



# **DRB-HICOM BERHAD**

(203430-W)

(Incorporated in Malaysia)

Interim Financial Report for the Financial Period  
Ended 31 December 2016

**INTERIM FINANCIAL REPORT ON UNAUDITED CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2016**

The Board of Directors is pleased to announce the unaudited consolidated financial results of DRB-HICOM Group (“the Group”) for the financial quarter/financial period ended 31 December 2016.

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	Note	Financial Quarter 3 Months Ended		Financial Period 9 Months Ended	
		31.12.2016 RM'000	31.12.2015 (Restated) RM'000	31.12.2016 RM'000	31.12.2015 (Restated) RM'000
Revenue		3,431,927	3,335,988	8,576,738	9,540,165
Cost of sales and operating expenses		(3,434,587)	(3,416,475)	(8,770,964)	(9,761,699)
Other income		565,696	36,893	722,310	398,423
Other expenses		(91,443)	(72,829)	(421,791)	(202,425)
Profit/(loss) from operations		471,593	(116,423)	106,293	(25,536)
Finance costs		(95,023)	(98,044)	(283,593)	(288,062)
Share of results of joint ventures (net of tax)		9,633	1,913	24,011	18,860
Share of results of associated companies (net of tax)		36,128	65,406	186,733	216,940
<b>PROFIT/(LOSS) BEFORE TAXATION</b>	15	<b>422,331</b>	<b>(147,148)</b>	<b>33,444</b>	<b>(77,798)</b>
Taxation	20	<b>(11,610)</b>	<b>(8,327)</b>	<b>(31,579)</b>	<b>(30,729)</b>
<b>NET PROFIT/(LOSS) FOR THE QUARTER/FINANCIAL PERIOD</b>		<b>410,721</b>	<b>(155,475)</b>	<b>1,865</b>	<b>(108,527)</b>
<b>OTHER COMPREHENSIVE (LOSS)/ INCOME</b>					
<u>Items that will be subsequently reclassified to profit or loss:</u>					
Net (loss)/gain on fair value changes of investment securities: available-for-sale		(76,462)	18,073	(43,246)	(45,018)
Currency translation differences of foreign subsidiaries		2,146	(37,311)	(15,252)	102,170
<u>Reclassification adjustments:</u>					
Transfer of reserve of a foreign subsidiary company to profit or loss upon disposal		(37,387)	-	(37,387)	-
Transfer of reserve of an associated company to profit or loss upon disposal		-	-	-	(4,604)
<b>OTHER COMPREHENSIVE (LOSS)/ INCOME FOR THE QUARTER/FINANCIAL PERIOD (NET OF TAX)</b>		<b>(111,703)</b>	<b>(19,238)</b>	<b>(95,885)</b>	<b>52,548</b>
<b>TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE QUARTER/FINANCIAL PERIOD</b>		<b>299,018</b>	<b>(174,713)</b>	<b>(94,020)</b>	<b>(55,979)</b>

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

	Note	Financial Quarter 3 Months Ended		Financial Period 9 Months Ended	
		31.12.2016 RM'000	31.12.2015 (Restated) RM'000	31.12.2016 RM'000	31.12.2015 (Restated) RM'000
Net profit/(loss) for the quarter/financial period attributable to:					
Owners of the Company		<b>352,985</b>	(186,182)	<b>(125,950)</b>	(202,003)
Holders of Perpetual Sukuk		<b>20,026</b>	20,026	<b>59,861</b>	57,056
Non-controlling interest		<b>37,710</b>	10,681	<b>67,954</b>	36,420
		<b>410,721</b>	(155,475)	<b>1,865</b>	(108,527)
Total comprehensive income/(loss) for the quarter/financial period attributable to:					
Owners of the Company		<b>262,813</b>	(210,011)	<b>(211,781)</b>	(138,976)
Holders of Perpetual Sukuk		<b>20,026</b>	20,026	<b>59,861</b>	57,056
Non-controlling interest		<b>16,179</b>	15,272	<b>57,900</b>	25,941
		<b>299,018</b>	(174,713)	<b>(94,020)</b>	(55,979)
Basic and diluted earnings/(loss) per share (sen):	26	<b>18.26</b>	(9.63)	<b>(6.51)</b>	(10.45)

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the financial year ended 31 March 2016 and the explanatory notes attached to the interim financial report.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Note	Unaudited As at 31.12.2016 RM'000	Audited As at 31.03.2016 (Restated) RM'000
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		6,448,618	5,708,050
Concession assets		218,068	227,051
Prepaid lease properties		48,145	52,024
Investment properties		234,041	617,955
Land held for property development		995,929	985,141
Joint ventures		436,002	451,023
Associated companies		752,679	1,364,616
Intangible assets		1,968,949	1,680,322
Deferred tax assets		143,699	91,719
Investment securities: financial assets at fair value through profit or loss			
- Banking		227,292	186,355
Investment securities: available-for-sale			
- Banking		4,843,915	5,058,434
- Non-banking		46,203	46,203
Investment securities: held-to-maturity			
- Banking		141,556	140,607
Trade and other receivables		148,135	104,589
Other assets		441	441
Banking related assets			
- Financing of customers		10,578,807	10,600,485
- Statutory deposits with Bank Negara Malaysia		662,203	703,261
		<b>27,894,682</b>	<b>28,018,276</b>
<b>CURRENT ASSETS</b>			
Assets held for sale		6,676	10,819
Inventories		2,145,639	1,760,627
Property development costs		252,220	284,145
Trade and other receivables		5,256,949	4,517,409
Investment securities: financial assets at fair value through profit or loss			
- Non-banking		348	-
Investment securities: available-for-sale			
- Banking		945,585	641,732
Banking related assets			
- Cash and short-term funds		407,080	1,069,101
- Financing of customers		3,969,200	3,726,891
Bank balances and cash deposits		3,668,765	1,971,552
Derivative assets	23(a)	85,443	40,951
		<b>16,737,905</b>	<b>14,023,227</b>
<b>TOTAL ASSETS</b>		<b>44,632,587</b>	<b>42,041,503</b>

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

	Note	Unaudited As at 31.12.2016 RM'000	Audited As at 31.03.2016 (Restated) RM'000
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital		1,719,601	1,719,601
Reserves		4,647,772	4,822,624
<b>Equity attributable to Owners of the Company</b>		<b>6,367,373</b>	<b>6,542,225</b>
<b>Perpetual Sukuk</b>		<b>1,038,617</b>	<b>1,051,859</b>
<b>Non-controlling interest</b>		<b>2,972,211</b>	<b>908,359</b>
<b>TOTAL EQUITY</b>		<b>10,378,201</b>	<b>8,502,443</b>
<b>NON-CURRENT LIABILITIES</b>			
Deferred income		147,865	119,690
Long term borrowings	22(c)	4,354,174	4,303,493
Provision for liabilities and charges		2,934	2,606
Provision for concession assets		130,703	103,841
Post-employment benefit obligations		43,495	44,033
Deferred tax liabilities		111,428	66,335
Banking related liabilities – Deposits from customers		424,868	66,987
		<b>5,215,467</b>	<b>4,706,985</b>
<b>CURRENT LIABILITIES</b>			
Deferred income		49,413	64,570
Trade and other payables		7,366,991	6,422,756
Provision for liabilities and charges		161,572	154,675
Provision for concession assets		4,995	25,214
Post-employment benefit obligations		221	477
Bank borrowings			
- Bank overdrafts	22(a)	16,895	21,462
- Others	22(b)	2,667,128	2,546,305
Banking related liabilities			
- Deposits from customers		17,272,372	19,026,668
- Deposits and placements of banks and other financial institutions		1,407,892	442,252
- Bills and acceptances payable		9,476	29,350
Derivative liabilities	23(a)	81,964	98,346
		<b>29,038,919</b>	<b>28,832,075</b>
<b>TOTAL LIABILITIES</b>		<b>34,254,386</b>	<b>33,539,060</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>44,632,587</b>	<b>42,041,503</b>
<b>NET ASSETS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY * (RM)</b>		<b>3.29</b>	<b>3.38</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 2016 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 2016	1,933,237	1,719,601	20,701	1,000,039	(43,631)	6,749	367,638	3,471,991	6,543,088	1,051,859	908,342	8,503,289
Prior year's adjustments (Note 3)	-	-	-	-	-	-	-	(863)	(863)	-	17	(846)
As restated	1,933,237	1,719,601	20,701	1,000,039	(43,631)	6,749	367,638	3,471,128	6,542,225	1,051,859	908,359	8,502,443
Net (loss)/profit for the financial period	-	-	-	-	-	-	-	(125,950)	(125,950)	59,861	67,954	1,865
Other comprehensive loss for the financial period	-	-	-	-	(55,559)	(30,272)	-	-	(85,831)	-	(10,054)	(95,885)
Total comprehensive (loss)/income for the financial period	-	-	-	-	(55,559)	(30,272)	-	(125,950)	(211,781)	59,861	57,900	(94,020)
<b>Transactions with owners</b>												
Net issuance of RCCPS (Note 7)	-	-	-	-	-	-	-	-	-	-	1,248,865	1,248,865
Distribution to holders of Perpetual Sukuk	-	-	-	-	-	-	-	-	-	(73,103)	-	(73,103)
Disposal of a subsidiary company	-	-	-	-	-	-	-	-	-	-	(26,518)	(26,518)
Effect of changes in shareholding/assets in subsidiary companies	-	-	-	-	1,591	-	81,072	(7,069)	75,594	-	295,431	371,025
Effect of change of an associated company to a subsidiary company	-	-	-	-	-	-	(368)	368	-	-	507,426	507,426
Transfer of a subsidiary company's reserves	-	-	-	-	-	-	28,295	(28,295)	-	-	-	-
Dividend paid to non-controlling interest	-	-	-	-	-	-	-	-	-	-	(19,252)	(19,252)
First and final dividend in respect of financial year ended 31 March 2016	-	-	-	-	-	-	-	(38,665)	(38,665)	-	-	(38,665)
At 31 December 2016	1,933,237	1,719,601	20,701	1,000,039	(97,599)	(23,523)	476,637	3,271,517	6,367,373	1,038,617	2,972,211	10,378,201

**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	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	4,598,808	7,570,494	822,291	959,290	9,352,075
Net (loss)/profit for the financial period	-	-	-	-	-	-	-	(202,003)	(202,003)	57,056	36,420	(108,527)
Other comprehensive income/(loss) for the financial period	-	-	-	-	94,540	(31,513)	-	-	63,027	-	(10,479)	52,548
Total comprehensive income/(loss) for the financial period	-	-	-	-	94,540	(31,513)	-	(202,003)	(138,976)	57,056	25,941	(55,979)
<u>Transactions with owners</u>												
Net issuance of Perpetual Sukuk	-	-	-	-	-	-	-	-	-	223,841	-	223,841
Distribution to holders of Perpetual Sukuk	-	-	-	-	-	-	-	-	-	(64,500)	-	(64,500)
Acquisition of a subsidiary company	-	-	-	-	-	-	-	-	-	-	(3,031)	(3,031)
Capital repayment to non-controlling interest of a subsidiary company	-	-	-	-	-	-	-	-	-	-	(86,460)	(86,460)
Transfer of a subsidiary company's reserves	-	-	-	-	-	-	32,709	(32,709)	-	-	-	-
Dividend paid to non-controlling interest	-	-	-	-	-	-	-	-	-	-	(8,912)	(8,912)
Final dividend in respect of financial year ended 31 March 2015	-	-	-	-	-	-	-	(86,996)	(86,996)	-	-	(86,996)
At 31 December 2015	1,933,237	1,719,601	20,701	1,000,039	2,011	(32,327)	357,397	4,277,100	7,344,522	1,038,688	886,828	9,270,038

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 2016 and the explanatory notes attached to the interim financial report.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>9 Months Ended 31.12.2016 RM'000</b>	<b>9 Months Ended 31.12.2015 (Restated) RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net profit/(loss) for the financial period	1,865	(108,527)
Adjustments:		
- Depreciation and amortisation of property, plant and equipment/prepaid lease properties	513,118	415,201
- Finance costs	283,593	288,062
- Taxation	31,579	30,729
- Share of results of joint ventures (net of tax)	(24,011)	(18,860)
- Share of results of associated companies (net of tax)	(186,733)	(216,940)
- Others	47,170	316,400
Operating profit before working capital changes	666,581	706,065
Changes in working capital:		
Net increase in banking related assets	(264,525)	(991,061)
Net (decrease)/increase in banking related liabilities	(450,649)	382,499
Net increase in current assets	(732,347)	(224,973)
Net increase in current liabilities	63,070	278,680
Net cash (used in)/generated from operations	(717,870)	151,210
Interest received	38,298	36,661
Dividends received from joint ventures	29,681	18,556
Dividends received from associated companies	134,457	101,805
Dividends received from other investment	1,329	-
Tax refunds/(paid), net	40,808	(61,001)
Finance costs paid	(260,659)	(292,631)
Provision for liabilities and charges paid	(56,678)	(12,927)
Post-employment benefit obligations paid	(511)	(241)
Provision for concession assets paid	(20,219)	(2,017)
Net cash outflow from operating activities	<b>(811,364)</b>	<b>(60,585)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of additional shares in a subsidiary company	(35)	-
Acquisition of investment securities by a banking subsidiary company (net of proceeds from disposal)	(629,977)	(236,187)
Additional cost incurred for land held for property development	-	(450)
Additional/new investment in an associated company	(30,292)	(6,369)
Capital repayment to non-controlling interest of a subsidiary company	-	(86,460)
Maturity from investment securities: held-to-maturity	84,000	-
Movement in fixed deposits placement with maturity profile more than 3 months	(79,745)	(93,376)
Net cash inflow/(outflow) from acquisition of subsidiary companies	608,226	(102,627)
Net cash inflow from disposal of a subsidiary company	497,985	-
Proceeds from disposal of property, plant and equipment/assets held for sale	81,869	82,469
Redemption of available-for-sale securities by a banking subsidiary company	488,718	393,000
Purchase of property, plant and equipment/prepaid lease properties/intangible assets/investment properties	(646,578)	(890,987)
Redemption of preference shares by a joint venture	5,000	5,000
Net cash inflow/(outflow) from investing activities	<b>379,171</b>	<b>(935,987)</b>



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

	<b>9 Months Ended 31.12.2016 RM'000</b>	<b>9 Months Ended 31.12.2015 (Restated) RM'000</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Distribution to holders of Perpetual Sukuk	(73,103)	(64,500)
Dividends paid to non-controlling interest	(19,252)	(8,912)
Dividends paid to shareholders	(38,665)	(115,995)
Movement in fixed deposits held as security/maintained as sinking fund	339,428	(46,290)
Movement in bank balances in Escrow account arising from RCCPS	(252,421)	-
Net proceeds from issuance of RCCPS	1,248,865	-
Net proceeds from issuance of Perpetual Sukuk	-	223,841
Proceeds from bank borrowings	3,741,829	3,510,647
Repayment of bank borrowing/hire purchase and finance leases	(3,513,715)	(3,434,215)
<b>Net cash inflow from financing activities</b>	<b>1,432,966</b>	<b>64,576</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>1,000,773</b>	<b>(931,996)</b>
Effects of foreign currency translation	1,116	(31,143)
<b>CASH AND CASH EQUIVALENTS AS AT BEGINNING OF THE FINANCIAL YEAR</b>	<b>1,945,062</b>	<b>2,564,966</b>
<b>CASH AND CASH EQUIVALENTS AS AT END OF THE FINANCIAL PERIOD</b>	<b>2,946,951</b>	<b>1,601,827</b>
Cash and cash equivalents as at end of the financial period comprise the followings:		
Bank balances and cash deposits	3,668,765	2,155,742
Banking related assets – cash and short-term funds	407,080	707,762
Bank overdrafts	(16,895)	(20,040)
	4,058,950	2,843,464
Less: Fixed deposits held as security/sinking fund	(679,130)	(1,104,494)
Less: Fixed deposits with maturity profile more than 3 months	(116,141)	(118,681)
Less: Bank balance in respect of Automotive Development Fund liabilities	(19,663)	(18,462)
Less: Bank balances in Escrow account arising from RCCPS	(252,421)	-
Less: Collections held by a postal subsidiary company on behalf of third parties	(44,644)	-
	<b>2,946,951</b>	<b>1,601,827</b>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the financial year ended 31 March 2016 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 2016.

### **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 2016 except for the adoption of the following new/amended standards which are applicable to the Group with effect from 1 April 2016:

FRS 14	Regulatory Deferral Accounts
Amendments to FRS 11	Accounting for Acquisitions of Interests in Joint Operations
Amendments to FRS 10, FRS 12 and FRS 128	Investment Entities: Applying the Consolidation Exception
Amendments to FRS 101	Disclosure Initiative
Amendments to FRS 116 and FRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to FRS 127	Equity Method in Separate Financial Statements
Annual Improvements to FRSs 2012 – 2014 Cycle	

The adoption and application of the above standards did not have any material impact to the financial statements of the Group.

### **3. COMPLETION OF PURCHASE PRICE ALLOCATION**

During the current financial period, the Group has completed the purchase price allocation (“PPA”) exercise to determine the fair values of the net assets of Northern Gateway Infrastructure Sdn. Bhd. (“NGISB”), an indirect wholly-owned subsidiary company and Media City Ventures Sdn. Bhd. (“MCVSB”), a direct 51% owned subsidiary company, within the stipulated time period, i.e. twelve (12) months from the respective acquisition dates of 20 November 2015 and 18 December 2015, in accordance with FRS 3 ‘*Business Combinations*’. Based on the fair values of the net assets of NGISB and MCVSB, the intangible assets have slightly reduced from RM104.93 million to RM104.09 million. The adjusted fair values of the above subsidiary companies have been reflected in the Group’s Consolidated Statement of Financial Position as at previous financial year ended 31 March 2016. Below are the effects of the final PPA adjustments in accordance with FRS 3:

**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>As at 31 March 2016</b>			
<b>Consolidated Statement of Financial Position</b>			
<u>Non-current assets</u>			
Intangible assets	1,681,168	(846)	1,680,322
<b>Consolidated Statement of Changes in Equity</b>			
Retained earnings	3,471,991	(863)	3,471,128
Non-controlling interest	908,342	17	908,359
<b>For the financial quarter/period ended 31 December 2015</b>			
<b>Consolidated Statement of Comprehensive Income</b>			
<u>Quarter</u>			
Cost of sales and operating expenses	(3,415,612)	(863)	(3,416,475)
Net loss for the quarter attributable to Owners of the Company	(185,319)	(863)	(186,182)
Total comprehensive loss for the quarter attributable to Owners of the Company	(209,148)	(863)	(210,011)
<u>Financial Period</u>			
Cost of sales and operating expenses	(9,760,836)	(863)	(9,761,699)
Net loss for the financial period attributable to Owners of the Company	(201,140)	(863)	(202,003)
Total comprehensive loss for the financial period attributable to Owners of the Company	(138,113)	(863)	(138,976)

**4. SEASONALITY OR CYCLICALITY OF OPERATIONS**

The businesses of the Group were not materially affected by any seasonal or cyclical fluctuations during the nine months ended 31 December 2016.

## **5. ITEMS OF UNUSUAL NATURE, SIZE OR INCIDENCE**

Save as 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 nine months ended 31 December 2016.

- (a) On 13 September 2016, the Group completed the following disposals to Pos Malaysia Berhad ("Pos Malaysia"):
  - (i) 100% equity interest in KL Airport Services Sdn. Bhd. (now known as Pos Aviation Sdn. Bhd.) for a total consideration of RM749.35 million.
  - (ii) Part of a parcel of freehold industrial land measuring 9.912 acres located in Section 28, Shah Alam for a total consideration of RM69.0 million.

The total consideration for both disposals of RM818.35 million was satisfied via the issuance of 245,750,751 new ordinary shares of RM0.50 each in Pos Malaysia ("POSM Shares") at an issue price of RM3.33 per POSM Share. As a result, Pos Malaysia which was formerly a 32.21% owned associated company became a 53.50% owned subsidiary company of the Group.

The initial accounting for Pos Malaysia's business combination in the consolidated financial statements of DRB-HICOM Berhad involves identifying and determining the fair values to be assigned to Pos Malaysia's identifiable assets, liabilities and contingent liabilities and the cost of the combination. As at 30 September 2016, the fair value of Pos Malaysia's identifiable assets, liabilities and contingent liabilities can only be determined provisionally pending the completion of purchase price allocation ("PPA") on Pos Malaysia's identifiable assets, liabilities and contingent liabilities. The Pos Malaysia's business combination has been accounted for using these provisional values. The Group shall recognise any adjustments to these provisional values upon completion of the PPA exercise within twelve months from the acquisition date.

The initial accounting has resulted in a provisional goodwill on consolidation amounting to RM355.84 million which has been recognised as intangible asset in the consolidated statement of financial position of DRB-HICOM Berhad.

- (b) In accordance with FRS 3 Business Combinations, the Group has re-measured its previously held 32.21% equity interest in Pos Malaysia at its acquisition-date fair value of RM3.26 per share, resulting in a loss on re-measurement of RM130.22 million which has been included under other expense in the consolidated statement of comprehensive income of DRB-HICOM Berhad for the nine months ended 31 December 2016.
- (c) On 15 November 2016, HICOM Megah Sdn. Bhd., an indirect 100% owned subsidiary company of the Group, completed the disposal of its entire equity interest of 90% in Corwin Holding Pte. Ltd. for a total cash consideration of SGD170.90 million (Refer Note 12(e)). The Group had realised a gain on disposal of RM398.11 million which has been included under other income in the consolidated statement of comprehensive income for the financial quarter/nine months ended 31 December 2016.

## **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 nine months ended 31 December 2016.

### Issuance of RCCPS by PROTON Holdings Berhad

- (a) On 6 June 2016, PROTON Holdings Berhad (“PROTON”), a wholly-owned subsidiary company of the Group, entered into a conditional subscription agreement with GOVCO Holdings Berhad (“GOVCO”), a company 99% owned by Minister of Finance Incorporated, for the subscription of 1,250,000,000 new redeemable convertible cumulative preference shares (“RCCPS”) comprising par value of RM0.01 each and premium of RM0.99 each at an issue price of RM1.00 each by GOVCO. The subscription agreement was completed on 7 June 2016. Based on its terms, the RCCPS has been classified as an equity instrument under FRS 132 Financial Instruments: Presentation. In the Group’s Condensed Consolidated Statement of Financial Position as at 31 December 2016, the RCCPS has been included as part of non-controlling interest (page 4).
- (b) On 5 September 2016, PROTON entered into a second conditional subscription agreement with GOVCO for the subscription of 250,000,000 new RCCPS comprising par value of RM0.01 each and premium of RM0.99 each at an issue price of RM1.00 each by GOVCO. The new RCCPS is expected to be issued in the fourth quarter of the current financial year.

## **8. DIVIDENDS PAID**

The shareholders have approved a single tier first and final dividend of 2.0 sen per share at the last Annual General Meeting held on 29 September 2016 in respect of the financial year ended 31 March 2016. The dividend of RM38,664,741 was paid on 1 November 2016.

## 9. SEGMENTAL INFORMATION

The information on each of the Group's business segments for the nine months ended 31 December 2016 is as follows:

	<b>Automotive</b>	<b>Services</b>	<b>Property, Asset &amp; Construction</b>	<b>Investment Holding</b>	<b>Group</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Revenue</b>					
Total revenue	6,522,602	2,537,664	280,624	37,694	9,378,584
Inter-segment revenue	(555,227)	(108,704)	(100,221)	(37,694)	(801,846)
External revenue	5,967,375	2,428,960	180,403	-	8,576,738
<b>Results</b>					
Segment (loss)/profit	(456,242)	238,967	402,189	(76,589)	108,325
Unallocated expenses					(40,932)
Interest income on short term deposits					38,900
Finance costs					(283,593)
Share of results of joint ventures (net of tax)	23,148	-	863	-	24,011
Share of results of associated companies (net of tax)	171,257	14,562	914	-	186,733
Profit before taxation					33,444
Taxation					(31,579)
Net profit for the financial period					1,865
Attributable to:					
Owners of the Company					(125,950)
Holder of Perpetual Sukuk					59,861
Non-controlling interest					67,954

## 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 EVENTS

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 NINE MONTHS ENDED 31 DECEMBER 2016**

- (a) On 15 June 2016, Composites Technology Research Malaysia Sdn. Bhd., an indirect 96.87% owned subsidiary company of the Group, completed the acquisition of an additional 35% equity interest in Unmanned Systems Technology Sdn. Bhd. (“UST”) for a cash consideration of RM35,000. As a result, the Group’s effective interest in UST increased from 49.40% to 83.31%.
- (b) On 20 July 2016, the Group announced that Lotus Cars Australia Pty. Limited (“LCA”), an indirect dormant wholly-owned subsidiary company of PROTON Holdings Berhad was voluntarily deregistered and as a result, LCA ceased to be a subsidiary company of the Group.
- (c) On 13 September 2016, following the completion of the corporate proposals set out in Note 5(a), Pos Malaysia Berhad (“Pos Malaysia”) which was formerly a 32.21% associated company became a 53.50% owned subsidiary company of the Group. Consequently, the Group’s effective equity interest in KL Airport Services Sdn. Bhd. (now known as Pos Aviation Sdn. Bhd.) group has reduced from 100% to 53.50%.
- (d) On 18 October 2016, Isuzu Service Center Sdn. Bhd. (“ISC”) was incorporated with the issued and paid-up share capital of RM100 divided into 100 ordinary shares of RM1 each. The shareholding in ISC are held by Isuzu Malaysia Sdn. Bhd. and Automotive Corporation (Malaysia) Sdn. Bhd. on basis of 51% and 49% respectively. As a result, ISC became an indirect 73.69% joint venture company of the Group. The principal activities of ISC are provision of after sales services, sale of spare parts and automobile workshop.
- (e) On 15 November 2016, HICOM Megah Sdn. Bhd., an indirect 100% owned subsidiary company of the Group, completed the disposal of its entire equity interest of 90% in Corwin Holding Pte. Ltd. (“Corwin”) for a total cash consideration of SGD170.90 million. As a result, Corwin ceased to be an indirect subsidiary company of the Group.

**13. CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

There has been no material change in contingent liabilities or contingent assets from what was reported in the 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 Bank Muamalat Malaysia Berhad in which it makes various commitments and incurs certain contingent liabilities with legal recourse to its customers.

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

	As at 31.12.2016		
	Principal Amount RM'000	Credit Equivalent Amount RM'000	Risk Weighted Amount RM'000
Direct credit substitutes	58,213	58,213	58,213
Trade-related contingencies	420	84	84
Transaction related contingencies	436,828	218,414	218,225
Credit extension commitment:			
- maturity within one year	919,336	183,867	171,403
- maturity exceeding one year	1,222,125	611,062	590,659
Profit rate related contracts	3,675,000	37,422	7,484
Foreign exchange related contracts	2,458,105	112,288	88,291
	<b>8,770,027</b>	<b>1,221,350</b>	<b>1,134,359</b>

**15. PROFIT/(LOSS) BEFORE TAXATION**

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

	3 Months Ended		9 Months Ended	
	31.12.2016 RM'000	31.12.2015 RM'000	31.12.2016 RM'000	31.12.2015 RM'000
Allowance for/write off of investment securities and financing of customers (net)	26,781	23,956	67,650	64,502
Amortisation of:				
- intangible assets	53,661	48,802	155,213	140,026
- concession assets	2,973	2,916	8,983	8,646
Depreciation and amortisation of property, plant and equipment/prepaid lease properties	241,841	135,665	513,118	415,201



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

	3 Months Ended		9 Months Ended	
	31.12.2016 RM'000	31.12.2015 RM'000	31.12.2016 RM'000	31.12.2015 RM'000
Finance costs	95,023	98,044	283,593	288,062
Impairment loss of:				
- intangible assets	267	-	267	-
- investment securities: available-for-sale	-	6,688	-	6,688
Inventories written off/down (net of write backs)	(4,889)	10,852	6,442	(3,164)
Loss/(gain) on fair value adjustment of investment properties	275	1,320	828	(4,928)
Loss on re-measurement of the previously held equity interest in an associated company at its acquisition-date fair value	-	-	130,221	-
Net foreign exchange differences	21,399	27,048	119,690	(146)
Write off of property, plant and equipment	2,698	68	3,027	790
Write off of intangible assets	-	15,012	-	15,012
Allowance for doubtful debts (net of write backs)	(7,948)	6,276	(18,436)	9,873
Dividend income	(1,329)	-	(1,329)	-
Interest income on short term deposits	(16,817)	(11,393)	(38,900)	(40,272)
Marked to market gain on derivatives (net)	(34,756)	82,010	(60,874)	(7,453)
Net gain on disposal of:				
- assets held for sale	(1,102)	-	(3,734)	(12,267)
- investment securities	(1,525)	(1,607)	(9,965)	(6,545)
- property, plant and equipment	(47,423)	(2,035)	(50,014)	(4,738)
- subsidiary company	(398,106)	-	(398,106)	-
Reversal of impairment loss of property, plant and equipment	-	(70)	-	(691)

## 16. REVIEW OF PERFORMANCE

### 16.1 Revenue

	Group Business Sectors	3 Months Ended		Variance RM'000	9 Months Ended		Variance RM'000
		31.12.2016 RM'000	31.12.2015 RM'000		31.12.2016 RM'000	31.12.2015 RM'000	
(i)	Automotive	2,274,887	2,657,638	(382,751)	5,967,375	7,464,831	(1,497,456)
(ii)	Services	1,119,550	623,256	496,294	2,428,960	1,892,335	536,625
(iii)	Property, Asset & Construction (PAC)	37,490	55,094	(17,604)	180,403	182,999	(2,596)
	<b>Total</b>	<b>3,431,927</b>	<b>3,335,988</b>	<b>95,939</b>	<b>8,576,738</b>	<b>9,540,165</b>	<b>(963,427)</b>

- (a) For the three months ended 31 December 2016, the Group achieved a revenue of RM3.43 billion compared with RM3.34 billion in the corresponding quarter ended 31 December 2015. The increase in revenue for the financial quarter is mainly due to the first time recognition of revenue contributed by Pos Malaysia as a subsidiary company.
- (b) In respect for the nine months ended 31 December 2016, the Group recorded a lower revenue of RM8.58 billion compared with RM9.54 billion in the corresponding period ended 31 December 2015.

**(i) Automotive Sector**

The decline in revenue was mainly attributable to the reduction in the sales of motor vehicles caused by weaker domestic demand and lower percentage of completion of the AV8 project.

**(ii) Services Sector**

The improved performance was contributed by the first time recognition of revenue of Pos Malaysia which became a subsidiary company on 13 September 2016.

**(iii) PAC Sector**

The marginal decrease in revenue was mainly due to the lower sales of property development projects.

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

### **16.2 Profit/(Loss) Before Tax**

- 16.2.1 For the three months ended 31 December 2016, the Group achieved a pre-tax profit of RM422.33 million compared with pre-tax loss of RM147.15 million in the corresponding quarter ended 31 December 2015. The favourable results were mainly attributable to the gain on disposal of a subsidiary company (refer Note 5(c)) and improved performance of companies in the automotive and services sectors.
- 16.2.2 For the nine months ended 31 December 2016, the Group registered a pre-tax profit of RM33.44 million compared with pre-tax loss of RM77.80 million in the corresponding period ended 31 December 2015. The results for the period under review were mainly on account of the following:
- (i) Gain on disposal of a subsidiary company, Corwin Holding Ptd. Ltd. (refer Note 5(c));
  - (ii) One-off exceptional loss on re-measurement of previously held equity interest in Pos Malaysia (refer Note 5(b)); and
  - (iii) Foreign exchange losses arising from the re-translation of certain payables and bank borrowings denominated in foreign currencies.

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

The Group achieved a pre-tax profit of RM422.33 million in the financial quarter ended 31 December 2016 compared with pre-tax loss of RM267.55 million in the preceding quarter ended 30 September 2016. The better performance in the financial quarter was mainly due to the gain on disposal of a subsidiary company, Corwin Holding Pte. Ltd., first time consolidation of Pos Malaysia financial results and also improved results of certain companies in the automotive sector. Included in the preceding quarter's results was an exceptional loss on re-measurement of previously held equity interest in Pos Malaysia Berhad.

## **18. PROSPECTS FOR THE FINANCIAL YEAR ENDING 31 MARCH 2017**

Malaysia's GDP recorded a 4.2% growth in 2016 compared with 5.0% in 2015. The economy is expected to grow moderately between 4.0% and 5.0% in 2017, with domestic demand remaining as the main growth driver.

In respect of PROTON's effort to find a Foreign Strategic Partner (FSP), the Group is currently undertaking detailed evaluation of the bids received from the FSPs. The selected FSP will assist PROTON to become more competitive through access to new technologies, markets and best practices. The Group aims to conclude the selection of the FSP by first half of this year.

In view of the challenging economic environment, the Group will continue to focus on business consolidation in its pursuit of operational excellence as well as prudent financial management to improve the Group's performance. Nevertheless, the Group's performance for the fourth quarter ending 31 March 2017 will remain challenging.

**19. PROFIT FORECAST OR PROFIT GUARANTEE**

The Group has not issued any profit forecast or profit guarantee for the nine months ended 31 December 2016 in a public document.

**20. TAXATION**

Taxation comprises the following:

	3 Months Ended		9 Months Ended	
	31.12.2016 RM'000	31.12.2015 RM'000	31.12.2016 RM'000	31.12.2015 RM'000
Current taxation	30,637	12,372	60,849	35,108
Deferred taxation	(19,027)	(4,045)	(29,270)	(4,379)
<b>Total</b>	<b>11,610</b>	<b>8,327</b>	<b>31,579</b>	<b>30,729</b>

The Group's effective tax rate for the nine months ended 31 December 2016 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 29 July 2016, PHN Industry Sdn. Bhd., a wholly-owned subsidiary company of the Group, entered into a share sale agreement with HICOM Holdings Berhad, a wholly-owned subsidiary company of the Group, for the proposed acquisition of 100% equity interest in Oriental Summit Industries Sdn. Bhd. for a total cash consideration of RM23.96 million. The internal re-organisation was completed on 31 January 2017.
- (b) On 31 January 2017, Edaran Otomobil Nasional Berhad ("EON"), an indirect wholly-owned subsidiary company of the Company, entered into a share sale agreement ("SSA") with Mr. Vikneswaran a/l Suppiah for the proposed divestment by EON of its entire 100% equity interest in Multi Automotive Service and Assist Sdn. Bhd. ("MASA") for a cash consideration of RM1.00. The transaction was completed on even date. As a result, MASA ceased to be an indirect wholly-owned subsidiary company of the Group.
- (c) On 31 January 2017, Edaran Otomobil Nasional Berhad ("EON") entered into a share sale agreement with DRB-HICOM EZ-Drive Sdn. Bhd. ("EZ-Drive"), a direct wholly-owned subsidiary company of EON, for the proposed disposal by EON of its entire 100% equity interest in DRB-HICOM Leasing Sdn. Bhd. ("DLSB") for a total consideration of RM14.97 million which will be satisfied via issuance of 14.97 million new ordinary shares of RM1 each by EZ-Drive to EON. Upon completion of the proposed internal re-organisation, DLSB will become a wholly-owned subsidiary company of EZ-Drive. The transaction is pending fulfilment of the condition precedent.

**21. STATUS OF CORPORATE PROPOSALS (Continued)**

- (d) On 17 February 2017, HICOM Berhad, an indirect wholly-owned subsidiary company of the Company, entered into a share sale agreement (“SSA”) with MRCB Engineering Sdn. Bhd. for the proposed acquisition of 510,000 ordinary shares in Dekad Kaliber Sdn. Bhd. (“DKSB”) representing 51% equity interest in DKSB for a total cash consideration of RM7 million. The transaction was completed on even date. As a result, DKSB became an indirect wholly-owned subsidiary company of the Group.

**22. BORROWINGS AND DEFERRED LIABILITIES**

Total Group borrowings are as follows:

	<b>As at 31.12.2016 RM'000</b>
<b>(a) Short Term Borrowings</b>	
<b>Bank overdrafts</b>	
- Secured	10,989
- Unsecured	5,906
<b>Total</b>	<b>16,895</b>
<b>(b) Others</b>	
<u>Secured</u>	
Bankers acceptances	9,296
Revolving credits	150,369
Short term loans	3,859
Short term loans under Islamic financing	290,309
Hire purchase and finance lease liabilities - portion repayable within 12 months	13,273
Long term loans - portion repayable within 12 months	644,127
Long term loans under Islamic financing - portion repayable within 12 months	392,954
Sub-total	1,504,187

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

Total Group borrowings are as follows: (Continued)

	<b>As at 31.12.2016 RM'000</b>
<b>Short Term Borrowings (Continued)</b>	
<b>(b) Others (Continued)</b>	
<u>Unsecured</u>	
Bankers acceptances	766,488
Revolving credits	354,839
Short term loans under Islamic financing	30,000
Long term loans - portion repayable within 12 months	2,265
Long term loans under Islamic financing - portion repayable within 12 months	3,005
Deferred liability	6,344
Sub-total	1,162,941
<b>Total</b>	<b>2,667,128</b>
<b>(c) Long Term Borrowings</b>	
<u>Secured</u>	
Hire purchase and finance lease liabilities	37,824
- portion repayable within 12 months	(13,273)
	24,551
Long term loans	1,735,092
- portion repayable within 12 months	(644,127)
	1,090,965
Long term loans under Islamic financing	2,848,983
- portion repayable within 12 months	(392,954)
	2,456,029

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

Total Group borrowings are as follows: (Continued)

	<b>As at 31.12.2016 RM'000</b>
<b>(c) Long Term Borrowings (Continued)</b>	
<u>Unsecured</u>	
Long term loans	24,332
- portion repayable within 12 months	(2,265)
	22,067
Long term loans under Islamic financing	763,567
- portion repayable within 12 months	(3,005)
	760,562
<b>Total</b>	<b>4,354,174</b>
<b>Grand Total</b>	<b>7,038,197</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>
31.12.2016	RM826.84 million (USD 182.49 million) RM28.51 million (GBP 5.16 million) RM0.31 million (SGD 0.10 million)

**23. OUTSTANDING DERIVATIVES**

- (a) Derivatives outstanding as at 31 December 2016 consist mainly 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	1,214,130	74,815	3,003
Currency swap foreign exchange contracts	1,550,126	8,408	68,466
Islamic profit rate swap	3,675,000	-	10,495
Capped cross currency interest rate swap	651,900	2,220	-
	<b>7,091,156</b>	<b>85,443</b>	<b>81,964</b>

There is no significant change for the financial derivatives in respect of the following since the last financial year ended 31 March 2016:

- (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 gain/loss arising from fair value changes of financial derivatives

During the nine months ended 31 December 2016, the Group recognised a total net gain of RM60.87 million arising from the fair value changes on the forward foreign exchange contracts, currency swap foreign exchange contracts, profit rate swap and capped cross currency interest rate swap which are marked to market as at 31 December 2016.



## **24. MATERIAL LITIGATION**

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

A contractual dispute between Pos Asia Cargo Express Sdn. Bhd. (formerly known as DRB-HICOM Asia Cargo Express Sdn. Bhd.) (“Plaintiff”), an indirect wholly-owned subsidiary company 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.

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 filed an appeal and the Defendant 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 filed an Application for Leave to Appeal at the Federal Court. On 27 June 2016, the Federal Court allowed the Defendant’s application and granted the Leave to Appeal to the Federal Court. During the Hearing date before the Federal Court on 23 November 2016, both Parties have agreed for the matter to be adjourned and the Federal Court has fixed the Hearing date on 11 January 2017. On 11 January 2017, upon hearing the submissions of both Parties, the Federal Court Judges unanimously decided to dismiss Defendant’s Appeal and upheld the decision of the Court of Appeal with cost of RM 50,000 to be paid to the Plaintiff. Upon the conclusion of the Appeal in the Federal Court, the matter now will proceed with the assessment of damages proceedings before the High Court to determine the damages due to the Plaintiff. The next case management date for this proceeding is on 17 March 2017.

**25. DIVIDEND**

No interim dividend has been declared for the nine months ended 31 December 2016.

**26. EARNINGS/(LOSS) PER SHARE**

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

	<b>3 Months Ended</b>		<b>9 Months Ended</b>	
	<b>31.12.2016</b>	<b>31.12.2015 (Restated)</b>	<b>31.12.2016</b>	<b>31.12.2015 (Restated)</b>
Net profit/(loss) attributable to owners of the Company (RM'000)	352,985	(186,182)	(125,950)	(202,003)
Number of ordinary shares in issue ('000)	1,933,237	1,933,237	1,933,237	1,933,237
Basic and diluted earnings/(loss) per share (sen)	<b>18.26</b>	<b>(9.63)</b>	<b>(6.51)</b>	<b>(10.45)</b>

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

The retained profits of the Group as at 31 December 2016 are analysed as follows:

	<b>As at 31.12.2016 RM'000</b>	<b>As at 31.12.2015 (Restated) RM'000</b>
Total retained profits of the Company and subsidiaries:		
- Realised	2,523,613	3,470,295
- Unrealised	148,595	86,676
	2,672,208	3,556,971
Total share of retained profits from joint ventures:		
- Realised	131,430	139,785
- Unrealised	3,417	2,178
Total share of retained profits from associated companies:		
- Realised	432,428	561,562
- Unrealised	32,034	16,604
Total Group retained profits as per consolidated financial statements	3,271,517	4,277,100

**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 February 2017