

**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 2011**  
(THE FIGURES HAVE NOT BEEN AUDITED)

	CURRENT QUARTER ENDED 31/03/2011 RM'000	COMPARATIVE QUARTER ENDED 31/03/2010 RM'000	3 MONTHS CUMULATIVE TO DATE 31/03/2011 RM'000	COMPARATIVE 3 MONTHS CUMULATIVE TO DATE 31/03/2010 RM'000
<b><u>Continuing Operations</u></b>				
Revenue	3,221,160	3,033,157	3,221,160	3,033,157
Operating Expenses	(2,948,076)	(2,849,116)	(2,948,076)	(2,849,116)
Other Operating Income	36,740	93,301	36,740	93,301
<b>Profit From Operations</b>	<b>309,824</b>	<b>277,342</b>	<b>309,824</b>	<b>277,342</b>
Finance Costs	(20,780)	(11,356)	(20,780)	(11,356)
Share Of Profits Of Associated Companies	36,961	30,522	36,961	30,522
Investment Income	13,533	8,586	13,533	8,586
<b>Profit Before Taxation</b>	<b>339,538</b>	<b>305,094</b>	<b>339,538</b>	<b>305,094</b>
Taxation	(79,692)	(72,826)	(79,692)	(72,826)
<b>Profit For The Period</b>	<b>259,846</b>	<b>232,268</b>	<b>259,846</b>	<b>232,268</b>
<b><u>Other Comprehensive Income:</u></b>				
Translation Of Foreign Operations	(534)	(2,592)	(534)	(2,592)
Cash Flow Hedge	(403)	(749)	(403)	(749)
Other Comprehensive Income Net Of Tax	(937)	(3,341)	(937)	(3,341)
<b>Total Comprehensive Income For The Period</b>	<b>258,909</b>	<b>228,927</b>	<b>258,909</b>	<b>228,927</b>
<b><u>Profit For The Period Attributable To:</u></b>				
Equity Holders Of The Company	151,832	132,856	151,832	132,856
Non-Controlling Interests	108,014	99,412	108,014	99,412
	<b>259,846</b>	<b>232,268</b>	<b>259,846</b>	<b>232,268</b>
<b><u>Total Comprehensive Income Attributable To:</u></b>				
Equity Holders Of The Company	151,168	129,830	151,168	129,830
Non-Controlling Interests	107,741	99,097	107,741	99,097
	<b>258,909</b>	<b>228,927</b>	<b>258,909</b>	<b>228,927</b>
<b><u>EPS Attributable To Equity Holders Of The Company:</u></b>				
Basic EPS For The Period (Sen)	13.07	11.81	13.07	11.81
Diluted EPS For The Period (Sen)	13.06	11.72	13.06	11.72

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Annual Financial Report for the year ended 31<sup>st</sup> December 2010)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	(UNAUDITED) AS AT 31/03/2011 RM'000	(AUDITED) AS AT 31/12/2010 RM'000
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, Plant And Equipment	2,910,664	2,852,305
Investment Properties	80,993	81,488
Intangible Assets	258,480	258,489
Land Use Rights	4,890	4,931
Leased Assets	195,969	193,998
Investments In Associates	1,489,765	1,453,059
Deferred Tax Assets	54,091	58,586
Other Investments	131,570	132,463
Derivative Assets	74,773	63,746
	5,201,195	5,099,064
<b>Current Assets</b>		
Inventories	1,419,627	1,396,135
Trade Receivables	712,197	749,688
Other Receivables	370,528	359,480
Other Investments	11,071	229,963
Derivative Assets	3,785	4,897
Deposits, Cash And Bank Balances	2,308,347	2,195,051
	4,825,555	4,935,214
Non-Current Assets Held For Sale	6,839	6,839
	4,832,394	4,942,053
<b>TOTAL ASSETS</b>	<b>10,033,589</b>	<b>10,041,117</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity Attributable To Equity Holders Of The Company</b>		
Share Capital	582,411	576,687
Share Premium	766,825	716,708
Capital Reserve	7,375	7,375
Foreign Currency Translation Reserve	(41,360)	(40,826)
Share Option Reserve	14,514	14,514
Hedging Reserve	(403)	-
Retained Profits	2,904,467	2,752,635
	4,233,829	4,027,093
Non-Controlling Interests	1,356,464	1,239,918
<b>TOTAL EQUITY</b>	<b>5,590,293</b>	<b>5,267,011</b>
<b>Non-Current Liabilities</b>		
Provision For Liabilities	64,862	65,016
Deferred Tax Liabilities	32,099	43,727
Long Term Borrowings	1,915,941	1,858,199
Derivative Liabilities	18,408	21,255
	2,031,310	1,988,197
<b>Current Liabilities</b>		
Provision For Liabilities	50,235	81,294
Taxation	92,632	107,553
Short Term Borrowings	536,065	761,046
Bank Overdrafts	81,097	64,189
Trade Payables	862,890	838,842
Other Payables	781,708	771,455
Derivative Liabilities	7,359	4,883
Dividend Payable	-	156,647
	2,411,986	2,785,909
<b>TOTAL LIABILITIES</b>	<b>4,443,296</b>	<b>4,774,106</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>10,033,589</b>	<b>10,041,117</b>
<b>Net Assets Per Share (RM)</b>	<b>3.6347</b>	<b>3.4916</b>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Annual Financial Report for the year ended 31<sup>st</sup> December 2010)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31<sup>ST</sup> MARCH 2011**

<----- 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	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 2011</b>										
At 1 <sup>st</sup> January 2011	576,687	716,708	7,375	(40,826)	14,514	-	2,752,635	4,027,093	1,239,918	5,267,011
Transactions with Owners										
Issue of ordinary shares by subsidiary	-	-	-	(273)	-	-	-	(273)	8,805	8,532
Issue of ordinary shares pursuant to ESOS	5,724	50,117	-	-	-	-	-	55,841	-	55,841
Total comprehensive income	-	-	-	(261)	-	(403)	151,832	151,168	107,741	258,636
At 31 <sup>st</sup> March 2011	582,411	766,825	7,375	(41,360)	14,514	(403)	2,904,467	4,233,829	1,366,464	5,590,293
<b>3 MONTHS ENDED 31<sup>ST</sup> MARCH 2010</b>										
At 1 <sup>st</sup> January 2010	559,658	542,045	5,793	42,666	41,038	-	2,582,659	3,773,859	1,145,909	4,919,768
Effects of applying FRS 139	-	-	-	-	-	(201)	17,102	16,901	(6,130)	10,771
Transactions with Owners										
Reduction of non-controlling interest in subsidiaries	-	-	-	-	-	-	-	-	(2,854)	(2,854)
Issue of ordinary shares pursuant to ESOS	5,323	45,979	-	-	-	-	-	51,302	-	51,302
Total comprehensive income	-	-	-	(2,277)	-	(749)	132,856	129,830	99,097	228,927
At 31 <sup>st</sup> March 2010	564,981	588,024	5,793	40,389	41,038	(950)	2,732,617	3,971,892	1,236,022	5,207,914

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Annual Financial Report for the year ended 31<sup>st</sup> December 2010)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31<sup>ST</sup> MARCH 2011**

	<b>3 MONTHS ENDED 31/03/2011 RM'000</b>	<b>3 MONTHS ENDED 31/03/2010 RM'000</b>
<b>Cash Flow From Operating Activities</b>		
Profit Before Taxation	339,538	305,094
Adjustments For:		
Non-Cash Items	73,455	(2,123)
Non-Operating Items	(13,532)	(8,583)
Operating Profit Before Working Capital Changes	399,461	294,388
Changes In Working Capital:		
Net Change In Current Assets	(53,628)	(27,995)
Net Change In Current Liabilities	(86,994)	(62,874)
Net Cash Generated From Operating Activities	258,839	203,519
<b>Cash Flow From Investing Activities</b>		
Net Cash Outflow Arising From Equity Investments	-	(30,190)
Dividends Received	-	2,554
(Purchase)/Disposal Of Fixed Assets (Net)	(135,822)	(134,624)
Interest Income	13,533	8,586
Other Investments	220,035	10,911
Net Cash Generated From/(Used In) Investing Activities	97,746	(142,763)
<b>Cash Flow From Financing Activities</b>		
Proceeds From Issue Of Shares	64,644	51,210
Dividends Paid	(156,647)	(56,204)
Bank Borrowings (Net)	(167,239)	72,464
Net Cash (Used In)/Generated From Financing Activities	(259,242)	67,470
<b>Net Increase In Cash And Cash Equivalents</b>	<b>97,343</b>	<b>128,226</b>
<b>Cash And Cash Equivalents As At 1<sup>st</sup> January</b>	<b>2,130,862</b>	<b>1,699,020</b>
<b>Effects Of Exchange Rate Changes</b>	<b>(955)</b>	<b>(2,500)</b>
<b>Cash And Cash Equivalents As At 31<sup>st</sup> March</b>	<b>2,227,250</b>	<b>1,824,746</b>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Annual Financial Report for the year ended 31<sup>st</sup> December 2010)

## **Note 1 - Accounting Policies**

The interim financial statements have been prepared in accordance with FRS 134: Interim Financial Reporting and Chapter 9, Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The Group has adopted the following new and revised Financial Reporting Standards ("FRSs"), Issues Committee Interpretations ("IC Interpretations") and Amendments as of 1<sup>st</sup> January 2011.

FRS 1	First-time Adoption of Financial Reporting Standards
FRS 3	Business Combinations (Revised)
FRS 127	Consolidated and Separate Financial Statements
Amendments to FRS 1	Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters
Amendments to FRS 1	Additional Exemptions for First-time Adopters
Amendments to FRS 2	Share-based Payment
Amendments to FRS 2	Group Cash-settled Share-based Payment Transactions
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations
Amendments to FRS 7	Improving Disclosures about Financial Instruments
Amendments to FRS 132	Financial Instruments: Presentation
Amendments to FRS 138	Intangible Assets
Amendments to FRS 1, FRS 3, FRS 7, FRS 101, FRS 121, FRS 128, FRS 131, FRS 132, FRS 134, FRS 139 and Amendments to IC Interpretation 13	Improvements to FRSs (2010)
IC Interpretation 4	Determining Whether an Arrangement Contains a Lease
IC Interpretation 12	Service Concession Arrangements
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17	Distributions of Non-cash Assets to Owners
IC Interpretation 18	Transfers of Assets from Customers
Amendments to IC Interpretation 9	Reassessment of Embedded Derivatives

The significant accounting policies and methods of computation in the interim financial statements are consistent with those in the annual audited financial statements for the year ended 31<sup>st</sup> December 2010 except for the changes below resulting from the adoption of new and revised FRSs, IC Interpretations and Amendments applicable to the Group on 1<sup>st</sup> January 2011:

### **Revised FRS 3 Business Combinations and Amendments to FRS 127 Consolidated and Separate Financial Statements**

The revised FRS 3 introduces a number of changes in the accounting for business combinations occurring after 1<sup>st</sup> July 2010. These changes will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results.

The Amendments to FRS 127 require that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as an equity transaction. Therefore, such transactions will no longer give rise to goodwill, nor will they give rise to a gain or loss. Furthermore, the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary.

Other consequential amendments have been made to FRS 107 Statement of Cash Flows, FRS 112 Income Taxes, FRS 121 The Effects of Changes in Foreign Exchange Rates, FRS 128 Investments in Associates and FRS 131 Interests in Joint Ventures. The changes from revised FRS 3 and Amendments to FRS 127 will affect future acquisitions or loss of control and transactions with non-controlling interests.

Other than the above, the rest of the new and revised FRSs, IC Interpretations and Amendments do not have material impact on the accounting policies, financial position or performance of the Group for the current period under review.

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

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***

There were no unusual items affecting assets, liabilities, net income or cash flows.

### ***Note 4 - Accounting Estimates***

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

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

There were no issuances and repayment of debts 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 2011.

During the quarter ended 31<sup>st</sup> March 2011, the issued and paid-up capital of the Company increased from RM576,687,066 to RM582,411,416 as a result of the exercise and allotment of:

- (a) 310,200 option shares of par value RM0.50 each at RM3.335 per share;
- (b) 619,600 option shares of par value RM0.50 each at RM3.33 per share;
- (c) 87,500 option shares of par value RM0.50 each at RM3.325 per share;
- (d) 4,459,400 option shares of par value RM0.50 each at RM5.16 per share; and
- (e) 5,972,000 option shares of par value RM0.50 each at RM4.93 per share.

As at 31<sup>st</sup> March 2011, the total number of unexercised share options was 2,951,600 option shares of par value RM0.50 each. These option shares, if not exercised by 17<sup>th</sup> April 2011, would expire.

At the date of this report, 3,471,100 shares were allotted. Consequently, the paid-up capital of the Company increased to RM584,146,966 after taking into account these new shares.

**Note 6 - Dividends Paid**

A second interim single-tier dividend of 27% or 13.5 sen per share of RM0.50 each (2010 - a single tier dividend of 10% or 5.0 sen per share of RM0.50 each) amounting to a net dividend of RM156.6 million (2009 - RM56.2 million) for the financial year ended 31<sup>st</sup> December 2010, was paid on 11<sup>th</sup> February 2011.

**Note 7 - Segmental Reporting**

Business Segment	Three Months Ended 31 <sup>st</sup> March 2011		
	Revenue RM'000	Profit Before Taxation RM'000	Profit Attributable to Owners of the Company RM'000
Automotive	2,433,914	330,200	154,660
Equipment	437,750	34,120	25,480
Oil & Gas	194,005	534	(878)
Manufacturing & Engineering	160,567	4,949	(42)
Others	16,705	(30,265)	(27,388)
<b>Sub-Total</b>	<b>3,242,941</b>	<b>339,538</b>	<b>151,832</b>
Elimination of Inter-Segment Sales	(21,781)	-	
<b>Consolidated Total</b>	<b>3,221,160</b>	<b>339,538</b>	

**Note 8 - Subsequent Material Events**

In the opinion of the Directors, there was no material event or transaction during the period from 31<sup>st</sup> March 2011 to the date of this announcement, which affects substantially the results of the operations of the Group for the period ended 31<sup>st</sup> March 2011, in respect of which this announcement is made.

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

On 14<sup>th</sup> February 2011, UMW Corporation Sdn Bhd ("UMWC"), a wholly-owned subsidiary of the Group, had entered into a Sales and Purchase of Shares Agreement with Titanium Assets Holdings Sdn Bhd, for the acquisition of 2,400,000 ordinary shares of RM1.00 each, representing 40% of the issued and paid-up capital of Coldfusion Engineering Sdn Bhd. ("CESB"), at a nominal value of RM1.00. Upon completion of the above acquisition, CESB became a wholly-owned subsidiary of UMWC.

Other than the above, there were no changes in the composition of the Group during the quarter ended 31<sup>st</sup> March 2011.

**Note 10 - Contingent Liabilities and Contingent Assets**

Contingent liabilities of the Group have increased from RM477 million to RM517 million since 31<sup>st</sup> December 2010.

**Note 11 - Commitments**

These are in respect of capital commitments:

	RM'000	RM'000
<b>Approved and contracted for:</b>		
Land and buildings	147,883	
Equipment, plant and machinery	273,693	
Others	5,487	427,063
	<hr/>	
<b>Approved but not contracted for:</b>		
Land and buildings	68,261	
Equipment, plant and machinery	405,998	
Others	19,201	493,460
	<hr/>	<hr/>
Total		920,523
		<hr/>

**Note 12 - 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	7,846
2.	KYB-UMW Malaysia Sdn Bhd and its subsidiary	Perodua Group	Associated Company	Sale of goods	21,737
3.	UMW Toyota Motor Sdn Bhd and its subsidiaries	Perodua Group	Associated Company	Sale of Goods and Services	61,272
				Purchase of Goods and Services	94,904
4.	UMW Industrial Power Sdn Bhd	Perodua Group	Associated Company	Sale of Goods and Services	389
5.	UMW Industries (1985) Sdn Bhd.	Perodua Group	Associated Company	Sale of Goods and Services	1,678
6.	U-TravelWide Sdn Bhd	Perodua Group	Associated Company	Sale of Services	1,242
7.	UMW Toyota Motor Sdn Bhd	UMW Toyotsu Motors Sdn Bhd	Associated Company	Sale of Goods and Services	37,807
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	265,679
				Purchase of Goods and Services	569,852



No.	UMW & Its Subsidiaries	Transacting Parties	Relationship	Nature of Transaction	RM'000
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	5,714
				Purchase of assets	1,979
		Toyota Tsusho (Malaysia) Sdn Bhd	Corporate Shareholder of KYB-UMW Malaysia Sdn Bhd.	Sale of Goods and Services	52
				Purchase of Goods and Services	10,777
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	4,370
				Bare boat charter	10,755
11.	UMW Sher (L) Ltd	Jaybee Energy Pte Ltd	Related company of Corporate Shareholder of UMW Sher (L) Ltd	Sale of Goods and Services	2,214
				Purchase of Services	218
12.	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	1,444

### **Note 13 - Review of Performance**

Group revenue of RM3,221.2 million for the first quarter ended 31<sup>st</sup> March 2011 surpassed the RM3,033.2 million achieved in the preceding year's corresponding quarter by RM188.0 million or 6.2%. Improved sales registered by all business segments of the Group, particularly the Equipment segment, resulted in the revenue growth.

Group profit before taxation for the first quarter ended 31<sup>st</sup> March 2011 of RM339.5 million outperformed the RM305.1 million registered in the same quarter of 2010 by 11.3% or RM34.4 million. Higher revenue coupled with favourable foreign exchange rates mainly contributed to the higher profit before taxation.

As a result of the above, net profit attributable to the owners of the Company for the first quarter of 2011 increased from RM132.9 million registered in the same quarter of 2010 to RM151.8 million, an increase of RM18.9 million or 14.2%.

Total Toyota and Perodua vehicle sales of 73,466 units represented 46.4% of the total industry volume of 158,433 units reported by the Malaysian Automotive Association for the quarter ended 31<sup>st</sup> March 2011.

#### **Note 14 - Comparison with Preceding Quarter's Results**

Group revenue of RM3,221.2 million for the first quarter ended 31<sup>st</sup> March 2011 was RM216.9 million or 6.3% lower than the RM3,438.1 million achieved in the fourth quarter of 2010. Lower sales of Toyota vehicles, automotive components and some of our Oil & Gas products and services, resulted in the reduction in revenue for the first quarter.

However, Group profit before taxation for the first quarter ended 31<sup>st</sup> March 2011 of RM339.5 million was higher than the RM224.7 million registered in the fourth quarter of 2010 by 51.1%, an increase of RM114.8 million. This was because the fourth quarter results had reflected impairment losses provided on some of our assets and investments.

#### **Note 15 - Current Prospects**

- (a) Production of both Toyota and Perodua vehicles in the second quarter of 2011 is expected to slow down due to disruptions in parts supplies as a result of the recent earthquake and tsunami in Japan. As automotive parts makers in Japan are now scheduling to resume production earlier than expected, it is possible that production of Toyota and Perodua vehicles can be ramped up in the second half of 2011 to levels sufficient to cover the earlier shortfall. Perodua is maintaining its full-year sales target of 195,000 units and plans to roll out a new model soon to replace its top seller, MyVi.

Supply of Komatsu, Toyota and Mitsubishi equipment for the month of April 2011 was delayed. However, this delay is likely to be temporary as production is expected to resume to normalcy within the next few months. The Board is optimistic that the Group would most likely be able to meet its delivery commitments for the whole year.

The recent earthquake and tsunami in Japan are affecting our second quarter automotive parts sales volume in India and Malaysia. However, impact on the 2011 revenue and earnings targets of our Manufacturing & Engineering Segment is not expected to be material as full recovery within the next few months is highly probable.

Performance of our Oil & Gas Segment is expected to continue to improve for the rest of the year in view of the following:

- Our premium jack-up rig, Naga 3, has secured a drilling contract from Petronas Carigali Sdn Bhd with an estimated value of USD41.5 million for the first year and the option to renew in Year 2 and Year 3. Naga 3 has been income-generating since March 2011.
- Both Naga 1, a semi-submersible rig, and Naga 2, a premium jack-up rig, will continue to generate income for the remaining period of the year.
- United Seamless Tubular Private Limited's new OCTG plant in India is on track to increase its plant capacity utilisation.
- The performance of our overseas associate, WSP Holdings Limited, has shown some improvement.

- (b) The Board is of the view that the financial performance for the second quarter of 2011 will be affected by the recent earthquake and tsunami in Japan. However, barring unforeseen circumstances, full recovery from this temporary set-back is possible in the second half of 2011.

**Note 16 - Statement on Headline Key Performance Indicators**

Based on the internal key financial indicators and the current economic outlook for the remaining period to 31<sup>st</sup> December 2011, the Board of Directors is of the view that it is possible for the Group to achieve its 2011 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 17 - Variance from Profit Forecast and Profit Guarantee**

This is not applicable to the Group.

**Note 18 - Taxation**

	Quarter Ended 31st March 2011 RM'000
Current period's provision	86,826
Add/(Less): Under/(Over) provision in prior periods	-
	86,826
Deferred taxation	(7,134)
Total	79,692

The effective tax rate for the quarter ended 31<sup>st</sup> March 2011 of 26.3% was higher than the statutory tax rate of 25% primarily due to:

- (a) certain expenses were not allowable for tax purposes; and
- (b) higher tax rates for certain overseas subsidiaries.

**Note 19 - Profit on Sales of Investment and/or Properties**

There was no sale of unquoted investment or properties during the quarter ended 31<sup>st</sup> March 2011.

**Note 20 - Purchase or Disposal of Quoted Securities**

- (a) Total purchase consideration, sale proceeds of quoted investments and profit/loss arising from the sale therefrom were as follows:

	Three Months Ended 31st March 2011 RM'000
Total purchases	860
Total sale proceeds	200,718
Total gain arising from sales	153

(b) Quoted investments as at 31<sup>st</sup> March 2011 were as follows:

	Quoted Outside Malaysia RM'000	Quoted Within Malaysia RM'000
At cost	50,705	11,000
Provision for (diminution)/accretion in value	(1,475)	71
At net book value	49,230	11,071
Market value as at 31 <sup>st</sup> March 2011	49,230	11,071

The investment in shares quoted outside Malaysia is in respect of the Group's investment in a company listed on the Bombay Stock Exchange and the National Stock Exchange in India. This strategic investment is intended to be held on a long term basis.

**Note 21 - Corporate Proposals**

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

**Note 22 - Group Borrowings and Debt Securities**

	RM'000	RM'000	'000
(a) Short term borrowings			
- Unsecured			
Short term loans and trade facilities	349,684		{ USD44,243 SGD7,617
Finance lease payable	90		
Portion of long term loans payable within 12 months	158,807	508,581	USD49,630
	<hr/>		
- Secured			
Short term loans and trade facilities	19,434		{ AUD651 INR253,927
Finance lease payable	778		{ SGD316 AUD8
Portion of long term loans payable within 12 months	7,272	27,484	{ USD1,125 AUD1,404 SGD137 KINA2,188
	<hr/>		
<b>Total</b>		536,065	{ USD94,998 SGD8,070 AUD2,063 INR253,927 KINA2,188
		<hr/>	
(b) Long term borrowings			
- Unsecured			
Long term loans	1,761,070		{ USD369,094 INR5,007
Finance lease payable	332		
Portion of long term loans payable within 12 months	(158,807)	1,602,595	(USD49,630)
	<hr/>		
- Secured			
Long term loans	320,483		{ USD75,004 AUD9,044 SGD917 INR557,888 JPY1,301,500 KINA3,485
Finance lease payable	135		SGD57
Portion of long term loans payable within 12 months	(7,272)	313,346	{ (USD1,125) (AUD1,404) (SGD137) (KINA2,188)
	<hr/>		
<b>Total</b>		1,915,941	{ USD393,343 AUD7,640 SGD837 INR562,895 JPY1,301,500 KINA1,297
		<hr/>	

**Note 23 - Financial Instruments**

**(a) Outstanding derivatives as at 31<sup>st</sup> March 2011**

<b>Derivatives</b>	<b>Notional Value RM'000</b>	<b>Fair Value RM'000</b>	<b>Maturity</b>
Interest Rate Swaps	36,318	(4,045)	1 year to 3 years
Interest Rate Swaps	156,699	(14,294)	More than 3 years
Cross Currency Swaps	16,646	(132)	1 year to 3 years
Cross Currency Swaps	73,552	63	More than 3 years
Cross Currency cum Interest Rate Swaps	586,177	74,773	More than 3 years
Foreign Currency Forward Contracts	888,075	(7,314)	Less than 1 year
Embedded Derivatives	323,191	3,740	Less than 1 year

During the quarter ended 31<sup>st</sup> March 2011, there were no significant changes to the Group's exposures to credit risk, market risk and liquidity risk since the last financial year. In addition, there have been no changes to the Group's financial risk management objectives, policies and processes since the previous financial year end.

**(b) Description of the nature of all outstanding derivatives as at 31<sup>st</sup> March 2011**

- (i) An interest rate swap with a notional principal of USD47 million that fixed the obligation of a jointly-controlled entity in India to pay interest at a fixed rate of 7.04% per annum. The interest rate swap will mature on 30<sup>th</sup> September 2015.
- (ii) An interest rate swap with a notional principal of USD20 million that fixed the obligation of a jointly-controlled entity in India to pay interest at a fixed rate of 9.05% per annum with embedded options that provide protection on USD/INR rate within a specified range on the principal repayment. The interest rate swap will mature on 31<sup>st</sup> October 2012.
- (iii) An interest rate swap with a notional principal of USD10 million that fixed the obligation of a jointly-controlled entity in India to pay interest at a fixed rate of 10.41% per annum with embedded options that provide protection on USD/INR rate within a specified range on the principal repayment. The interest rate swap will mature on 4<sup>th</sup> November 2013.
- (iv) A cross currency cum interest rate swap that entitles a jointly-controlled entity in India to convert JPY3,253.8 million to INR1,335.3 million and fixed the entity's obligation to pay interest at a fixed rate of 9.35% per annum. The swap will mature on 31<sup>st</sup> March 2020.
- (v) A cross currency cum interest rate swap that entitles the Company to convert RM500 million to USD143.3 million and swaps the Company's obligation to pay interest at a fixed rate of 4.55% per annum to a USD floating rate. The swap will mature on 15<sup>th</sup> September 2014.
- (vi) An interest rate swap with a notional principal of USD143.3 million that fixed the obligation of the Company to pay interest at a fixed rate of 3.96% per annum. The interest rate swap will mature on 14<sup>th</sup> September 2014.
- (vii) An interest rate swap with a notional principal of USD14.9 million that fixed the obligation of a subsidiary in India to pay interest at a fixed rate of 7.1% per annum

with embedded options that provide protection on USD/INR rate within a specified range on the principal repayment. The interest rate swap will mature on 14<sup>th</sup> July 2014.

- (viii) An interest rate swap with a notional principal of USD3.25 million that fixed the obligation of a subsidiary in India to pay interest at a fixed rate of 6.8% per annum with embedded options that provide protection on USD/INR rate within a specified range on the principal repayment. The interest rate swap will mature on 31<sup>st</sup> July 2014.
- (ix) An interest rate swap with a notional principal of USD2 million that fixed the obligation of a subsidiary in India to pay interest at a fixed rate of 9.45% per annum with embedded options that provide protection on USD/INR rate within a specified range on the principal repayment. The interest rate swap will mature on 15<sup>th</sup> June 2015.
- (x) An interest rate swap with a notional principal of USD7 million that fixed the obligation of a subsidiary in India to pay interest at a fixed rate of 7.2% per annum with embedded options that provide protection on USD/INR rate within a specified range on the principal repayment. The interest rate swap will mature on 31<sup>st</sup> July 2014.
- (xi) An interest rate swap with a notional principal of USD4 million that fixed the obligation of a subsidiary in India to pay interest at a fixed rate of 5.15% per annum with embedded options that provide protection on USD/INR rate within a specified range on the principal repayment. The interest rate swap will mature on 31<sup>st</sup> July 2014.
- (xii) An interest rate swap with a notional principal of USD2.26 million that fixed the obligation of a subsidiary in India to pay interest at a fixed rate of 9.55% per annum with embedded options that provide protection on USD/INR rate within a specified range on the principal repayment. The interest rate swap will mature on 4<sup>th</sup> August 2015.
- (xiii) A cross currency cum interest rate swap that entitles the Company to convert RM110 million to USD35.6 million and swaps the Company's obligation to pay interest at a fixed rate of 4.03% per annum to a USD floating rate. The cross currency swap will mature on 8<sup>th</sup> October 2015.
- (xiv) A cross currency cum interest rate swap that entitles the Company to convert RM73.6 million to USD24.3 million and swaps the Company's obligation to pay interest at a fixed rate of 5.25% per annum to a MYR floating rate. The cross currency swap will mature on 25<sup>th</sup> March 2014.
- (xv) A cross currency cum interest rate swap that entitles the Company to convert RM16.6 million to USD5.5 million and swaps the Company's obligation to pay interest at a USD floating rate per annum to a MYR floating rate. The cross currency swap will mature on 28<sup>th</sup> September 2016.
- (xvi) Foreign currency forward contracts

Currency	Contract Amounts '000	Equivalent Amount in RM'000	Expiry Dates
Japanese Yen	2,521,113	93,134	07/04/2011 - 31/08/2011
United States Dollar	249,104	764,355	01/04/2011 - 23/09/2011
Euro	4,939	19,952	07/04/2011 - 26/09/2011
Swedish Krone	14,345	6,607	01/04/2011 - 30/09/2011
Thai Baht	39,994	4,027	15/04/2011 - 22/09/2011

The above contracts were entered into with a view to minimise the entity's exposure to losses resulting from adverse fluctuations in interest rates and foreign currency exchange rates on the existing bank loans, trade receivables and trade payable.

**Note 24 - Material Litigation**

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

**Note 25 - Dividend**

No interim dividend has been recommended for the quarter ended 31<sup>st</sup> March 2011 (2010 - Nil).

**Note 26 - Earnings Per Share**

Basic earnings per share for the quarter ended 31<sup>st</sup> March 2011 is calculated by dividing the net profit attributable to shareholders of RM151,832,000 by the weighted average number of ordinary shares in issue as at 31<sup>st</sup> March 2011 of 1,161,350,675 shares of RM0.50 each.

Diluted earnings per share for the current quarter ended 31<sup>st</sup> March 2011 is calculated by dividing the adjusted net profit attributable to shareholders of RM151,832,000 by the adjusted weighted average number of ordinary shares in issue and issuable of 1,162,358,310 shares of RM0.50 each.

	<b>No. of Shares of RM0.50 Each</b>
Weighted average number of shares as at 31 <sup>st</sup> March 2011	1,161,350,675
Add: Dilutive ESOS	1,007,635
Adjusted weighted average number of shares	1,162,358,310



**Note 27 - Realised and Unrealised Profits/Losses**

The breakdown of retained profits of the Group as at 31<sup>st</sup> December 2010 and 31<sup>st</sup> March 2011, pursuant to the format prescribed by Bursa, are as follows:

	As at 31 <sup>st</sup> December 2010 RM'000	As at 31 <sup>st</sup> March 2011 RM'000
Total retained profits of Company and its subsidiaries:		
- Realised	1,901,547	2,212,629
- Unrealised	(5,365)	(24,565)
	1,896,182	2,188,064
Total share of retained profits/(accumulated losses) from associated companies:		
- Realised	960,321	937,184
- Unrealised	(12,581)	(2,231)
Total share of retained profits/(accumulated losses) from jointly-controlled entities:		
- Realised	(47,176)	(43,158)
- Unrealised	9,864	11,762
	2,806,610	3,091,621
Less: Consolidation adjustments	(53,975)	(187,154)
Total Group retained profits as per consolidated accounts	2,752,635	2,904,467

**Note 28 - Audit Qualification**

The audit report in respect of the annual financial statements for the financial year ended 31<sup>st</sup> December 2010 was not qualified.

By Order Of The Board

**SUSEELA MENON**  
Secretary  
(MAICSA 7028386)

Shah Alam  
25<sup>th</sup> May 2011