

REALISING OPPORTUNITIES

Annual Report 2010



Life
& General
Insurance

SERVICES

Motor Vehicle
Inspection

Airport Services

Islamic Banking

Operations & Maintenance
(Power Plant)

Solid Waste Management

Industrial Equipment Franchises,
Facilities Maintenance

AUTOMOTIVE

Components

Passenger Vehicles

Commercial & Utility Vehicles

Customised Vehicles

Motorcycles

Defence Vehicles & Equipment

PROPERTY &

INFRASTRUCTURE

Residential

Integrated Townships

Leisure Industrial

Commercial

DRB-HICOM

DRB-HICOM Berhad

(203430-W)

(Incorporated in Malaysia)

Life
& General
Insurance



SERVICES

Motor Vehicle
Inspection

Airport Services

Islamic Banking

Operations & Maintenance
(Power Plant)

Solid Waste Management

Industrial Equipment Franchises
Facilities Maintenance

AUTOMOTIVE

Components

Passenger Vehicles

Commercial & Utility Vehicles

Customised Vehicles

Motorcycles

Defence Vehicles & Equipment

PROPERTY &

INFRASTRUCTURE

Residential

Integrated Townships

Leisure Industrial

Commercial



REALISING OPPORTUNITIES

DRB-HICOM measures the success of our long-term vision by raising the bar of excellence and scaling greater heights. Our leading position in the industry has enabled DRB-HICOM to reinvigorate its strengths, enhancing performance and deliverables. Akin to the feat of a mountain climber, we scale to new heights of achievements, realising opportunities and creating sustainable environments. Through strategic investments and leading growth streams, leveraging on firm foundations, we continue to grow from strength to strength, enhancing lives of millions and delivering value for generations.

DRB-HICOM

contents

DRB-HICOM BERHAD • 2010 ANNUAL REPORT

HIGHLIGHTS

- 4 NOTICE OF ANNUAL GENERAL MEETING
- 5 STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING
- 6 MILESTONES 1980-2009

CORPORATE DISCLOSURE

- 13 CORPORATE PROFILE
- 14 MEDIA HIGHLIGHTS
- 16 CALENDAR OF EVENTS
- 24 FINANCIAL CALENDAR
- 25 CORPORATE INFORMATION
- 26 GROUP CORPORATE STRUCTURE
- 28 GROUP CORPORATE STRUCTURE BY SECTOR

PERFORMANCE REVIEW

- 30 GROUP'S FIVE YEARS FINANCIAL HIGHLIGHTS

LEADERSHIP

- 32 BOARD OF DIRECTORS
- 34 PROFILE OF DIRECTORS
- 42 MANAGEMENT TEAM



our vision >>

TO BE NUMBER 1 AND CONTINUOUSLY EXCEL IN ALL THAT WE DO.

mission statement >>

TO LEAD IN THE GROWTH OF THE NATION IN THE AREAS OF DRB-HICOM'S CORE BUSINESSES.

shared values >>

- EXCELLENCE
- DECORUM
- TEAMWORK
- INTEGRITY
- INNOVATION
- QUALITY
- TRANSPARENCY

PERSPECTIVE

48	CHAIRMAN'S STATEMENT
54	GROUP MANAGING DIRECTOR'S REVIEW OF OPERATIONS
56	AUTOMOTIVE SECTOR
64	SERVICES SECTOR
70	PROPERTY & INFRASTRUCTURE SECTOR

KEY INITIATIVES

80	HUMAN CAPITAL DEVELOPMENT
84	CORPORATE RESPONSIBILITY

ACCOUNTABILITY

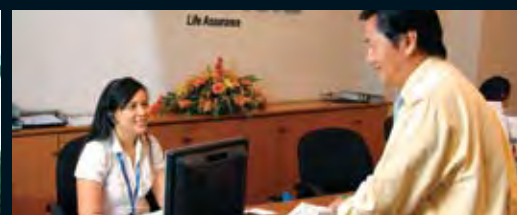
93	STATEMENT ON CORPORATE GOVERNANCE
105	DIRECTORS' STATEMENT ON INTERNAL CONTROL
109	AUDIT COMMITTEE REPORT
114	ADDITIONAL COMPLIANCE INFORMATION
117	STATEMENT OF DIRECTORS' RESPONSIBILITY

FINANCIAL STATEMENTS

118	FINANCIAL STATEMENTS
-----	----------------------

OTHER INFORMATION

235	ANALYSIS OF SHAREHOLDINGS
238	SHARE PERFORMANCE CHART
239	MATERIAL PROPERTIES OF DRB-HICOM GROUP
241	GROUP CORPORATE DIRECTORY
245	NOMINATION OF AUDITORS
	• FORM OF PROXY



notice of annual general meeting

NOTICE IS HEREBY GIVEN that the Twentieth Annual General Meeting of DRB-HICOM Berhad (“the Company”) will be held at the **Glenmarie Ballroom, Holiday Inn Kuala Lumpur Glenmarie, No. 1, Jalan Usahawan U1/8, Seksyen U1, 40250 Shah Alam, Selangor Darul Ehsan on Wednesday, 15 September 2010 at 9.00 a.m.** for the following purposes:-

ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements for the financial year ended 31 March 2010 together with the Reports of Directors and Independent Auditors thereon.

(Resolution 1)

2. To approve the declaration of a final gross dividend of 2.5 sen per share, less taxation of 25% for the financial year ended 31 March 2010.

(Resolution 2)

3. To re-elect the following Directors who retire in accordance with Article 79 of the Company’s Articles of Association:-

YBhg Tan Sri Marzuki
bin Mohd Noor

(Resolution 3)

YBhg Dato’ Sri Haji Mohd
Khamil bin Jamil

(Resolution 4)

4. To consider and if thought fit, to pass the following Ordinary Resolution in accordance with Section 129 of the Companies Act, 1965:-

“THAT YBhg Datuk Haji Abdul Rahman bin Mohd Ramli, retiring pursuant to Section 129 of the Companies Act, 1965, be and is hereby reappointed a Director of the Company to hold office until the conclusion of the next Annual General Meeting.”

(Resolution 5)

5. To appoint Messrs Ernst & Young as Auditors of the Company in place of the retiring Auditors, Messrs PricewaterhouseCoopers, to hold office until the conclusion of the next Annual General Meeting of the Company at a remuneration to be determined by the Directors.

The Notice of Nomination pursuant to Section 172(11) of the Companies Act, 1965 in respect of the nomination of Messrs Ernst & Young for the appointment as Auditors of the Company in place of the retiring Auditors, Messrs PricewaterhouseCoopers, has been received by the Company, a copy of which is marked as Appendix A in the Annual Report.

(Resolution 6)

SPECIAL BUSINESS

6. 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”)

“THAT pursuant to Paragraph 10.09 of the Bursa Securities Main Market Listing Requirements, 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 23 August 2010, 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 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 forthcoming AGM, the authority is renewed, either unconditionally or subject to conditions;
- (b) the expiration of the period within which the next AGM is required to be held pursuant to Section 143(1) of the Companies Act, 1965 (but must 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.”

(Resolution 7)

NOTICE OF DIVIDEND PAYMENT

NOTICE IS HEREBY GIVEN that the final gross dividend of 2.5 sen per share, less taxation of 25% in respect of the financial year ended 31 March 2010, if approved by the shareholders at the Annual General Meeting, will be paid on 15 October 2010 to the shareholders whose names appear in the Record of Depositors of the Company at the close of business on 22 September 2010.

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 20 September 2010 in respect of shares exempted from mandatory deposit;
- (b) Shares transferred into the depositor's securities account before 4.00 p.m. on 22 September 2010 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
23 August 2010

NOTES:-

1. PROXY

- a. A member entitled to attend the meeting may appoint not more than two (2) proxies who may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to 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 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan not less than forty-eight (48) hours before the time set for holding this meeting.

2. EXPLANATORY NOTE ON SPECIAL BUSINESS:-

Resolution 7 – Proposed Shareholders' Mandate For Recurrent Related Party Transactions (“RRPTs”)

The Proposed Resolution 7, 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.

▲ statement accompanying notice of annual general meeting

Names of Directors who are standing for re-election/reappointment:-

Under Article 79 of the Company's Articles of Association

YBhg Tan Sri Marzuki bin Mohd Noor
YBhg Dato' Sri Haji Mohd Khamil bin Jamil

Under Section 129 of the Companies Act, 1965

YBhg Datuk Haji Abdul Rahman bin Mohd Ramli

The details of the abovenamed Directors who are standing for re-election/reappointment are set out in the Directors' Profile (pages 34 to 41 of the Annual Report).



milestones 1980-2009

1980s

1980

HICOM is incorporated, entrusted with the task of broadening the industrial base of Malaysia. Its primary aim is to spearhead the development of heavy industries which, in turn, will spur the growth of supporting and ancillary industries.

1987

Launch of the Proton Saga Aeroback by Minister of Trade and Industry YB Datin Paduka Rafidah Aziz.

1988

Launch of Proton Saga in Ireland.

1989

Launch of Proton Saga in UK.

1990s

1990

Horsedale Development Berhad is incorporated.

Launch of Proton Megavalve.

HICOM Diecastings commences commercial production.

1991

Akademi Saga is officially opened by Prime Minister YAB Dato' Seri Dr. Mahathir Mohamed. The Akademi is the first of its kind in the country to train mechanics for the growing motor industry.

HICOM changes its name from Heavy Industries Corporation of Malaysia Berhad to HICOM Berhad.

1992

Introduction of the Proton Executive, in addition to Proton Limousine.

ZF Steerings (Malaysia) Sdn. Bhd. joins the HICOM Group of Companies.

Launch of Proton Iswara.

HICOM signs a joint venture agreement with PROTON and EON to form PROTON Parts Centre Sdn. Bhd.

1993

Official launch of Proton Wira.

Launch of Proton Wira Aeroback.

Signing of a joint venture agreement between HICOM Berhad and Teck See Plastic Sdn. Bhd. to establish HICOM-Teck See Manufacturing (M) Sdn. Bhd.

1994

Official opening of the Glenmarie Golf and Country Club by Prime Minister YAB Dato' Seri Dr. Mahathir Mohamad.

Horsedale Development Berhad signs a joint venture agreement with Gamuda Berhad to participate equally in the equity of HICOM-Gamuda Development Sdn. Bhd.

Official opening of EON's head office in Persiaran Kerjaya, Glenmarie, Shah Alam.

Official ceremony in conjunction with the naming of the corporate headquarters, Wisma HICOM.

The Pan Pacific Glenmarie Resort opens for business.

Proton Satria is officially launched.

HICOM Indungan Sdn. Bhd. acquires 60% equity interest in Rebak Island Marina Berhad (RIMB).

HICOM Indungan Sdn. Bhd. signs a Sale and Purchase Agreement with Perbadanan Kemajuan Negeri Melaka to develop the Pegoh Industrial Estate, Alor Gajah, Melaka.

6

DRB-HICOM BERHAD
annual report 2010



2000s

1995

KL Airport Services Sdn. Bhd. (KLAS) is incorporated.

HICOM signs a Sale and Purchase of Shares Agreement and Shareholders Agreement with TRW Steering & Suspension (M) Sdn. Bhd. (TSSM).

Official ceremony to commemorate the 500,000th engine manufactured by HICOM-YAMAHA Manufacturing Malaysia Sdn. Bhd.

1996

Prime Minister YAB Dato' Seri Dr. Mahathir Mohamad officiates the ground breaking ceremony of Proton City in Tanjung Malim, Perak.

HICOM Berhad, HICOM Properties and EON participate in a joint venture to develop a parcel of land known as Tekka Corner in Singapore.

The Lotus Elise is launched by Prime Minister YAB Dato' Seri Dr. Mahathir Mohamad during the Langkawi International Motor Show (LIMOS '96).

1997

Alam Flora Sdn. Bhd. takes over solid waste management services in the Federal Territory of Kuala Lumpur.

1998

Launch of Proton Saga GTi 1.8.

1999

Launch of MODENAS Kriss II.

Launch of the MODENAS 175 cc Jaguh cruiser by Prime Minister YAB Dato' Seri Dr. Mahathir Mohamad. Two months after the launch, 20,000 units were booked, exceeding the target of 12,000 units per year.

2000

Chairman of DRB-HICOM announces a proposed merger worth RM6 billion of DRB with Gadek, Gadek Capital, HICOM Holdings and MCM to form DRB-HICOM Berhad.

DRB EGM is held to get shareholders' approval on the issuance of new shares to be exchanged with the shares of Gadek, Gadek Capital and HICOM Holdings.

The corporate headquarters is renamed Wisma DRB-HICOM.

2001

Three DRB-HICOM Berhad subsidiaries – MTB Sdn. Bhd., HICOM Carriage Engineering Sdn. Bhd. and Master Builders Sdn. Bhd. – launch new vehicles, including the HICOM Perkasa (MTB), Mini Coach Karisma (HICOM Carriage) and Mini Bus Dominan (Master Builders).

Ground breaking ceremony of the Oriental-Honda Sdn. Bhd. manufacturing plant in Pegoh, Melaka, officiated by Deputy Prime Minister YAB Dato' Seri Abdullah Haji Ahmad Badawi.

Proton City signs an agreement with Universiti Pendidikan Sultan Idris (UPSI), Tanjung Malim, to develop its campus.

Puspakom JB receives Excellence Service Award MS ISO 9002 from SIRIM QAS.

Deputy Prime Minister YAB Dato' Seri Abdullah Haji Ahmad Badawi officiates the launch of the 500,000th production of the MODENAS motorcycle.

2000s Cont'd.

2002

Launch of the Honda CR-V i-VTEC makes Malaysia the fourth country to start production and sales of the completely knocked down model.

The ACV 300 is named 'Adnan' by Minister of Defence YB Dato' Sri Mohd Najib Tun Razak at the Defence Services Asia (DSA) '02 held at the Mines Exhibition Centre.

2003

Minister of Domestic Trade and Consumer Affairs YB Tan Sri Haji Muhyiddin Haji Mohd Yassin launches the first national scooter, the MODENAS Karisma 125cc.

Honda Malaysia Sdn. Bhd. celebrates the roll-out of its first Honda CRV from the plant in Pegoh, Melaka.

Honda Malaysia Sdn. Bhd.'s manufacturing plant in Pegoh, Melaka, is officially opened by Prime Minister YAB Dato' Seri Dr. Mahathir Mohamad.

Launch of the new Honda City.

Launch of the new Uni.Asia name and logo for Sea Insurance Berhad and EON CMG Life Assurance Berhad and the renaming of Menara Sea Insurance to Menara Uni.Asia.

Launch of MODENAS Kriss II 110cc.

Launch of three MODENAS scooters – Elit, Dinamik and Ceria – by YAB Dato' Seri Dr. Mahathir Mohamad.

Launch of HICOMOBIL Chevrolet by YAB Dato' Seri Abdullah bin Haji Ahmad Badawi.

Launch of the 7th generation Honda Accord.

2004

An EGM held by DRB-HICOM Berhad accepts the motion to approve the proposed disposal of the assets of Intrakota Komposit Sdn. Bhd., comprising mainly buses and landed property, to Syarikat Prasarana Negara Berhad (SPNB).

MTB Sdn. Bhd. signs an MOU with DaimlerChrysler.

Suzuki Malaysia Automobile Sdn. Bhd. is established to undertake the marketing, assembly and distribution of Suzuki four-wheel vehicles.

Alam Flora becomes the first solid waste management company in South East Asia to receive ISO 9001 certification.

Launch of MODENAS Kriss 100cc.

Launch of MODENAS Kristar 110cc.

Launch of Honda City 1.5 vTEC.

2005

Works to assemble the Mercedes-Benz E and C-Class begin.

DaimlerChrysler appoints USF-HICOM as the main dealer for Mitsubishi Fuso vehicles.

USF-HICOM is appointed the exclusive distributor for Mahindra Scorpio 2.0 petrol 4x2, Scorpio 2.6 diesel 4x4 and 2.5 diesel double cab.

HICOMOBIL launches the Chevrolet Spark.

Launch of HICOMOBIL's Chevrolet Optra-5.

2005 (Cont'd.)

DaimlerChrysler Malaysia expands its assembly model in MTB's plant in Pekan to include the Actros truck and bus chassis, in addition to the existing line-up of Mercedes-Benz C-Class and E-Class passenger cars.

MODENAS' new, sleek and chic 150cc Elegan scooter is unveiled.

Launch of Mahindra Scorpio by YB Dato' Seri S. Samy Vellu.

Launch of the all-new Suzuki Swift.

Launch of the Isuzu D-Max pick-up truck, the first Isuzu vehicle locally assembled at the MTB Sdn. Bhd. plant in Pekan, Pahang.

Launch of Isuzu D-Max pick-up truck in the East Malaysian market.

Launch of the 1.6 litre Suzuki APV.

Launch of Suzuki Grand Vitara.

MODENAS launches its 150cc Elit Sports Scooter.

Horsedale enters Management Agreement with the Six Continents Hotel Inc. and the Pan Pacific Glenmarie Resort is renamed Holiday Inn Glenmarie Kuala Lumpur.

Glenmarie Golf and Country Club fully opens its 18-hole Garden Course to golfers following the completion of upgrading and green renovation works.

Launch of the new Honda City 1.5 litre I-DSI & VTEC.

2005 (Cont'd.)

Scott & English Electronics Sdn. Bhd. signs an agreement to become the sole Malaysian distributor of TCL and Midea range of consumer electronic products.

Launch of MODENAS Passion by YAB Chief Minister of Kedah at the MODENAS Kriss Complex in Gurun, Kedah.

Official visit by YAB Dato' Seri Abdullah Haji Ahmad Badawi to DEFTECH plant in Pekan and handover of HICOM Handalan to Anggota Bersenjata DiRaja Brunei.

2006

MTB commences assembly of the new Mercedes-Benz S-Class, making it the first assembler of the luxury model in Asia.

ACM relaunches cargo truck models FSR33P (GVW 11 tons), Super FTSR33R (GVW 16 tons) and GVR23 (GVW 26 tons) under the new FORWARD series.

Unveiling of the 8th generation Honda Civic.

Launch of DEFTECH AV4 by YAB Dato' Sri Mohd Najib Tun Razak.

Unveiling of the new stylish Honda Accord.

Roll-out of the first (CKD) SsangYong Rexton II from the AMM Plant in Pekan, Pahang.

Launch of the MODENAS X-cite 130cc.

2007

Launch of CKD robotic assembly lines for the Suzuki Swift 1.5L at the AMM Plant in Pekan, Pahang.

Launch of MODENAS Kriss 120.

DRB-HICOM and Isuzu mark their new partnership with the birth of Isuzu HICOM Malaysia Sdn. Bhd.

Launch of MODENAS Kriss 120 Sports and Kriss 100.

2008

Relaunch of Lake Kenyir Resort & Spa.

HICOM Holdings Berhad (HICOM) enters into a partnership with Midea Refrigeration Ltd. (Midea) to establish Scott & English Electronics Sdn. Bhd. (SEE) with Eastern Trinity Sdn. Bhd.

Mitsubishi Motors Malaysia Sdn. Bhd. introduces the Mitsubishi Triton Lite 2.5 and Triton 3.2 pick-ups.

Launch of the new Audi A4 1.8T rejuvenates Euromobil's ambition to elevate Audi to the same rank as the two other leading German marques in the local premium car segment.

Launch of the Suzuki SX4 Sedan.

New variants of the Passion 125 and Kriss 120 motorcycles launched by MODENAS.

The Group acquires Rangkaian Positif Sdn. Bhd., which is contracted to provide Operations & Maintenance (O&M) services to the Tanjung Bin power plant for a concession period of 25 years commencing 28 September 2006.

The Group acquires a 70% equity interest in Bank Muamalat Malaysia Berhad (BMMB).

2009

Euromobil launches the Audi Q5.

Rebak Island Resort is awarded five star status by the Ministry of Tourism.

Launch of MODENAS GT 128.

Launch of MODENAS CT110.

25th Anniversary celebration of DRB-HICOM Automotive Complex in Pekan officiated by KDYMM Sultan of Pahang, Sultan Haji Ahmad Shah and attended by YAB Prime Minister Dato' Sri Mohd Najib Tun Abdul Razak.



Insurance
SERVIC

Motor Vehi
Inspectio

Airport Servic

Islanding Bar

Operations & Mainte

(Power F

Solid Waste Manage

Industrial Equipment Fram

Facilities Main

AUTOMOTI

Components Passenger Ve

Commercial & Utility Ve

Customised Vehicles Motorcycle

Defence Vehicles & Equip

PROPERTY

INFRASTRUCTU

Residential Integrated Toy







corporate profile

DRB-HICOM BERHAD IS ONE OF MALAYSIA'S LEADING CORPORATIONS, WITH PRINCIPAL BUSINESSES IN THE AUTOMOTIVE, SERVICES AND PROPERTY & INFRASTRUCTURE SECTORS. ITS HISTORY DATES BACK TO 27 NOVEMBER 1980, WHEN THE HEAVY INDUSTRIES CORPORATION OF MALAYSIA (HICOM) WAS INCORPORATED TO SPUR INDUSTRIAL DEVELOPMENT IN THE COUNTRY.

The company, which was listed on the main board of Bursa Securities in 1992, initially focused on automotive manufacturing, the backbone of heavy industries. On 28 February 2000, HICOM merged with DRB, a diversified company holding a range of vehicle franchises and with activities in construction and property development. The next turning point for DRB-HICOM was 8 June 2005, when it became part of the Albukhary Group of Companies.

Today, employing 23,000 people in more than 60 subsidiaries, associate companies and jointly controlled entities, DRB-HICOM has developed world-class expertise and facilities, and has pioneered a number of firsts in the country. It is the leading automotive company in Malaysia; the largest environment management agency; and the largest vehicle inspection authority. DRB-HICOM is also the first assembler of the Mercedes-Benz S Class outside of Germany; the first and only independent airport ground handler in Malaysia; and the first to develop a riverfront resort-style residential property, and a resort marina in the country.

These achievements have been attained as a result of strategic planning and constant efforts to create synergies from the Group's diversified businesses. In its pursuit of expansion, and in further developing the nation, DRB-HICOM as a Group acts as a powerful engine fuelled by teamwork, inspired by a high level of integrity, and driven by the quest for excellence.

DRB-HICOM Q3 net profit doubles to RM131m

DRB-HICOM Bhd, one of the country's leading corporations in the automotive sector, saw its third quarter net profit rise two-fold to RM131.1 million, due to better performance from subsidiaries in the services sector and higher share of results of associated companies.

Higher claims provision made by its insurance subsidiary also helped to beat the RM64.3 million net profit achieved by the group a year ago.

Periksa kenderaan lebih cepat di Puspakom

KUALA LUMPUR - Kenderaan perdagangan selepas ini tidak perlu menunggu lama semasa menjalani pemeriksaan di Pusat Pemeriksaan Kenderaan Berkomputer (Puspakom) kerana jumlah butiran yang diperiksa akan dikurangkan kepada 90 sahaja berbanding lebih 200 sebelumnya.

Ketua Pengarah Jabatan Pengangkutan Jalan (JPJ), Datuk Solah Mat Hassan berkata, jumlah 90 butiran itu merangkumi aspek keselamatan dan keselesaan penggunaan manakala pihaknya tidak akan berkompromi dengan mana-mana pemilik apabila ia melibatkan kedua-dua aspek tersebut.

"JPJ telah diarah untuk memantau proses pemeriksaan yang dibuat oleh Puspakom dan 200 butiran yang diperiksa akan dikurangkan kepada 90 butiran melalui satu perincian yang diadakan sebelum ini," katanya yang ditemui pada sidang akhbar selepas Majlis Pelancaran Pelat Integriti JPJ di sini semalam.

Menurut Solah, pihaknya ada menerima maklum balas daripada pemilik kenderaan perdagangan dan pengguna awam bahawa banyak butiran yang diperiksa kadangkala tidak mempunyai sebarang kaitan dengan aspek keselamatan dan keselesaan pengguna.

Bank Muamalat catat keuntungan bersih RM54 juta

KUALA LUMPUR 23 Dis. - Bank Muamalat Malaysia Bhd. (Bank Muamalat) mencatat keuntungan bersih sebanyak RM53.7 juta bagi sembilan bulan berakhir 30 September lalu, iaitu 139.7 peratus lebih tinggi berbanding RM22.4 juta, tempoh sama tahun lalu.

Bank Muamalat dalam kenyataannya di sini, berkata, peningkatan keuntungan itu mencerminkan kualiti aset menagih yang sama kelas untuk beragreg terhadap pem-



daripada RM132 juta, tempoh sebelumnya. Pada masa yang sama, keuntungan bersih untuk suku ketiga bertambah RM31.3 juta berbanding RM12.1 juta, tempoh sama tahun lalu berikutan sumbangan kos pembiayaan lebih rendah yang menyederhanakan hingga RM50 juta daripada RM78.9 juta.

tempoh itu juga telah menyumbang secara positif dalam menurunkan kos pembiayaan bank yang mana pendapatan yang dipertanggungjawabkan untuk pendeposit sederhana pada 34 peratus kepada RM155.2 juta. Bagi tempoh itu, jumlah aset telah meningkat 2.3 peratus kepada RM147.7 bilion, menunjukkan keinginan untuk kredit walaupun momentum ekonomi yang sederhana. "Nisbah pembiayaan tidak bayaran bank mencatat prestasi baik dengan mengukuh

tahun lalu. Sementara itu, bagi tempoh sembilan bulan pertama itu, modal saham melonjak kepada RM1 bilion berikutan kejayaan meningkatkan modal oleh pemegang saham pada Mac, sekali gus menambahkan Nisbah Modal Bersandarkan Risiko (RWCR) yang kekal stabil pada 17.8 peratus. Nisbah pulangan ke atas ekuiti bertambah baik kepada 6.8 peratus untuk tempoh sembilan bulan berbanding 5.3 peratus, tempoh

The DRB-HICOM group is the most integrated automotive group in Malaysia, involving everything from design, engineering, assembly, pre-delivery inspection, accommodation and distribution of vehicles to providing after-sales and engineering services and producing parts and components, the conglomerate does them all. And the crown jewel of the automotive division is undoubtedly its Pekan automotive complex, operated under four companies namely HICOM Automotive Manufacturing (Malaysia) Sdn Bhd, HICOM Malaysia Sdn Bhd, HICOM Defense Technologies (M) Bhd, and DRB-HICOM Auto Solutions Sdn Bhd.

DRB-HICOM'S CROWN JEWEL IN PEKAN

DRB-HICOM Bhd's automotive complex in Pekan, Pahang, was one of the country's first vehicle assembly plants and, perhaps, the most modern when it was established in 1984. DRB-HICOM group managing director Datuk Seri Mohd Khamil Jamil reveals to ZURAIMI ABDULLAH how the complex attributed to industrialisation in the royal town and became an inspiration to the local folks as it celebrates its 25th anniversary today.



Kuasai 15% pasaran

Modenas yakin jual 2,500 unit model CT 100 sebulan



DRB-Hicom to introduce hybrid car by 2012

SHAH ALAM: Malaysian automotive conglomerate DRB-Hicom Bhd aims to introduce its own hybrid car by 2012 in line with the government's objective to promote hybrid and electric vehicles and the development of related infrastructure. The company is in talks with three potential partners to manufacture the car and hopes to finalise the deal next year, said group director of automotive, Datuk Nik Hamdam Nik Hassan. "We want to have our own hybrid car... we can call it Hicom hybrid. It will take 18 to 24 months to have this car to come on stream," he told a media briefing on the company's automotive business update yesterday.

Nik Hamdam, who declined to name the parties however said one of them was DRB-Hicom's existing partner. He said demand for hybrid car was increasing although the price was a little bit expensive compared with conventional car as the people's in-

crease the market share to 2-3% from 10% now with the fast enhancing performance, especially the after-sales and service activities. Nik Hamdam said the total industry volume of vehicles forecast to reach 540,000 units in 2010 from 525,000 units estimated in 2009. The company planned to launch at least 10 new models and upgrade its various marques and this expected to spur its automotive business year, he said. "Among them would be the A5 and Audi R8, including two models from Suzuki," he said. On the discontinuance of its joint venture between DRB-Hicom and GM, Nik Hamdam said: "We have difficulty agreeing on a point of their business model. It has us have different objectives."

Nik Hamdam said DRB-Hicom would continue to supply the parts of Chevrolet vehicles until

Program gotong-royong cara elak banjir kilat



Program gotong royong ini bertujuan untuk membersihkan kawasan sekitar sungai dan saluran air. Program ini dianjurkan oleh Jabatan Pengangkutan Jalan (JPJ) dan melibatkan masyarakat setempat. Tujuan utama program ini adalah untuk memastikan saluran air tidak tersumbat dan mengelakkan banjir kilat. Program ini dijalankan secara berkala dan melibatkan kerjasama antara pihak berkuasa tempatan dan masyarakat.



DRB-Hicom eksport Suzuki Swift April 2010

Kompleks automotif di Pelan capai standard global

KOMPAGI automotif DRB-Hicom P171an mengumumkan bahawa telah berjaya mengeksport Suzuki Swift ke pasaran global pada bulan April 2010.

Presiden Utama Hicom, Dr. Mohd Khalid Juma, berkata ini menjadi sejarah baru kerana Suzuki Swift adalah model pertama yang dihasilkan di Malaysia dan dieksport ke pasaran global.

DRB-Hicom mengumumkan bahawa ini akan membolehkan mereka untuk bersaing dengan syarikat automotif antarabangsa yang lain.

DRB-Hicom juga mengumumkan bahawa ini akan membolehkan mereka untuk bersaing dengan syarikat automotif antarabangsa yang lain.

Peromobil Sdn Bhd chair the launch of the new A18

Peromobil Sdn Bhd chair the launch of the new A18

Peromobil Sdn Bhd mengumumkan bahawa telah berjaya melancarkan model baharu mereka, Peromobil A18, pada bulan April 2010.

Peromobil A18 adalah model pertama yang dihasilkan di Malaysia dan dieksport ke pasaran global.

Peromobil Sdn Bhd mengumumkan bahawa ini akan membolehkan mereka untuk bersaing dengan syarikat automotif antarabangsa yang lain.

DRB-HICOM plans auto university college

This will complement group's existing automotive business

PETALING JAYA, DRB-Hicom plans to set up an automotive university college to produce skilled human capital for the industry.

The college will be a joint venture between DRB-Hicom and a local university.

The college will offer a three-year diploma program in automotive technology.

Modenas CT 100 ke luar negara

Labor RM8 juta perkenal model terbaru motosikal kepada umum

SYARIKAT Modenas Indonesia mengumumkan bahawa telah berjaya mengeksport model baharu mereka, Modenas CT 100, ke pasaran global pada bulan April 2010.

Modenas CT 100 adalah model pertama yang dihasilkan di Indonesia dan dieksport ke pasaran global.

Modenas Indonesia mengumumkan bahawa ini akan membolehkan mereka untuk bersaing dengan syarikat automotif antarabangsa yang lain.

Open house, open arms, open hearts

Open house, open arms, open hearts

DRB-Hicom mengumumkan bahawa telah berjaya melancarkan model baharu mereka, Peromobil A18, pada bulan April 2010.

Peromobil A18 adalah model pertama yang dihasilkan di Malaysia dan dieksport ke pasaran global.

Peromobil Sdn Bhd mengumumkan bahawa ini akan membolehkan mereka untuk bersaing dengan syarikat automotif antarabangsa yang lain.

DRB-Hicom edar makanan

DRB-Hicom edar makanan

DRB-Hicom mengumumkan bahawa telah berjaya melancarkan model baharu mereka, Peromobil A18, pada bulan April 2010.

Peromobil A18 adalah model pertama yang dihasilkan di Malaysia dan dieksport ke pasaran global.

Peromobil Sdn Bhd mengumumkan bahawa ini akan membolehkan mereka untuk bersaing dengan syarikat automotif antarabangsa yang lain.

DRB-HICOM Bhd. mahu tarik lagi syarikat asing buka kilang Terajui pemasangan kenderaan premium

DRB-Hicom sumbang van jenazah RM100,000



Pelan DRB-Hicom kuasai pasaran

Lancar sekurang-kurang 10 model baru tahun depan

DRB-Hicom Bhd mahu tarik lagi syarikat asing untuk membuka kilang di Malaysia.

DRB-Hicom mengumumkan bahawa ini akan membolehkan mereka untuk bersaing dengan syarikat automotif antarabangsa yang lain.

DRB-Hicom juga mengumumkan bahawa ini akan membolehkan mereka untuk bersaing dengan syarikat automotif antarabangsa yang lain.

DRB-Hicom Amazing Hunt A Priceless Journey

DRB-Hicom Amazing Hunt A Priceless Journey



DRB-Hicom serah zakat RM4.7 juta

DRB-Hicom serah zakat RM4.7 juta



Up in a bear market

DRB-HICOM Bhd's shares rose amid a sharply lower market yesterday after the company confirmed that it was in early talks to sell its stake in Bank Muamalat to Bahrain-based lender Al Baraka.

The shares rose by 1 per cent to RM1.05 yesterday. There was a jump in volumes traded to 5.3 million shares, its highest in a day since September last year.

Its performance stood out amid a 1.1 per cent dip in the FTSE Bursa Malaysia KLCI to 1,253.02 points.

DRB, essentially an automotive and property group, owns 70 per cent of the local Islamic broker while state investment firm Khazanah Nasional holds a 30 per cent stake.

Pelan DRB-Hicom kuasai pasaran

Lancar sekurang-kurang 10 model baru tahun depan

DRB-Hicom Bhd mahu tarik lagi syarikat asing untuk membuka kilang di Malaysia.

DRB-Hicom mengumumkan bahawa ini akan membolehkan mereka untuk bersaing dengan syarikat automotif antarabangsa yang lain.

DRB-Hicom juga mengumumkan bahawa ini akan membolehkan mereka untuk bersaing dengan syarikat automotif antarabangsa yang lain.

DRB-Hicom edar makanan

DRB-Hicom edar makanan

DRB-Hicom mengumumkan bahawa telah berjaya melancarkan model baharu mereka, Peromobil A18, pada bulan April 2010.

Peromobil A18 adalah model pertama yang dihasilkan di Malaysia dan dieksport ke pasaran global.

Peromobil Sdn Bhd mengumumkan bahawa ini akan membolehkan mereka untuk bersaing dengan syarikat automotif antarabangsa yang lain.

DRB-Hicom serah zakat RM4.7 juta

DRB-Hicom serah zakat RM4.7 juta

DRB-Hicom mengumumkan bahawa telah berjaya melancarkan model baharu mereka, Peromobil A18, pada bulan April 2010.

Peromobil A18 adalah model pertama yang dihasilkan di Malaysia dan dieksport ke pasaran global.

Peromobil Sdn Bhd mengumumkan bahawa ini akan membolehkan mereka untuk bersaing dengan syarikat automotif antarabangsa yang lain.

calendar of events



▲
6 APRIL 2009
The Senior Management of DRB-HICOM Berhad was invited by Perdana Leadership Foundation to attend the Bridges Programme with Professor Dr. George F. Smoot. Professor Smoot, the 2006 Nobel Laureate for Physics, gave a talk on *Contemplating the Birth of the Universe*.

▼
26 APRIL 2009

DRB-HICOM lent a helping hand to Tabung Yayasan Pembangunan Anak Yatim/Miskin (PEMANGKIN), by pledging a total of RM150,000.00 over a period of five years. A mock cheque was presented to Datin Sri Rosmah Mansor, Official Patron of PEMANGKIN, by Group Chief Financial Officer, Dato' Lukman Ibrahim.



▲
9 MAY 2009 & 21 MARCH 2010

Glenmarie Golf & Country Club received a very special visitor, in the personage of Prime Minister Dato' Sri Mohd Najib Tun Abdul Razak in conjunction with *Golf Sahabat Bersama YAB Dato' Sri Mohd Najib Tun Abdul Razak*. Subsidiaries Audi, Suzuki, Mitsubishi, Honda and MODENAS joined parent company DRB-HICOM Berhad to ensure the event's success.



▲
2 MAY 2009

Hari Pekerja was celebrated in Putra Stadium, National Sports Complex. Organised by the Ministry of Human Resources, a total of 12,000 workers assembled for the occasion and DRB-HICOM was represented by 117 proud Warga Kerja.



▲
11 MAY 2009

Audi Q5 received overwhelming response at its launch at the Glenmarie Golf & Country Club. The new Audi Q5 is touted as an SUV for the new generation.

11 MAY 2009

The Management Team of EPF, headed by its Chief Executive Officer Tan Sri Azlan Zainol, visited DRB-HICOM and was welcomed by the Group Managing Director Dato' Sri Haji Mohd Khamil Jamil and all Heads of Division. The EPF team was briefed on the Group's developments by Dato' Lukman Ibrahim, Dato' Nik Hamdam Nik Hassan and Encik Aslam Farikullah.



20 JUNE 2009

PUSPAKOM held its 1st Media Fishing Challenge at the Sea Lion Fishing Park in Port Klang, attracting media organisations from the Klang Valley. The overall winner, Encik Helmi Hamzah of *Berita Harian*, walked away with RM700 cash, a trophy and a mini bar.



30 JULY 2009

A six-member Korean delegation headed by Mr. Soo Hung Li, Chairman of Wang Do Engineering Co. Ltd., visited DRB-HICOM Berhad.



25-26 JULY 2009

DRB-HICOM sponsored RM200,000.00 for the Royal Pahang Kart Prix 2009. The inaugural Kart Prix was held in conjunction with the 50th birthday celebration of KDYTM Tengku Mahkota Pahang.



13 MAY 2009

Fifty-nine children of Warga DRB-HICOM who excelled in their SPM/STPM 2008 examinations were rewarded in a simple yet meaningful ceremony. The high achievers each received a Bank Muamalat Al Mudharabah Savings Account with a minimum of RM300, sponsored by DRB-HICOM Berhad.



1-2 AUGUST 2009

More than 700 employees of DRB-HICOM Berhad and members of their families gathered at Tiara Beach Resort in Port Dickson for a Family Day event organised by Kelab Sukan DRB-HICOM.

calendar of events (continued)

11 AUGUST 2009

A four-member delegation led by Mrs. Nevine El Shafei, Vice Chairman of the General Authority for Investment and Free Trade Zones, Egypt, visited DRB-HICOM Berhad for a briefing on the Group's core businesses.



4 SEPTEMBER 2009

As a responsible corporate citizen, DRB-HICOM Berhad and its subsidiaries also paid their dues in the form of business tithe totalling RM4,740,784.86.



7-9 AUGUST 2009

DRB-HICOM hosted the local media for a long-distance drive and an amazing race to Lake Kenyir Resort & Spa in Terengganu covering 1,140km. Some 50 media participants made up a convoy of 25 cars, ranging from deluxe SUVs like the Audi Q5 and Honda CRV to other new models in the DRB-HICOM Berhad fleet.



4 SEPTEMBER 2009

500 Warga DRB-HICOM Berhad and members of their families gathered at an annual *iftar* at the Glenmarie Golf & Country Club. Special guests from Rumah Anak-Anak Yatim Sg. Manggis, Banting and single mothers from Wangsa Maju were also invited to the event.



15 SEPTEMBER 2009

Some 150 children of Rumah Anak KesayanganKu in Bukit Beruntung, Selangor, got to wear new *baju kurung* and *baju melayu*, donated by DRB-HICOM, to celebrate *Syawal*. They also received *duit raya* and daily essentials while their home was supplied with a washing machine, a rice cooker and a kettle.

30 SEPTEMBER 2009

The annual DRB-HICOM Corporate Raya Open House was held at the Hotel Istana, at which more than 1,200 people were feted. Among the dignitaries was a special royal guest, KDYTM Tengku Mahkota Pahang.



15 OCTOBER 2009

The Minority Shareholder Watchdog Group (MSWG) made a courtesy visit to DRB-HICOM to meet the Board and Senior Management of the Group. Apart from getting to know the Group and its activities, this visit was also part of MSWG's assessment for the Malaysian Corporate Governance Index. The MSWG team was headed by Ms. Rita Bushon.



23 OCTOBER 2009

Sixty Indonesian national army officers made a study visit to DRB-HICOM, headed by Brigadier-General Tentera Negara Indonesia, Chaidir Serunting Sakti. The study visit formed part of the *Kuliah Kerja Luar Negeri Pendidikan Reguler Ke-36* programme of Indonesian National Army.



14 OCTOBER 2009

A Corporate Responsibility (CR) briefing to CEOs, CFOs and COOs was conducted in EON's Auditorium by PricewaterhouseCoopers' Executive Director, Mr. Andrew Chan. He presented the findings of a group-wide CR survey conducted four months previously, the Group's CR framework and the way forward for DRB-HICOM's CR initiatives.



15 OCTOBER 2009

Staff of DRB-HICOM and its subsidiaries got together for a Hari Raya Open House organised by Kelab Sukan DRB-HICOM in Wisma DRB-HICOM.



23 OCTOBER 2009

MODENAS launched its latest motorcycle, MODENAS CT110, at the Holiday Inn Kuala Lumpur Glenmarie. The launch was officiated by DRB-HICOM Chairman Dato' Syed Mohamad Syed Murtaza.

calendar of events (continued)



26 OCTOBER 2009
Following the Padang Earthquake, DRB-HICOM Berhad and its subsidiaries gathered their resources to donate daily essentials worth RM66,508.20. All the items were channelled to the victims through the Malaysian Red Crescent Society.

27-28 OCTOBER 2009
A group of 10 business and automotive journalists were invited for a tour of the DRB-HICOM's Pekan Automotive Complex in conjunction with its 25th anniversary, which fell on 20 October 2009.



17 NOVEMBER 2009
As a token of appreciation for DRB-HICOM's support, Lembaga Zakat Selangor (LZS) held a special corporate tour for 33 DRB-HICOM staff from HQ and 11 subsidiaries to a few ASNAF locations.



2 DECEMBER 2009
The Management of DRB-HICOM Group hosted the CEOs' Appreciation Night to recognise the contribution of all CEOs Group-wide.



2 DECEMBER 2009
A press conference was held at the Gleneagles Room, Holiday Inn Kuala Lumpur Glenmarie, to clarify DRB-HICOM Berhad's partnership with Suzuki, following a negative report published by a weekly.

8 DECEMBER 2009

The *6-in-1* package, a collaboration between DRB-HICOM Berhad and the Taxi Associations of Malaysia, was signed at the Royal Lake Club, Kuala Lumpur.



12 DECEMBER 2009

The 25th Anniversary celebration of the DRB-HICOM Automotive Complex in Pekan was officiated by KDYMM Sultan of Pahang, Sultan Ahmad Shah. Also in attendance were the KDYMM Sultanah Pahang, KDYTM Tengku Mahkota Pahang, YAB Prime Minister and YAB Chief Minister of Pahang and their wives.

13 JANUARY 2010

UKM was officially launched as a Zero Waste Campus in conjunction with the first anniversary of the collaboration between Alam Flora and UKM.



11 DECEMBER 2009

PUSPAKOM held a graduation ceremony for its auxiliary police trainees at PULAPOL in Kuala Lumpur, with Dato' Khalid Abdol Rahman, Group Director of Corporate & Services, as Guest of Honour.



13 JANUARY 2010

Perodua's Chairman visited the HICOM Diecastings Sdn. Bhd. plant.

calendar of events (continued)

31 JANUARY 2010

The DRB-HICOM & Perodua Friendly Golf Game was held at the Glenmarie Golf & Country Club.



6 FEBRUARY 2010

DRB-HICOM Berhad was the main sponsor for the JOM SIHAT campaign held at Kampung Janda Baik, Bentong, Pahang.



16 JANUARY 2010

Ten teams presented their projects at the 6th QIT Convention, with Group Chief Financial Officer Dato' Lukman Ibrahim as the Guest of Honour. HICOM-YAMAHA Manufacturing Malaysia Sdn. Bhd. emerged as the champion, as well as the best presenter.



3 FEBRUARY 2010

Handing over ceremony of a *Van Jenazah* (funeral van) to Kampung Bestari Jaya, Dewan Orang Ramai, Kampung Bestari Jaya.



12 FEBRUARY 2010

The MODENAS CT100 was launched by DYT M Tengku Mahkota Pahang in conjunction with the Malaysian Hockey League 2009/10 at the National Hockey Stadium.



23 FEBRUARY 2010

Visit by Defence Minister YB Dato' Seri Dr. Ahmad Zahid bin Hamidi to the DEFTECH Pekan Plant.



18 MARCH 2010

The much awaited Audi R8 V10 was unveiled at the opening of the new Audi Kuala Lumpur Showroom by Prime Minister YAB Dato' Sri Mohd Najib Tun Abdul Razak.



29 MARCH 2010

Extraordinary General Meeting of Edaran Otomobil Nasional Berhad (EON).



28 MARCH 2010

The International College of Automotive (ICAM) took in its first batch of students.

11 MARCH 2010

KSDH Intra Club Games 2010 organised by Kelab Sukan DRB-HICOM.



financial calendar

FINANCIAL YEAR END
31 MARCH 2010

ANNOUNCEMENT OF RESULTS

28 AUGUST 2009
FIRST QUARTER

26 NOVEMBER 2009
SECOND QUARTER

25 FEBRUARY 2010
THIRD QUARTER

25 MAY 2010
FOURTH QUARTER

**PUBLISHED ANNUAL REPORT
AND FINANCIAL STATEMENTS**
23 AUGUST 2010

ANNUAL GENERAL MEETING
15 SEPTEMBER 2010

DIVIDENDS

For the financial year ended 31 March 2010

INTERIM
1.5 SEN GROSS PER SHARE

ANNOUNCEMENT DATE:
25 FEBRUARY 2010

ENTITLEMENT DATE:
12 MARCH 2010

PAYMENT DATE:
29 MARCH 2010

FINAL
2.5 SEN GROSS PER SHARE

ANNOUNCEMENT DATE:
25 MAY 2010

ENTITLEMENT DATE:
22 SEPTEMBER 2010

PAYMENT DATE:
15 OCTOBER 2010

Directors

DATO' SYED MOHAMAD BIN SYED MURTAZA
CHAIRMAN/SENIOR INDEPENDENT
NON-EXECUTIVE DIRECTOR

DATO' SRI HAJI MOHD KHAMIL BIN JAMIL
GROUP MANAGING DIRECTOR

DATO' NOORRIZAN BINTI SHAFIE
NON-INDEPENDENT NON-EXECUTIVE DIRECTOR

DATO' IBRAHIM BIN TAIB
NON-INDEPENDENT NON-EXECUTIVE DIRECTOR

DATUK HAJI ABDUL RAHMAN BIN MOHD RAMLI
INDEPENDENT NON-EXECUTIVE DIRECTOR

ONG IE CHEONG
INDEPENDENT NON-EXECUTIVE DIRECTOR

TAN SRI MARZUKI BIN MOHD NOOR
INDEPENDENT NON-EXECUTIVE DIRECTOR

OUI TEIK HUAT
INDEPENDENT NON-EXECUTIVE DIRECTOR

AUDIT COMMITTEE

CHAIRMAN

DATUK HAJI ABDUL RAHMAN BIN MOHD RAMLI

MEMBERS

TAN SRI MARZUKI BIN MOHD NOOR
ONG IE CHEONG
OOI TEIK HUAT

NOMINATION AND REMUNERATION COMMITTEE

CHAIRMAN

DATO' SYED MOHAMAD BIN SYED MURTAZA

MEMBERS

TAN SRI MARZUKI BIN MOHD NOOR
ONG IE CHEONG

RISK COMMITTEE

CHAIRMAN

TAN SRI MARZUKI BIN MOHD NOOR

MEMBERS

DATUK HAJI ABDUL RAHMAN BIN MOHD RAMLI
OOI TEIK HUAT

SECRETARY

Chan Choy Lin (MIA 3930)
Tel : (03) 2052 7695
Fax : (03) 2052 7696
E-mail : cclin@drb-hicom.com

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 8099

WEBSITE

www.drb-hicom.com

INVESTOR RELATIONS

Tel : (03) 2052 8000
Fax : (03) 2052 8928
E-mail : invest@drb-hicom.com

REGISTRAR

Symphony Share Registrars Sdn. Bhd.Bhd
(Company No: 378993-D)
Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan
Tel : (03) 7841 8000
Fax : (03) 7841 8151/52
E-mail : ask_us@symphony.com.my

AUDITORS

PricewaterhouseCoopers
Chartered Accountants
Level 10, 1 Sentral
KL Sentral, Jalan Travers
50704 Kuala Lumpur
Tel : (03) 2173 1188
Fax : (03) 2173 1288

PRINCIPAL BANKERS

Malayan Banking Berhad
CIMB Bank Berhad
Bank Muamalat Malaysia Berhad
RHB Bank Berhad
Bank Kerjasama Rakyat Malaysia Berhad
AmBank Berhad
Affin Bank Berhad

PRINCIPAL SOLICITOR

Naqiz & Partners

STOCK EXCHANGE LISTING

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

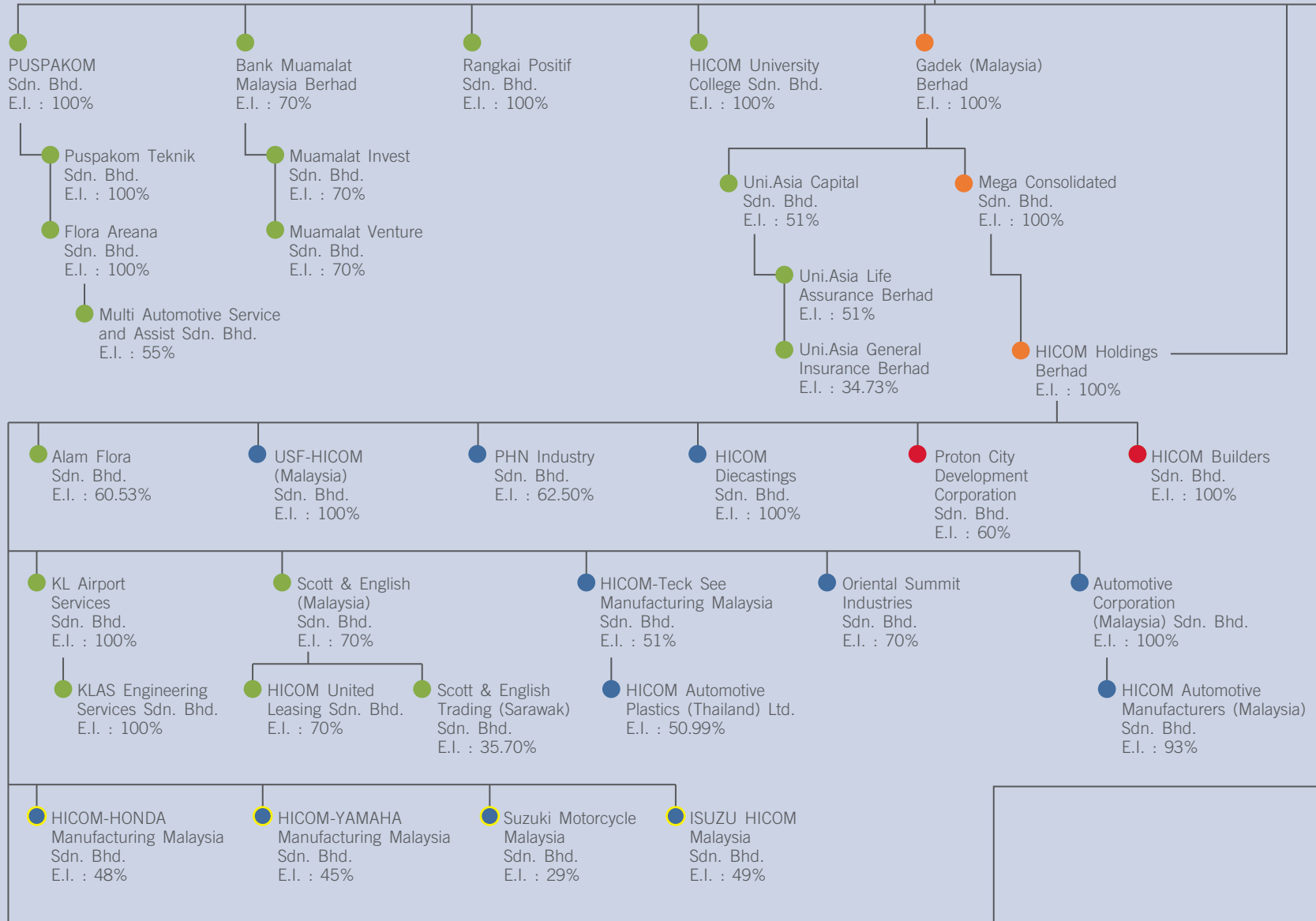
AGM HELPDESK

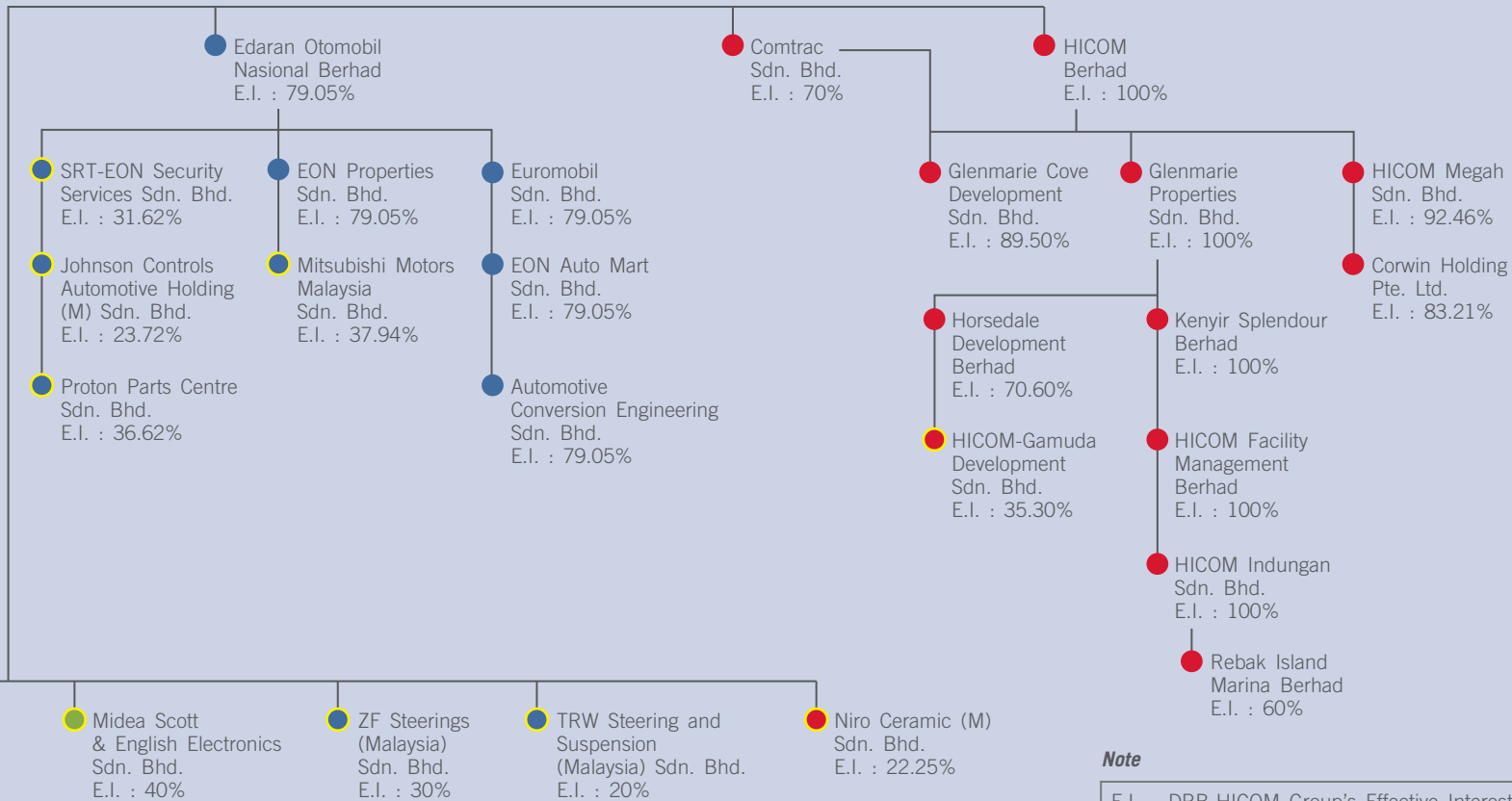
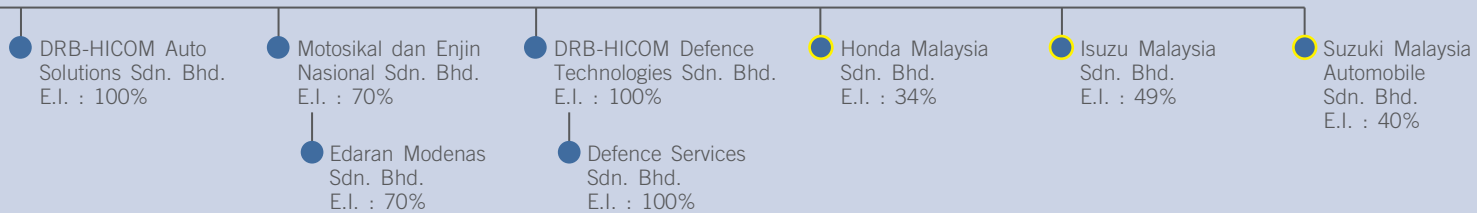
Tel : (03) 2052 8936/7695
Fax : (03) 2052 8099

group corporate structure

(OPERATING COMPANIES) as at 31 March 2010

DRB-HICOM





Sectorial

- AUTOMOTIVE
- PROPERTY & INFRASTRUCTURE
- SERVICES
- INVESTMENT HOLDING
- JOINTLY CONTROLLED ENTITIES / ASSOCIATED COMPANIES

Note

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

Kindly refer to pages 153 to 166 for the full listing of Group companies

group corporate structure by sector

(SIGNIFICANT OPERATING COMPANIES) as at 31 March 2010



Automotive

100.00%	Automotive Corporation (Malaysia) Sdn. Bhd.	49.00%	Isuzu Malaysia Sdn. Bhd.
100.00%	Defence Services 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%	DRB-HICOM Defence Technologies Sdn. Bhd.	37.94%	Mitsubishi Motors Malaysia Sdn. Bhd.
100.00%	HICOM Diecastings Sdn. Bhd.	36.62%	Proton Parts Centre Sdn. Bhd.
100.00%	USF-HICOM (Malaysia) Sdn. Bhd.	49.00%	ISUZU HICOM Malaysia Sdn. Bhd.
93.00%	HICOM Automotive Manufacturers (Malaysia) Sdn. Bhd.	40.00%	Suzuki Malaysia Automobile Sdn. Bhd.
79.05%	Edaran Otomobil Nasional Berhad	34.00%	Honda Malaysia Sdn. Bhd.
79.05%	Euromobil Sdn. Bhd.	30.00%	ZF Steerings (Malaysia) Sdn. Bhd.
70.00%	Motosikal Dan Enjin Nasional Sdn. Bhd.	29.00%	Suzuki Motorcycle Malaysia Sdn. Bhd.
70.00%	Edaran Modenas Sdn. Bhd.	23.72%	Johnson Controls Automotive Holding (M) Sdn. Bhd.
70.00%	Oriental Summit Industries Sdn. Bhd.	20.00%	TRW Steering and Suspension (Malaysia) Sdn. Bhd.
62.50%	PHN Industry Sdn. Bhd.		
51.00%	HICOM-Teck See Manufacturing Malaysia Sdn. Bhd.		
50.99%	HICOM Automotive Plastics (Thailand) Ltd.		

28

DRB-HICOM BERHAD
annual report 2010



Services

100.00%	Rangkaian Positif Sdn. Bhd.
100.00%	PUSPAKOM Sdn. Bhd.
100.00%	KL Airport Services Sdn. Bhd.
100.00%	HICOM University College Sdn. Bhd.
70.00%	Bank Muamalat Malaysia Berhad
70.00%	Scott & English (Malaysia) Sdn. Bhd.
60.53%	Alam Flora Sdn. Bhd.
51.00%	Uni.Asia Life Assurance Berhad
34.73%	Uni.Asia General Insurance Berhad
40.00%	Midea Scott & English Electronics Sdn. Bhd.

Property & Infrastructure

100.00%	Glenmarie Properties Sdn. Bhd. <i>(formerly known as HICOM Properties Sdn. Bhd.)</i>
100.00%	HICOM Builders Sdn. Bhd.
100.00%	HICOM Facility Management Berhad
100.00%	HICOM Indungan Sdn. Bhd.
100.00%	HICOM Berhad
100.00%	Kenyir Splendour Berhad
92.46%	HICOM Megah Sdn. Bhd.
89.50%	Glenmarie Cove Development Sdn. Bhd.
70.60%	Horsedale Development Berhad
70.00%	Comtrac Sdn. Bhd.
60.00%	Proton City Development Corporation Sdn. Bhd.
60.00%	Rebak Island Marina Berhad
35.30%	HICOM-Gamuda Development Sdn. Bhd.
22.25%	Niro Ceramic (M) Sdn. Bhd.

■ SUBSIDIARY COMPANIES

■ JOINTLY CONTROLLED ENTITIES

■ ASSOCIATED COMPANIES

Note : % – DRB-HICOM Group's Effective Interest

Kindly refer to pages 153 to 166 for the full listing of Group companies.

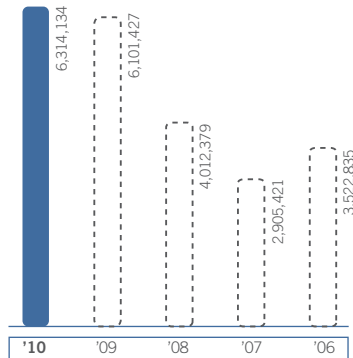
group's five years financial highlights

	2010 RM'000	2009 RM'000	2008 RM'000	2007 RM'000	2006 RM'000
Operating Revenue	6,314,134	6,101,427	4,012,379	2,905,421	3,522,835
Profit/(Loss) Before Taxation	657,894	774,943	376,073	187,131	(196,744)
Earnings/(Loss) Per Share (sen)	24.43	47.41	29.02	9.47	(20.72)
Dividend Per Share^ (sen)	4.00	15.833	5.00	3.50	2.00
Total Assets	25,994,579	21,522,868	9,329,041	8,232,218	8,544,283
Shareholders' Equity	4,579,736	4,160,744	2,911,368	2,601,396	2,462,190
Net Assets Per Share (RM)	2.37*	2.15*	2.89	2.58	2.46
Total Borrowings	1,489,635	1,505,994	2,229,492	2,255,121	2,624,787
Gearing Ratio (times)	0.33	0.36	0.77	0.87	1.07

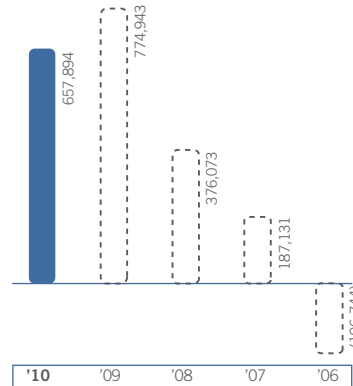
^ Dividend per share (gross) consists of interim and final dividend declared and proposed for the designated financial year.

* Based on enlarged share capital of 1,933,237,051 ordinary shares.

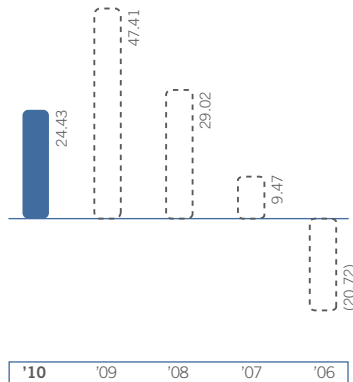
OPERATING REVENUE (RM'000)



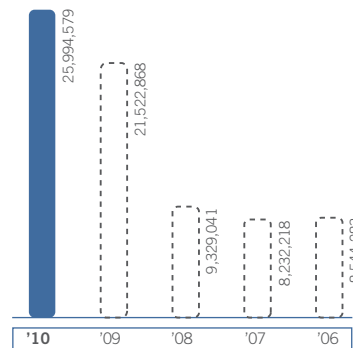
PROFIT/(LOSS) BEFORE TAXATION (RM'000)



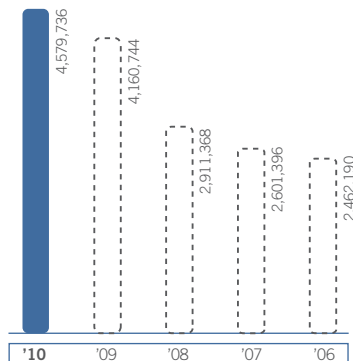
BASIC EARNINGS/(LOSS) PER SHARE (sen)



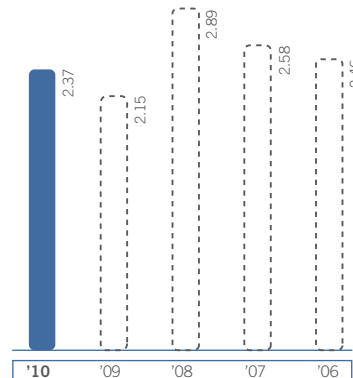
TOTAL ASSETS (RM'000)



SHAREHOLDERS' EQUITY (RM'000)



NET ASSETS PER SHARE (RM)



operating revenue (RM)

6.3 BILLION

dividend per share

4.00 SEN

basic earnings per share

24.43 SEN

total assets (RM)

25.99 BILLION

shareholders' equity (RM)

4.58 BILLION

net assets per share (RM)

2.37

board of directors



32

DRB-HICOM BERHAD
annual report 2010

from left:

Tan Sri Marzuki bin Mohd Noor
Independent Non-Executive Director

Ooi Teik Huat
Independent Non-Executive Director

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

Dato' Noorizan binti Shafie
Non-Independent Non-Executive Director

Dato' Syed Mohamad bin Syed Murtaza
Chairman/Senior Independent Non-Executive Director

Dato' Ibrahim bin Taib
Non-Independent Non-Executive Director

Ong Ie Cheong
Independent Non-Executive Director

Dato' Sri Haji Mohd Khamil bin Jamil
Group Managing Director



profile of directors

34
DRB-HICOM BERHAD
annual report 2010



DATO' SYED MOHAMAD BIN SYED MURTAZA
CHAIRMAN/SENIOR INDEPENDENT
NON-EXECUTIVE DIRECTOR

Dato' Syed Mohamad bin Syed Murtaza, a Malaysian, aged 62, was appointed to the Board on 28 October 2005 and was subsequently appointed Chairman on 1 July 2009. He is also Chairman of the Nomination and Remuneration Committee.

Dato' Syed Mohamad has more than 40 years' experience in the business, corporate and entrepreneurial sectors. After completing his education at the Penang

Free School, he joined Kah Motors and was subsequently appointed to key positions in various business and non-business organisations, both locally and internationally. He has also served multinational companies such as Shell Malaysia and was Chairman of the Penang Port Commission. He is highly experienced in a diverse range of businesses, from automotive and manufacturing to exports, trading, property and oil and gas.

Dato' Syed Mohamad is the Managing Director of Armstrong Auto Parts Sdn. Bhd. He also heads Penang Tourists Centre Bhd., MITTAS Bhd., Motorcycle, Scooter Assembly & Distributor Association of Malaysia and the Usains Group of Companies. He is President of both The Federation of Asian Motorcycle Industries and the Steering Committee of International Motorcycle Manufacturers Association.

Dato' Syed Mohamad is Chairman of Master-Pack Group Berhad (formerly known as Hunza Consolidation Berhad), HICOM Holdings Berhad, HICOM Berhad and sits on the Boards of Yayasan Bumiputra Pulau Pinang Bhd., Boon Siew Credit Bhd., Tourism Entrepreneur Centre Bhd., PBA Holdings Berhad and several private limited companies. In addition, he has held many 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 2010.



DATO' SRI HAJI MOHD KHAMIL BIN JAMIL
GROUP MANAGING DIRECTOR

Dato' Sri Haji Mohd Khamil bin Jamil, a Malaysian, aged 54, was appointed to the Board on 19 July 2005 and became Group Managing Director on 1 March 2006. He holds a Bachelor of Laws (Honours) 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.

Dato' Sri Haji Mohd Khamil began his executive career at Bank Bumiputra Malaysia Berhad in August 1980, where he served until December 1989. He was called to the Malaysian Bar in September 1990, following which he became a practising partner of several legal firms before venturing into business in 2001.

Dato' Sri Haji Mohd Khamil also sits on the Boards of Edaran Otomobil Nasional Berhad, HICOM Holdings Berhad, HICOM Berhad, Horsedale Development Berhad, Bank Muamalat Malaysia Berhad, Uni.Asia General Insurance Berhad, Uni.Asia Life Assurance Berhad and several private limited companies.

Dato' Sri Haji Mohd Khamil is a Director of Etika Strategi Sdn. Bhd., the holding company of DRB-HICOM Berhad in which he has a 10% shareholding.

Dato' Sri 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.

Dato' Sri Haji Mohd Khamil attended seven out of eight Board Meetings of the Company held in the financial year ended 31 March 2010.



DATO' NOORRIZAN BINTI SHAFIE
NON-INDEPENDENT NON-EXECUTIVE DIRECTOR

Dato' Noorizan binti Shafie, a Malaysian, aged 54, was appointed to the Board on 28 November 2006. She holds a Bachelor of Economics (Honours) and a Master of Business Administration from the National University of Malaysia (UKM).

Dato' Noorizan 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 the Economic Planning Unit in the Prime Minister's Department, Public Services Department and Ministry of Finance.

Dato' Noorizan also sits on the Board of HICOM Holdings Berhad.

Dato' Noorizan is a Non-Independent Director nominated by the Ministry of Finance. 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' Noorizan attended seven out of eight Board Meetings of the Company held in the financial year ended 31 March 2010.



DATO' IBRAHIM BIN TAIB
NON-INDEPENDENT NON-EXECUTIVE DIRECTOR

Dato' Ibrahim bin Taib, a Malaysian, aged 56, was appointed to the Board on 18 March 2004. He holds a Bachelor of Laws (Honours) Degree from the University of Malaya and a Master of Laws (LLM) from the University of London.

Dato' Ibrahim started his career in the judicial service in 1978 as a Magistrate in the Magistrate Court, Jalan Duta, Kuala Lumpur. Thereafter, he was transferred to the Magistrate Court in Segamat. In 1982, he became a Legal Advisor with the Road Transport Department; and continued in the same role in the Ministry of Human Resources in 1986. 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 the Employees Provident Fund, where he is currently Deputy Chief Executive Officer. He sat on the Board of Kumpulan Wang Amanah Pencen until his resignation on 28 February 2007.

Dato' Ibrahim also sits on the Board of Bandar Eco-Setia Sdn. Bhd., Hartanah Progresif Sdn. Bhd. and Iskandar Investment Berhad.

Dato' Ibrahim is a Non-Independent Director nominated by the Company's substantial shareholder, the Employees Provident Fund. 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.

Dato' Ibrahim attended seven out of eight Board Meetings of the Company held in the financial year ended 31 March 2010.



**DATUK HAJI ABDUL RAHMAN
BIN MOHD RAMLI**
INDEPENDENT NON-EXECUTIVE DIRECTOR

Datuk Haji Abdul Rahman bin Mohd Ramli, a Malaysian, aged 71, was appointed to the Board on 28 October 2005. He is the Chairman of the Audit Committee and a member of the Risk Committee. 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 Chairman of Horsedale Development Berhad and Kenyir Splendour Berhad. He also sits on the Board of Kuala Lumpur – Kepong Berhad.

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 2010.



ONG IE CHEONG
INDEPENDENT NON-EXECUTIVE DIRECTOR

Mr Ong Ie Cheong, a Malaysian, aged 69, was appointed to the Board of DRB-HICOM Berhad on 28 October 2005. He is a member of the Audit Committee as well as the Nomination and Remuneration Committee. He holds a Bachelor of Science Degree from the University of Malaya.

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 prior to joining the DRB-HICOM Board.

Mr Ong also sits on the Boards of HICOM Holdings Berhad, HICOM Berhad and several private limited companies of DRB-HICOM Berhad.

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.

Mr Ong attended seven out of eight Board Meetings of the Company held in the financial year ended 31 March 2010.



TAN SRI MARZUKI BIN MOHD NOOR
INDEPENDENT NON-EXECUTIVE DIRECTOR

Tan Sri Marzuki bin Mohd Noor, a Malaysian, aged 62, was appointed to the Board on 28 November 2006. He is Chairman of the Risk Committee and a member of the Audit as well as the Nomination and Remuneration Committees. He holds a BA (Honours) from the University of Malaya.

Tan Sri Marzuki started his career in the Administrative and Diplomatic Service of Malaysia in 1972, retiring in August 2006. From 1972 to 1988, he served as Second/First Secretary at the Embassy of Malaysia in Rome and in Baghdad; Assistant High Commissioner in Chennai, India; Commissioner in Hong Kong; and later as Minister-Counselor in Brussels, Belgium, in 1988.

In 1990, Tan Sri Marzuki was appointed 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 High

Commissioner of Malaysia to India (concurrently accredited as Ambassador to Nepal). Prior to his retirement, he was the Ambassador of Malaysia to Japan from 1999 to July 2006.

Tan Sri Marzuki is Chairman of Edaran Otomobil Nasional Berhad and sits on the Boards of Horsedale Development Berhad, HICOM Holdings 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 seven out of eight Board Meetings of the Company held in the financial year ended 31 March 2010.



Ooi Teik Huat
INDEPENDENT NON-EXECUTIVE DIRECTOR

Mr Ooi Teik Huat, a Malaysian, aged 50, was appointed to the Board on 1 November 2008. He is a member of the Audit and Risk Committees. He is a member of the Malaysian Institute of Accountants and CPA Australia and holds a Bachelor of Economics from Monash University, Australia.

Mr Ooi started his career in 1984 with Messrs Hew & Co. (now known as Messrs Mazars), Chartered Accountants, before joining Malaysian International Merchant Bankers Berhad (now known as MIMB Investment Bank Berhad) in 1989. Between 1993 and 1996, he was Head of Corporate Finance at Pengkalen Securities Sdn. Bhd. (now known as PM Securities Sdn. Bhd.).

Mr Ooi sits on the Boards of Tradewinds Plantations Berhad, MMC Corporation Berhad, Johor Port Berhad, Tradewinds (M) Berhad, Zelan Berhad and several private limited companies. He is presently a Director of Meridian Solutions Sdn. Bhd.

Mr Ooi 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.

Mr Ooi attended all eight Board Meetings of the Company held in the financial year ended 31 March 2010.

management team



42

DRB-HICOM BERHAD
annual report 2010



from left:

Dato' Khalid bin Abdol Rahman
Group Director, Corporate and Services

Dato' Lukman bin Ibrahim
Group Chief Financial Officer

Dato' Sri Haji Mohd Khamil bin Jamil
Group Managing Director

Abd Malek bin Abd Majid
Group Director, Human Resource

Dato' Nik Hamdam bin Nik Hassan
Group Director, Automotive

Datuk Syed Mohamed bin Syed Ibrahim
Group Director, Property and Infrastructure

management team (continued)





from left:

Mohammed Shukor bin Ismail
Head, Internal Audit

Mohd Aslam bin Farikullah
Head, Vehicle Manufacturing Projects

Dato' Haji Salamat bin Wahit
Head, Institutional Liaison and Business
Development

Hamdan bin Ahammu
Head, Corporate Communications

Carol Chan Choy Lin
Principal Company Secretary/
Head, Corporate Secretarial



Insurance
SERVIC

Motor Vehi
Inspectio
Airport Servic

Islamic Bank
Operations & Mainte

(Power P

Solid Waste Manag

Industrial Equipment Fram

Facilities Main

AUTOMOTI

Components Passenger Ve

Commercial & Utility Ve

Customised Vehicles Motorcycle

Defence Vehicles & Equip

PROPERTY

INFRASTRUCTU

Residential Integrated Toy





chairman's statement





DEAR SHAREHOLDERS,

It gives me added pleasure to present our annual report this year because it has a special significance. It outlines the performance of DRB-HICOM during its 30th year of operations. It goes without saying that a company that has lasted as long must be doing something right. In the case of DRB-HICOM, it would be more accurate to say we have been doing several things right.

The Group resembles a 30-year-old rainforest tree. Our values and principles are like the strong network of roots that dig deep into the ground, providing an almost indestructible anchor to the robust trunk (the corporate office), its branches (the operating units) and foliage (services and products). Leaves will be shed, as our services and products leave the Group to enhance the lives of customers, but are constantly replaced by new shoots that cumulatively add to the tree's stature. Non-metaphorically, the Group has proven its resilience during the two most trying periods in recent corporate Malaysian history – the 1997 and 2008 financial crises. In both instances, DRB-HICOM withstood the crushing environment while many others crashed around us.

Over 30 years, we have grown from the Heavy Industries Corporation of Malaysia (HICOM) into a conglomerate with core businesses in the Automotive, Services and Property & Infrastructure Sectors. In each, we have steadily moved up the value chain without losing sight of our implicit aim of adding to and propelling the nation's development. In the Automotive Sector, DRB-HICOM has evolved from a distributor to a co-principal in the production of leading car marques. In Property & Infrastructure, we do not just build residential or commercial developments, but offer attractive lifestyles under our recognised Glenmarie brand. In Services, we have successfully discarded a rather complacent concession mentality by injecting an entrepreneurial spirit of innovation into our businesses, which are now exploring novel ways of expanding and increasing their bottom lines.

DRB-HICOM has more than 60 operational units spread across the length and breadth of the country, employing some 23,000 personnel. Keeping the businesses together, and growing the Group as a unified entity, poses a constant challenge. Rather than be daunted, however, we are invigorated by this challenge and meet it head on, year after year.

DATO' SYED MOHAMAD BIN SYED MURTAZA
Chairman

chairman's statement (continued)

At DRB-HICOM, we create synergies from our different businesses so that their sum total is greater than the individual parts. We ensure a balance between the volatile but potentially high-yielding Automotive and Property Sectors, and the steady recurring income from our Services Sector. We are guided by sound business principles and forward planning while maintaining a nimbleness to adapt to changes in the economic and political environment. We develop and empower our leaders who are entrusted with a high level of autonomy while lending our ears to young executives who have fresh, creative ideas to share. In other words, everyone, every process and every procedure contributes, and is expected to contribute, to the Group's overall success.

The road to recovery gained momentum and the first quarter of 2010 saw a significant 10.1% expansion of the economy.

Despite the difficult operating environment, the Group managed to grow its businesses, especially in the Services Sector, leading to a 3.5% increase in revenue to RM6.31 billion from RM6.10 billion in the previous financial year. Meanwhile, concerted efforts to further improve operational efficiencies coupled with cost-cutting and saving measures, meant we achieved a 115% increase in operating profit of RM446.5 million, from RM207.4 million in the previous year.

In the year under review we disposed of five non-income generating estates – Connemara, Serendah, Ladang Kupang, Ladang Gadek and New Serendah – while acquiring Benua Kurnia Sdn. Bhd. and Neraca Prisma Sdn. Bhd., both of which hold large land banks in prime areas in Johor Bahru. The Group earned RM211.43 million from the disposal of these estates, leading to a PBT of RM657.9 million, as compared to a PBT of RM774.94 million in the previous year, which had been contributed to by the one-off gain of RM567.6 million from the disposal of EON Capital Berhad.

As part of the Group's rationalisation, the management committee made the strategic decision to cease the operations of loss-making HICOM Engineering Sdn. Bhd., which was not adding to either our top or bottom line. Personnel and other assets from this outfit will be absorbed into other Manufacturing and Engineering companies, where they will contribute in a meaningful way to the Group.

The Board has proposed a final dividend of 2.5 sen gross per share less taxation for the financial year, in addition to the interim dividend of 1.5 sen gross per share amounting to RM21.75 million paid on 29 March 2010.

SUSTAINABLE DEVELOPMENT

As a responsible corporate organisation, DRB-HICOM is committed to ensuring our operations are sustainable



and fulfil the expectations of our stakeholders in the long term. We cannot control the external environment, but do our utmost to keep internal processes and the internal operating environment as lean and efficient as possible. Being sustainable also means staying one step ahead of the competition at all times. We capitalise on our partnerships with leading global brands, especially in the Automotive Sector, to maintain a winning edge locally. Thanks to our symbiotic relationships with foreign strategic partners, we have built world-class capabilities within our manufacturing and engineering plants.

Over and above the transfer of technology, DRB-HICOM invests in local R&D in collaboration with universities and other professional bodies. As a result, we have managed to develop in-house technologies in areas crucial to our further growth and expansion. Subsidiary MODENAS, for example, has produced an electric motorbike prototype, the technology for which was developed entirely by our own engineers.

50

DRB-HICOM BERHAD
annual report 2010





R&D is also applied to our Services Sector, where it has the potential to improve processes and create innovative applications of available resources. Alam Flora is a case in point; it is researching a number of potential 'green' businesses – such as the conversion of waste into energy – which would increase its portfolio and substantially enhance its revenue.

While we seek to broaden our scope and reach out to new horizons, we are mindful of the pitfalls inherent in new ventures and strictly adhere to policies and guidelines that keep the Group's activities within

acceptable risk limits. DRB-HICOM has a vigilant Risk Committee which meets periodically to review all risks outlined by the operating units and explores initiatives to mitigate and manage those risks that have been identified.

The Group's policies on corporate governance further safeguard our viability as a corporate entity. Transparency and integrity are hallmarks of any organisation of repute. These values are integral to DRB-HICOM as they are part of the Group's Shared Values, namely excellence, decorum, teamwork,

integrity, innovation, quality and transparency. DRB-HICOM expects each member of our board of directors and senior management to live and practise these values so as to inculcate the same in all our employees. Our Shared Values complement the recommendations of the Malaysian Code on Corporate Governance (Code), which we have also internalised. The Code formalises structures and processes relevant to board composition, the appointment of new directors, their remuneration, the use of board committees, their mandates and activities.



INVESTOR RELATIONS

DRB-HICOM is committed to ensuring our stakeholders are kept abreast of the Group's performance and latest developments. We recognise the importance of providing timely information to shareholders and the investment community, reflecting the highest standards of integrity and fair disclosure. We have in fact integrated our Investor Relations (IR) functions under the Corporate & Services Division in order to enhance our IR efforts in the coming financial years.

In addition to the Annual General Meeting, at which shareholders, Directors and the Management engage in constructive communication on all matters pertaining to the DRB-HICOM Group, we also conduct one-on-one meetings with fund managers, analysts and other stakeholders. Meanwhile, our quarterly financial results, released to Bursa Malaysia Securities Berhad, can be viewed on its website <http://www.bursamalaysia.com> and DRB-HICOM's own website at <http://www.drb-hicom.com> provides corporate information on the Group as well as press releases on the Group's key corporate activities.

CORPORATE RESPONSIBILITY

The very foundation of DRB-HICOM is steeped in corporate responsibility (CR). The Group began as HICOM, which was established to boost the development of industry in the country. Thirty years on, I am pleased to note that we have accomplished this objective. Yet, the drive to support the Government in its developmental agenda has not diminished. DRB-HICOM is conscious of the role it can play to further elevate the socio-economic standing of Malaysians which, in turn, would entrench the nation more firmly in the global arena.

The setting-up of the International College of Automotive (ICAM) is a prime example of this. Opened in March this year, its objective is not merely to serve the interests of the Group, but more generally to nurture a skilled and knowledgeable technical workforce that will promote the automotive industry at the national and international levels.

DRB-HICOM's ingrained sense of responsibility has manifested itself in many ways over the years. We have always responded to requests for philanthropic aid, while maintaining a healthy relationship with all stakeholders. Needless to say, staff welfare has always been a top priority. In response to global trends, however, we have adopted the Global Reporting Initiative's CR framework comprising the four pillars of the workplace, community, environment and marketplace. This formalises our CR initiatives and gives them more structure.

From the year 2010/11 onwards, each operating company as well as the corporate office will put aside 5% of our profit before tax specifically for CR programmes. This CR budget will be channeled towards initiatives in the community, workplace, the environment and marketplace.

Workplace CR will include the professional development of our people, whom we recognise as invaluable assets. In addition to training opportunities, both in-house and externally, senior staff are required to provide constant coaching and tracking of employees to motivate them and help them realise their true potential. High performers are identified and given added opportunities

to grow. As they progress up the career ladder, we provide them with attractive remuneration packages in order to keep them within the Group, where they form part of the succession line.

AWARDS & RECOGNITION

The Group's relentless quest to increase the quality of our products and services has led to a string of awards and certifications. In the year under review, several operating companies received recognition by local and international bodies. Among the more prestigious awards were:

- **Honda Supplier of the Year Award** to PHN Industry
- **Best Quality Award from Toyota Boshoku UMW (TBU)** to PHN Industry
- **Toyota Outstanding Quality Performance Award** to Oriental Summit Industries (OSI)
- **Yamaha Green Partner Award** to HICOM-Yamaha Manufacturing Malaysia

Certifications awarded included:

- **OHSAS 18001:2007** to HICOM-Teck See Manufacturing
- **ISO 9001:2000 & ISO/TS 16949** to HICOM Automotive Manufacturers
- **ISO 9001:2000** to ISUZU HICOM Malaysia

OUTLOOK & PROSPECTS

As the Malaysian economy is already improving, the Group's prospects for the year 2010/11 look bright. I am confident that all three sectors within DRB-HICOM will benefit from the revitalised environment and will post even better results in 2010/11 than they did this year. We have several exciting launches to look forward to, both in the Automotive and Property Sectors, while our Services Sector will continue to provide stable, yet increasing income. Having survived two relatively difficult years, and having completed our 30th year commendably well, I can safely say we are suitably poised to take on any challenge as we continue along our exciting journey into the future.



ACKNOWLEDGEMENTS

I would like to take this opportunity to thank fellow members of the board, who have diligently carried out their duties in guiding the Group. I would also like to commend the senior management, ably led by Group Managing Director Dato' Sri Haji Mohd Khamil bin Jamil, for their commitment and excellent leadership. Our 23,000 employees, meanwhile, deserve the highest praise for their dedication and the many extra hours they have invested into the Group. Finally, a special word of thanks to our shareholders, to whom the Group is deeply beholden.

DATO' SYED MOHAMAD BIN SYED MURTAZA
Chairman