transfer of a subsidiary company's reserves | - | - | - | - | - | - | 14,535 | (14,535) | - | - | - | - |
| At 30 June 2014 | 1,933,237 | 1,719,601 | 20,701 | 911,016 | (95,806) | (15,347) | 286,589 | 4,581,130 | 7,407,884 | - | 1,229,208 | 8,637,092 |

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 2015 and the explanatory notes attached to the interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

| | 3 Months Ended 30.06.2015 RM'000 | 3 Months Ended 30.06.2014 RM'000 |
|--|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net profit for the financial period | 10,896 | 135,149 |
| Adjustments: | | |
| - Depreciation and amortisation of property, plant and equipment/prepaid lease properties | 137,764 | 133,799 |
| - Finance costs | 93,522 | 95,567 |
| - Taxation | 5,783 | 49,906 |
| - Share of results of joint ventures (net of tax) | (8,657) | (12,914) |
| - Share of results of associated companies (net of tax) | (85,706) | (68,202) |
| - Others | (11,285) | 28,728 |
| Operating profit before working capital changes | 142,317 | 362,033 |
| Changes in working capital: | | |
| Net increase in banking related assets | (369,366) | (302,514) |
| Net decrease in banking related liabilities | (1,261,978) | (129,123) |
| Net increase in current assets | (32,384) | (604,313) |
| Net (decrease)/increase in current liabilities | (8,586) | 838,727 |
| Net cash (used in)/generated from operations | (1,529,997) | 164,810 |
| Interest received | 11,118 | 20,105 |
| Dividends received from joint ventures | - | 666 |
| Dividends received from associated companies | - | 8,923 |
| Tax paid, net of refund | (30,120) | (70,576) |
| Finance costs paid | (99,797) | (95,256) |
| Provision for liabilities and charges paid | (6,520) | (25,227) |
| Post-employment benefit obligations paid | (81) | (57) |
| Provision for concession assets paid | (499) | - |
| Net cash (outflow)/inflow from operating activities | (1,655,896) | 3,388 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Acquisition of investment securities by a banking subsidiary company (net of proceeds from disposal) | 545,182 | (437,798) |
| Additional cost incurred for land held for property development | (450) | (169) |
| Capital repayment to non-controlling interest of a subsidiary company | (86,460) | - |
| Net cash outflow from acquisitions of subsidiary companies | - | (24,003) |
| Purchase of property, plant and equipment/intangible assets/investment properties | (339,292) | (203,509) |
| Proceeds from disposal/maturity of investment securities | - | 35 |
| Proceeds from disposal of property, plant and equipment/assets held for sale | 52,156 | 1,745 |
| Redemption of available-for-sale securities by a banking subsidiary company | 170,000 | 39,000 |
| Net cash inflow/(outflow) from investing activities | 341,136 | (624,699) |

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

| | 3 Months Ended 30.06.2015 RM'000 | 3 Months Ended 30.06.2014 RM'000 |
|--|---|---|
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Net proceeds from issuance of Perpetual Sukuk | 149,224 | - |
| Proceeds from bank borrowings | 1,305,695 | 1,017,860 |
| Repayment of bank borrowing/hire purchase and finance leases | (1,354,906) | (1,070,150) |
| Fixed deposits held as security/maintained as sinking fund | (32,745) | (51,086) |
| Dividends paid to holders of Perpetual Sukuk | (27,487) | - |
| Dividends paid to shareholders | (28,999) | (28,999) |
| Net cash inflow/(outflow) from financing activities | 10,782 | (132,375) |
| NET DECREASE IN CASH AND CASH EQUIVALENTS | (1,303,978) | (753,686) |
| Effects of foreign currency translation | (14,631) | (775) |
| CASH AND CASH EQUIVALENTS AS AT BEGINNING OF THE FINANCIAL YEAR | 2,590,271 | 3,278,336 |
| CASH AND CASH EQUIVALENTS AS AT END OF THE FINANCIAL PERIOD | 1,271,662 | 2,523,875 |
| Cash and cash equivalents as at end of the financial period comprise the followings: | | |
| Bank balances and cash deposits | 2,120,686 | 2,978,804 |
| Banking related assets – cash and short-term funds | 282,282 | 470,727 |
| Bank overdrafts | (22,159) | (32,759) |
| | 2,380,809 | 3,416,772 |
| Less: Fixed deposits held as security | (1,090,949) | (873,596) |
| Less: Bank balance in respect of Automotive Development Fund liabilities | (18,198) | (19,301) |
| | 1,271,662 | 2,523,875 |

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the financial year ended 31 March 2015 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 2015.

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 2015. There were no new accounting standards that became effective for the financial year beginning on 1 April 2015.

3. SEASONALITY OR CYCLICALITY OF OPERATIONS

The businesses of the Group were not materially affected by any seasonal or cyclical fluctuations during the financial period ended 30 June 2015.

4. ITEMS OF UNUSUAL NATURE, SIZE OR INCIDENCE

There was no material item of an unusual nature, size or incidence affecting the assets, liabilities, equity, net income or cash flows during the financial period ended 30 June 2015.

5. CHANGES IN ESTIMATES

There was no material change in the estimate of amount reported in prior financial periods that has a material effect to this interim financial report.

6. 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 30 June 2015.

(a) Perpetual Sukuk Musharakah Programme (“Perpetual Sukuk”)

During the current financial period, the Company had undertaken two issuances of the Perpetual Sukuk amounting RM150 million.

| | |
|--|----------------|
| | RM'000 |
| Total proceeds | 150,000 |
| Less: direct expenses attributable to the issuance | (776) |
| Net proceeds | <u>149,224</u> |

7. DIVIDENDS PAID

A single tier interim dividend of 1.5 sen per share amounting to RM28,998,558 for the financial year ended 31 March 2015, was paid on 28 April 2015.

8. SEGMENTAL INFORMATION

The information of each of the Group's business segments for the financial period ended 30 June 2015 is as follows:

| | Automotive RM'000 | Services RM'000 | Property, Asset & Construction RM'000 | Investment Holding RM'000 | Group RM'000 |
|---|----------------------|--------------------|---|---------------------------------|-----------------|
| Revenue | | | | | |
| Total revenue | 2,358,984 | 676,560 | 84,249 | 13,526 | 3,133,319 |
| Inter-segment revenue | (112,881) | (41,844) | (14,841) | (13,526) | (183,092) |
| External revenue | 2,246,103 | 634,716 | 69,408 | - | 2,950,227 |
| Results | | | | | |
| Segment (loss)/profit | (76,988) | 93,883 | 10,459 | (17,341) | 10,013 |
| Unallocated expenses | | | | | (10,147) |
| Interest income on short term deposits | | | | | 15,972 |
| Finance costs | | | | | (93,522) |
| Share of results of joint ventures (net of tax) | 8,161 | - | 496 | - | 8,657 |
| Share of results of associated companies (net of tax) | 77,880 | 7,826 | - | - | 85,706 |
| Profit before taxation | | | | | <u>16,679</u> |

8. SEGMENTAL INFORMATION (Continued)

| | Automotive RM'000 | Services RM'000 | Property, Asset & Construction RM'000 | Investment Holding RM'000 | Group RM'000 |
|-------------------------------------|------------------------------|----------------------------|--|--|-------------------------|
| Results (Continued) | | | | | |
| Taxation | | | | | (5,783) |
| Net profit for the financial period | | | | | 10,896 |
| Attributable to: | | | | | |
| Owners of the Company | | | | | (19,718) |
| Holders of Perpetual Sukuk | | | | | 17,646 |
| Non-controlling interest | | | | | 12,968 |

9. PROPERTY, PLANT AND EQUIPMENT

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

10. SUBSEQUENT EVENT

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

11. CHANGES IN THE COMPOSITION OF THE GROUP DURING THE FINANCIAL PERIOD ENDED 30 JUNE 2015

- (a) 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 RM45,000,000. The transaction was completed on the even date.
- (b) On 8 June 2015, DRB-HICOM Berhad completed the acquisition of 100% equity interest in EON Network Systems Sdn. Bhd. ("ENSSB") comprising 2 ordinary shares of RM1.00 each from EON Technologies Sdn. Bhd., a wholly-owned subsidiary company of the Group, via an internal re-organisation. On 16 June 2015, ENSSB changed its name to DRB-HICOM Northern Gateway Sdn. Bhd.

12. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There has been no material change in contingent liabilities or contingent assets from what was reported in last annual audited financial statements.

13. COMMITMENTS AND CONTINGENT LIABILITIES OF BANK MUAMALAT MALAYSIA BERHAD

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

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

| | As at 30.06.2015 | | |
|------------------------------------|--------------------------------|--|------------------------------------|
| | Principal Amount RM'000 | Credit Equivalent Amount RM'000 | Risk Weighted Amount RM'000 |
| Direct credit substitutes | 63,518 | 63,518 | 63,028 |
| Trade-related contingencies | 8,320 | 1,664 | 1,021 |
| Transaction related contingencies | 260,296 | 130,148 | 129,847 |
| Credit extension commitment: | | | |
| – maturity within one year | 987,317 | 197,463 | 183,983 |
| – maturity exceeding one year | 2,051,980 | 1,025,990 | 260,219 |
| Profit rate related contracts | 3,675,000 | 82,818 | 16,564 |
| Foreign exchange related contracts | 1,660,175 | 71,031 | 50,862 |
| | 8,706,606 | 1,572,632 | 705,524 |

14. PROFIT BEFORE TAXATION

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

| | 3 Months Ended | |
|---|--------------------------|--------------------------|
| | 30.06.2015 RM'000 | 30.06.2014 RM'000 |
| Allowance for/write off of investment securities and financing of customers (net) | 23,272 | 36,214 |
| Amortisation of : | | |
| - intangible assets | 41,388 | 34,233 |
| - concession assets | 2,866 | 2,866 |

14. PROFIT BEFORE TAXATION (Continued)

| | 3 Months Ended | |
|---|------------------------------|------------------------------|
| | 30.06.2015 RM'000 | 30.06.2014 RM'000 |
| Depreciation and amortisation of property, plant and equipment/prepaid lease properties | 137,764 | 133,799 |
| Doubtful debts (net of write backs) | (1,905) | 4,137 |
| Finance costs | 93,522 | 95,567 |
| Impairment loss/(reversal of impairment loss) of (net) | | |
| - property, plant and equipment | 8 | 438 |
| - investment securities: available-for-sale | - | (28,621) |
| (Gain)/loss on fair value adjustment of investment properties | (7,530) | 555 |
| Net write off of property, plant and equipment | 609 | 24 |
| Gain on disposal of: | | |
| - investment securities | (3,019) | (1,875) |
| - property, plant and equipment | (4,747) | (70) |
| - assets held for sale | (20,798) | - |
| Interest income on short term deposits | (15,972) | (18,556) |
| Inventories written off/down (net of write backs) | (3,675) | 5,647 |
| Marked to market (gain)/loss on derivatives (net) | (8,959) | 8,699 |
| Net foreign exchange differences | (25,768) | (2,325) |

15. REVIEW OF PERFORMANCE

15.1 Revenue

| | Group Business Sectors | 3 Months Ended | | Variance RM'000 |
|-------|--------------------------------------|------------------------------|------------------------------|----------------------------|
| | | 30.06.2015 RM'000 | 30.06.2014 RM'000 | |
| (i) | Automotive | 2,246,103 | 2,884,015 | (637,912) |
| (ii) | Services | 634,716 | 780,446 | (145,730) |
| (iii) | Property, Asset & Construction (PAC) | 69,408 | 60,290 | 9,118 |
| | Total | 2,950,227 | 3,724,751 | (774,524) |

15. REVIEW OF PERFORMANCE (Continued)

15.1 Revenue (Continued)

- (a) For the current financial quarter ended 30 June 2015, the Group recorded a lower revenue of RM2.95 billion compared with RM3.72 billion in the previous corresponding quarter ended 30 June 2014, a drop of 20.8%.

(i) Automotive Sector

The reduction in revenue was mainly due to lower sales of motor vehicles during the current quarter.

(ii) Services Sector

The negative variance was 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 favourable variance in revenue was mainly attributable to the on-going property development projects.

15.2 Profit Before Tax (PBT)

The Group's pre-tax profit declined by 91% to RM16.68 million in the current quarter ended 30 June 2015 compared with RM185.06 million in the corresponding quarter ended 30 June 2014. The reduction was mainly due to lower sales of motor vehicles by the automotive companies following the initial impact of post Goods and Services Tax implementation.

16. COMPARISON WITH PRECEDING QUARTER'S RESULTS

The Group recorded a pre-tax profit of RM16.68 million in the current quarter ended 30 June 2015 compared with RM44.55 million in the preceding quarter ended 31 March 2015 mainly due to the lower profit contribution from certain companies in the automotive and property sectors.

17. PROSPECTS FOR THE FINANCIAL YEAR ENDING 31 MARCH 2016

The country achieved a gross domestic product (GDP) growth of 4.9% in the second quarter of 2015, a slower growth compared with 5.6% in the first quarter.

The Malaysian economy following the depreciation of Ringgit Malaysia and the decline in crude oil and commodity prices is expected to slowdown due to weaker domestic consumption.

In the face of the challenging business environment, the Group has initiated various cost management measures and will continue to put emphasis on improving operational efficiency in all its businesses.

The Group expects the current financial year ending 31 March 2016 to be a very challenging year.

18. PROFIT FORECAST OR PROFIT GUARANTEE

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

19. TAXATION

Taxation comprises the following:

| | 3 Months Ended | |
|-------------------|-----------------------|-------------------|
| | 30.06.2015 | 30.06.2014 |
| | RM'000 | RM'000 |
| Current taxation | 10,142 | 56,141 |
| Deferred taxation | (4,359) | (6,235) |
| Total | 5,783 | 49,906 |

The Group's effective tax rate for the current financial period ended 30 June 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.

20. STATUS OF CORPORATE PROPOSALS

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 RM20,000,000. The completion of the acquisition is pending fulfillment of the conditions precedent.

21. BORROWINGS AND DEFERRED LIABILITIES

Total Group borrowings are as follows:

| | As at 30.06.2015 RM'000 |
|--|--|
| (a) Short Term Borrowings | |
| Bank overdrafts | |
| - Secured | 14,289 |
| - Unsecured | 7,870 |
| Total | 22,159 |
| (b) Others | |
| <u>Secured</u> | |
| Bankers acceptances | 18,860 |
| Revolving credits | 69,302 |
| Short term loans | 67,547 |
| Hire purchase and finance lease liabilities – portion repayable within 12 months | 17,466 |
| Long term loans – portion repayable within 12 months | 457,306 |
| Long term loans under Islamic financing – portion repayable within 12 months | 178,488 |
| | 808,969 |
| <u>Unsecured</u> | |
| Bankers acceptances | 1,022,388 |
| Revolving credits | 237,076 |
| Short term loans | 1,681 |
| Long term loans – portion repayable within 12 months | 2,018 |
| Long term loans under Islamic financing – portion repayable within 12 months | 39,771 |

21. BORROWINGS AND DEFERRED LIABILITIES (Continued)

| | As at 30.06.2015 RM'000 |
|---|--|
| Short Term Borrowings (Continued) | |
| (b) Others (Continued) | |
| <u>Unsecured</u> (Continued) | |
| Deferred liability | 10,238 |
| Sub-total | 1,313,172 |
| Total | 2,122,141 |
| (c) Long Term Borrowings | |
| <u>Secured</u> | |
| Hire purchase and finance lease liabilities | 41,915 |
| - portion repayable within 12 months | (17,466) |
| | 24,449 |
| Long term loans | 2,120,800 |
| - portion repayable within 12 months | (457,306) |
| | 1,663,494 |
| Long term loans under Islamic financing | 2,812,650 |
| - portion repayable within 12 months | (178,488) |
| | 2,634,162 |
| <u>Unsecured</u> | |
| Long term loans | 5,495 |
| - portion repayable within 12 months | (2,018) |
| | 3,477 |
| <u>Secured</u> (Continued) | |
| Long term loans under Islamic financing | 447,805 |
| - portion repayable within 12 months | (39,771) |
| | 408,034 |
| Total | 4,733,616 |
| Grand Total | 6,877,916 |

21. BORROWINGS AND DEFERRED LIABILITIES (Continued)

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

| As at | Amount |
|--------------|--|
| 30.06.2015 | RM238.97 million (SGD 85.5 million) RM73.79 million (USD 20.1 million) RM19.04 million (GBP 3.2 million) RM1.68 million (Baht 15 million) |

22. OUTSTANDING DERIVATIVES

(a) Derivatives outstanding as at 30 June 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:

| | 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 | 1,164,220 | 57,901 | 2,022 |
| Currency swap foreign exchange contracts | 1,016,105 | 11,373 | 35,541 |
| Islamic profit rate swap | 3,675,000 | - | 4,628 |
| | 5,855,325 | 69,274 | 42,191 |

There is no significant change for the financial derivatives in respect of the following since the last financial year ended 31 March 2015:

- (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.

22. OUTSTANDING DERIVATIVES (Continued)

(b) Disclosure of gains/loss arising from fair value changes of financial derivatives

During the current financial period, the Group recognised a total net gain of RM8.96 million in the consolidated statement of comprehensive income arising from the fair value changes on the foreign exchange contracts and profit rate swap which are marked to market as at 30 June 2015.

23. MATERIAL LITIGATION

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

24. DIVIDEND

No interim dividend has been declared for the financial period ended 30 June 2015.

25. EARNINGS PER SHARE

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

| | 3 Months Ended | |
|--|-----------------------|-------------------|
| | 30.06.2015 | 30.06.2014 |
| Net (loss)/profit attributable to owners of the Company (RM'000) | (19,718) | 107,837 |
| Number of ordinary shares in issue ('000) | 1,933,237 | 1,933,237 |
| Basic (loss)/earnings per share (sen) | (1.02) | 5.58 |

26. DISCLOSURE OF REALISED AND UNREALISED PROFITS/LOSSES

The retained profits of the Group as at 30 June 2015 are analysed as follows:

| | As at 30.06.2015 RM'000 | As at 30.06.2014 RM'000 |
|---|--|--|
| Total retained profits of the Company and subsidiaries: | | |
| - Realised | 3,787,260 | 3,866,770 |
| - Unrealised | 109,063 | 141,116 |
| | <u>3,896,323</u> | <u>4,007,886</u> |

26. DISCLOSURE OF REALISED AND UNREALISED PROFITS/LOSSES (Continued)

| | As at 30.06.2015 RM'000 | As at 30.06.2014 RM'000 |
|---|--|--|
| Total share of retained profits from joint ventures: | | |
| - Realised | 132,980 | 151,161 |
| - Unrealised | 2,197 | 2,703 |
| Total share of retained profits from associated companies: | | |
| - Realised | 525,412 | 420,016 |
| - Unrealised | 14,172 | (636) |
| Total Group retained profits as per consolidated financial statements | <u>4,571,084</u> | <u>4,581,130</u> |

27. AUDIT REPORT OF THE PRECEDING ANNUAL FINANCIAL STATEMENTS

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

BY ORDER OF THE BOARD

DATO' CHAN CHOY LIN, CAROL
Secretary

Shah Alam
27 August 2015