

**DRB-HICOM**

DRB-HICOM Berhad  
(203430-W)



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## Our Vision

To be Number 1 and continuously excel in all that we do.

## Our Mission

To lead in the growth of the Nation in the areas of DRB-HICOM's Core Business.

## Our Shared Values

- Excellence
- Teamwork
- Integrity
- Innovation
- Transparency



Designed with a wheel mounted to spin against the resistance of change in its orientation, the gyroscope's principle mechanism enables the device to maintain a consistent balance without loss of control in its continual rotation.

The analogy demonstrate DRB-HICOM's consistent direction in building the momentum to evolve, remaining focused on harnessing its diversity of experience and expertise in seizing the potential of available resources, and forging the motion of new partnerships and global opportunities that awaits ahead.



... today, and everyday, in

# Building our **MOMENTUM**



## Corporate Profile

DRB-HICOM Berhad is one of Malaysia's leading companies listed on the Main Board of Bursa Malaysia Securities Berhad, playing an integral role in the nation's road to industrialisation.

We are diversified yet focused, and have interests in key sectors of the economy mainly:-



### **I Automotive**

The Group's leadership within this sector is reflected through niche segmentation and continued strategic alliances with renowned global names such as General Motors, Honda, Suzuki, Isuzu, Kawasaki, Mahindra and TATA. We continuously develop new business potentials and seek new alliances to strengthen our base further.



### **I Services**

The rapidly growing service-based industry represents new opportunities for DRB-HICOM. Our interests amongst others include Information Technology (IT), solid waste management, financial services, vehicle inspection, cargo handling and leisure.



### **I Property & Infrastructure**

DRB-HICOM is extensively involved in retail, commercial and residential property development, and has made strong inroads in the construction sector.



### **I Defence**

DRB-HICOM currently provides a variety of defence related work to the Malaysian Armed Forces as well as pursuing other opportunities.

DRB-HICOM will continue to look for opportunities that will benefit the Group and the country.

## Group's Six Years Financial Highlights



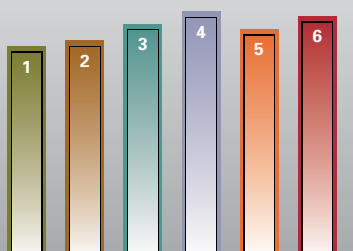
	2007 RM'000	#2006 RM'000	2005 RM'000	2004 RM'000	2003 RM'000	2002 RM'000
Share Capital	1,007,607	999,772	985,670	980,673	965,115	919,483
Retained Earnings	537,620	428,415	629,274	515,515	358,877	185,887
Shareholders' Equity	2,601,396	2,462,190	2,649,215	2,519,157	2,342,215	2,284,864
Minority Interests	737,678	664,780	672,157	668,792	623,612	481,053
Long Term and Deferred Liabilities	1,665,941	1,954,593	1,528,838	1,570,175	1,776,567	779,875
Current Assets	3,285,430	3,550,898	3,662,619	3,894,377	3,617,962	3,421,604
Current Liabilities	2,069,778	2,577,671	3,119,525	3,446,474	3,482,756	4,662,384
Net Current Assets/(Liabilities)	1,215,652	973,227	543,094	447,903	135,206	(1,240,780)
Property, Plant and Equipment/Investment Properties	2,243,997	2,069,053	2,392,425	2,451,156	2,644,313	2,691,844
Investments	2,535,399	2,659,409	2,453,050	2,204,705	2,038,373	2,008,411
Total Assets	8,232,218	8,544,283	8,628,345	8,652,375	8,459,356	8,280,727
Operating Revenue	2,905,421	3,522,835	4,506,595	4,500,255	4,898,043	4,329,289
Profit/(Loss) Before Taxation	187,131	(196,744)	276,702	389,905	457,826	391,108
Profit/(Loss) After Taxation	156,531	(146,574)	198,259	247,416	268,572	227,749
Net Profit/(Loss) Attributable to Equity Holders of the Company	95,073	(204,975)	141,407	194,917	206,784	176,112
Dividend Less Taxation	21,801	21,307	17,688	14,081	13,866	13,156
Net Assets Per Share (RM)	2.58	2.46	2.69	2.57	2.42	2.48
Debt/Equity Ratio (Times)	0.7	0.8	0.8	0.9	1.1	1.1
Return on Shareholders' Equity (%)	3.7	(8.3)	5.3	7.7	8.8	7.7
Earnings/(Loss) Per Share (sen) (Basic)	9.47	(20.72)	14.39	20.01	21.66	19.28

# Certain figures have been restated to conform to the requirements of new/revised Financial Reporting Standards.

We build **VALUE**

### Shareholders' Equity

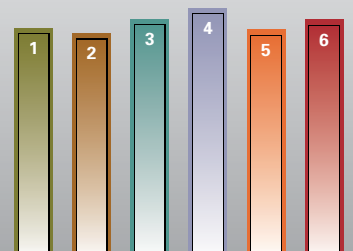
(RM'000)



1 2002	2,284,864
2 2003	2,342,215
3 2004	2,519,157
4 2005	2,649,215
5 2006	2,462,190
6 2007	<b>2,601,396</b>

### Net Assets Per Share

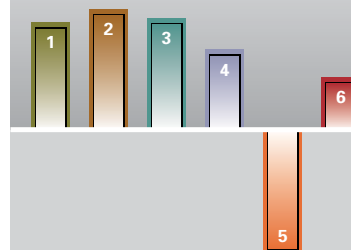
(RM)



1 2002	2.48
2 2003	2.42
3 2004	2.57
4 2005	2.69
5 2006	2.46
6 2007	<b>2.58</b>

### Basic Earnings/(Loss) Per Share

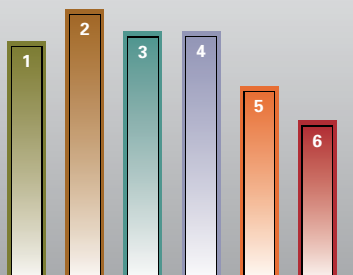
(sen)



1 2002	19.28
2 2003	21.66
3 2004	20.01
4 2005	14.39
5 2006	(20.72)
6 2007	<b>9.47</b>

### Operating Revenue

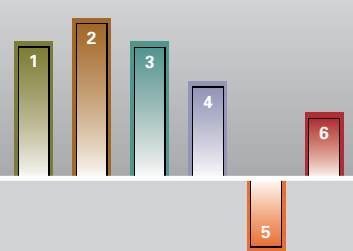
(RM'000)



1 2002	4,329,289
2 2003	4,898,043
3 2004	4,500,255
4 2005	4,506,595
5 2006	3,522,835
6 2007	<b>2,905,421</b>

### Profit/(Loss) Before Taxation

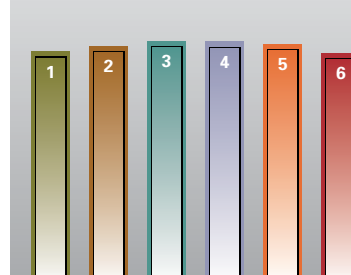
(RM'000)



1 2002	391,108
2 2003	457,826
3 2004	389,905
4 2005	276,702
5 2006	(196,744)
6 2007	<b>187,131</b>

### Total Assets

(RM'000)



1 2002	8,280,727
2 2003	8,459,356
3 2004	8,652,375
4 2005	8,628,345
5 2006	8,544,283
6 2007	<b>8,232,291</b>

## Notice of Annual General Meeting

**NOTICE IS HEREBY GIVEN** that the Seventeenth Annual General Meeting of DRB-HICOM Berhad (“the Company”) will be held at the Glenmarie Ballroom, Holiday Inn Glenmarie Kuala Lumpur, No. 1, Jalan Usahawan U1/8, Seksyen U1, 40150 Shah Alam, Selangor Darul Ehsan on Thursday, 20 September 2007 at 10.00 a.m. for the following purposes:-

### ORDINARY BUSINESS

**1.**  
To receive and adopt the Audited Financial Statements for the financial year ended 31 March 2007 together with the Reports of Directors and Auditors thereon.

Resolution 1

**2.**  
To approve the declaration of a final gross dividend of 2.5 sen per share less income tax of 27% for the financial year ended 31 March 2007.

Resolution 2

**3.**  
To re-elect the following Directors who retire in accordance with the Company’s Articles of Association:-

Under Article 80

(i) Y.A.M. Tan Sri Dato’ Seri Syed Anwar Jamalullail

Resolution 3

(ii) Datuk Haji Mohd Khamil bin Jamil

Resolution 4

Under Article 86

(i) Tan Sri Marzuki bin Mohd Noor

Resolution 5

(ii) Mohd Redza Shah bin Abdul Wahid

Resolution 6

(iii) Dato’ Noorizan binti Shafie

Resolution 7

**4.**  
To re-appoint Messrs PricewaterhouseCoopers as Auditors of the Company and to authorise the Directors to fix their remuneration.

Resolution 8

### SPECIAL BUSINESS

**5.**  
To consider and if thought fit, to pass the following Ordinary Resolution:-

**Proposed Shareholders’ Mandate For Recurrent Related Party Transactions Of A Revenue Or Trading Nature (“RRPTs”)**

(Resolution 9)

“THAT pursuant to Paragraph 10.09 of the Listing Requirements of Bursa Securities, the Proposed Mandate be and is hereby granted in respect of the existing and new RRPTs (all defined terms shall bear the meaning set out in the Circular to Shareholders of DRB-HICOM Berhad dated 29 August 2007, hereinafter referred to as “the Circular”), namely to allow the recurrent related party transactions of a revenue or trading nature, which are necessary for the day-to-day operations of the DRB-HICOM Group, to be entered into by relevant companies in the DRB-HICOM Group in the ordinary course of business, at anytime

during the Mandate Period, provided that such transactions are entered into at arm’s length basis and on normal commercial terms which are not more favourable to the related parties than those generally available to the public, and are not to the detriment of the minority shareholders of the Company, the particulars of such RRPTs are set out in Section 2.2 of Part A of the Circular AND THAT the authority conferred by this resolution shall commence immediately upon the passing of this Ordinary Resolution and shall continue to be effective and in force until:-

- (a) the conclusion of the next annual general meeting of the Company (“AGM”) (following the general meeting at which the Proposed Mandate is passed), at which time it shall lapse unless by an ordinary resolution passed at the Eighteenth AGM, the authority is renewed, either unconditionally or subject to conditions;
- (b) the expiration of the period within which the Eighteenth AGM is required to be held pursuant to Section 143(1) of the Companies Act, 1965 (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Companies Act, 1965); or

(c) revoked or varied by resolution passed by the shareholders of the Company in general meeting,

whichever is earlier,

AND THAT the Directors of the Company or any one of them be authorised to complete and do all such acts, deeds and things (including without limitation, to execute such documents as may be required to give effect to the RRPTs) in such manner as they may deem expedient or necessary in connection with this Ordinary Resolution.”

**6.**

To consider and if thought fit, to pass the following Special Resolution:-

**Proposed Amendments to the Articles of Association of the Company**  
**(Resolution 10)**

“THAT the Proposed Amendments to the Articles of Association of the Company as set out in Part B, Appendix I of the Circular to Shareholders dated 29 August 2007, be and are hereby approved.”

**NOTICE OF DIVIDEND PAYMENT**

NOTICE IS HEREBY GIVEN that the final gross dividend of 2.5 sen per share less income tax of 27% in respect of the financial year ended 31 March 2007, if approved by the shareholders at the Annual General Meeting, will be paid on 18 October 2007 to the shareholders whose names appear in the Record of Depositors of the Company at the close of business on 25 September 2007.

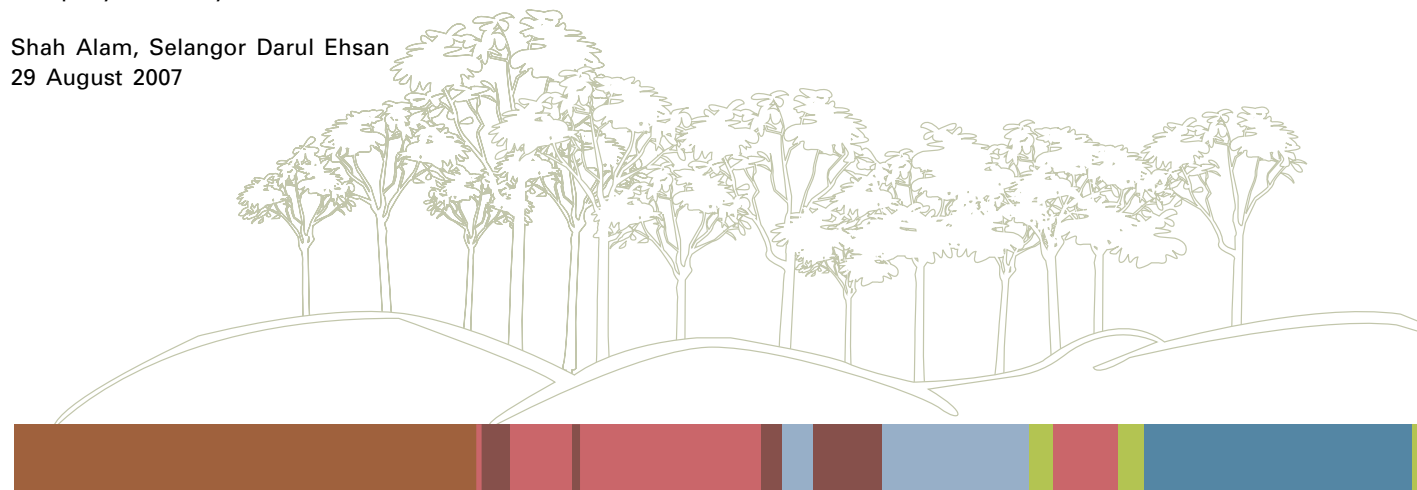
A depositor shall qualify for entitlement to the dividend only in respect of:-

- (a) Shares deposited into the depositor’s securities account before 12.30 p.m. on 21 September 2007 in respect of shares exempted from mandatory deposit;
- (b) Shares transferred into the depositor’s securities account before 4.00 p.m. on 25 September 2007 in respect of transfers; and
- (c) Shares bought on Bursa Malaysia Securities Berhad on a cum-entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

**By Order of the Board**

**CHAN CHOY LIN** (MIA 3930)  
Company Secretary

Shah Alam, Selangor Darul Ehsan  
29 August 2007



## Notice of Annual General Meeting

### NOTES:-

#### 1. Proxy

- (a) A member entitled to attend the meeting may appoint a proxy or proxies who may but need not be a member of the Company.
- (b) The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, either under its common seal or under the hand of an officer or attorney duly authorised in writing.
- (c) The instrument appointing a proxy together with the power of attorney or other authority, if any, under which it is signed or a certified copy thereof, shall be deposited at the Share Registrar's Office, Symphony Share Registrars Sdn Bhd, Level 26, Menara Multi-Purpose, Capital Square, No. 8, Jalan Munshi Abdullah, 50100 Kuala Lumpur not less than forty-eight (48) hours before the time set for holding this meeting.

#### 2. Explanatory notes on special business:-

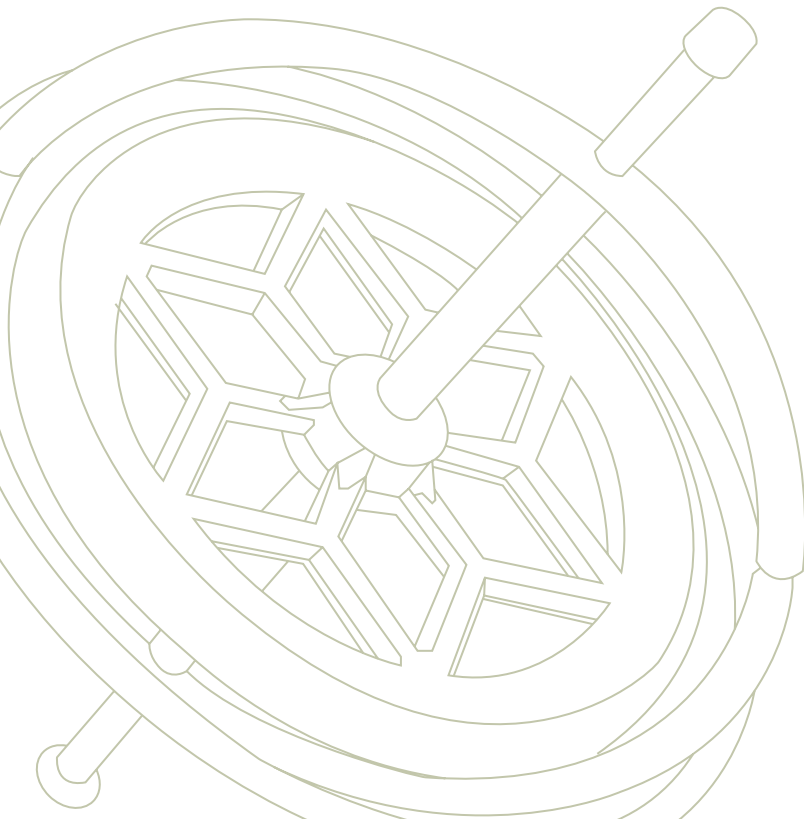
- (a) Proposed Shareholders' Mandate For Recurrent Related Party Transactions ("RRPTs") (Resolution 9)

The Proposed Resolution 9, if passed, will enable the Company and/or its subsidiaries to enter into Recurrent Related Party Transactions of a revenue or trading nature which are necessary for the Group's day-to-day operations. This authority unless revoked or varied at a general meeting will expire at the next Annual General Meeting.

- (b) Proposed Amendments to Articles of Association of the Company (Resolution 10)

The Proposed Resolution 10, if passed, will update the Articles of Association of the Company to be consistent with the current provisions of the Listing Requirements of Bursa Malaysia Securities Berhad and to provide clarity to the provisions of certain existing Articles as well as to reflect the current market practice.

Further information on the Proposed Shareholders' Mandate and Proposed Amendments to the Articles of Association are set out in the Circular to Shareholders dated 29 August 2007 accompanying the Company's 2007 Annual Report.



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**FINANCIAL YEAR END**

**ANNOUNCEMENT OF RESULTS**

- First Quarter
- Second Quarter
- Third Quarter
- Fourth Quarter

**PUBLISHED ANNUAL REPORT AND FINANCIAL STATEMENTS**

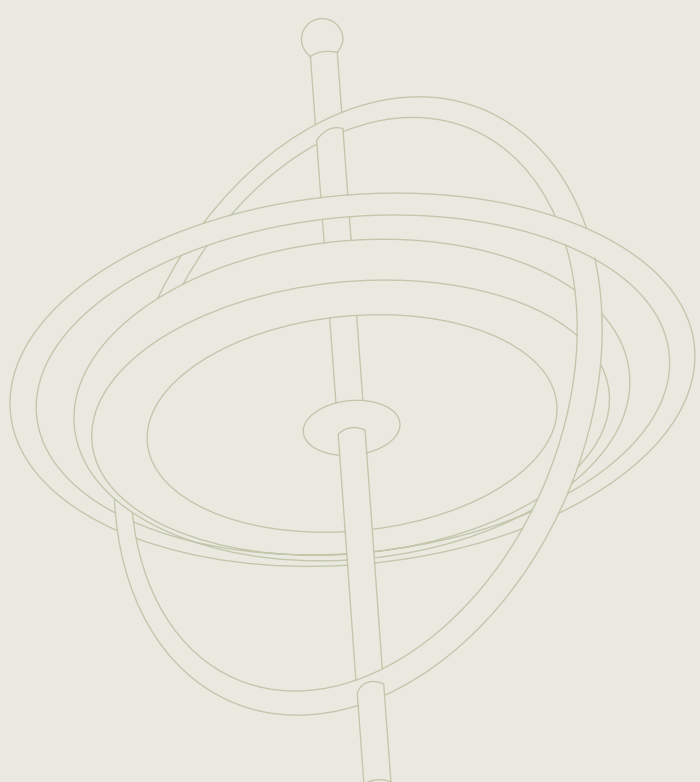
**ANNUAL GENERAL MEETING**

**DIVIDENDS**

	Interim	Final
• Announcement Date	23 February 2007	30 May 2007
• Entitlement Date	14 March 2007	25 September 2007
• Payment Date	13 April 2007	18 October 2007

**31 MARCH 2007**

- 29 August 2006
- 28 November 2006
- 23 February 2007
- 30 May 2007
  
- 29 August 2007
- 20 September 2007



## Directors

**Y.A.M. Tan Sri Dato' Seri Syed Anwar Jamalullail**

Chairman/Senior Independent Non-Executive Director

**Datuk Haji Mohd Khamil bin Jamil**

Group Managing Director

**Mohd Redza Shah bin Abdul Wahid**

Executive Director/Group Chief Operating Officer

**Tan Sri Ab. Rahman bin Omar**

Non-Independent Executive Director/  
Executive Advisor-Automotive

**Dato' Noorrizan binti Shafie**

Non-Independent Non-Executive Director

**Ibrahim bin Taib**

Non-Independent Non-Executive Director

**Datuk Haji Abdul Rahman bin Mohd Ramli**

Independent Non-Executive Director

**Dato' Syed Mohamad bin Syed Murtaza**

Independent Non-Executive Director

**Ong Ie Cheong**

Independent Non-Executive Director

**Tan Sri Marzuki bin Mohd Noor**

Independent Non-Executive Director

## AUDIT COMMITTEE

Chairman

Datuk Haji Abdul Rahman bin Mohd Ramli

Members

Dato' Syed Mohamad bin Syed Murtaza

Dato' Noorrizan binti Shafie

Ong Ie Cheong

## REMUNERATION COMMITTEE

Chairman

Dato' Syed Mohamad bin Syed Murtaza

Members

Datuk Haji Abdul Rahman bin Mohd Ramli

Ong Ie Cheong

Datuk Haji Mohd Khamil bin Jamil (ex-officio)

## NOMINATION COMMITTEE

Chairman

Y. A. M. Tan Sri Dato' Seri Syed Anwar  
Jamalullail

Members

Datuk Haji Abdul Rahman bin Mohd Ramli

Ibrahim bin Taib

## SECRETARY

Chan Choy Lin (MIA 3930)

## REGISTERED OFFICE

Level 5, Wisma DRB-HICOM  
No. 2, Jalan Usahawan U1/8  
Seksyen U1, 40150 Shah Alam  
Selangor Darul Ehsan  
Tel : (03) 2052 8000  
Fax : (03) 2052 8118

## REGISTRAR

Symphony Share Registrars Sdn Bhd  
Level 26, Menara Multi-Purpose  
Capital Square  
No. 8, Jalan Munshi Abdullah  
50100 Kuala Lumpur  
Tel : (03) 2721 2222  
Fax : (03) 2721 2530/31

## AUDITORS

PricewaterhouseCoopers  
Chartered Accountants  
11<sup>th</sup> Floor, Wisma Sime Darby  
Jalan Raja Laut  
50350 Kuala Lumpur  
Tel : (03) 2693 1077  
Fax : (03) 2693 0997

## BANKS

Affin Bank Berhad  
AmBank Berhad  
CIMB Bank Berhad  
Malayan Banking Berhad  
RHB Bank Berhad

## PRINCIPAL SOLICITORS

Hisham Sobri & Kadir  
Shahrizat Rashid & Lee

## STOCK EXCHANGE LISTING

Main Board of  
Bursa Malaysia Securities Berhad  
(Listed since 4 September 1992)  
Stock Code : 1619

## Board of Directors



**DATUK HAJI MOHD  
KHAMIL BIN JAMIL**  
Group Managing Director



**Y.A.M. TAN SRI DATO' SERI  
SYED ANWAR JAMALULLAIL**  
Chairman / Senior Independent  
Non-Executive Director



**MOHD REDZA SHAH BIN  
ABDUL WAHID**  
Executive Director/  
Group Chief Operating Officer



**TAN SRI AB. RAHMAN  
BIN OMAR**  
Non-Independent Executive Director/  
Executive Advisor-Automotive

We build **TEAMWORK**

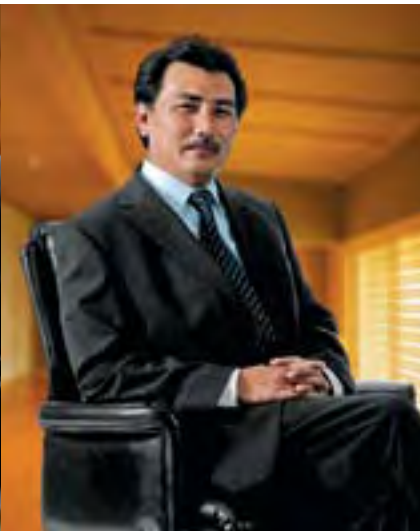
**DRB-HICOM BERHAD**  
(203430-W)

2007 Annual Report



**DATO' NOORRIZAN  
BINTI SHAFIE**

Non-Independent  
Non-Executive Director



**IBRAHIM BIN TAIB**

Non-Independent  
Non-Executive Director

**DATO' SYED MOHAMAD  
BIN SYED MURTAZA**

Independent  
Non-Executive Director



**ONG IE CHEONG**

Independent  
Non-Executive Director



**DATUK HAJI ABDUL  
RAHMAN BIN MOHD  
RAMLI**

Independent Non-Executive  
Director



**TAN SRI MARZUKI BIN MOHD NOOR**

Independent  
Non-Executive Director



## Profile of Directors



### **Y.A.M. Tan Sri Dato' Seri Syed Anwar Jamalullail**

Chairman/Senior Independent Non-Executive Director

Y.A.M. Tan Sri Dato' Seri Syed Anwar Jamalullail, a Malaysian, aged 55, was appointed Chairman when he joined the Board on 28 October 2005. He is also Chairman of the Nomination Committee. He is a Chartered Accountant and Certified Practising Accountant. He holds a Bachelor of Arts (Accounting) Degree from Macquarie University, Sydney, Australia.

Tan Sri Dato' Seri Syed Anwar started his career as a financial accountant with Malaysia Airlines System Berhad in 1975, then joined Price Waterhouse (Australia) as Senior Auditor in 1979. 3 years later he joined D & C Nomura Merchant Bank Berhad as Manager, Investment. In 1985, he joined Amanah Merchant Bank Berhad as Manager, Corporate Finance. After pursuing his own business from 1989 to October 1998, he joined Amanah Capital Partners Berhad as Group Managing Director, resigning on 1 March 2002. He served as the Chairman of Malaysian Resources

Corporation Berhad and Media Prima Berhad until his resignation on 12 January 2005 and 12 March 2005 respectively.

Tan Sri Dato' Seri Syed Anwar is also the Chairman of EON Capital Berhad, HICOM Holdings Berhad, HICOM Berhad and Cahya Mata Sarawak Berhad, and also sits on the boards of Nestle (Malaysia) Berhad, Maxis Communication Berhad and several private limited companies. He is Chairman of the Investment Panel of Lembaga Tabung Haji.

Tan Sri Dato' Seri Syed Anwar does not have any family relationship with any other Director and/or major shareholder of the Company and has no conflict of interest with the Company. He has had no convictions for offences within the past ten years.

Tan Sri Dato' Seri Syed Anwar attended all eight Board Meetings of the Company held in the financial year ended 31 March 2007.



### **Datuk Haji Mohd Khamil bin Jamil**

Group Managing Director

Y.Bhg. Datuk Haji Mohd Khamil bin Jamil, a Malaysian, aged 51, was appointed to the Board on 19 July 2005 and became Group Managing Director on 1 March 2006. He is also a member of the Remuneration Committee (ex-officio). He holds a Bachelor of Laws (Honours) Degree from the University of London and is a Barrister-at-Law at Gray's Inn, England and was called to the English Bar in 1983.

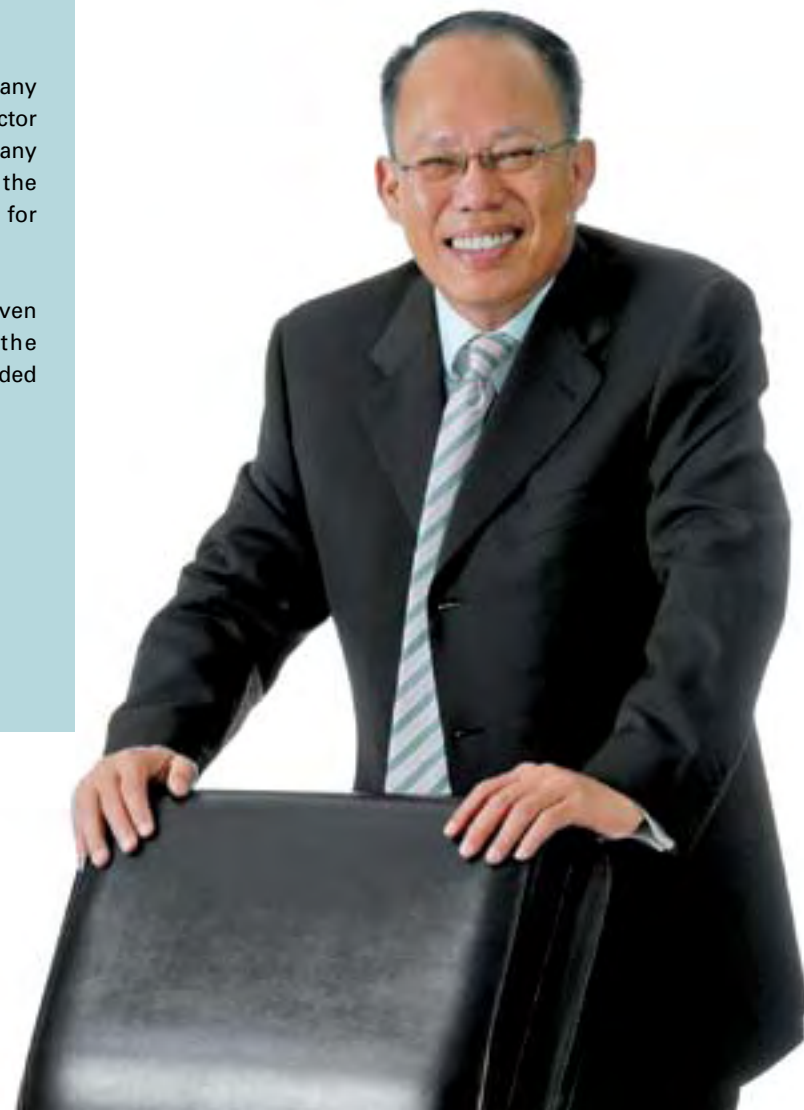
Datuk Haji Mohd Khamil had his first executive career with Bank Bumiputra Malaysia Berhad (BBMB) from August 1980 until December 1989. He was called to the Malaysian Bar in September 1990 and was a practicing partner of several legal firms before venturing into business in 2001.

Datuk Haji Mohd Khamil also sits on the boards of Edaran Otomobil Nasional Berhad, HICOM Holdings Berhad, HICOM Berhad, Horsedale Development Berhad and several private limited companies.

Datuk Haji Mohd Khamil is a Director and has a 10% shareholding in Etika Strategi Sdn Bhd, a substantial shareholder of the Company.

Datuk Haji Mohd Khamil does not have any family relationship with any other Director and/or major shareholder of the Company and has no conflict of interest with the Company. He has had no convictions for offences within the past ten years.

Datuk Haji Mohd Khamil attended seven out of eight Board Meetings of the Company held in the financial year ended 31 March 2007.



## Profile of Directors



**Mohd Redza Shah bin Abdul Wahid**  
Executive Director/Group Chief Operating Officer

Mohd Redza Shah bin Abdul Wahid, a Malaysian, aged 44, was appointed as Executive Director on 28 November 2006. He has been the Group Chief Operating Officer since 1 March 2006. He holds a Bachelor of Science in Economics in Industry and Trade (Honours) from London School of Economics, University of London. He also holds a Master of Science of Economics in International Banking and Finance from University of Wales, Cardiff. He is an Associate Chartered Accountant (ACA) and member of the Institute of Chartered Accountants in England and Wales (ICAEW).

Prior to joining DRB-HICOM, he was the Group Chief Executive Officer of Tradewinds Corporation Berhad from 2002 to November 2005 and Acting Chief Executive Officer of Tradewinds (M) Berhad from 2004 to 2005. He has also served several other companies

such as Silterra Malaysia Sdn Bhd, Khazanah Nasional Berhad, Arab Malaysia Corporation Berhad and Touche Ross & Co., London.

Mohd Redza also sits on the boards of Edaran Otomobil Nasional Berhad, HICOM Holdings Berhad, Horsedale Development Berhad and several private limited companies. He does not have any family relationship with any other Director and/or major shareholder of the Company and has no conflict of interest with the Company. He has had no convictions for offences within the past ten years.

Mohd Redza attended all three Board Meetings of the Company held in the financial year ended 31 March 2007 following his appointment to the Board on 28 November 2006.



**Tan Sri Ab. Rahman bin Omar**  
Non-Independent Executive Director/  
Executive Advisor-Automotive

Y.Bhg. Tan Sri Ab. Rahman bin Omar, a Malaysian, aged 60, was appointed as Executive Director on 16 December 2005. He is also Executive Advisor to the Automotive Division. He holds a Bachelor of Economics (Honours) Degree from the University of Malaya, Malaysia.

From 1970 to 1973, Tan Sri Ab. Rahman served in the Administration & Diplomatic Service of the various Government Departments i.e. the Statistics Department, the Ministry of Commerce & Industry and the Ministry of Primary Industry before opting out of civil service. He was with Pineapple Cannery Malaysia Sdn Bhd from December 1973 to April 1980, and with Perusahaan Sadur Timah Malaysia Berhad from May 1980 to July 1995. He was Managing Director of Perusahaan Otomobil Kedua Sdn Bhd from 1996 to April 2004.

Tan Sri Ab. Rahman is the Chairman of Edaran Otomobil Nasional Berhad, Perusahaan Sadur Timah Malaysia Berhad and Chemical Company of Malaysia Berhad, and also sits on the boards of Wah Seong Corporation Berhad, HICOM Holdings Berhad, Horsedale Development Berhad and several private limited companies.

Tan Sri Ab. Rahman does not have any family relationship with any other Director and/or major shareholder of the Company and has no conflict of interest with the Company. He has had no convictions for offences within the past ten years.

Tan Sri Ab. Rahman attended all eight Board Meetings of the Company held in the financial year ended 31 March 2007.

Y.Bhg. Dato' Noorrizan binti Shafie, a Malaysian, aged 51, was appointed to the Board on 28 November 2006. She is a member of the Audit Committee. She holds a Bachelor of Economics (Honours) Degree and Master of Business Administration from the National University of Malaysia (UKM).

Dato' Noorrizan is currently the Under Secretary, Monitoring and Control Division, Treasury, Ministry of Finance. She started her career in the Civil Service in 1981 and has served in various positions with Economic Planning Unit, Prime Minister's Department, Public Services Department and Ministry of Finance.

Dato' Noorrizan also sits on the board of HICOM Holdings Berhad.

Dato' Noorrizan is a Non-Executive Director nominated by the Ministry of Finance representing Khazanah Nasional Berhad, a substantial shareholder of the Company. She does not have any family relationship with any other Director and/or major shareholder of the Company and has no conflict of interest with the Company. She has had no convictions for offences within the past ten years.

Dato' Noorrizan attended two out of three Board Meetings of the Company held in the financial year ended 31 March 2007 following her appointment to the Board on 28 November 2006.

## We build CHARACTER

Encik Ibrahim bin Taib, a Malaysian, aged 52, was appointed to the Board on 18 March 2004. He is a member of the Nomination Committee. He holds a Bachelor of Laws (Honours) Degree from the University of Malaya, Malaysia and a Master of Laws (LLM) from University of London.

Ibrahim started his career in Judicial Legal Service in 1978 as a Magistrate in the Magistrate Court, Jalan Duta, Kuala Lumpur. Thereafter, he was transferred to Magistrate Court, Segamat. In 1982, he was a Legal Advisor with the Road Transport Department. Later in 1986, he was posted to the Ministry of Human Resources as a Legal Advisor. In October 1989, he was attached to the Attorney-General Chambers as a Deputy Public Prosecutor for Selangor. In 1992, he served as a Judge in the Session Court, Kota Bharu.

In July 1992, he was posted to Employees Provident Fund Board and currently holds the position of Deputy Chief Executive Officer.

Ibrahim also sits on the boards of Bandar Eco-Setia Sdn Bhd, Hartanah Progresif Sdn Bhd and Kumpulan Wang Amanah Pencen.

Ibrahim is a Non-Executive Director nominated by the Company's substantial shareholder, the Employees Provident Fund Board. He does not have any family relationship with any other Director and/or major shareholder of the Company and has no conflict of interest with the Company. He has had no convictions for offences within the past ten years.

Ibrahim attended all eight Board Meetings of the Company held in the financial year ended 31 March 2007.



**Dato' Noorrizan binti Shafie**  
Non-Independent Non-Executive Director



**Ibrahim bin Taib**  
Non-Independent Non-Executive Director

## Profile of Directors



**Datuk Haji Abdul Rahman bin Mohd Ramli**  
Independent Non-Executive Director

Y.Bhg. Datuk Haji Abdul Rahman bin Mohd Ramli, a Malaysian, aged 68, was appointed to the Board on 28 October 2005. He is Chairman of the Audit Committee and member of the Remuneration and Nomination Committees. He is a member of the Institute of Chartered Accountants in Australia (ACA), the Malaysian Institute of Certified Public Accountants (MICPA) and the Malaysian Institute of Accountants (MIA).

Datuk Haji Abdul Rahman was General Manager of United Asian Bank Berhad, Group Managing Director of Pernas Sime Darby Sdn Bhd, Group Chief Executive of Golden Hope Plantations Berhad and Chairman of Johore Tenggara Oil Palm Berhad prior to joining the DRB-HICOM Board.

Datuk Haji Abdul Rahman is the Chairman of Horsedale Development Berhad and Kenyir Splendour Berhad, and also sits on the boards of Malayan Banking Berhad, Maybank International (L) Ltd., Maybank International Trust (Labuan) Berhad, Maybank (PNG) Ltd, Kuala Lumpur – Kepong Berhad, Malaysia Nasional Insurance Berhad and Takaful Nasional Sdn Bhd.

Datuk Haji Abdul Rahman does not have any family relationship with any other Director and/or major shareholder of the Company and has no conflict of interest with the Company. He has had no convictions for offences within the past ten years.

Datuk Haji Abdul Rahman attended seven out of eight Board Meetings of the Company held in the financial year ended 31 March 2007.



**Dato' Syed Mohamad bin Syed Murtaza**  
Independent Non-Executive Director

Y.Bhg. Dato' Syed Mohamad bin Syed Murtaza, a Malaysian, aged 59, was appointed to the Board on 28 October 2005. He is also Chairman of the Remuneration Committee and a member of the Audit Committee.

Dato' Syed Mohamad has over 35 years of vast experience in business industries. He completed his high school certificate at Penang Free School. He then joined Kah Motors and has since been appointed to key positions in various organisations. He has gained wide experience whilst holding various positions in companies such as Shell Malaysia, Penang Port Commission, etc.

Currently, Dato' Syed Mohamad is the Managing Director of Armstrong Auto Parts Sdn Bhd and Armstrong Cycle Parts (Sdn) Berhad. He also heads Penang Tourists Centre Bhd, MITTAS Bhd, Motorcycle, Scooter Assembly & Distributor Association of Malaysia and Usains Group of Companies. He is the president of The

Federation of Asian Motorcycle Industries and Steering Committee International Motorcycle Manufacturers Association.

Dato' Syed Mohamad is the Chairman of Hunza Consolidation Berhad and sits on the boards of Universiti Sains Malaysia, Yayasan Bumiputra Pulau Pinang Bhd, Boon Siew Credit Bhd, Tourism Entrepreneur Centre Bhd and several private limited companies. In addition, he has held many other appointments at state and national levels.

Dato' Syed Mohamad does not have any family relationship with any other Director and/or major shareholder of the Company and has no conflict of interest with the Company. He has had no convictions for offences within the past ten years.

Dato' Syed Mohamad attended all eight Board Meetings of the Company held in the financial year ended 31 March 2007.



Mr Ong le Cheong, a Malaysian, aged 66, was appointed to the Board on 28 October 2005. He is also a member of the Audit and Remuneration Committees. He holds a Bachelor of Science Degree from the University of Malaya, Malaysia.

Mr Ong was the Executive Chairman of PPB Group Bhd, Managing Director of Central Sugars Refinery Sdn Bhd and a Board member of PPB Oil Palms Berhad and Tradewinds (M) Berhad. He also sits on the board of HICOM Holdings Berhad, HICOM Berhad and several private limited companies.

Mr Ong does not have any family relationship with any other Director and/or major shareholder of the Company and has no conflict of interest with the Company. He has had no convictions for offences within the past ten years.

Ong le Cheong attended seven out of eight Board Meetings of the Company held in the financial year ended 31 March 2007.



**Ong le Cheong**  
Independent Non-Executive Director

Y. Bhg. Tan Sri Marzuki bin Mohd Noor, a Malaysian, aged 59, was appointed to the Board on 28 November 2006. He holds a B.A. (Honours) from the University of Malaya, Malaysia.

He commenced his career in the Administrative and Diplomatic Service of Malaysia in 1972 and retired from the service in August 2006. From 1972 to 1988, he has served as Second/First Secretary to the Embassy of Malaysia in Rome, Baghdad in Iraq, Assistant High Commissioner in Chennai, India, Commissioner in Hong Kong and later as Minister-Counsellor/Minister in Brussels, Belgium in 1988.

In 1990, Tan Sri Marzuki was appointed as Deputy Director General ASEAN I, Ministry of Foreign Affairs Malaysia and later in 1992 as Ambassador of Malaysia to Argentina with concurrent accreditation to Paraguay and Uruguay. In 1996 he was appointed as High Commissioner of Malaysia to India (concurrently accredited as Ambassador to Nepal). He was also the Ambassador of

Malaysia to Japan from 1999 to July 2006 before his retirement.

Tan Sri Marzuki also sits on the board of Horsedale Development Berhad and several private limited companies.

Tan Sri Marzuki does not have any family relationship with any other Director and/or major shareholder of the Company and has no conflict of interest with the Company. He has had no convictions for offences within the past ten years.

Tan Sri Marzuki attended all three Board Meetings of the Company held in the financial year ended 31 March 2007 following his appointment to the Board on 28 November 2006.

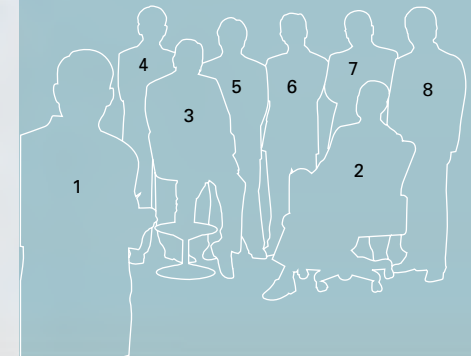


**Tan Sri Marzuki bin Mohd Noor**  
Independent Non-Executive Director

## Management Team



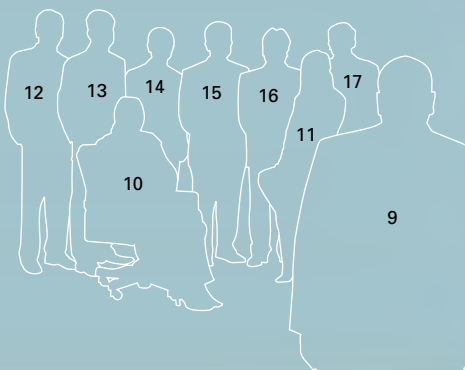
- 1 Datuk Haji Mohd Khamil bin Jamil**  
Group Managing Director
- 2 Tan Sri Ab. Rahman bin Omar**  
Executive Advisor, Automotive
- 3 Datuk Abu Samah bin Bachik**  
Advisor, Services Companies
- 4 Abdul Malek bin Abdul Majid**  
Group Director, Human Resource & Administration
- 5 Datuk William Chong Wei Yoon**  
Group Director, Assigned Business
- 6 Mohd Paudzi bin Abdullah**  
Head, Automotive Component & Engineering
- 7 Nik Hamdam bin Nik Hassan**  
Head, Automotive Distribution
- 8 Benedict Ho Kok Keong**  
Head, Business Development





- 9 Mohd Redza Shah bin Abdul Wahid**  
Group Chief Operating Officer
- 10 Nik Najihah binti Nik Wan**  
Acting Head, Legal Affairs
- 11 Chan Choy Lin, Carol**  
Principal Company Secretary
- 12 Raja Shahrul Azman bin Raja Omar**  
Head, Public Affairs & Investor Relations
- 13 Amir bin Salleh**  
Group Director, Property
- 14 Lim Teck Gam**  
Head, Group Procurement
- 15 Mohammed Shukor bin Ismail**  
Acting Head, Internal Audit - EIP
- 16 Dato' Ir. Zahri bin Abd Ghani**  
Head, Infrastructure & Contract
- 17 Khalid bin Abdol Rahman**  
Head, Corporate Planning

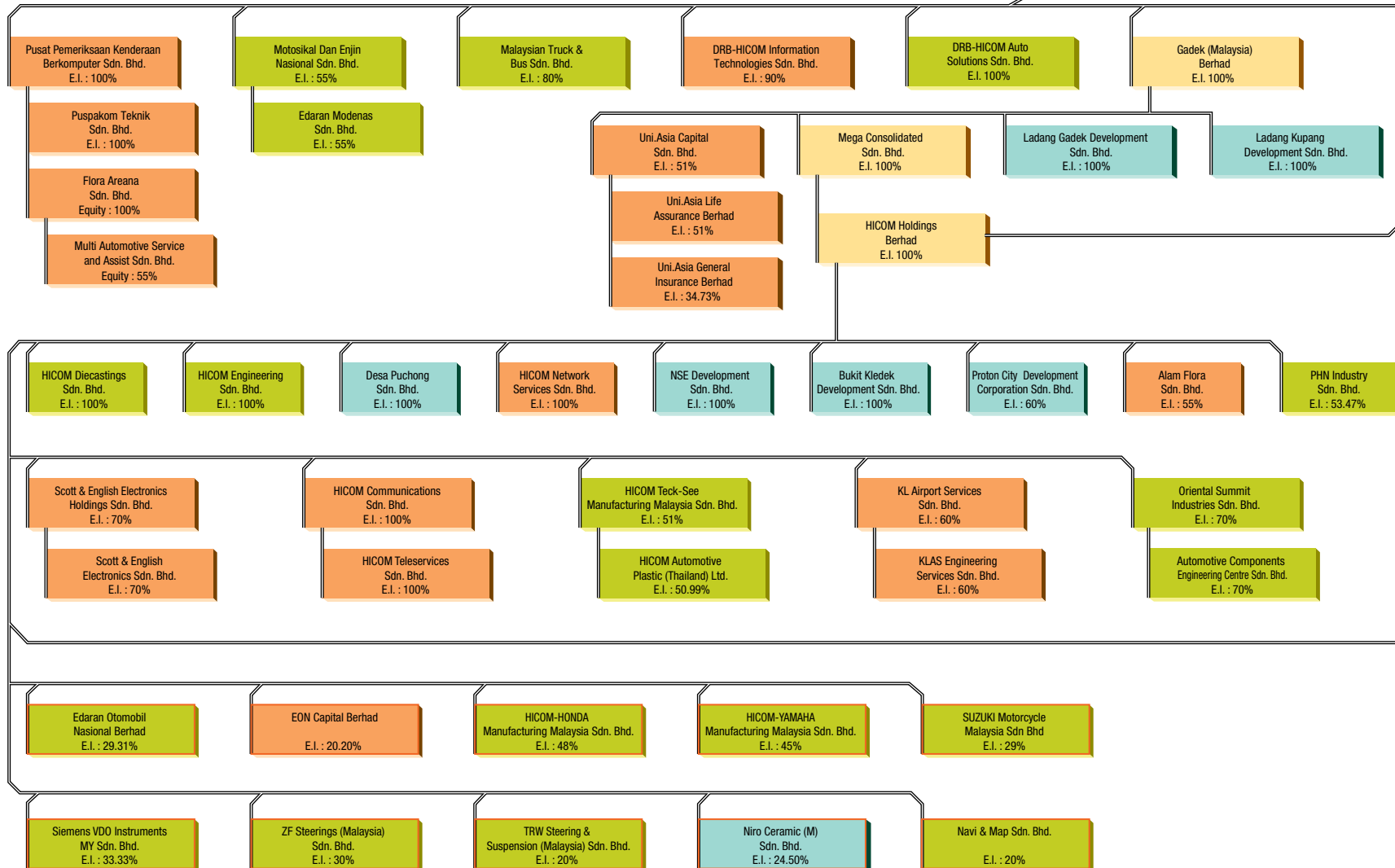
We build **PERFORMANCE**



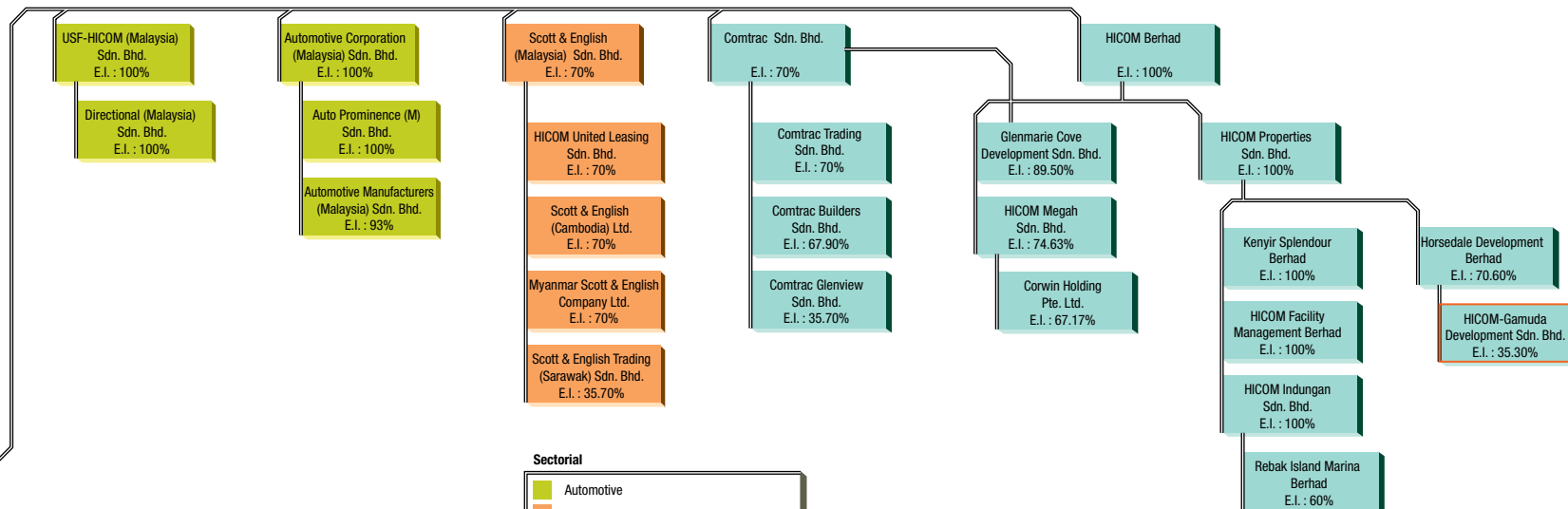
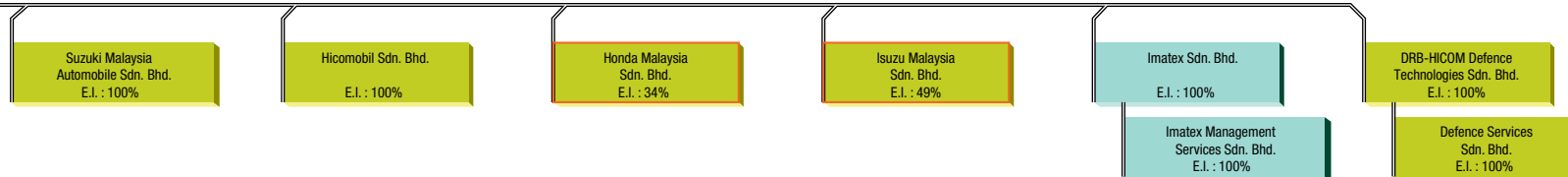
# Group Corporate Structure

(Operating Companies) as at 31 March 2007

## DRB-HICOM



# We build FOUNDATIONS



**Sectorial**

- Automotive
- Services
- Property & Construction
- Investment Holding

**Note**

E.I. DRB - HICOM Group's Effective Interest

# Group Corporate Structure by Sector

as at 31 March 2007



## AUTOMOTIVE

100.00%	HICOM Diecastings Sdn. Bhd.	53.47%	PHN Industry Sdn. Bhd.
100.00%	USF-HICOM (Malaysia) Sdn. Bhd.	51.00%	HICOM-Teck See Manufacturing Malaysia Sdn. Bhd.
100.00%	Automotive Corporation (Malaysia) Sdn. Bhd.	50.99%	HICOM Automotive Plastic (Thailand) Ltd.
100.00%	Directional (Malaysia) Sdn. Bhd.	49.00%	Isuzu Malaysia Sdn. Bhd.
100.00%	HICOM Engineering Sdn. Bhd.	48.00%	HICOM-HONDA Manufacturing Malaysia Sdn. Bhd.
100.00%	DRB-HICOM Auto Solutions Sdn. Bhd.	45.00%	HICOM-YAMAHA Manufacturing Malaysia Sdn. Bhd.
100.00%	HICOMOBIL Sdn. Bhd.	34.00%	Honda Malaysia Sdn. Bhd.
100.00%	Suzuki Malaysia Automobile Sdn. Bhd.	33.33%	Siemens VDO Instruments MY Sdn. Bhd.
93.00%	Automotive Manufacturers (Malaysia) Sdn. Bhd.	30.00%	ZF Steerings (Malaysia) Sdn. Bhd.
80.00%	Malaysian Truck & Bus Sdn. Bhd.	29.31%	Edaran Otomobil Nasional Bhd.
70.00%	Oriental Summit Industries Sdn. Bhd.	29.00%	Suzuki Motorcycle Malaysia Sdn. Bhd.
70.00%	Automotive Components Engineering Centre Sdn. Bhd.	20.00%	TRW Steering and Suspension (Malaysia) Sdn. Bhd.
55.00%	Motosikal Dan Enjin Nasional Sdn. Bhd.	20.00%	Navi & Map Sdn. Bhd.
55.00%	Edaran Modenas Sdn. Bhd.		



## SERVICES

100.00%	Pusat Pemeriksaan Kenderaan Berkomputer Sdn. Bhd.
100.00%	HICOM Communications Sdn. Bhd.
100.00%	HICOM Teleservices Sdn. Bhd.
100.00%	HICOM Network Services Sdn. Bhd.
90.00%	DRB-HICOM Information Technologies Sdn. Bhd.
70.00%	Scott & English (Malaysia) Sdn. Bhd.
70.00%	Scott & English Electronics Sdn. Bhd.
60.00%	KL Airport Services Sdn. Bhd.
55.00%	Alam Flora Sdn. Bhd.
51.00%	Uni.Asia Life Assurance Berhad
34.73%	Uni.Asia General Insurance Berhad
20.20%	EON Capital Berhad

## PROPERTY & INFRASTRUCTURE



100.00%	Imatex Sdn. Bhd.	60.00%	Proton City Development Corporation Sdn. Bhd.
100.00%	HICOM Berhad	60.00%	Rebak Island Marina Berhad
100.00%	HICOM Properties Sdn. Bhd.	35.30%	HICOM-Gamuda Development Sdn. Bhd.
100.00%	HICOM Indungan Sdn. Bhd.	24.50%	Niro Ceramic (M) Sdn. Bhd.
100.00%	Kenyir Splendour Berhad		
100.00%	Bukit Kledek Development Sdn. Bhd.		
100.00%	NSE Development Sdn. Bhd.		
100.00%	Ladang Kupang Development Sdn. Bhd.		
100.00%	Ladang Gadek Development Sdn. Bhd.		
100.00%	Desa Puchong Sdn. Bhd.		
89.50%	Glenmarie Cove Development Sdn. Bhd.		
74.63%	HICOM Megah Sdn. Bhd.		
70.60%	Horsedale Development Berhad		
70.00%	Comtrac Sdn. Bhd.		

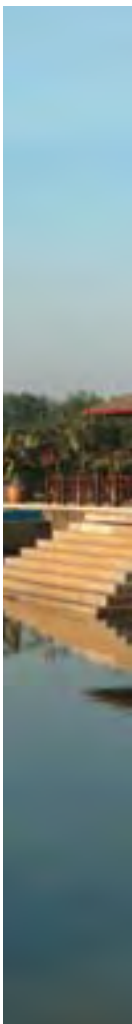
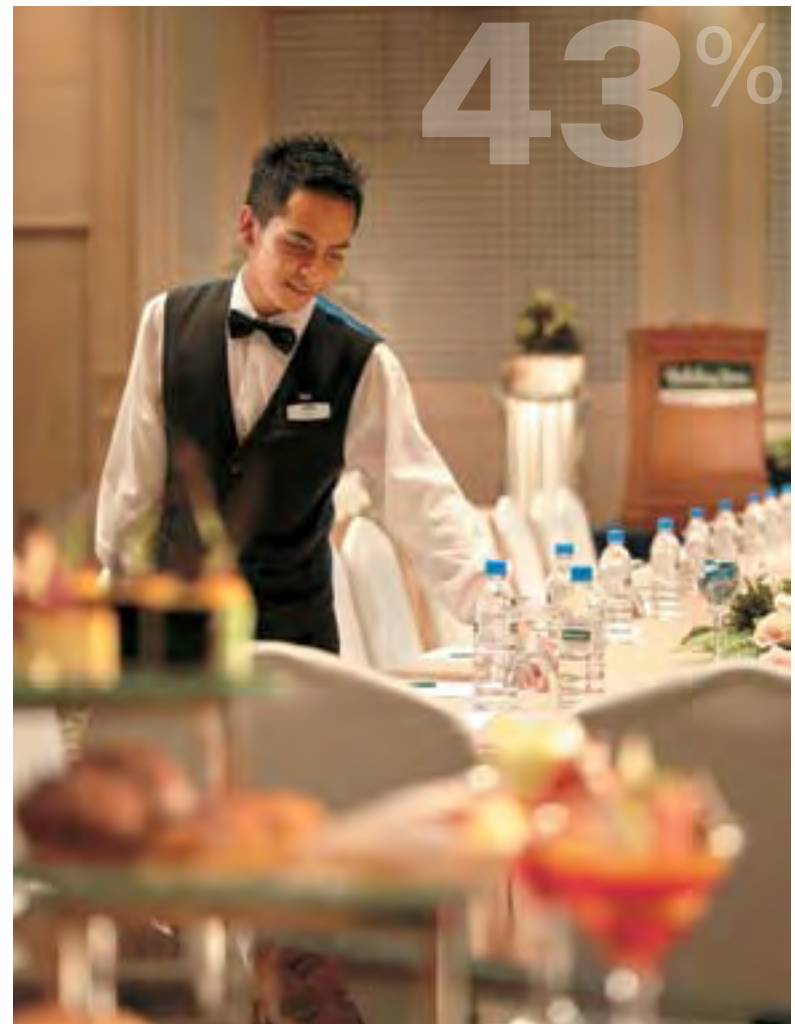
## DEFENCE

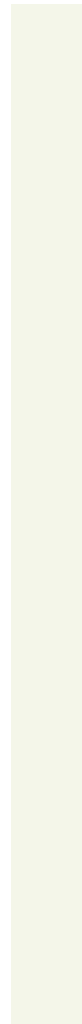
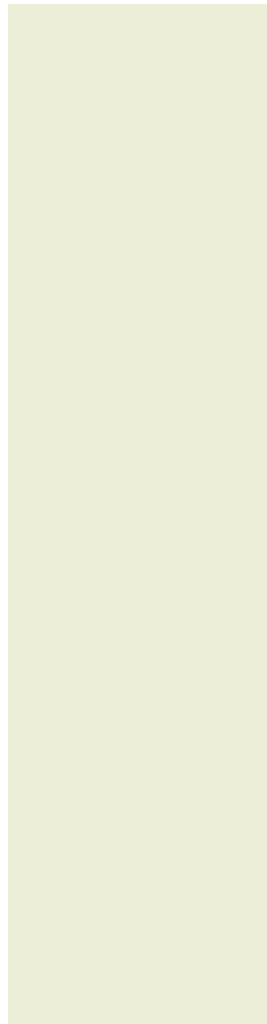
100.00%	DRB-HICOM Defence Technologies Sdn. Bhd.
100.00%	Defence Services Sdn. Bhd.



- Subsidiary Companies
- Jointly Controlled Entities
- Associated Companies

Performance Review





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We build the **FUTURE**

“The future will bring a whole  
new driving experience.”

Y.A.M. Tan Sri Dato' Seri Syed Anwar Jamalullail  
Chairman





### Dear Shareholders,

It is my privilege to present, on behalf of the Board of Directors, the Annual Report of DRB-HICOM Berhad for the financial year ended 31 March 2007. The year under review has seen the Group facing and overcoming many challenges prevalent throughout the year, and I am confident of the Group's prospects in the coming financial year.

### OVERVIEW

The Group has moved swiftly to capitalise on opportunities offered and to improve operating efficiency, including through the continued application of cost reduction measures. The Group is pro-actively finding solutions to the challenges posed by globalisation and is pursuing avenues and opportunities to enhance its business platform by focusing on good prospects within our core business sectors.

In overcoming the challenges the Group faced during the year, we successfully engaged our strategic foreign partners, by allowing these principals to become the majority shareholders in some of our former subsidiary companies. This was done to ensure the long term participation and commitment of the principals and to assist the companies to compete in the market by leveraging our partner's experience in the global market.

### Ladies and gentlemen,

There was a significant downturn in the automotive industry in 2006. Total Industry Volume of vehicle sales fell by 10.9 percent in 2006 as compared to 2005, from 551,042 units to 490,768 units. The non-national car segment, in which the Group is involved experienced a drop of 16.8 percent from the previous year, while the national car segment contracted by 10.2 percent. This was caused by

the slower second hand car market, tighter credit controls by financial institutions and much lower trade in value for cars when consumers sought to buy new cars.

The challenging environment that characterised the automotive industry in the year under review subsequent to the introduction of the National Automotive Policy (NAP) was a motivating factor for the Group's automotive sector.

To seize the opportunities offered by the NAP, DRB-HICOM has begun to place more emphasis on assembling Completely-Knocked-Down (CKD) versions for the various vehicle makes and models in our stable. February 2007 saw the launch of the robotic arm assembly line for the Suzuki Swift CKD at the Automotive Manufacturers Malaysia plant in Pekan, and we look forward to assembling other CKD models at our facilities there. We are aggressively pursuing vehicle assembly deals for our Group companies and have been successful in streamlining our product line by placing more importance on our better selling models.

In addition, the Group has been diligently pursuing opportunities to penetrate the global auto components market, and has achieved a degree of success with component orders received from other parts of Asia as well as Europe and North America. The Group will build on these successes to make the DRB-HICOM Group a recognised player in the worldwide auto components market. The Group's automotive division remained our largest revenue generator, bringing in more than RM1.277 billion in revenue and accounting for 44% of the Group's total revenue.

## Chairman's Statement

The Group's Services sector turned in a strong performance. The Group's subsidiary companies PUSPAKOM and KLAS secured long term concession agreements with the government and with Malaysian Airports Berhad respectively. This will assist in ensuring the continued contribution of the companies to the Group's revenue into the foreseeable future. The future for Alam Flora Sdn Bhd is also looking bright, as the newly approved Solid Waste Management Bill clears the way for the signing of a concession agreement with the Federal Government. Our financial services sector, represented by EON Capital Berhad and the Uni.Asia Group also improved the Group's profitability. The Sector accounted for 42.7% of the Group's total revenue for the financial year under review.

DRB-HICOM's Property & Infrastructure sector performed admirably during the financial year under review. The Group's premier property developments such as Glenmarie Cove are actively marketed to foreigners as part of the Malaysia My Second Home programme and these properties continue to receive

warm interest from our overseas neighbours. Glenmarie Residences, a premier luxury development featuring exclusive living and excellent facilities was fully sold out within a very short time. With tourism development being one of the key thrusts of the Ninth Malaysia Plan, the Group will continue to promote its resort properties such as the Taj Rebak Island Resort and Lake Kenyir Resort & Spa as a destination of choice for both domestic and overseas tourism, especially eco-tourism.

DEFTECH maintained its position as the country's leading supplier of land based defence vehicles and produced the first Made-in-Malaysia armoured vehicle, the AV4. The company is marketing the AV4 to selected markets overseas. DEFTECH also expanded into the civilian transport sector and successfully completed orders for several hundred buses for Rapid KL and other public transport companies. The Group is optimistic that more orders will be forthcoming as improving urban transportation under the Ninth Malaysia Plan calls for an increase in the number of buses available to the public.

The Group has largely been able to cope with the changes and challenges imposed by the shifting landscape of the nation's auto industry due to our strength and diverse business interests. These have allowed us to utilise the existing synergy within the Group to withstand the adjustment in the auto industry and emerge stronger and more competitive than before.

### FINANCIAL HIGHLIGHTS

In 2006/2007, the Group has been able to streamline our existing businesses, divest non-core business entities and strengthening our core subsidiary companies. As a result, the Group achieved a profit before tax of RM187.1 million for the financial year ended 31 March 2007, on the back of RM2.9 billion in revenue. DRB-HICOM is recommending a final gross dividend of 2.5 sen per share for the financial year under review together with an initial dividend of 1 sen.

### KEY INITIATIVES

The Group continues to strengthen and consolidate its four core sectors and implement various operating efficiency improvements and shared services and initiatives while increasing collaboration with our foreign partners to leverage on their expertise. Functions such as Group procurement were centralised to ensure volume-based savings for the Group and its subsidiary companies. Financial services for the Group were centralised in the Financial Services and Treasury Division, allowing for savings in manpower and an increase in operating efficiency.

To give the staff a stronger feeling of belonging to the Group, the DRB-HICOM Sports Carnival 2007 was organised in June 2007. The three day sports and family carnival, which was held at the International Islamic University campus brought together staff from all of the Group's companies and gave them a chance to interact and compete with one another in the spirit of friendship and camaraderie.

## HUMAN RESOURCES DEVELOPMENT

Change management pervaded the financial year. In support of this key initiative, due emphasis was given to communication, dialogues and employees engagement. Having a feedback survey and suggestion scheme implemented further increased the employee value proposition. In shaping our future, the Company adopted a different set of Vision, Mission and Values that would refocus the organisation towards clear, achievable and inspiring goals.

Critical to these efforts were the harmonisation of employment terms and the imposition of higher governance values as seen through a revised set of ethical standards, business practices and personal asset transparency.

An emphasis was placed on ensuring all the Group's senior personnel hold an increased accountability and understanding of their roles. This was managed by introducing Key Performance Indicators (KPIs) to their work functions. In addition, succession

planning and the importance of pulling the best young talent into the company was stressed in the Management Trainee Programme, where promising young candidates were brought into the company and given exposure to key aspects of the Group's operations.

Commendable employee relations culminated in 8 collective agreements being concluded to full satisfaction. Environmental management and safety initiatives were further given due importance with several companies obtaining the OSHAS 18000 and ISO 14000 certifications. Refinements to procedures, policies and limits of authority further improved the stewardship function.

## CORPORATE SOCIAL RESPONSIBILITY

The Group continues to be supportive of the developmental programmes that shape the Malaysian youth, as evidenced by the launch of the DRB-HICOM DEFTECH Scholarships on 15 September 2006 and the signing of a Memorandum of Understanding between the Group and the

Community College Department of the Ministry of Higher Education in February 2007. These programmes provide opportunities for deserving students to further their studies in fields that the Group is involved in. These programmes are part of our way of answering the Government's call for private companies to play their part in helping Malaysian youths become contributors to the economy. In addition, the Group has given the opportunity to a number of fresh university graduates to experience working life as management trainees, giving them valuable working experience and helping to improve their value in the job market, in accordance to the Government's request to private companies.

DRB-HICOM was also involved in relief efforts for the victims of the floods in Johor in January and February 2007. The Group sent relief supplies such as rice, mattresses, baby formula and other daily needs to several villages in the state. The relief programme continued throughout early 2007.

## OUTLOOK AND PROSPECTS

DRB-HICOM has successfully overcome the challenges faced during the year under review, and has emerged leaner, stronger and more efficient than before. The coming financial years will bring new challenges, but the Group will stay focused and will continue its efforts to reward its shareholders with the best possible returns for their investments. With the improvement in the Asian business climate as evidenced by the rising indices of almost all of the region's major bourses, the Group is optimistic that the coming year will bring about significant opportunities that will improve our position within the local market.

With some of the restructuring plans for our subsidiaries set to accelerate in the coming financial year, we look forward to having an even more efficient organisation, fully committed to pursuing viable opportunities in the local and global markets. Over the long term, the Group is well placed in its core sectors as it continues to maintain a stable of products that are both desirable and marketable. The

## Chairman's Statement

Group is confident of maintaining its client base and expanding into new market segments.

The Malaysian Gross Domestic Product, GDP, is projected to grow by 6% in 2007, up from 5.9% in 2006, driven by sustained global growth and resilient local demand. Growth will be stronger in the second half of the year, fuelled in part by early implementation of Ninth Malaysia Plan projects. The Average Lending Rate remained close to historical lows at 6.57% at the end of 2006, and continued to support economic activities. The continuation of this trend in 2007 will increase consumer spending and will have a spill-over effect on the Group's companies as well.

The Group's companies will strategically manoeuvre to take advantage of the opportunities inherent in an expanding economy. This positive growth is expected to fuel strong performances especially in the Group's service related companies in 2007. KLAS was awarded a 50 year concession with Malaysia Airports Holdings Berhad,

while the approval of the Solid Waste Management Bill in early July 2007 will benefit our subsidiary, Alam Flora Sdn Bhd. PUSPAKOM has been awarded an extension of its concession agreement, in addition to which the Government agreed to a revision of PUSPAKOM's rates and increased its scope of service to include pre-sale inspection of previously owned private motor vehicles.

### ACKNOWLEDGEMENTS

The Board of DRB-HICOM has experienced a year of stability after the changes in the previous financial year, and I would like to thank the Management team, led by Datuk Haji Mohd Khamil bin Jamil for a year that brought achievements to the Group. I would also like to acknowledge the contribution of Dato' Hajjah Safiah binti Basrah, who has left us after rendering many valued services to the Group.

I would like to also take the opportunity to welcome aboard Mohd Redza Shah bin Abdul Wahid, Dato' Noorizan binti Shafie and Tan Sri Marzuki bin Mohd Nor as new Board

Members. The mix of new personnel and stable membership means that we have a Board of Directors that is fully capable of leading the Group into the future. I fully expect that their blend of passion, experience, business acumen and dynamism will see the Group taking strong strides in our chosen fields and lead the Group into a new period of enhanced prosperity and opportunities.

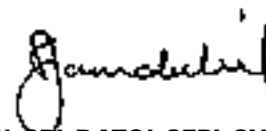
### Ladies and Gentlemen,

On behalf of the Board, I would like to thank the employees of the DRB-HICOM Group, as they are the major core around which all our successes are built. Their commitment, loyalty and passion is our driving strength as we embark on new ventures in

the coming years and with their united efforts, we will carry the DRB-HICOM name to greater heights.

Last, but definitely not least, I would like to voice my appreciation to our shareholders, valued customers, bankers, business associates and the various Government Authorities for their continued support and faith in the Group. Our number one priority is to see this faith rewarded with the best returns, the best products, the best partnerships and a full and total commitment to seeing the Group forge ahead in our chosen fields into the foreseeable future.

Thank you.



**Y.A.M. TAN SRI DATO' SERI SYED ANWAR JAMALULLAIL**  
Chairman

## Group Managing Director's Review of Operations

We build **QUALITY**

"We are driving quality and  
productivity even further."

**Datuk Haji Mohd Khamil bin Jamil**  
Group Managing Director



## OVERVIEW

This past financial year has been one of both successes and challenges for the DRB-HICOM Group. I am pleased to submit to you a comprehensive overview of the Group's operations for the financial year ended 31 March 2007. During the financial year under review, the Group's new Management continued to strengthen its position as a leading business organisation and to bring new and exciting business opportunities.

The introduction of the National Automotive Policy (NAP) in March 2006 resulted in both challenges and opportunities for the Group's Automotive Division. However, the Services and Property & Infrastructure Divisions have played a significant role in cushioning the effect of the changes in business climate of the automotive sector on the Group. In total, the Group recorded a Profit Before Tax of RM187.1 million on the back of total revenue of RM2.9 billion.

During the financial year under review, the Group's main thrusts were aimed at consolidating our existing businesses, streamlining our operations and maximising staff efficiency through innovative programmes and training. In addition, we divested some of our non-core and non-performing business interests to further strengthen the Group's overall financial standing. The Management was able to return the Group to profitability after incurring a loss due to the one time write off of certain Group assets and impairment charges on some non-core properties in the previous financial year. This was attributed to the efforts of the Group's leadership in strengthening our fundamentals, trimming excesses and building the platforms required for future growth. This strengthening of our human capital is a fundamental requirement for success, and I am confident that we will perform to the highest levels.



# Automotive Sector

In building engineering expertise and excellence, we are building the future of strategic global growth and partnerships



## We build INNOVATION



### AUTO DISTRIBUTION

During the financial year under review, the Group's Automotive Division faced and overcame several challenges. With the National Automotive Policy's promotion of Completely-Knocked – Down (CKD) models and the Group's previous direction of importing Completely-Built-Up (CBU) vehicles, the Group's Management directed the Automotive Division to minimise the impact of the softening demand for CBU vehicles. The overall softening market for passenger vehicles led to a 10.9 percent contraction in vehicle sales during the year.

Sales of Honda passenger vehicles rose 0.2 percent in the year ended 31 December 2006 as compared to the previous year. This is indicative of overall customer faith in the brand, as well as the launch of the new Honda Civic sedan, which enjoyed an increase of 101% in sales volume. The Honda City remained one of the market leaders in the non-national economy sedan segment. The Honda assembly facility in Pegoh, Melaka, was instrumental in maintaining the high volume of sales. The plant, one of only four Honda Constant Velocity Joint (CVJ) manufacturing facilities in the world, continued to export its products to countries around the world, including Thailand, Pakistan, Turkey and the United Kingdom.

The Group remains one of the leading commercial vehicle distributors with a 30% market share in the light duty truck category through our subsidiary, Automotive Corporation Malaysia Sdn. Bhd. (ACM), which distributes Isuzu light, medium and heavy trucks. The Group's companies have begun seizing the opportunities afforded by the NAP to introduce CKD models of some of the popular car brands. Following the popularity of the Suzuki



Swift CBU model in the previous year, the Group decided to initiate a programme to assemble the Suzuki Swift locally. During the year under review, a robotic welding line was set up at the Group's automotive assembly complex in Pekan, Pahang. This initial CKD project is an indication of the direction taken by the Group's companies to maximise the benefits under the NAP.

Complementing the move towards producing more CKD models at the Group's assembly facilities is the increased involvement of its foreign partners in the Group's subsidiary companies. Global automotive leader General Motors Corporation signed a Memorandum of Understanding to form a distribution joint venture company with DRB-HICOM, where they will be able to use their product expertise and market leading experience to drive the joint venture company to a higher level of performance. Isuzu Motor Corporation of Japan has also become more directly involved in operations at the Group's Malaysian Truck & Bus Sdn Bhd facility in Pekan, Pahang by taking majority stake of 51%. The Group expects to pursue and seal more strategic alliances with



our foreign partners throughout the course of this financial year. Obtaining the long term commitment of our foreign partners is a key initiative for the Group, as it will assist the Group's companies to compete in a global market.

While these new developments are taking place, the Group remains committed to bringing in a wide range of segment leading models for its consumers. These products, including the well received Mitsubishi Triton, Isuzu D-Max, Audi A-series sedans, Chevrolet compact and sedan cars, Volkswagen vehicles and other models from the Group's subsidiary and associated companies continue to compete actively for market share within their respective segments.

### AUTOMOTIVE COMPONENTS

In meeting the challenges of the decline total industry volume (TIV) of motor vehicles in 2006, the Group's automotive component companies increased their efforts to diversify their product range, including expanding the customer base to non-national cars and foreign Original Equipment Manufacturers (OEMs) as well as intensifying research and development (R&D) efforts to produce new components for different market segments local and abroad. Most of our automotive component companies are accredited to international standards for process, environment and safety, namely ISO/TS 16949, ISO 14001 and OHSAS 18001 and this serves as a strong basis for the

automotive component companies to compete in the global market.

HICOM Diecastings Sdn. Bhd. (HDSB), a leading Tier-1 high-pressure aluminum diecast part manufacturer, had strengthened its position as supplier in the global component market. With its diversified customer base of auto and non-auto OEMs locally and abroad, HDSB supplies specialised steering housing components to international Tier-1 companies such as ZF Malaysia, ZF's overseas operations (USA and Germany) and TRW Malaysia. In the upcoming year, sales will be expanded with its new export business to supply components to Emerson of USA and ZF-Steering's overseas operations.



Apart from being directed to the global export market, automotive component companies are also diversifying into non-auto component market. HICOM Engineering Sdn. Bhd. (HESB) for example, had ventured into the supplying of iron shoulder casts to a world-renowned Railway Fastening System supplier, Pandrol from UK. Through Pandrol, HESB was entrusted to develop and supply the cast shoulder component for Keretapi Tanah Melayu Berhad (KTMB) for the North – South double-track railway project where the first delivery will take place in September 2007. Moving forward, HESB is aggressively exploring avenues to supply this railway track component to other railway track projects overseas and export of automotive crankshaft.

HICOM-Teck See Manufacturing Malaysia Sdn. Bhd. (HTSM), is a Tier 1 automotive plastic parts vendor whose main products include bumper modules, instrument panel modules and door trim assembly. HTSM main customers in Malaysia include Proton, Perodua, Johnson Controls, Honda and Toyota. Through

HTSM's fully-owned subsidiary, HICOM Automotive Plastic (Thailand) Ltd in Rayong, Thailand, HTSM has been supplying components such as bumpers, trunk lid handles and radiator grilles for General Motors and Ford in Thailand. HTSM charted another milestone in February 2007, when they started mass production of door handles for export to Brose, a Tier 1 company in Germany and has secured an annual volume of 750,000 sets. This has provided HTSM with a strong testimonial and a solid platform to expand their business at the global level.

Oriental Summit Industries Sdn. Bhd. (OSI) is a leader in providing stamping, welding, painting and assembly of metal components. As a Tier 1 manufacturer of metal-based products, OSI's main customers include Proton, Perodua, Toyota and Volvo. Moving forward, OSI is working closely on a potential business contract with a Tier 1 company in Germany. It is expected that OSI's excellent standards of manufacturing will pave the way for new businesses abroad.



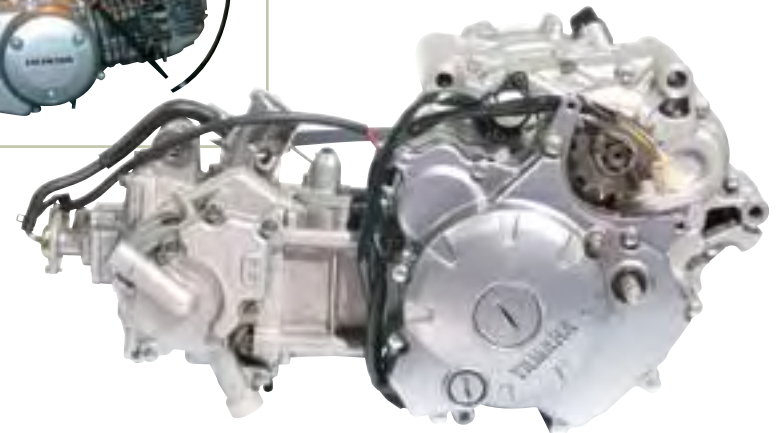
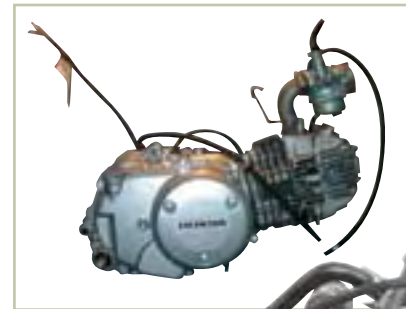
PHN Industry Sdn. Bhd. (PHN), another Tier-1 manufacturer and supplier of metal-based components, has diversified into manufacturing of stamping dies. PHN's main customers include Proton, Perodua, Honda and Toyota. During the year under review, PHN had secured new parts from these companies which include supply of modular components. In the forthcoming year, sales will be augmented with new exports of dies to overseas market as well as supply of body parts for the replacement market (REM).

During the period under review the motorcycle engine companies remained favourable where both HICOM-Honda Manufacturing Malaysia Sdn. Bhd. (HHMM) and HICOM-Yamaha Manufacturing Malaysia Sdn. Bhd. (HYMM) achieved strong sales on the back of the good sales performance by Honda and Yamaha motorcycles in the domestic market.

HICOM-Honda Manufacturing Malaysia Sdn. Bhd. (HHMM), which manufactures engines for Honda motorcycles enhanced its positioning for regional and global growth as a Tier 1 supplier to Honda motorcycle assembly companies. HHMM sustained its exports of engine components to regional Honda assemblers in Vietnam, Indonesia and Philippines.

HICOM-Yamaha Manufacturing Malaysia Sdn. Bhd. (HYMM) experienced encouraging sales due to the upsurge of Yamaha motorcycle sales in 2006 and increased exports of engine components to Motori Minarelli from Italy. HYMM charted another milestone when the trial run of HYMM's newly developed engine for the new Yamaha motorcycle 135LC was completed successfully in January 2007. Mass production of the new engine started in April 2007 and this will potentially provide HYMM a solid platform to move forward.

The performance of other joint ventures with European companies Siemens VDO Instruments MY Sdn Bhd, ZF Steerings (Malaysia) Sdn Bhd and TRW Steering & Suspension (Malaysia) Sdn Bhd – was encouraging as their customer base expanded internationally to counter the drop in local automotive TIV. In addition, exports to parent companies in Europe increased in 2006, driving growth further and countering a drop in domestic sales.



# Services Sector

By providing solutions to urban needs and demands, we are building value in the maintenance of public services



The Group's Services Sector performed strongly in the financial year under review, which helped to buffer the downturn in the Automotive Sector. In general, the Group's subsidiaries in the sector showed an increase in revenues and profits during the year under review, and the outlook for the sector remains strong for the foreseeable future. The sector accounted for 42.7% of the Group's revenue and the outlook for the sector remains strong in this financial year.

The Group remains committed to assisting Government agencies by providing services through its subsidiary companies that hold concession agreements. The privatisation of motor vehicle inspections to Pusat Pemeriksaan Kenderaan Berkomputer Sdn Bhd, PUSPAKOM, also allowed the company to make a significant contribution to the Group's revenue. In the financial year ending 31 March 2007, PUSPAKOM inspected a total of 2.43 million commercial and private vehicles nationwide. The continued growth in the commercial vehicle sector saw the company's revenues increase despite the lower number of private vehicle inspections during the period under review. PUSPAKOM maintains its commitment to a high level of service, with most of its branches already having received MS ISO9001:2000 certification. The company added 4 branches during this financial year, making it a total of 64 branches nationwide. PUSPAKOM is the recognised outsource agency for 16 banks and finance companies to verify vehicle status and roadworthiness prior to loan disbursement. The company is also accredited by Amanah

Raya Berhad (ARB) to inspect and conduct vehicle valuations for ARB. With the new concession for the mandatory inspection of second-hand vehicles prior to transfer of ownership, the company expects the number of vehicle inspections to increase to 2.7 million in this financial year.

The Group serves over 6 million customers through its subsidiary, Alam Flora Sdn Bhd, which is the largest manager of domestic solid waste in the country. Alam Flora, in its 10th year of operations in providing solid waste management services to 24 local authorities in the Federal Territories of Kuala Lumpur and Putrajaya, Selangor and Pahang, handles more than 6,000 tonnes of waste daily, keeping the environment clean for all Malaysians. The company's revenue and profit before tax registered modest increases in the financial year under review. The approval of the Solid Waste Management Bill in early July 2007 is projected to provide significant improvements in the company's cash flow and revenue. With these improvements, the company will be able to implement some of its long awaited service improvements and demonstrate the Group's commitment to improving the quality of life for Malaysians. The company maintains ISO9001:2000 in nine of its Service Areas, whereas the ISO14001:2004 certification has been awarded to two Service Areas. Based on current restructuring and the merger of the QA, Safety & Health and Environmental departments, all related processes will be integrated and streamlined according to world class practices in realising the company's vision of being the Number 1 Solid Waste Management Company in the country.



We build  
**PARTNERSHIP**





Both Uni.Asia General Insurance Berhad and Uni.Asia Life Assurance Berhad managed to increase premium contributions due to the introduction of innovative new products such as Uni.Asia's AutoStar comprehensive motor insurance policy and investment opportunities in Asia's leading capital markets. Uni.Asia Life recorded an increase in Regular Premiums of 12.84%, which was significantly better than the industry average of 3.08%.

Uni.Asia Life's investment linked funds recorded significant growth in the financial year under review with its Uni Aggressive Fund recording a growth of 47.82% and its Uni Strategic Fund recording a return of 47.74%, both of which were significantly higher than the increase

in the KLCI during the same period. The company expects to enjoy the same strong showing in this financial year through the implementation of several broad strategies that include multi-bank partnerships, continued recruitment of new agents and cross-selling of products within the Group of companies.

The Group's financial services business, represented by EON Capital Berhad, opened 4 new branches in 2006 and 3 new branches in the first quarter of 2007. With customer service a top priority, the bank introduced Electronic Banking Centres at many of its branches and launched its Internet Banking services in 2006. To increase the scope of services offered, EONCAP Islamic Bank Berhad and MIMB

Investment Bank (formerly known as Malaysian International Merchant Bankers Berhad) were brought into the Group's fold, enabling the Group to increase its standing in the Islamic and Merchant banking sectors.

Scott & English (Malaysia) Sdn Bhd's Power Division continued its strong performance in the sales of marine engines and generator sets, as well as increased sales of spare parts and after sales services. A similar strengthening in the Industrial Division, which sells mainly TCM Forklift trucks and Sullair compressors, mirrored this increase. Both these products showed an increase in market share and increased contribution to the company's overall revenue.

The Group's entry into the consumer electrical product market has seen the introduction of two of China's leading electronic item brands into the local market. The Group's subsidiary, Scott & English Electronics Sdn Bhd secured distributorship of two of China's leading electronics brands, namely TCL and Midea. TCL is the world's largest manufacturer of Cathode Ray Tube televisions. Midea's air conditioners and small appliances are making steady inroads into the market, due to a good mix of awareness building and competitive pricing. The principal of the Midea brand has agreed to strengthen their advertising and promotions campaign in the coming year, which will see the brand being increasingly competitive in the market for the new financial year.

# Property & Infrastructure

We are building the foundational blueprint of tomorrow's communal sanctuary and sowing the seeds of landscape tranquility



The Group's third core sector also performed well in financial year 2006/2007. The Group's property companies were heavily involved in development projects, with all our residential and commercial properties showing excellent sales figures. The Property Division contributed 13.4% of the Group's revenue, up from 4.6% the previous year.

Of particular note, Glenmarie Residences, a joint development by the Group's subsidiary companies HICOM Properties and Horsedale Development Berhad was completely sold out during the year under review. The niche development, which comprises 75 bungalow lots on a 20 acres site fronting the Holiday Inn Glenmarie and Glenmarie Golf & Country Club is the type of prestigious development that is the hallmark of the Group. Similarly, Glenhill Saujana, a project offering 50 semi-detached homes and 40 bungalow lots surrounded by two international class golf courses was also completed in the financial year under review. A gated community located in a low density residential enclave on the border of Glenmarie and Saujana, Glenhill Saujana represents the epitome of exclusive and relaxed living.

Another development that embodies this approach is the prestigious Glenmarie Cove riverfront development in Klang. A total of 96 semi-detached houses in Precinct 1 of this development were handed over to the proud owners in December 2006 while the remaining 45 units were handed over to their owners later in the financial year. This exclusive gated community features



We build  
**COMMUNITIES**



## I Property & Infrastructure



shop offices, recreational facilities, jetties and a special environment that emphasises the beauty of its natural surroundings. Riverfront living offers access to water sports and other water related recreational activities to the residents of this luxurious development, thereby ensuring market reception to the property was good.

One of the benefits of developing this type of property is the possibility of attracting foreigners, and the Group is playing its part in the *Malaysia, My Second Home* campaign by marketing these properties overseas as well as locally. We have received a healthy response to these efforts, with citizens of more than 12 nations buying properties in Glenmarie Cove. The Group will continue to market its luxury properties on the international market in the firm belief that we will receive strong sales to our foreign friends and partners.

Although some of our best-selling developments involve luxury properties, the Group's Property Division is also actively involved in the development of commercial



and medium cost properties. The Glenmarie Accentra development on Persiaran Kerjaya in Shah Alam, comprising 30 units of 3-storey shop offices was well received by the public as all units were sold out soon after the launch. Apart from that, Phase I of Glenpark, which comprises 100 units of link houses will soon be completed in TTDI Jaya, and these have already been almost completely sold out.

The Group's commitment to providing its clients with a high standard of customer satisfaction extends to its resort properties, where the recently rebuilt and refurbished Rebek Island Marina boasts the only fully equipped marina in Malaysia that facilitates the maintenance of sailing yachts. This is complimented by the recently refurbished Rebek Island Resort, a Taj Hotel which features 84 luxury air conditioned, timbered chalets and is a haven for nature lovers and water sports enthusiasts alike. It's unique sister resort, the Lake Kenyir Resort and Spa, located on the shores of Malaysia's biggest lake, has also



recently completed a refurbishment programme. This resort is situated in one of the world's oldest rain forests and provides 136 air-conditioned chalets as well as a host of facilities and eco-tourism activities for relaxed holidaymakers, nature lovers and water sports enthusiasts.

For golf enthusiasts, the Glenmarie Golf and Country Club, located next to the Holiday Inn Glenmarie provides world class golfing and other recreational facilities, and continues to attract players from around the country and the region. Service standards at this facility are of the highest level and we are confident that this course will remain in demand as one of the country's premier golf venues into the foreseeable future.

Holiday Inn Glenmarie, the Group's recently refurbished resort in the city, offers 260 rooms with stunning golf course views and modern amenities for business and leisure travellers. Together with its upgraded banqueting facilities and the world class sporting facilities via the adjacent Glenmarie Golf and Country Club, the Holiday Inn Glenmarie offers the most demanding traveller a range of relaxing experiences. With the encouraging response by consumers towards the Group's property developments, the Group is exploiting opportunities to further enhance its revenue in this sector.

The Group also holds 2,788.53 hectares of land in its land banks. This land is divided into five estates, namely Ladang Kupang and Ladang Gadek managed by Taiko Plantations Sdn Bhd. Ladang Bukit Keledak and Ladang Connemara managed by Boustead Advisory and Consultancy Sdn Bhd and Ladang Serendah, which is directly managed by the Group.

Ladang Connemara has the most potential for future development, although the remaining estates have a potential for development. The estates are well managed and the current good commodity prices have seen the estates generate a healthy profit. Where advised by the managing agents, the Group

has arranged for the estates to be replanted with the latest planting material, replacing older strains of oil palm and rubber trees with this higher yielding alternative.



# Defence Sector

Building a nation's armoury is a testament of its ability in building dependability and confidence to its territorial perimeters



The fourth core sector for the Group is its defence sector. DRB-HICOM Defence Technologies Sdn Bhd, better known as DEFTECH, completed delivery of 86 units of HICOM Handalan trucks to the Fire Department and a number of specialist vehicles to the Royal Malaysian Police and other specialised services. The company also ventured into the commercial vehicle assembly field to diversify its product assembly capability and increase its portfolio in the local commercial vehicle segment.

With its expertise in assembling large military vehicles, the company was swift to complete a contract to assemble 100 Volvo buses for Syarikat Prasarana Negara Bhd (SPNB) for use by Rapid KL. This first contract has led to several other contracts being awarded to the company.

Despite a greater emphasis on the assembly of commercial vehicle, DEFTECH continues to be one of the country's leading providers of services relating to land based military

vehicles. The Group expects to compete actively for the procurement of defence contracts under the 9th Malaysia Plan. During the year under review that DEFTECH unveiled the first ever Malaysian made armoured vehicle at the Defence Services Asia 2006 exhibition. This vehicle, the AV4 was launched by Y.A.B Prime Minister and opens a new chapter in DEFTECH's history. The vehicle is currently being evaluated by both local and foreign security forces with a view to purchase it for their countries.

DEFTECH also moved to strengthen its position in the nation's defence sector, and continues to be involved in engineering work such as the total maintenance refurbishment, overhaul, upgrading and research and development work for armoured vehicles and armaments. The company will continue to strengthen its capabilities and assets with a view to becoming the nation's pre-eminent supplier of defence related services.

## We build **DEPENDABILITY**





### CONCLUSION

Overall, the financial year under review was a successful one for the Group, with the Group achieving a PBT of RM187.1 million, as opposed to the one time loss of RM134 million in the previous year. The Group's companies faced increased competition and opportunities due to the introduction of the NAP and have successfully taken steps to capitalise on the opportunities offered. The Group's Services and Property & Infrastructure Divisions were successful within their business sectors, making the year profitable for both the Group and its shareholders.

DRB-HICOM Berhad has worked hard to take advantage of the opportunities offered by the 9<sup>th</sup> Malaysia Plan, and has recently seen advancement in the fortunes of some of our service companies with long privatisation agreements with the Federal Government. The Services and Property & Infrastructure Sectors will remain strong and key contributors to the Group in the future and developments in these sectors will enable the Group to strengthen its footing in the local business market.



We have continued to build partnerships overseas and the hard work put into building these relationships has borne fruit, especially in some of the automotive companies. We will continue to build these partnerships to benefit our shareholders and I am confident that even better times are ahead for the Group. We look forward to the next financial year with confidence in the strength of our staff and the continued strategic management of our assets and the belief that they will both grow to meet any challenges that lie ahead.

#### ACKNOWLEDGEMENTS

On behalf of the Management, I would like to take this opportunity to thank all DRB-HICOM staff for their contributions, dedication and support, without which none of our achievements would have been possible. To all our stakeholders who have stood by us and maintained their faith in the Group, I assure you that your commitment and perseverance will be rewarded as we move forward in this current financial year. I would also like to extend my thanks to the Members of the Board for their advice and guidance. As we move forward and work to make DRB-HICOM stronger and better, let us all remember that we are a family and strive to ensure that the whole DRB-HICOM family is able to enjoy the best possible success, as the success of one of us is the success of all of us.

Thank you.



**DATUK HAJI MOHD KHAMIL BIN JAMIL**  
Group Managing Director



## Corporate Responsibility

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## Corporate Social Responsibility

As a responsible corporate citizen, DRB-HICOM believes in giving back to the community in many ways. We organise our Corporate Social Responsibility (CSR) programmes to both foster goodwill and trust in the Group, as well as to provide for the needs of the less fortunate and those affected by natural disasters. In addition, the Group, through the DRB-HICOM Sports Club, looks after the welfare of its staff members through a programme of providing assistance in case of emergency and distress.

The Group manages both long-term CSR programmes and short term/ one time donation programmes. Long-term programmes provide the Group with a tangible outreach programme to organisations that provide critical services to the needy. Short-term programmes or one-time donations meet the needs of individuals and organisations whose needs are transitory, or are used for one off events.

During the floods that affected Johor at the end of 2006 and early 2007, DRB-HICOM mobilised its team and sent several lorry loads of basic necessities such as mattresses, stoves, shoes, school uniforms, disposable diapers and foodstuff to the victims in several villages in the state. Our team also provided

transport for medical teams from Pantai Medical Centre to travel to the affected villages to deliver free medical assistance. The Group also provided mattresses to victims of the floods in Shah Alam earlier in 2006.

Among our programmes are our outreach programme to orphanages, which includes hosting orphans for dinners during the festive season. The Group believes that by fostering the care of the young and less fortunate, we are making a contribution to their future and enabling them to hope for better things. As a further commitment to Malaysian youth, the Group also took part in the NST School Sponsorship Programme, sponsoring newspapers and dictionaries for 17 schools.

The Group supports the Malaysian Armed Forces by providing scholarships to the children of armed forces personnel through its subsidiary, DEFTECH. These scholarships, to study automotive, mechanical, electrical and manufacturing engineering, as well as accountancy, business management and law, will help the recipients gain a good education in these fields, and help provide skilled manpower for the country's needs.

DRB-HICOM also assisted Lembaga Tabung Haji in its medical care programme by providing funds for the purchase of an ambulance to assist our pilgrims during the Haj period. In addition, the Group has cooperative efforts with several notable charity foundations, providing funding for these worthy organisations.

The Group's management team are firm believers in the Triple Bottom

Line, where profit is not the only motivator for our activities. As responsible corporate citizens, the Group and its subsidiaries must continue to play our part in fostering and nurturing Malaysians who require our assistance. We will continue to play our part in safeguarding the well being of our DRB-HICOM family members and of those who need us into the future.



## Human Resource

In repositioning forward, a new set of vision, mission and values was established. This facilitated the communication of performance goals and organisational values. The realisation was made more complete with the implementation of key performance indicators for the senior management personnel, the communication of a revised Code of Ethics and Business Practice and the introduction of greater personal asset transparency for the managerial staff. The formulation of these criteria is primary to the organisational talent building and succession planning.

The leaner structure that was in place resulted in a majority of the staff taking on expanded responsibilities such that it enhanced on-the-job development and strengthened their skills and talents. This augured well with the formulation of several leadership competencies to address the diverse nature and situations of the Group's business. The lighter structure allowed the organisation to blend in external talents selectively.

To improve personal linkages in the change effort, direct communication from Management, briefings with staff and dialogues with key personnel were actively practised. This was further complemented by staff activities, in-house development programmes

and an employee survey. Many of the inputs received are considered relevant and value-adding employee propositions.

A review of the contracts of service to harmonise practice and the outsourcing of several administrative processes were relevant to the attainment of greater productivity and cost efficiency. Policies and procedures were streamlined to support the changes implemented.

The organisation responded to the call of nation building by providing opportunities to fresh graduates to be trained and considered for direct employment. Scholarships were extended through another Group company to enable deserving children of government servants to pursue tertiary studies at local institutions. The establishment of the Staff Welfare Fund is a further endorsement of the organisation's caring attitude.

Relationship management with the unions and the 27,000 staff across the Group was sustained in an enriching manner. Several collective agreements were favourably concluded. Environment and workplace safety continued to be a priority pursuit between the Corporate Office and the Group companies.



## Caring for the Environment

At DRB-HICOM, we believe that the environment should be taken into account in all our programmes. With the impacts of climate change becoming more noticeable, we believe that everyone must play their part in preserving the environment while going about their daily lives. We do our best to integrate environmentally friendly measures in our Property & Infrastructure, as well as our Services Sector programmes.

Anyone who walks through our premier development projects such as Glenmarie Residences or Glenmarie Cove will be struck by the amount of greenery on the sidewalks and in the gardens of the homes. We have placed palm trees and quick growing evergreens along major pathways, and our developments include parks and green lungs to keep the air fresh and clear. In addition, construction waste from these development projects is disposed of correctly, and not dumped anywhere that can cause damage to the environment.

The Group's resorts and recreational facilities echo this green theme, and were all built to maximise environmental preservation and to protect the natural beauty of their surroundings. The Taj Rebak Island Resort, which sits on the privately owned Rebak Island, off Langkawi is a haven for bird life. Pied and Black Hornbills can be found in the trees around the chalets, and the clear

waters of the marina teem with fish of all kinds. Similarly, the Lake Kenyir Resort and Spa takes full advantage of its pristine surroundings, which include the world's oldest rain forest, and is a haven for nature lovers. Glenmarie Golf and Country Club also typifies this environmental philosophy, with the course and clubhouse shaded by evergreen trees and flowering shrubs. Small herons and a variety of other birds are readily visible on the greens.

The Group's subsidiaries also operate a large fleet of heavy vehicles, particularly companies such as Alam Flora. Wherever possible, these companies also take steps to minimise their environmental footprint by maximising route efficiency to burn less fuel, by purchasing new vehicles with EURO 2 or higher specification engines that produce less pollution and many other programmes that minimise pollution. While a certain level of environmental impact is inevitable, programmes such as installing leachate collection tanks on all compactor trucks to minimise leachate spillage on roads do help lower the environmental impact of operations.

Additionally, vehicle inspections carried out at PUSPAKOM help reduce the incidence of pollution from motor vehicles as the inspections can detect high levels of engine pollution and the vehicle owner/operator can

be advised to do something about it. PUSPAKOM inspections also ensure that engines and vehicles are in good shape, thus minimising oil leaks and other phenomena associated with poorly maintained vehicle bodies and engines.

Apart from the operational aspects of environment protection, the Group, through Alam Flora, has embarked on the production of environmental awareness material, with the cooperation of the Ministry of Housing and Local Government. These items, in the form of educational VCDs for school children, businesses and the public, as well as activity books for kindergarten and primary school have almost been completed, and



will be distributed during the current financial year.

Taken together, the Group's contribution to the environment goes hand in hand with our operations, and this is something that the Group's management is keen to encourage and maintain.



## Calendar of Events

6 July 2006

Unveiling of the new stylish Honda Accord with enhanced features by Honda Malaysia Sdn Bhd.



26 April 2006

Launch of DEFTECH AV4 by Y.A.B. Dato' Sri Mohd Najib Tun Razak, Deputy Prime Minister and Minister of Defence at DSA Exhibition, Subang.



1 August 2006

Official Signing Ceremony of SPEKS "Sistem Pendaftaran Elektronik Kenderaan BerSepadu" between HICOM Teleservices and 22 companies for online new vehicle registration; witnessed by Y.Bhg Datuk Emran Kadir, Director General, Road Transport Department.



14 July 2006

Official launching of the "Aduan Sampah? Adulah Alam Flora" Campaign by Y.A.B. Dato' Seri Dr. Mohamad Khir Toyo, Menteri Besar Selangor.



## Calendar of Events

15 August 2006



First Roll out of (CKD) SsyangYong Rexton II from AMM Plant in Pekan, Pahang in the presence of Y.A.B. Dato' Sri Mohd Najib Tun Razak, Deputy Prime Minister of Malaysia.



MODENAS 10<sup>th</sup> Anniversary Dinner together with the launch of MODENAS' latest motorcycle the MODENAS X-cite 130cc by Y.B. Dato' Seri Rafidah Aziz, Minister of International Trade & Industry of Malaysia.

11 September 2006

15 September 2006



Official launch of DRB-HICOM DEFTECH Scholarship by Y.A.B. Dato' Sri Mohd Najib Tun Razak, Deputy Prime Minister of Malaysia.

18 September 2006

Signing of MoU between General Motors Corporation & DRB-HICOM Berhad.





21 September 2006

DRB-HICOM Berhad 16<sup>th</sup> Annual General Meeting.



6 October 2006

DRB-HICOM organised a breaking of fast dinner with orphans at Holiday Inn Glenmarie Hotel. Donations were handed to PEYAKIN and HALUAN Orphanages.



13 October 2006

PUSPAKOM organised "Kempen Keselamatan Jalanraya Sempena Hari Deepavali & Hari Raya Aidilfitri". The campaign was launched by Y.B. Datuk Douglas Uggah Embas, Deputy Minister of Transportation.

17 October 2006

DRB-HICOM organised a breaking of fast dinner with the Malaysian Armed Forces. Among the guests included dignitaries from the Ministry of Defence.



## Calendar of Events

5–10 November 2006



DRB-HICOM and its subsidiary Scott & English Electronics Sdn Bhd organised media visit to the TCL and Midea plants in China which included 11 members of the media and a representative from SIRIM.



Handing over of Mock Key for 1 unit Ambulance (worth RM170,000.00) to Lembaga Tabung Haji

8 November 2006

10 November 2006

DRB-HICOM Sports Club Hari Raya & Deepavali Open House lunch.



DRB-HICOM Hari Raya & Deepavali Open House was held at Wisma DRB-HICOM. Underprivileged children from PEYAKIN & KUANG Orphanages were invited to celebrate together with other dignitaries and guests.

15 November 2006



14 December 2006

Official launch of exclusive Glenmarie Cove Residences at Telok Gong by HRH the Sultan of Selangor; accompanied by Y.A.B. Dato' Seri Mohamad Khir Toyo, Menteri Besar Selangor.



6 January 2007

DRB-HICOM Berhad contributed packets of rice, food items, school uniforms and other essential daily needs to the affected flood victims in Pagoh, Johor. Receiving on behalf of the victims is the Royal Parton for the Southern Red Crescent Society, Y.A.M. Raja Zarith Sofiah binti Al-Marhum Sultan Idris Shah.



22 January 2007

Maal Hijrah 1428 celebration.

12 February 2007

Launch of CKD Robotic Assembly Lines for Suzuki Swift 1.5L at AMM Plant, Pekan, Pahang.



## Calendar of Events



7 March 2007

DRB-HICOM Berhad organised the "Chief Executive Officers' Business Forum" officiated by Y.A.M. Tan Sri Dato' Seri Syed Anwar Jamalullail, Chairman of DRB-HICOM. The forum was attended by Y.B. Dato' Sri Mohd Effendi Nawawi as guest of honour.



DRB-HICOM involved in Emergency Medicine Conference and Exhibition 2007 that was officiated by Y.B. Datuk Seri Chua Soi Lek, Minister of Health at PWTC.

12 March 2007



Visit by Y.A.B. the Menteri Besar of Pahang and Y.A.B. the Menteri Besar of Trengganu to DEFTECH's plant in Pekan.

19 March 2007