

UMW HOLDINGS BERHAD

(COMPANY NO. 090278-P)
(INCORPORATED IN MALAYSIA)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE
FIRST QUARTER ENDED 31ST MARCH 2012
(THE FIGURES HAVE NOT BEEN AUDITED)**

	CURRENT QUARTER ENDED 31/03/2012 RM'000	COMPARATIVE QUARTER ENDED 31/03/2011 RM'000	3 MONTHS CUMULATIVE TO DATE 31/03/2012 RM'000	COMPARATIVE 3 MONTHS CUMULATIVE TO DATE 31/03/2011 RM'000
<u>Continuing Operations</u>				
Revenue	3,695,797	3,221,160	3,695,797	3,221,160
Operating Expenses	(3,342,995)	(2,948,076)	(3,342,995)	(2,948,076)
Other Operating Income	53,206	36,740	53,206	36,740
Profit From Operations	406,008	309,824	406,008	309,824
Finance Costs	(26,020)	(20,780)	(26,020)	(20,780)
Share Of Profits Of Associated Companies	36,425	36,961	36,425	36,961
Investment Income	16,914	13,533	16,914	13,533
Profit Before Taxation	433,327	339,538	433,327	339,538
Taxation	(90,890)	(79,692)	(90,890)	(79,692)
Profit For The Period	342,437	259,846	342,437	259,846
<u>Other Comprehensive Income:</u>				
Translation Of Foreign Operations	(3,053)	(807)	(3,053)	(807)
Cash Flow Hedge	47	(403)	47	(403)
Other Comprehensive Income Net Of Tax	(3,006)	(1,210)	(3,006)	(1,210)
Total Comprehensive Income For The Period	339,431	258,636	339,431	258,636
<u>Profit For The Period Attributable To:</u>				
Equity Holders Of The Company	220,034	151,832	220,034	151,832
Non-Controlling Interests	122,403	108,014	122,403	108,014
	342,437	259,846	342,437	259,846
<u>Total Comprehensive Income Attributable To:</u>				
Equity Holders Of The Company	217,507	150,895	217,507	150,895
Non-Controlling Interests	121,924	107,741	121,924	107,741
	339,431	258,636	339,431	258,636
<u>EPS Attributable To Equity Holders Of The Company:</u>				
Basic EPS For The Period (Sen)	18.83	13.07	18.83	13.07
Diluted EPS For The Period (Sen)	18.83	13.06	18.83	13.06

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying explanatory notes attached to the Interim Financial Statements)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	(UNAUDITED) AS AT 31/03/2012 RM'000	(RESTATED AUDITED) AS AT 31/12/2011 RM'000	(RESTATED) AS AT 01/01/2011 RM'000
ASSETS			
Non-Current Assets			
Property, Plant And Equipment	3,029,389	3,077,195	2,852,305
Investment Properties	77,314	77,574	81,488
Intangible Assets	199,407	199,415	258,489
Land Use Rights	4,731	4,771	4,931
Leased Assets	229,993	226,936	193,998
Investments in Associates	1,460,917	1,424,444	1,453,059
Deferred Tax Assets	57,644	56,521	41,286
Other Investments	73,409	54,730	132,463
Derivative Assets	66,489	62,261	63,746
	<u>5,199,293</u>	<u>5,183,847</u>	<u>5,081,765</u>
Current Assets			
Inventories	1,787,858	1,518,883	1,396,135
Trade Receivables	1,101,127	891,946	749,688
Other Receivables	464,088	325,628	359,480
Other Investments	240,814	391,271	229,963
Derivative Assets	7,433	5,404	4,897
Deposits, Cash And Bank Balances	2,252,283	2,219,430	2,195,051
	<u>5,853,603</u>	<u>5,352,562</u>	<u>4,935,214</u>
Non-Current Assets Held For Sale	4,548	4,548	6,839
	<u>5,858,151</u>	<u>5,357,110</u>	<u>4,942,053</u>
TOTAL ASSETS	<u>11,057,444</u>	<u>10,540,957</u>	<u>10,023,818</u>
EQUITY AND LIABILITIES			
Equity Attributable To Equity Holders Of The Company			
Share Capital	584,147	584,147	576,687
Share Premium	794,482	794,482	716,708
Capital Reserve	396	396	1,469
Foreign Currency Translation Reserve	(28,918)	(26,344)	(40,826)
Share Option Reserve	-	-	14,514
Hedging Reserve	47	-	-
Retained Profits	3,116,517	2,896,483	2,758,541
	<u>4,466,671</u>	<u>4,249,164</u>	<u>4,027,093</u>
Non-Controlling Interests	1,456,361	1,328,904	1,239,918
TOTAL EQUITY	<u>5,923,032</u>	<u>5,578,068</u>	<u>5,267,011</u>
Non-Current Liabilities			
Provision For Liabilities	67,953	69,132	65,016
Deferred Tax Liabilities	34,062	34,040	26,428
Long Term Borrowings	1,719,537	1,743,296	1,858,199
Derivative Liabilities	15,643	19,852	21,255
	<u>1,837,195</u>	<u>1,866,320</u>	<u>1,970,898</u>
Current Liabilities			
Provision For Liabilities	50,991	79,213	81,294
Taxation	69,559	83,410	107,553
Short Term Borrowings	852,907	776,887	761,046
Bank Overdrafts	65,728	73,821	64,189
Trade Payables	1,174,222	789,755	838,842
Other Payables	1,078,214	1,134,500	771,455
Derivative Liabilities	5,596	1,263	4,883
Dividend Payable	-	157,720	156,647
	<u>3,297,217</u>	<u>3,096,569</u>	<u>2,785,909</u>
TOTAL LIABILITIES	<u>5,134,412</u>	<u>4,962,889</u>	<u>4,756,807</u>
TOTAL EQUITY AND LIABILITIES	<u>11,057,444</u>	<u>10,540,957</u>	<u>10,023,818</u>
Net Assets Per Share (RM)	3.8232	3.6371	3.4916

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying explanatory notes attached to the interim Financial Statements)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31ST MARCH 2012

	←----- NON-DISTRIBUTABLE -----→				----- DISTRIBUTABLE -----							
	SHARE CAPITAL RM'000	SHARE PREMIUM RM'000	CAPITAL RESERVE RM'000	FOREIGN CURRENCY TRANSLATION RESERVE RM'000	SHARE OPTION RESERVE RM'000	FAIR VALUE ADJUSTMENT RESERVE RM'000	HEDGING RESERVE RM'000	RETAINED PROFITS RM'000		TOTAL RM'000	NON-CONTROLLING INTERESTS RM'000	TOTAL EQUITY RM'000
3 MONTHS ENDED 31ST MARCH 2012												
At 1 st January 2012	584,147	794,482	6,302	(26,344)	-	(16,235)	-	2,906,812	4,249,164	1,328,904	5,578,068	
Effects of Applying MFRS	-	-	(5,906)	-	-	16,235	-	(10,329)	-	-	-	
At 1 st January 2012 (Restated)	584,147	794,482	396	(26,344)	-	-	-	2,896,483	4,249,164	1,328,904	5,578,068	
Transactions with owners												
Issue of ordinary shares by subsidiaries	-	-	-	-	-	-	-	-	-	5,533	5,533	
Total comprehensive income	-	-	-	(2,574)	-	-	47	220,034	217,507	121,924	339,431	
At 31 st March 2012	584,147	794,482	396	(28,918)	-	-	47	3,116,517	4,466,671	1,456,361	5,923,032	
3 MONTHS ENDED 31ST MARCH 2011												
At 1 st January 2011	576,687	716,708	7,375	(40,826)	14,514	-	-	2,752,635	4,027,093	1,239,918	5,267,011	
Effects of Applying MFRS	-	-	(5,906)	-	-	-	-	5,906	-	-	-	
At 1 st January 2011 (Restated)	576,687	716,708	1,469	(40,826)	14,514	-	-	2,758,541	4,027,093	1,239,918	5,267,011	
Transactions with owners												
Issue of ordinary shares by a subsidiary	-	-	-	-	-	-	-	-	-	8,805	8,805	
Issue of ordinary shares pursuant to ESOS	5,724	50,117	-	-	-	-	-	-	55,841	-	55,841	
Total comprehensive income	-	-	-	(534)	-	-	(403)	151,832	150,895	107,741	258,636	
At 31 st March 2011	582,411	766,825	1,469	(41,360)	14,514	-	(403)	2,910,373	4,233,829	1,356,464	5,590,293	

(The Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the accompanying explanatory notes attached to the interim Financial Statements)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31ST MARCH 2012

	3 MONTHS ENDED 31/03/2012 RM'000	3 MONTHS ENDED 31/03/2011 RM'000
Cash Flow From Operating Activities		
Profit Before Taxation	433,327	339,538
Adjustments For:		
Depreciation & Amortisation	88,192	75,929
Reversal Of Impairment Losses on Investments	(18,961)	(97)
Net Inventories Written Down	2,545	56,687
Interest Expense	26,020	20,780
Share of Results of Associates	(36,425)	(36,961)
Reversal Of Impairment Losses On Receivables	(8,946)	(981)
Net Fair Value Gains On Derivatives	(6,132)	(10,286)
Interest & Dividend Income	(16,914)	(13,533)
Others	(3,308)	(31,615)
Operating Profit Before Working Capital Changes	459,398	399,461
(Increase)/Decrease In Receivables	(339,018)	26,551
Increase In Inventories	(271,520)	(80,179)
Increase In Payables	285,226	29,368
Cash Generated From Operating Activities	134,086	375,201
Interest Paid	(14,284)	(15,489)
Taxation Paid	(105,519)	(100,873)
Net Cash Generated From Operating Activities	14,283	258,839
Cash Flow From Investing Activities		
Purchase Of Properties, Plant & Equipment	(54,886)	(147,884)
Proceeds From Disposal Of Properties, Plant & Equipment	16,753	12,062
Interest & Dividend Income	16,914	13,533
Other Investments (Net)	150,909	220,035
Net Cash Generated From Investing Activities	129,690	97,746
Cash Flow From Financing Activities		
Proceeds From Issuance Of Shares	5,533	64,644
Dividends Paid To Equity Holders Of The Company	(157,720)	(156,647)
Drawdown Of Loans & Borrowings	76,020	57,742
Repayment Of Loans & Borrowings	(23,759)	(224,981)
Net Cash Used In Financing Activities	(99,926)	(259,242)
Net Increase In Cash And Cash Equivalents	44,047	97,343
Cash And Cash Equivalents As At 1st January	2,145,609	2,130,862
Effects Of Exchange Rate Changes	(3,101)	(955)
Cash And Cash Equivalents As At 31st March	2,186,555	2,227,250

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the accompanying explanatory notes attached to the interim Financial Statements)

Note 1 - Significant Accounting Policies and Application of MFRS 1 - 16A(a)

First-time Adoption of Malaysian Financial Reporting Standards

On 19th November 2011, the Malaysian Accounting Standards Board ("MASB") issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("MFRS Framework"). The Group is required to prepare its financial statements for the year ending 31st December 2012 using the MFRS Framework. For the periods up to and including the year ended 31st December 2011, the Group prepared its financial statements in accordance with Financial Reporting Standards ("FRS").

The condensed consolidated interim financial statements ("CCIFS") for the quarter ended 31st March 2012 have been prepared in accordance with MFRS 134 *Interim Financial Reporting* and Chapter 9, paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The CCIFS also comply with IAS 34 *Interim Financial Reporting* issued by the International Accounting Standards Board.

The CCIFS are the Group's first MFRS CCIFS for part of the period covered by the Group's first MFRS annual financial statements for the year ending 31st December 2012. MFRS 1 *First-Time Adoption of Malaysian Financial Reporting Standards* ("MFRS 1") has been applied.

Significant Accounting Policies and Application of MFRS 1

Except for certain differences, the requirements under FRS and MFRS are similar. The significant accounting policies adopted in preparing the CCIFS under MFRS for the quarter ended 31st March 2012 are consistent with those of the audited financial statements for the year ended 31st December 2011 except as discussed below -

a) Business Combination

MFRS 1 provides the option to apply MFRS 3 *Business Combinations*, prospectively from the date of transition or from a specific date prior to the date of transition. This provides relief from full retrospective application of MFRS 3 which would require restatement of all business combinations prior to the date of transition.

Acquisitions before date of transition

The Group has elected to apply MFRS 3 prospectively from the date of transition or 1st January 2011. In respect of acquisitions prior to 1st January 2011 -

- i) The classification of business combinations under FRS is maintained;
- ii) There is no re-measurement of original fair values determined at the time of business combination or at date of acquisition; and
- iii) The carrying amount of goodwill recognised under FRS is not adjusted.

b) Property, plant and equipment

The Group has previously adopted the transitional provisions available on the first application of the MASB Approved Accounting Standard IAS 16 (Revised) *Property, Plant and Equipment* which was effective for periods ending on or after 1st September 1998. By virtue of these transitional provisions, the Group had recorded certain land and buildings at revalued amounts but had not adopted a policy of regular revaluation of such assets. These assets are stated at their respective valuation less accumulated depreciation and impairment losses.

Upon transition to MFRS, the Group has elected to continue to measure all its property, plant and equipment using the cost model under MFRS 116 *Property, Plant and Equipment*. At the date of transition to MFRS or 1st January 2011, the Group elected to regard the revalued

amounts of land and buildings first revalued in 1979, 1984 and 1985 as deemed cost at the date of the revaluation as these amounts were broadly comparable to fair value at that date. The revaluation surplus of RM5.9 million (31st March 2011: RM5.9 million; 31st December 2011: RM5.9 million) was transferred to retained earnings on date of transition to MFRS.

c) Quoted equity instruments

Under FRS, the Group designated its investment in Hilong Holding Limited, a company quoted in the Hang Seng Stock Exchange, as available-for-sale financial asset in accordance with FRS 139 Financial Instruments: Recognition and Measurement. Changes in fair value were taken to other comprehensive income while impairment loss is recognised in the profit or loss. At 1st January 2011, this quoted equity instrument has been designated as financial asset at fair value through profit or loss under MFRS. Changes in fair value are taken to profit or loss.

This re-designation has no impact on retained earnings in the opening statement of financial position as there was no fair value movement as at 1st January 2011, (31st March 2011: nil ; 31st December 2011: RM16,235,000).

d) Estimates

The estimates at 1st January 2011 and at 31st December 2011 were consistent with those made for the same dates in accordance with FRS. The estimates used by the Group to present these amounts in accordance with MFRS reflect conditions at 1st January 2011, the date of transition to MFRS and as of 31st December 2011.

In preparing its opening MFRS Statement of Financial Position as at 1st January 2011, the date of transition from FRS to MFRS, the Group has to restate certain amounts previously reported in the financial statements prepared in accordance with FRS. An explanation of how the transition from FRS to MFRS has affected the Group's financial position, financial performance and cash flow is set out below. These notes include reconciliations of equity and total comprehensive income for comparative periods and of equity at the date of transition reported under FRS to those reported for those periods and at the date of transition under MFRS. The transition from FRS to MFRS has not had a material impact on the statement of cash flows.

(i) Reconciliation of Equity As At 1st January 2011

	FRS As At 01.01.2011 RM'000	*PPE Deemed Cost RM'000	**FVTPL Financial Assets RM'000	MFRS As At 01.01.2011 RM'000
Non-Current Assets				
Other Investments				
- Held To Maturity	1,000	-	-	1,000
- FVTPL	48,944	-	77,775	126,719
- Available-For-Sale	82,519	-	(77,775)	4,744
Other Non-Current Assets	4,949,302	-	-	4,949,302
Total Non-Current Assets	5,081,765	-	-	5,081,765
Total Current Assets	4,942,053	-	-	4,942,053
TOTAL ASSETS	10,023,818	-	-	10,023,818
Equity Attributable To Equity Holders Of The Company				
Share Capital	576,687	-	-	576,687
Share Premium	716,708	-	-	716,708
Capital Reserve	7,375	(5,906)	-	1,469
Foreign Currency Translation Reserve	(40,826)	-	-	(40,826)
Share Option Reserve	14,514	-	-	14,514
Retained Profits	2,752,635	5,906	-	2,758,541
	4,027,093	-	-	4,027,093
Non-Controlling Interests	1,239,918	-	-	1,239,918
Total Equity	5,267,011	-	-	5,267,011
TOTAL LIABILITIES	4,756,807	-	-	4,756,807
TOTAL EQUITY AND LIABILITIES	10,023,818	-	-	10,023,818

*PPE - Property, Plant and Equipment

**FVTPL - Fair Value Through Profit or Loss

(ii) Reconciliation of Equity As At 31st March 2011

	FRS As At 31.03.2011 RM'000	*PPE Deemed Cost RM'000	**FVTPL Financial Assets RM'000	MFRS As At 31.03.2011 RM'000
Non-Current Assets				
Other Investments				
- Held To Maturity	1,000	-	-	1,000
- FVTPL	49,229	-	77,775	127,004
- Available-For-Sale	82,342	-	(77,775)	4,567
Other Non-Current Assets	5,068,624	-	-	5,068,624
Total Non-Current Assets	5,201,195	-	-	5,201,195
Total Current Assets	4,832,394	-	-	4,832,394
TOTAL ASSETS	10,033,589	-	-	10,033,589
Equity Attributable To Equity Holders Of The Company				
Share Capital	582,411	-	-	582,411
Share Premium	766,825	-	-	766,825
Capital Reserve	7,375	(5,906)	-	1,469
Foreign Currency Translation Reserve	(41,360)	-	-	(41,360)
Share Option Reserve	14,514	-	-	14,514
Hedging Reserve	(403)	-	-	(403)
Retained Profits	2,904,467	5,906	-	2,910,373
	4,233,829	-	-	4,233,829
Non-Controlling Interests	1,356,464	-	-	1,356,464
Total Equity	5,590,293	-	-	5,590,293
TOTAL LIABILITIES	4,443,296	-	-	4,443,296
TOTAL EQUITY AND LIABILITIES	10,033,589	-	-	10,033,589

(iii) Reconciliation of Equity As At 31st December 2011

	FRS As At 31.12.2011 RM'000	*PPE Deemed Cost RM'000	**FVTPL Financial Assets RM'000	MFRS As At 31.12.2011 RM'000
Non-Current Assets				
Other Investments				
- Held To Maturity	1,000	-	-	1,000
- FVTPL	18,536	-	30,627	49,163
- Available-For-Sale	35,194	-	(30,627)	4,567
Other Non-Current Assets	5,136,975	-	-	5,136,975
Total Non-Current Assets	5,191,705	-	-	5,191,705
Total Current Assets	5,349,252	-	-	5,349,252
TOTAL ASSETS	10,540,957	-	-	10,540,957
Equity Attributable To Equity Holders Of The Company				
Share Capital	584,147	-	-	584,147
Share Premium	794,482	-	-	794,482
Capital Reserve	6,302	(5,906)	-	396
Foreign Currency Translation Reserve	(26,344)	-	-	(26,344)
Fair Value Adjustment Reserve	(16,235)	-	16,235	-
Retained Profits	2,906,812	5,906	(16,235)	2,896,483
	4,249,164	-	-	4,249,164
Non-Controlling Interests	1,328,904	-	-	1,328,904
Total Equity	5,578,068	-	-	5,578,068
TOTAL LIABILITIES	4,962,889	-	-	4,962,889
TOTAL EQUITY AND LIABILITIES	10,540,957	-	-	10,540,957

(iv) Reconciliation of Total Comprehensive Income for The Year Ended 31st December 2011

	FRS 31.12.2011 RM'000	FVTPL Financial Assets RM'000	MFRS 31.12.2011 RM'000
<u>Continuing Operations</u>			
Revenue	13,535,753	-	13,535,753
Operating Expenses	(12,408,918)	(16,235)	(12,425,153)
Other Operating Income	146,342	-	146,342
Profit From Operations	1,273,177	(16,235)	1,256,942
Finance Costs	(90,477)	-	(90,477)
Share Of Profits Of Associated Companies	120,889	-	120,889
Investment Income	77,897	-	77,897
Profit Before Taxation	1,381,486	(16,235)	1,365,251
Taxation	(411,973)	-	(411,973)
Profit For The Period	969,513	(16,235)	953,278
<u>Other Comprehensive Income:</u>			
Translation Of Foreign Operations	10,390	-	10,390
Fair Value Movement On Available-For-Sale Financial Assets	(16,235)	16,235	-
Other Comprehensive Income Net Of Tax	(5,845)	16,235	10,390
Total Comprehensive Income For The Period	963,668	-	963,668
<u>Profit For The Period Attributable To:</u>			
Equity Holders Of The Company	502,053	(16,235)	485,818
Non-Controlling Interests	467,460	-	467,460
	969,513	(16,235)	953,278
<u>Total Comprehensive Income Attributable To:</u>			
Equity Holders Of The Company	500,300	-	500,300
Non-Controlling Interests	463,368	-	463,368
	963,668	-	963,668

The change from FRS to MFRS has no impact on the total comprehensive income for the quarter ended 31st March 2011.

Note 2 - Seasonal or Cyclical Factors - 16A(b)

The Group is principally engaged in:

- (a) import, assembly and marketing of passenger and commercial vehicles and related spares and manufacturing of original/replacement automotive parts;
- (b) trading and manufacturing of a wide range of light and heavy equipment including related spares for use in the industrial, construction, mining and agricultural sectors; and

- (c) manufacturing and trading of oil pipes and providing various oil and gas services including drilling and pipe-coating.

The Group's products and services are generally dependent on the Malaysian and global economies, consumer demand and market sentiment.

Note 3 - Exceptional Items - 16A(c)

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows except as disclosed in Note 1 above.

Note 4 - Accounting Estimates - 16A(d)

There were no changes in estimates of amounts reported in the prior years that have a material effect in the current interim period.

Note 5 - Issuance or Repayment of Debt and Equity Securities - 16A(e)

There were no issuances and repayment of debt securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the period ended 31st March 2012.

Note 6 - Dividends Paid - 16A(f)

A second interim single-tier dividend of 27% or 13.5 sen (2011 - 27% or 13.5 sen) per share of RM0.50 each amounting to a net dividend of RM157.7 million (2011 - RM156.6 million) for the financial year ended 31st December 2011, was paid on 10th February 2012.

Note 7 - Segmental Reporting - 16A(g)

	Three Months Ended 31 st March 2012		
Business Segment	Revenue RM'000	Profit Before Taxation RM'000	Profit Attributable to Owners of the Company RM'000
Automotive	2,497,339	370,697	171,382
Equipment	614,802	54,071	42,329
Oil & Gas	430,708	29,880	24,146
Manufacturing & Engineering	161,419	4,104	(252)
Others	20,652	(25,425)	(17,571)
Sub-Total	3,724,920	433,327	220,034
Elimination of Inter-Segment Sales	(29,123)	-	
Consolidated Total	3,695,797	433,327	

There has been no material change in total assets and no difference in the basis of segmentation or in the basis of measurement of segment profit or loss compared to the last annual financial statements.

Note 8 - Subsequent Material Events - 16A(h)

In the opinion of the Directors, there was no material event or transaction during the period from 31st March 2012 to the date of this announcement, which affects substantially the results of the Group for the period ended 31st March 2012.

Note 9 - Changes in Composition/Group - 16A(i)

On 14th February 2012, the Group received a confirmation on the de-registration of UMW Solomon Islands Limited, a dormant subsidiary of the Group.

Other than the above, there were no changes in the composition of the Group during the quarter ended 31st March 2012.

Note 10 - Commitments for the Purchase of Property, Plant and Equipment - 15B(e)

These are in respect of capital commitments:

	RM'000	RM'000
Approved and contracted for:		
Land and buildings	76,158	
Equipment, plant and machinery	182,539	
Others	<u>8,637</u>	267,334
Approved but not contracted for:		
Land and buildings	45,327	
Equipment, plant and machinery	195,485	
Others	<u>10,075</u>	<u>250,887</u>
Total		<u><u>518,221</u></u>

Note 11 - Significant Related Party Transactions - 15B(j)

No.	UMW & Its Subsidiaries	Transacting Parties	Relationship	Nature of Transaction	RM'000
1.	UMW Advantech Sdn. Bhd.	Perodua Group	Associated Company	Sale of goods	7,592
2.	KYB-UMW Malaysia Sdn. Bhd. and its subsidiary	Perodua Group	Associated Company	Sale of goods	14,780
3.	UMW Toyota Motor Sdn. Bhd. and its subsidiaries	Perodua Group	Associated Company	Sale of Goods and Services	31,600

No.	UMW & Its Subsidiaries	Transacting Parties	Relationship	Nature of Transaction	RM'000
4.	UMW Industrial Power Sdn. Bhd.	Perodua Group	Associated Company	Sale of Goods and Services	410
5.	UMW Industries (1985) Sdn. Bhd.	Perodua Group	Associated Company	Sale of Goods and Services	1,819
6.	U-TravelWide Sdn. Bhd.	Perodua Group	Associated Company	Sale of Services	1,376
7.	UMW Toyota Motor Sdn. Bhd. and its subsidiaries	Toyotsu Motors	Associated Company	Sale of Goods and Services	41,407
				Purchase of Goods and Services	208
8.	UMW Toyota Motor Sdn. Bhd. and its subsidiaries	Toyota Motor Corporation, Japan and its subsidiaries	Corporate Shareholders of UMW Toyota Motor Sdn. Bhd.	Sale of Goods and Services	241,854
				Purchase of Goods and Services	799,698
9.	KYB-UMW Malaysia Sdn. Bhd.	Kayaba Industry Co. Ltd., Japan and its subsidiaries	Corporate Shareholders of KYB-UMW Malaysia Sdn. Bhd.	Sale of Goods and Services	4,009
				Purchase of assets	1,583
		Toyota Tsusho (Malaysia) Sdn. Bhd.	Corporate Shareholder of KYB-UMW Malaysia Sdn. Bhd.	Sale of Goods and Services	42
				Purchase of Goods and Services	9,054
10.	UMW JDC Drilling Sdn. Bhd.	Japan Drilling Co. Ltd and its subsidiaries	Corporate Shareholder of UMW JDC Drilling Sdn. Bhd.	Purchase of Goods and Services	9,859
				Bare Boat Charter	8,649
11.	UMW Jaybee Drilling Pvt Ltd	Jaybee Energy Pte Ltd	Related Company of Corporate Shareholder of UMW Jaybee Drilling Pvt Ltd	Sale of Goods and Services	3,757

No.	UMW & Its Subsidiaries	Transacting Parties	Relationship	Nature of Transaction	RM'000
12.	UMW Sher (L) Ltd.	Jaybee Energy Pte Ltd	Related Company of Corporate Shareholder of UMW Jaybee Drilling Pvt Ltd	Purchase of Goods and Services Bare Boat Charter	593 3,835

Note 12 - Classification of financial assets - 15B(i)

Other than the re-designation of a financial asset as detailed in Note 1(c) above, there were no changes in the classification of financial assets as a result of a change in the purpose or use of the asset.

Note 13 - Changes in Contingent Liabilities and Contingent Assets - 15B(m)

Contingent liabilities of the Group have decreased from RM801 million to RM794 million since 31st December 2011.

Note 14 - Review of Performance - 9B1

Current Quarter Ended 31st March 2012

	Revenue		Profit Before Tax	
	Quarter Ended 31.03.2012 RM'000	Quarter Ended 31.03.2011 RM'000	Quarter Ended 31.03.2012 RM'000	Quarter Ended 31.03.2011 RM'000
Consolidated Total	3,695,797	3,221,160	433,327	339,538
Business Segment:				
Automotive	2,497,339	2,433,914	370,697	330,200
Equipment	614,802	437,750	54,071	34,120
Oil & Gas	430,708	194,005	29,880	534
Manufacturing & Engineering	161,419	160,567	4,104	4,949

Group

Group revenue of RM3,695.8 million for the first quarter ended 31st March 2012 surpassed the RM3,221.2 million registered in the preceding year's corresponding quarter by RM474.6 million or 14.7%. Higher revenue from all business segments of the Group, particularly the Oil & Gas and Equipment segments, accounted for the increase.

As a result, Group profit before taxation for the first quarter ended 31st March 2012 escalated to RM433.3 million from the RM339.5 million registered in the same quarter of 2011, an improvement of 27.6% or RM93.8 million. Significantly higher profit contributions from the Automotive, Oil & Gas and Equipment segments, resulted in the surge in profit.

Consequently, net profit attributable to equity holders of the Company in the first quarter of 2012 improved substantially to RM220.0 million from the RM151.8 million registered in the same quarter of 2011, an increase of RM68.2 million or 44.9%.

Automotive Segment

In the first quarter of 2012, UMW Toyota Motor ramped up its production and successfully recouped its 2011 production shortfalls due to the disruption in critical parts supply caused by the massive floods in Thailand. Combined sales of Toyota and Lexus vehicles improved to 23,834 units in the first quarter of 2012 from the 22,414 units achieved in the same quarter of 2011, an increase of 6.3% or 1,420 units. Bank Negara Malaysia's responsible lending guidelines have minimal impact on Toyota and Lexus vehicle sales. Higher revenue coupled with favourable exchange rates for United States Dollar resulted in the higher profit contributions from the sale of Toyota and Lexus vehicles.

Similarly, the new hire purchase guidelines introduced in January 2012 has minimal impact on the sale of Alza and the new MyVi, two core models of Perodua. However, sales of its entry-level Viva model were adversely affected with a 21% drop in sales in the first quarter of 2012. Although Viva bookings were healthy, registration or conversion to sales was relatively low as the new guidelines have resulted in a much lower loan approval rate, longer processing lead time and reduced loan amounts. Overall, sale of Perodua vehicles fell by approximately 3.9% in the first quarter of 2012 compared to the corresponding quarter in 2011. Despite the lower sales volume, Perodua achieved a slightly higher profit due to favourable sales mix.

Total Toyota and Perodua vehicle sales of 72,870 units represented 52.6% of the total industry volume of 138,544 units reported by the Malaysian Automotive Association for the quarter ended 31st March 2012. A total of 73,466 units of Toyota and Perodua vehicles or 46.4% of the total industry volume of 158,433 units were sold in the first quarter of 2011.

Equipment Segment

Equipment Segment revenue improved significantly by 40.4% or RM177.1 million mainly as a result of the following:

- strong demand for our major equipment from customers in Myanmar .
- rescheduling of machine deliveries from the fourth quarter of 2011 to the first quarter of 2012, due to unfavourable weather .

Consequently, profit before tax of the Equipment Segment increased to RM54.1 million from the RM34.1 million registered in the same quarter of 2011, an improvement of 58.7% or RM20.0 million.

Oil & Gas Segment

For the current quarter ended 31st March 2012, revenue of the Oil & Gas segment more than doubled the RM194.0 million recorded in the same quarter of 2011. This revenue surge of RM236.7 million or 122% was largely attributable to -

- a) additional full-quarter revenue contributions by Naga 3, a premium jack-up rig and Hakuryu 5, a semi-submersible rig. Both Naga 3 and Hakuryu 5 were not revenue contributing in the first quarter of 2011;
- b) significantly higher revenue from the trading of oilfield products and services; and
- c) additional revenue contribution from the Garraf Power Plant Phase 1 project.

Consequently, profit of the Oil & Gas segment improved by about 56-fold due to the low base effect. Favourable movement in fair value of our overseas quoted investments also contributed to the profit improvement.

Manufacturing & Engineering Segment

Revenue for the current quarter of RM161.4 million was marginally higher than the RM160.6 million recorded in the same quarter of 2011. Higher sales achieved by our automotive parts manufacturing companies in India were offset by lower sales from the switching of power steering

system from hydraulic to electric for certain new vehicle models that included the new Perodua MyVi as well as lower sales of lubricant products.

As a result of higher unit overhead cost, profit for the current quarter declined by RM0.8 million to RM4.1 million, although the segment benefited from the favourable foreign exchange rates.

Note 15 - Comparison with Preceding Quarter's Results - 9B2

	Revenue		Profit Before Tax	
	Quarter ended 31.03.2012 RM'000	Quarter ended 31.12.2011 RM'000	Quarter ended 31.03.2012 RM'000	Quarter ended 31.12.2011 RM'000
Consolidated Total	3,695,797	3,477,333	433,327	315,568
Business Segment:				
Automotive	2,497,339	2,418,267	370,697	480,093
Equipment	614,802	531,468	54,071	(44,717)
Oil & Gas	430,708	351,240	29,880	(189,857)
Manufacturing & Engineering	161,419	172,351	4,104	3,919

First quarter 2012 Group revenue of RM3,695.8 million improved over the RM3,477.3 million recorded in the fourth quarter of 2011, an increase of RM218.5 million or 6.3%. The higher revenue achieved was due to -

- a) improvement in the delivery of Toyota cars as UMW Toyota Motor returned to full-scale production;
- b) additional revenue contribution from Hakuryu 5 and higher sales of oilfield products and services;
- c) postponement of equipment deliveries from the fourth quarter of 2011 to the first quarter of 2012 due to bad weather conditions; and
- d) strong demands for our Komatsu mining equipment and Toyota forklifts.

Group profit before taxation for the first quarter of 2012 rose to RM433.3 million from the RM315.6 million registered in the fourth quarter of 2011, an increase of 37.3% or RM117.7 million. The higher profit was principally due to:

- a) improved performance coupled with no further provision required for an overseas maintenance and repair contract for the Equipment segment;
- b) increased profit contributions from the drilling operations and sales of oilfield products and services; and
- c) no sizeable impairment of assets and investments needed in the absence of major adverse changes in economic and business conditions.

The strengthening of the United States Dollar, less favourable sales mix and lower sales of Perodua vehicles, resulted in the lower profit for the Automotive Segment in the first quarter of 2012.

Note 16 - Current Prospect - 9B3

Automotive Segment

UMW Toyota Motor is maintaining its 2012 total sales target of 93,000 for Toyota and Lexus cars in view of the following -

- minimal impact from the responsible lending guidelines on its vehicle sales as generally, its customers have fairly good credit ratings;
- company is now in full-scale operation again;
- sales will continue to be boosted by the introduction of the new Lexus and Toyota models; and
- strong demand for its energy-efficient hybrid cars such as Toyota Prius C.

Bookings for Perodua vehicles remained strong at 18,000 units to 20,000 units per month. Car loan approval process time has since improved progressively from the 55% of loans approved within a week in January 2012 to 66% in April 2012. However, it will take a while to reach the pre-guideline level of 80%. The recent planned annual shutdown has, to some extent, eased inventory pressure caused by the Bank Negara Malaysia's responsible lending guidelines. Perodua is hopeful that car loan processing will revert to normal soon and thus, is maintaining its annual sales target for 2012.

Equipment Segment

Our Myanmar operation is poised to perform well in 2012 following the implementation of political and economic reform initiatives by the Government of Myanmar, coupled with the buoyant mining and oil and gas sectors. UMW Niugini's performance is expected to improve with the expiry of its maintenance and repair contract in June 2012. The Malaysian and other operations are expected to achieve their internal targets set for 2012.

Oil & Gas Segment

The operating results of the Oil & Gas segment is expected to continue to improve for the remaining period of 2012 in view of the following positive developments -

- a) a 15% increase in day-rate for Naga 3 with effect from the second quarter of 2012;
- b) Gait 1, a work-over rig, has secured a six months contract for the provision of work-over services in Indonesia;
- c) a new 2-year contract with 1 year option for renewal with Oil India has been secured for a land rig in India; and
- d) successfully secured a contract worth USD38.8 million for the supply of 20,000 metric tonnes of Longitudinal Submerged Arc-Welded pipes to Oman.

Naga 1, our semi-submersible rig, has commenced its deep-dish installation project to enhance its life span. Naga1 is scheduled to be income-generating again by end of 2012.

Subject to the effects from changes in fair value of our overseas investments as well as hedging instruments used to hedge various financial risks, the Oil & Gas segment is expected to achieve its 2012 internal targets.

Manufacturing & Engineering Segment

Our new lubricant toll-blending plant in China, successfully secured a major toll-blending contract from Shell China with the first order received in April 2012 after securing a similar contract from Petronas in the fourth quarter of 2011. Revenue contributions from our automotive component plants in India and lubricant toll-blending plant in China is expected to rise progressively over the remaining period of 2012 as capacity utilisation increases. However, unfavourable movement in Indian Rupee, Japanese Yen and base oil prices may affect profitability of this segment.

Group

Barring unforeseen circumstances, the Board is of the view that the Group is on track to achieve its internal targets set for 2012.

Note 17 - Statement on Headline Key Performance Indicators (KPIs) - 9B4

Based on the most recent internal key financial indicators and the current economic outlook for the remaining period to 31st December 2012, the Board of Directors is of the view that barring unforeseen circumstances, the Group is on track to achieve its 2012 Headline Key Performance Indicators as reproduced below -

- (a) Minimum annual return on shareholders' funds of 10%; and
- (b) Annual dividend payout ratio of at least 50% of net profit attributable to shareholders after excluding unrealized profits.

Note 18 - Variance from Profit Forecast and Profit Guarantee - 9B5

This is not applicable to the Group.

Note 19 - Taxation - 9B6

	Quarter Ended 31.03.2012 RM'000
Current period's provision	93,418
Under/(Over) provision in prior periods	(1,426)
	91,992
Deferred taxation	(1,102)
Total	90,890

The effective tax rate for the quarter ended 31st March 2012 of 23.3% was lower than the statutory tax rate of 25% primarily due to -

- (a) Certain income including reversal of asset impairment losses are not taxable
- (b) Availability of unabsorbed tax losses and unabsorbed capital allowances; and
- (c) lower tax rates for certain overseas subsidiaries.

Note 20 - Corporate Proposal - 9B9

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

Note 21 - Group Borrowings and Debt Securities - 9B10

	RM'000	RM'000	'000
(a) Short term borrowings			
- Unsecured			
Short term loans and trade facilities	489,240	(	USD26,064 SGD6,576 INR25,008
Finance lease payable	137		
Portion of long term loans payable within 12 months	174,627	664,004 (	USD53,503
- Secured			
Short term loans and trade facilities	177,605	(	AUD10,392 INR1,638,771 SGD976 USD11,640
Finance lease payable	155	(	SGD64
Portion of long term loans payable within 12 months	11,143	188,903 (	SGD2,159 KINA1,895
		852,907 (	USD91,207 SGD9,775 AUD10,392 INR1,663,779 KINA1,895
(b) Long term borrowings			
- Unsecured			
Long term loans	1,672,429	(	USD330,171 INR14,306 VND30,146,000
Finance lease payable	438		
Portion of long term loans payable within 12 months	(174,627)	1,498,240 (	(USD53,503)
- Secured			
Long term loans	231,870	(	USD64,285 SGD2,576 INR390,216 JPY1,096,000 KINA1,946 RMB9,299
Finance lease payable	570	(	SGD94
Portion of long term loans payable within 12 months	(11,143)	(	(SGD2,159) (KINA1,895)
		221,297 (	USD340,953 SGD511 INR404,522 JPY1,096,000 VND30,146,000 RMB9,299 KINA51
		1,719,537	

Note 22 - Material Litigation - 9B12, 15B(f)

There was no material litigation pending on the date of this announcement.

Note 23 - Dividend - 9B13

No interim dividend has been recommended for the quarter ended 31st March 2012 (2011 - Nil).

Note 24 - Earnings Per Share - 9B14

Basic earnings per share for the quarter ended 31st March 2012 is calculated by dividing the net profit attributable to shareholders of RM220.0 million by the weighted average number of ordinary shares in issue as at 31st March 2012 of 1,168,293,932 shares of RM0.50 each.

There were no diluted earnings per share as the UMW Employee Share Option Scheme had expired on 17th April 2011.

Note 25 - Realised and Unrealised Profits/Losses

The breakdown of retained profits of the Group as at 31st December 2011 and 31st March 2012, pursuant to the format prescribed by Bursa Securities, are as follows -

	As at 31 st December 2011 Restated RM'000	As at 31 st March 2012 RM'000
Total retained profits/(accumulated losses) of Company and its subsidiaries:		
-Realised	2,005,626	2,392,123
-Unrealised	21,254	11,896
	2,026,880	2,404,019
Total share of retained profits/(accumulated losses) from Associated companies:		
-Realised	1,064,844	1,102,282
-Unrealised	(42,198)	(44,049)
Total share of retained profits/(accumulated losses) from jointly-controlled entities:		
-Realised	(61,298)	(124,477)
-Unrealised	(40,563)	7,740
	2,947,665	3,345,515
Less: Consolidation adjustments	(51,182)	(228,998)
Total group retained profits as per consolidated accounts	2,896,483	3,116,517

Note 26 - Audit Qualification - 9B15

The audit report in respect of the annual financial statements for the financial year ended 31st December 2011 was not qualified.

Note 27 - Items to Disclose in the Statement of Comprehensive Income - 9B16 (new)

	Quarter Ended 31.03.2012 RM'000
a) Interest income	15,777
b) Other investment income	1,137
c) Depreciation and amortization	(88,192)
d) Writeback of allowance for impairment of receivables (net)	231
e) Provision for inventories	(2,545)
f) (Loss)/gain on disposal of quoted or unquoted investment	123
g) (Loss)/gain on disposal of properties	-
h) (Impairment)/reversal of impairment of assets (net)	(4,761)
i) Net foreign exchange gain/(loss)	16,232
j) Gain on derivatives (net)	6,132
k) Exceptional item	-

By Order Of The Board

FADZILAH BINTI SAMION
Secretary
(MACS 01262)

Shah Alam
29th May 2012