

**UMW HOLDINGS BERHAD**  
(COMPANY NO. 090278-P)  
(INCORPORATED IN MALAYSIA)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE  
FIRST QUARTER ENDED 31<sup>ST</sup> MARCH 2013**  
(THE FIGURES HAVE NOT BEEN AUDITED)

	CURRENT QUARTER ENDED 31/03/2013 RM'000	RESTATED COMPARATIVE QUARTER ENDED 31/03/2012 RM'000	3 MONTHS CUMULATIVE TO DATE 31/03/2013 RM'000	RESTATED COMPARATIVE 3 MONTHS CUMULATIVE TO DATE 31/03/2012 RM'000
<b><u>Continuing Operations</u></b>				
Revenue	3,359,296	3,700,037	3,359,296	3,700,037
Operating Expenses	(2,991,673)	(3,340,626)	(2,991,673)	(3,340,626)
Other Operating Income	27,146	54,970	27,146	54,970
<b>Profit From Operations</b>	<b>394,769</b>	<b>414,381</b>	<b>394,769</b>	<b>414,381</b>
Finance Costs	(19,649)	(19,559)	(19,649)	(19,559)
Share Of Profits Of Associated/Jointly- Controlled Entities	38,497	24,977	38,497	24,977
Investment Income	19,086	16,913	19,086	16,913
<b>Profit Before Taxation</b>	<b>432,703</b>	<b>436,712</b>	<b>432,703</b>	<b>436,712</b>
Taxation	(97,534)	(90,846)	(97,534)	(90,846)
<b>Profit For The Period</b>	<b>335,169</b>	<b>345,866</b>	<b>335,169</b>	<b>345,866</b>
<b><u>Other Comprehensive Income:</u></b>				
Translation Of Foreign Operations	(881)	(3,053)	(881)	(3,053)
Cash Flow Hedge	484	47	484	47
Other Comprehensive Income Net Of Tax	(397)	(3,006)	(397)	(3,006)
<b>Total Comprehensive Income For The Period</b>	<b>334,772</b>	<b>342,860</b>	<b>334,772</b>	<b>342,860</b>
<b><u>Profit For The Period Attributable To:</u></b>				
Equity Holders Of The Company	219,664	220,034	219,664	220,034
Non-Controlling Interests	115,505	125,832	115,505	125,832
	335,169	345,866	335,169	345,866
<b><u>Total Comprehensive Income Attributable To:</u></b>				
Equity Holders Of The Company	219,684	217,507	219,684	217,507
Non-Controlling Interests	115,088	125,353	115,088	125,353
	334,772	342,860	334,772	342,860
<b><u>EPS Attributable To Equity Holders Of The Company:</u></b>				
Basic EPS For The Period (Sen)	18.80	18.83	18.80	18.83
Diluted EPS For The Period (Sen)	18.80	18.83	18.80	18.83

(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 31/03/2013 RM'000	RESTATED (AUDITED) AS AT 31/12/2012 RM'000	RESTATED (AUDITED) AS AT 01/01/2012 RM'000
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant And Equipment	3,472,142	2,997,268	2,863,474
Investment Properties	9,464	9,774	77,574
Intangible Assets	138,334	138,334	169,245
Land Use Rights	4,569	4,609	4,771
Leased Assets	242,259	244,788	226,936
Investments In Associates	1,618,297	1,554,729	1,414,018
Investments In Jointly-Controlled Entities	85,032	76,179	59,752
Deferred Tax Assets	54,717	50,631	56,521
Other Investments	21,406	44,800	54,730
Derivative Assets	31,829	66,252	43,829
	5,678,049	5,187,364	4,970,850
<b>Current Assets</b>			
Inventories	2,059,660	1,768,818	1,466,779
Trade Receivables	1,008,315	1,078,963	869,505
Other Receivables	656,132	463,697	336,974
Other Investments	227,873	489,881	391,271
Derivative Assets	6,784	1,596	5,171
Deposits, Cash And Bank Balances	2,306,415	2,492,582	2,214,825
	6,265,179	6,295,537	5,284,525
Non-Current Assets Held For Sale	12,502	12,502	4,548
	6,277,681	6,308,039	5,289,073
<b>TOTAL ASSETS</b>	11,955,730	11,495,403	10,259,923
<b>EQUITY AND LIABILITIES</b>			
<b>Equity Attributable To Equity Holders Of The Company</b>			
Share Capital	584,147	584,147	584,147
Share Premium	794,482	794,482	794,482
Capital Reserve	396	396	396
Foreign Currency Translation Reserve	(40,260)	(39,796)	(23,120)
Hedging Reserve	(1,579)	(2,063)	-
Retained Profits	3,730,748	3,511,084	2,890,577
	5,067,934	4,848,250	4,246,482
Non-Controlling Interests	1,561,847	1,450,167	1,347,590
<b>TOTAL EQUITY</b>	6,629,781	6,298,417	5,594,072
<b>Non-Current Liabilities</b>			
Provision For Liabilities	56,229	57,982	69,132
Deferred Tax Liabilities	32,655	28,759	34,040
Long Term Borrowings	2,149,652	1,633,939	1,638,699
Derivative Liabilities	5,555	17,647	11,354
	2,244,091	1,738,327	1,753,225
<b>Current Liabilities</b>			
Provision For Liabilities	70,175	71,001	79,213
Taxation	73,854	85,921	82,992
Short Term Borrowings	953,291	1,013,930	670,951
Bank Overdrafts	53,221	59,744	73,821
Trade Payables	1,033,389	750,169	746,764
Other Payables	894,088	1,295,604	1,099,902
Derivative Liabilities	3,840	7,046	1,263
Dividend Payable	-	175,244	157,720
	3,081,858	3,458,659	2,912,626
<b>TOTAL LIABILITIES</b>	5,325,949	5,196,986	4,665,851
<b>TOTAL EQUITY AND LIABILITIES</b>	11,955,730	11,495,403	10,259,923
<b>Net Assets Per Share (RM)</b>	<b>4.3379</b>	<b>4.1499</b>	<b>3.6348</b>

(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 31<sup>ST</sup> MARCH 2013**

←----- NON-DISTRIBUTABLE -----> DISTRIBUTABLE

	SHARE CAPITAL RM'000	SHARE PREMIUM RM'000	CAPITAL RESERVE RM'000	FOREIGN CURRENCY TRANSLATION 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
<b>3 MONTHS ENDED 31<sup>ST</sup> MARCH 2013</b>										
At 1 <sup>st</sup> January 2013	584,147	794,482	396	(37,278)	(2,063)	-	3,511,084	4,850,768	1,426,831	6,277,599
Effects of applying MFRS	-	-	-	(2,518)	-	-	-	(2,518)	23,336	20,818
At 1 <sup>st</sup> January 2013 (Restated)	584,147	794,482	396	(39,796)	(2,063)	-	3,511,084	4,848,250	1,450,167	6,298,417
Transactions with owners										
Issue of ordinary shares by subsidiaries	-	-	-	-	-	-	-	-	(25)	(25)
Dividends distributed to equity holders	-	-	-	-	-	-	-	-	(3,383)	(3,383)
Total comprehensive income	-	-	-	(464)	-	484	219,664	219,684	115,088	334,772
At 31 <sup>st</sup> March 2013	584,147	794,482	396	(40,260)	(2,063)	484	3,730,748	5,067,934	1,561,847	6,629,781

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31<sup>ST</sup> MARCH 2012**

←----- NON-DISTRIBUTABLE -----> DISTRIBUTABLE

	SHARE CAPITAL RM'000	SHARE PREMIUM RM'000	CAPITAL RESERVE RM'000	FOREIGN CURRENCY TRANSLATION 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
<b>3 MONTHS ENDED 31<sup>ST</sup> MARCH 2012</b>										
At 1 <sup>st</sup> January 2012	584,147	794,482	396	(26,344)	-	-	2,896,483	4,249,164	1,328,904	5,578,068
Effects of applying MFRS	-	-	-	(2,682)	-	-	-	(2,682)	18,686	16,004
At 1 <sup>st</sup> January 2012 (Restated)	584,147	794,482	396	(29,026)	-	-	2,896,483	4,246,482	1,347,590	5,594,072
Transactions with owners										
Issue of ordinary shares by subsidiaries	-	-	-	-	-	-	-	-	5,533	5,533
Total comprehensive income	-	-	-	(2,574)	-	47	220,034	217,507	125,353	342,860
At 31 <sup>st</sup> March 2012	584,147	794,482	396	(31,600)	-	47	3,116,517	4,463,989	1,478,476	5,942,465

(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  
31<sup>ST</sup> MARCH 2013**

	<b>3 MONTHS ENDED 31/03/2013 RM'000</b>	<b>RESTATED 3 MONTHS ENDED 31/03/2012 RM'000</b>
<b>Cash Flow From Operating Activities</b>		
Profit Before Taxation	432,703	436,712
Adjustments For:		
Depreciation & Amortisation	70,658	72,687
Reversal Of Impairment Losses On Investments	(11,704)	(18,961)
Net Inventories Written Down	2,587	2,545
Interest Expense	19,649	26,020
Share of Results Of Associates/Jointly-Controlled Entities	(38,497)	(24,977)
Reversal Of Impairment Losses On Receivables	(725)	(8,946)
Net Foreign Exchange (Gain)/Fair Value Loss	19,463	(6,132)
Interest & Dividend Income	(19,086)	(16,914)
Others	(5,287)	4,109
Operating Profit Before Working Capital Changes	469,761	466,143
Increase In Receivables	(121,274)	(339,018)
Increase In Inventories	(293,428)	(271,520)
(Decrease)/Increase In Payables	(129,507)	296,714
Cash (Used In)/Generated From Operating Activities	(74,448)	152,319
Interest Paid	(9,834)	(14,284)
Taxation Paid	(113,102)	(105,519)
Net Cash (Used In)/Generated From Operating Activities	(197,384)	32,516
<b>Cash Flow From Investing Activities</b>		
Net Cash Outflow Arising From Equity Investments	(2,723)	-
Purchase Of Property, Plant & Equipment	(553,135)	(54,886)
Proceeds From Disposal Of Properties, Plant & Equipment	10,993	16,753
Interest & Dividend Income	19,086	16,914
Other Investments (Net)	266,690	150,909
Net Cash (Used In)/Generated From Investing Activities	(259,089)	129,690
<b>Cash Flow From Financing Activities</b>		
Proceeds From Issuance Of Shares	(25)	5,533
Dividend Paid To Equity Holders Of The Company	(175,244)	(157,720)
Dividend Paid To Non-controlling Interests	(3,383)	-
Drawdown Of Loans & Borrowings	455,063	52,261
Net Cash Generated From/(Used In) Financing Activities	276,411	(99,926)
<b>Net (Decrease)/Increase In Cash And Cash Equivalents</b>	<b>(180,062)</b>	<b>62,280</b>
<b>Cash And Cash Equivalents As At 1<sup>st</sup> January</b>	<b>2,435,561</b>	<b>2,130,761</b>
<b>Effects Of Exchange Rate Changes</b>	<b>(2,305)</b>	<b>(3,101)</b>
<b>Cash And Cash Equivalents As At 31<sup>st</sup> March</b>	<b>2,253,194</b>	<b>2,189,940</b>

(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**

### **Basis of preparation**

The interim financial statements have been prepared in accordance with the requirements of IAS 34, *Interim Financial Reporting* and MFRS 134, *Interim Financial Reporting* and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements have been prepared using historical cost basis except for certain financial assets and financial liabilities that are stated at fair value.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31<sup>st</sup> December 2012. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31<sup>st</sup> December 2012.

### **Significant accounting policies**

The financial information presented herein has been prepared in accordance with the accounting policies to be used in preparing the annual consolidated financial statements for 31<sup>st</sup> December 2013 under the Malaysian Financial Reporting Standards (MFRS) framework. These policies do not differ significantly from those used in the audited consolidated financial statements for 31<sup>st</sup> December 2012 except as described below.

As of 1<sup>st</sup> January 2013, the Group has adopted the following new and revised MFRSs, amendments and IC interpretations (collectively referred to as “pronouncements”) which are effective for annual periods beginning on or after 1<sup>st</sup> January 2013.

- MFRS 10, *Consolidated Financial Statements*
- MFRS 11, *Joint Arrangements*
- MFRS 12, *Disclosure of Interests in Other Entities*
- MFRS 13, *Fair Value Measurement*
- MFRS 119, *Employee Benefits (revised)*
- MFRS 127, *Separate Financial Statements*
- MFRS 128, *Investments in Associates and Joint Ventures*
- Amendments to MFRS 7, *Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities*
- Amendments to MFRS 10, *Consolidated Financial Statements: Transition Guidance*
- Amendments to MFRS 11, *Joint Arrangements: Transition Guidance*
- Amendments to MFRS 12, *Disclosure of Interests in Other Entities: Transition Guidance*
- Amendments to MFRS 116, *Property, Plant and Equipment (Annual Improvements 2009-2011 Cycle)*
- Amendments to MFRS 132, *Financial Instruments: Presentation (Annual Improvements 2009-2011 Cycle)*
- Amendments to MFRS 134, *Interim Financial Reporting (Annual Improvements 2009-2011 Cycle)*

The adoption of the above pronouncements except for MFRS 11 does not have material impact on the financial statements of the Group. The impact of the adoption of MFRS 11 is disclosed below:

### **EFFECT OF ADOPTION OF MFRS 11, *Joint Arrangements***

MFRS 11 replaces MFRS 131 Interests in Joint Ventures and IC Interpretation 113 Jointly-Controlled Entities - Non-monetary Contributions by Venturers.

The classification of joint arrangements under MFRS 11 is determined based on the rights and obligations of the parties to the joint arrangements by considering the structure, the legal form, the contractual terms agreed by the parties to the arrangement and when relevant, other facts and circumstances. Under MFRS 11, joint arrangements are classified as either joint operations or joint ventures.

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

MFRS 11 removes the option to account for jointly-controlled entities ("JCE") using proportionate consolidation. Instead, JCE that meet the definition of a joint venture must be accounted for using the equity method.

The application of this new standard will affect the financial position of the Group due to the cessation of proportionate consolidation of United Seamless Tubular Private Limited ("USTPL"), Lubritech International Holdings Limited ("LIHL"), Sichuan Haihua Petroleum Steel Pipe Co. Ltd ("SHPS") and Tubulars International Pte. Ltd. ("TIPL"). Under MFRS 11, USTPL, LIHL, SHPS and TIPL are treated as joint ventures and are accounted for using the equity method.

MFRS 11 will be applied in accordance with the relevant transitional provisions set out in MFRS 11. The initial investment as at 1<sup>st</sup> January 2012 for the purpose of applying the equity method will be measured as the aggregate of the carrying amounts of the assets and liabilities that the Group had previously proportionately consolidated.

The effect of the adoption of MFRS 11 on the Group's reported income and net assets are as summarised below:

#### Statement of Financial Position

<b>RM'000</b>	<b>At 31/12/2012</b>	<b>At 1/01/2012</b>
Decrease in Property, Plant & Equipment	(198,353)	(213,721)
Increase in Investment	29,045	49,326
Decrease in Cash & Cash Equivalents	(2,723)	(4,605)
Decrease in Goodwill	(28,791)	(30,170)
Decrease in Other Assets	(100,081)	(112,441)
Decrease in Foreign Exchange Reserve	(2,518)	(2,682)
Decrease in Borrowings	(173,750)	(210,533)
Decrease in Other Liabilities	(147,971)	(117,081)
Increase in Non-Controlling Interests	23,336	18,686

#### Statement of Profit or Loss and Other Comprehensive Income

<b>RM'000</b>	<b>3 months ended 31<sup>st</sup> March 2012</b>
Increase in Revenue	4,240
Increase in Share of Loss after Tax of Equity-accounted Jointly-Controlled Entities	(11,448)
Increase in Profit Before Taxation	3,385
Decrease in Taxation	(44)
Increase in Non-Controlling Interests	3,429

The transition from FRS to MFRS has not had a material impact on the statement of cash flows of the Group.

## **Note 2 - Seasonal or Cyclical Factors**

The Group is principally engaged in the -

- 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, agricultural and mining sectors; and
- c) manufacturing and trading of oil pipes and providing various oil & 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**

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

## **Note 4 - Accounting Estimates**

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

## **Note 5 - Issuance or Repayment of Debt and Equity Securities**

On 8<sup>th</sup> February 2013, the Company completed the issuance of Islamic Medium Term Notes ("IMTN") with a nominal value of RM440 million under the IMTN programme. The IMTN has a tenure of three (3) years.

Other than the above, 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 31<sup>st</sup> March 2013.

## **Note 6 - Dividends Paid**

A second interim single-tier dividend of 30% or 15.0 sen (2012 - 27% or 13.5 sen) per share of RM0.50 each amounting to a net dividend of RM175.2 million (2012 - RM157.7 million) for the financial year ended 31<sup>st</sup> December 2012, was paid on 8<sup>th</sup> February 2013.

## **Note 7 - Segmental Reporting**

	<b>Three Months Ended 31<sup>st</sup> March 2013</b>		
<b>Business Segment</b>	<b>Revenue RM'000</b>	<b>Profit Before Taxation RM'000</b>	<b>Profit Attributable to Owners of the Company RM'000</b>
Automotive	2,392,089	368,055	173,182
Equipment	479,387	59,080	47,574
Oil & Gas	178,743	23,466	17,352
Manufacturing & Engineering	177,131	9,388	5,027
Others	153,747	(27,286)	(23,471)
<b>Sub-Total</b>	<b>3,381,097</b>	<b>432,703</b>	<b>219,664</b>
Elimination of Inter-Segment Sales	(21,801)	-	
<b>Consolidated Total</b>	<b>3,359,296</b>	<b>432,703</b>	

Total assets increased in tandem with higher levels of revenue and profitability. Other than that, 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**

In the opinion of the Directors, there has been no material event or transaction during the period from 31<sup>st</sup> March 2013 to the date of this announcement, which affects substantially the results of the Group for the period ended 31<sup>st</sup> March 2013.

## **Note 9 - Changes in Composition/Group**

The disposal of UMW Corporation Sdn. Bhd.'s entire shareholding in U-Insurance Sdn. Bhd. to Kudrat Maritime (Malaysia) Sdn. Bhd. was completed on 3<sup>rd</sup> January 2013, upon fulfilment of all the terms and conditions of the Sale and Purchase Agreement.

On 31<sup>st</sup> January 2013, UMW Linepipe (L) Ltd ("UMW Linepipe"), a 66.12%-owned subsidiary of UMW Petropipe (L) Ltd ("UPL"), which is in turn a wholly-owned subsidiary of UMW, entered into a Share Transfer Contract with CNPC Baoji Petroleum Steel Pipe Co Ltd ("Baoji") in respect of the divestment of UMW Linepipe's shareholding of 16.6012% of the total registered capital in Shanghai BSW Petro-pipe Co Ltd ("BSW") to Baoji, for a total consideration of RMB42.1 million (equivalent to RM20.7 million). UPL also entered into a Share Sale Agreement with Hailong International (L) Ltd ("HILL") in respect of the acquisition of HILL's 3,388 shares, representing 33.88% of the total issued and paid-up capital in UMW Linepipe, for a total consideration of USD6.5 million (equivalent to RM19.9 million).

On 26<sup>th</sup> February 2013, UMW had announced that it is planning to list its Oil & Gas Division. On 16<sup>th</sup> May 2013, an announcement was made by UMW in relation to its proposal to list its wholly-owned subsidiary, UMW Oil & Gas Corporation Berhad ("UMW-OG"), on the Main Market of Bursa Securities. UMW-OG had, on 20<sup>th</sup> May 2013, submitted an application in relation to the Proposed Listing to the Securities Commission Malaysia and other relevant authorities.



On 8<sup>th</sup> March 2013, UMW China Ventures (L) Ltd (“UMWCV”), a wholly-owned subsidiary in the UMW Group, completed its disposal of 56,040,000 ordinary shares in total, representing its entire shareholding in Hilong Holding Limited through The Stock Exchange of Hong Kong Limited.

Other than the above, there were no changes in the composition of the Group during the quarter ended 31<sup>st</sup> March 2013.

**Note 10 - Commitments for the Purchase of Property, Plant and Equipment**

These are in respect of capital commitments :

	RM'000	RM'000
Approved and contracted for :		
Land and buildings	102,723	
Equipment, plant and machinery	231,967	
Others	<u>7,747</u>	342,437
Approved but not contracted for :		
Land and buildings	37,452	
Equipment, plant and machinery	891,594	
Others	<u>35,159</u>	<u>964,205</u>
Total		<u>1,306,642</u>

**Note 11 - Significant Related Party Transactions**

No.	UMW & Its Subsidiaries	Transacting Parties	Relationship	Nature of Transaction	RM'000
1.	UMW Advantech Sdn Bhd	Perodua Group	Associated Company	Sale of Goods	8,098
2.	KYB-UMW Malaysia Sdn Bhd and its subsidiary	Perodua Group	Associated Company	Sale of Goods	14,009
3.	UMW Toyota Motor Sdn Bhd and its subsidiaries	Perodua Group	Associated Company	Sale of Goods and Services	30,724
4.	UMW Industrial Power Sdn Bhd	Perodua Group	Associated Company	Sale of Goods and Services	468
5.	UMW Industries (1985) Sdn Bhd	Perodua Group	Associated Company	Sale of Goods and Services	1,500
6.	U-TravelWide Sdn Bhd	Perodua Group	Associated Company	Sale of Services	1,123

<b>No.</b>	<b>UMW &amp; Its Subsidiaries</b>	<b>Transacting Parties</b>	<b>Relationship</b>	<b>Nature of Transaction</b>	<b>RM'000</b>
7.	Lubetech Sdn Bhd	Perodua Group	Associated Company	Sales of Goods and Services	3,493
8.	UMW Toyota Motor Sdn Bhd and its subsidiaries	UMW Toyotsu Motors Sdn Bhd	Associated Company	Sale of Goods and Services	36,568
9.	UMW Toyota Motor Sdn Bhd and its subsidiaries	Toyota Motor Corporation, Japan and its subsidiaries	Corporate Shareholder of UMW Toyota Motor Sdn Bhd	Sale of Goods and Services	278,053
				Purchase of Goods and Services	918,473
10.	KYB-UMW Malaysia Sdn Bhd	Kayaba Industry Co Ltd, Japan and its subsidiaries	Corporate Shareholder of KYB-UMW Malaysia Sdn Bhd	Sale of Goods and Services	17,337
		Toyota Tsusho (Malaysia) Sdn Bhd	Corporate Shareholder of KYB-UMW Malaysia Sdn Bhd	Purchase of Assets	1,910
				Sale of Goods and Services	17
				Purchase of Goods and Services	7,216
11.	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	5,823
				Bare Boat Charter	8,087
12.	Jaybee Drilling Pvt Ltd	Jaybee Energy Pte Ltd	Related Company of Corporate Shareholder of Jaybee Drilling Pvt Ltd	Sale of Goods and Services	3,086
13.	UMW Sher (L) Ltd	Jaybee Energy Pte Ltd	Related Company of Corporate Shareholder of Jaybee Drilling Pvt Ltd	Bare Boat Charter	3,174
				Rental of PPE	475
14.	UMW Oilfield International (M) Sdn Bhd and UMW Oilfield International (L) Ltd	United Seamless Tubular Pvt Ltd	Jointly-Controlled Entity	Sale of Goods and Services	36,318

## **Note 12 - Classification of Financial Assets**

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**

Contingent liabilities of the Group had increased to RM614.4 million as at 31<sup>st</sup> March 2013 from RM603.9 million as at 31<sup>st</sup> December 2012.

## **Note 14 - Review of Performance**

### **Current Quarter Ended 31<sup>st</sup> March 2013**

	Revenue		Profit Before Tax	
	Quarter ended 31/03/2013 RM'000	Restated Quarter ended 31/03/2012 RM'000	Quarter ended 31/03/2013 RM'000	Restated Quarter ended 31/03/2012 RM'000
<b>Consolidated Total</b>	<b>3,359,296</b>	<b>3,700,037</b>	<b>432,703</b>	<b>436,712</b>
<b>Business Segment :</b>				
Automotive	2,392,089	2,497,339	368,055	370,697
Equipment	479,387	614,802	59,080	54,071
Oil & Gas	178,743	276,902	23,466	43,067
Manufacturing & Engineering	177,131	158,430	9,388	4,104

### **Group**

The Group revenue of RM3,359.3 million for the first quarter ended 31<sup>st</sup> March 2013 was lower than the RM3,700.0 million registered in the preceding year's corresponding quarter by RM340.7 million or 9.2%. This was contributed by the lower revenue from the Automotive, Oil & Gas and Equipment segments.

The Group profit before taxation for the first quarter ended 31<sup>st</sup> March 2013 declined to RM432.7 million from the RM436.7 million registered in the same quarter of 2012, a reduction of 0.9% or RM4.0 million. The results of the Group were partly impacted by the unrealised fair value and foreign exchange loss of RM19.5 million compared to the gain of RM20.5 million in 2012.

The net profit attributable to the equity holders of the Company in the first quarter of 2013 declined slightly to RM219.7 million from the RM220.0 million registered in the same quarter of 2012, a reduction of RM0.3 million or 0.1%.

### **Automotive Segment**

In the first quarter of 2013, UMW Toyota Motor sales was 10% lower than the same quarter of 2012. The shortfall was mainly due to intense competition from new models launched by competitors. The sale of Perodua vehicles fell by approximately 2.0% in the first quarter of 2013 compared to the corresponding quarter in 2012.

In line with the lower revenue, the profit before taxation recorded in the first quarter of 2013 of RM368.1 million, was RM2.6 million or 0.7% lower than the RM370.7 million recorded in the same quarter of 2012. The reduction was also attributable to higher selling and distribution expenses.

The total Toyota and Perodua vehicle sales of 69,426 units represented 44.0% of the total industry volume of 157,664 units reported by the Malaysian Automotive Association for the quarter ended 31<sup>st</sup> March 2013.

## **Equipment Segment**

The revenue of the Equipment segment declined by 22.0% or RM135.4 million mainly due to lower demand for our major equipment in Myanmar. However, this was compensated by the higher parts sales in Niugini.

Despite the lower revenue, the profit before taxation of the Equipment segment increased to RM59.1 million from RM54.1 million registered in the same quarter of 2012, an improvement of 9.2% or RM5.0 million. The improved profit was mainly contributed by the business improvement in Niugini and lower operating expenses.

## **Oil & Gas Segment**

The revenue of the Oil & Gas segment of RM178.7 million was RM97.3 million or 35.3% lower than the RM276.0 million recorded in the previous corresponding quarter. Profit declined by RM19.6 million or 45.5% from RM43.1 million to RM23.5 million.

The lower revenue and profit was largely attributable to :

- a) 72 operating days of NAGA 1 compared to the full quarter operations in the first quarter of 2012 of 91 days due to the refurbishment exercise; and
- b) lower revenue from the trading of oilfield products and services.

## **Manufacturing & Engineering Segment**

The revenue for the current quarter of RM177.1 million was higher than the RM158.4 million recorded in the same quarter of 2012 mainly due to the higher demand for our products.

The higher revenue had contributed to the higher profit before taxation for the first quarter of 2013 of RM9.4 million compared to the RM4.1 million recorded in the same quarter of 2012.

### ***Note 15 - Comparison with Preceding Quarter's Results***

	Revenue		Profit Before Tax	
	1 <sup>st</sup> Quarter ended 31/03/2013 RM'000	Restated 4 <sup>th</sup> Quarter ended 31/12/2012 RM'000	1 <sup>st</sup> Quarter ended 31/03/2013 RM'000	Restated 4 <sup>th</sup> Quarter ended 31/12/2012 RM'000
<b>Consolidated Total</b>	<b>3,359,296</b>	<b>4,061,138</b>	<b>432,703</b>	<b>462,855</b>
<b>Business Segment :</b>				
Automotive	2,392,089	3,049,044	368,055	425,991
Equipment	479,387	437,789	59,080	9,456
Oil & Gas	178,743	246,426	23,466	(17,613)
Manufacturing & Engineering	177,131	171,474	9,388	1,724

The Group revenue of RM3,359.3 million for the first quarter of 2013 was lower than the RM4,061.1 million recorded in the fourth quarter of 2012 by RM701.8 million or 17.3%. The lower revenue was principally due to lower sales of Toyota vehicles and lower revenue from Hakuryu 5.

Consequently, the Group registered a lower profit before taxation of RM432.7 million for the first quarter of 2013 against the RM462.9 million recorded in the fourth quarter, a decrease of RM30.2 million or 6.5%.

## **Note 16 - Current Prospect**

### **Automotive Segment**

UMW Toyota and Perodua are maintaining their 2013 sales targets, despite intense competition in the market with aggressive promotions on new model launches.

### **Equipment Segment**

The Equipment segment revenue is expected to improve despite uncertain external factors which may affect the demand for equipment.

Profitability of this segment is expected to sustain resulting from better cost management and increased parts sales.

### **Oil & Gas Segment**

The performance of the Oil & Gas segment is expected to continue to improve for the remaining quarters of 2013 following full contribution from the refurbished NAGA 1, higher daily operating rate for NAGA 2, continuing contract for NAGA 3 and additional contribution from the new NAGA 4.

### **Manufacturing & Engineering Segment**

The performance of the Manufacturing & Engineering segment is expected to improve for the remaining quarters of 2013 due to the following -

- a) higher capacity utilisation for the automotive component plants and lubricant plant in China; and
- b) increased sales of Repsol and Pennzoil lubricant products.

### **Group**

With the conclusion of the 13<sup>th</sup> General Election there is no longer uncertainty in the business environment in the country.

Barring unforeseen circumstances, the Board is of the view that the Group's performance for 2013 will remain satisfactory.

## **Note 17 - Statement on Headline Key Performance Indicators (KPIs)**

Based on the most recent internal key financial indicators and the current economic outlook for the remaining period to 31<sup>st</sup> December 2013, the Board of Directors is of the view that barring unforeseen circumstances, the Group is on track to achieve its 2013 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 unrealised profits.

## **Note 18 - Variance from Profit Forecast and Profit Guarantee**

This is not applicable to the Group.

**Note 19 - Taxation**

	<b>Quarter Ended 31/03/2013 RM'000</b>
Current period's provision	97,724
Under/(Over) provision in prior periods	-
	97,724
Deferred taxation	(190)
Total	97,534

The effective tax rate for the current quarter ended 31<sup>st</sup> March 2013 of 24.75% was lower than the statutory tax rate of 25% primarily due to -

- a) availability of unabsorbed tax losses and unabsorbed capital allowances; and
- b) lower tax rates for certain overseas subsidiaries.

**Note 20 - Corporate Proposal**

On 16<sup>th</sup> May 2013, an announcement was made by UMWH in relation to its proposal to list its wholly-owned subsidiary, UMW-OG on the Main Market of Bursa Securities. UMW-OG had, on 20<sup>th</sup> May 2013, submitted an application in relation to the Proposed Listing to the Securities Commission Malaysia and other relevant authorities.

Other than the above, there were no corporate proposals announced but not completed at the date of this announcement.

**Note 21 - Group Borrowings and Debt Securities**

	RM'000	RM'000	'000
(a) Short term borrowings			
- Unsecured			
Short term loans and trade facilities	745,634	(	USD158,333 SGD6,810
Finance lease payable	886		
Portion of long term loans payable within 12 months	138,710	885,230	( USD45,234
- Secured			
Short term loans and trade facilities	25,605	(	AUD1,318 INR383,255
Finance lease payable	730	(	KINA99 SGD230
Portion of long term loans payable within 12 months	41,726	(	USD13,696
	<hr/>	68,061	( USD217,263
		953,291	( SGD7,040
			( AUD1,318
			( INR383,255
			( KINA99
(b) Long term borrowings			
- Unsecured			
Long term loans	2,156,492	(	USD297,393
Finance lease payable	1,493		
Portion of long term loans payable within 12 months	(138,710)	2,019,275	( (USD45,234)
- Secured			
Long term loans	172,041	(	USD74,870 INR334,472 JPY1,027,520
Finance lease payable	62	(	KINA26
Portion of long term loans payable within 12 months	(41,726)	(	(USD13,696)
	<hr/>	130,377	( USD313,333
			( INR334,472
			( JPY1,027,520
		2,149,652	( KINA26

**Note 22 - Material Litigation**

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

**Note 23 - Dividend**

No interim dividend has been recommended for the quarter ended 31<sup>st</sup> March 2013 (2012 – Nil).

**Note 24 - Earnings Per Share**

Basic earnings per share for the quarter and financial year ended 31<sup>st</sup> March 2013 is calculated by dividing the net profit attributable to shareholders of RM219.7 million, respectively, by the weighted average number of ordinary shares in issue as at 31<sup>st</sup> March 2013 of 1,168,293,932 shares of RM0.50 each.

**Note 25 - Realised and Unrealised Profits/Losses**

The breakdown of retained profits of the Group as at 31<sup>st</sup> December 2012 and 31<sup>st</sup> March 2013, pursuant to the format prescribed by Bursa Securities, is as follows:

	<b>As at 31<sup>st</sup> December 2012 (Restated) RM'000</b>	<b>As at 31<sup>st</sup> March 2013 RM'000</b>
Total retained profits/(accumulated losses) of the Company and its subsidiaries:		
-Realised	2,267,742	2,664,206
-Unrealised	(27,990)	(128,053)
	2,239,752	2,536,153
Total share of retained profits/(accumulated losses) from associated companies:		
-Realised	1,188,876	1,273,987
-Unrealised	(22,990)	(42,984)
Total share of retained profits/(accumulated losses) from jointly-controlled entities:		
-Realised	65,753	85,032
-Unrealised	2,636	1,731
	3,474,027	3,853,919
Less: Consolidation adjustments	37,057	(123,171)
Total Group retained profits as per consolidated accounts	3,511,084	3,730,748



**Note 26 - Audit Qualification**

The audit report in respect of the annual financial statements for the financial year ended 31<sup>st</sup> December 2012 was not qualified.

**Note 27 - Items to Disclose in the Statement of Comprehensive Income**

	<b>Quarter Ended 31/03/2013 RM'000</b>
a) Interest income	17,062
b) Other investment income	2,024
c) Depreciation and amortization	(70,658)
d) Write back of allowance for impairment of receivables (net)	725
e) (Provision for)/write back of inventories	(2,587)
f) (Loss)/gain on disposal of quoted or unquoted investment	(585)
g) (Loss)/gain on disposal of properties	37
h) Reversal/(Impairment) of assets/investments (net)	11,704
i) Net foreign exchange gain/(loss)	(5,522)
j) (Loss)/gain on derivatives (net)	(13,941)
k) Exceptional item	-

**By Order Of The Board**

**FADZILAH BINTI SAMION**  
**Secretary**  
**(MACS 01262)**

Shah Alam  
23<sup>rd</sup> May 2013