

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

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE
SECOND QUARTER ENDED 30TH JUNE 2013**
(THE FIGURES HAVE NOT BEEN AUDITED)

	CURRENT QUARTER ENDED 30/06/2013 RM'000	RESTATED COMPARATIVE QUARTER ENDED 30/06/2012 RM'000	6 MONTHS CUMULATIVE TO DATE 30/06/2013 RM'000	RESTATED COMPARATIVE 6 MONTHS CUMULATIVE TO DATE 30/06/2013 RM'000
<u>Continuing Operations</u>				
Revenue	3,499,181	4,108,917	6,858,477	7,808,954
Operating Expenses	(3,181,468)	(3,610,282)	(6,173,141)	(6,950,908)
Other Operating Income	98,227	7,126	125,373	62,096
Profit From Operations	415,940	505,761	810,709	920,142
Finance Costs	(28,802)	(21,325)	(48,451)	(40,884)
Share Of Profits Of Associated/Jointly- Controlled Entities	39,403	12,381	77,900	37,358
Investment Income	16,648	19,967	35,734	36,880
Profit Before Taxation	443,189	516,784	875,892	953,496
Taxation	(101,202)	(132,073)	(198,736)	(222,919)
Profit For The Period	341,987	384,711	677,156	730,577
<u>Other Comprehensive Income:</u>				
Translation Of Foreign Operations	20,447	246	19,566	(2,807)
Cash Flow Hedge	2,549	(66)	3,033	(19)
Other Comprehensive Income Net Of Tax	22,996	180	22,599	(2,826)
Total Comprehensive Income For The Period	364,983	384,891	699,755	727,751
<u>Profit For The Period Attributable To:</u>				
Equity Holders Of The Company	250,987	224,245	470,651	444,279
Non-Controlling Interests	91,000	160,466	206,505	286,298
	341,987	384,711	677,156	730,577
<u>Total Comprehensive Income Attributable To:</u>				
Equity Holders Of The Company	274,571	224,866	494,255	442,373
Non-Controlling Interests	90,412	160,025	205,500	285,378
	364,983	384,891	699,755	727,751
<u>EPS Attributable To Equity Holders Of The Company:</u>				
Basic EPS For The Period (Sen)	21.48	19.19	40.29	38.03
Diluted EPS For The Period (Sen)	21.48	19.19	40.29	38.03

(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 30/06/2013 RM'000	RESTATED (AUDITED) AS AT 31/12/2012 RM'000	RESTATED (AUDITED) AS AT 01/01/2012 RM'000
ASSETS			
Non-Current Assets			
Property, Plant And Equipment	3,764,541	2,997,268	2,863,474
Investment Properties	9,154	9,774	77,574
Intangible Assets	138,334	138,334	169,245
Land Use Rights	4,528	4,609	4,771
Leased Assets	244,032	244,788	226,936
Investments In Associates	1,628,495	1,554,729	1,414,018
Investments In Jointly-Controlled Entities	112,948	76,179	59,752
Deferred Tax Assets	55,993	50,631	56,521
Other Investments	19,278	44,800	54,730
Derivative Assets	10,032	66,252	43,829
	5,987,335	5,187,364	4,970,850
Current Assets			
Inventories	2,182,484	1,768,818	1,466,779
Trade Receivables	1,099,300	1,078,963	869,505
Other Receivables	886,240	463,697	336,974
Other Investments	498,941	489,881	391,271
Derivative Assets	13,900	1,596	5,171
Deposits, Cash And Bank Balances	1,757,155	2,492,582	2,214,825
	6,438,020	6,295,537	5,284,525
Non-Current Assets Held For Sale	900	12,502	4,548
	6,438,920	6,308,039	5,289,073
TOTAL ASSETS	12,426,255	11,495,403	10,259,923
EQUITY AND LIABILITIES			
Equity Attributable To Equity Holders Of The Company			
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	(19,225)	(39,796)	(23,120)
Hedging Reserve	970	(2,063)	-
Retained Profits	3,689,661	3,511,084	2,890,577
	5,050,431	4,848,250	4,246,482
Non-Controlling Interests	1,381,290	1,450,167	1,347,590
TOTAL EQUITY	6,431,721	6,298,417	5,594,072
Non-Current Liabilities			
Provision For Liabilities	56,229	57,982	69,132
Deferred Tax Liabilities	33,282	28,759	34,040
Long Term Borrowings	2,119,903	1,633,939	1,638,699
Derivative Liabilities	5,597	17,647	11,354
	2,215,011	1,738,327	1,753,225
Current Liabilities			
Provision For Liabilities	47,821	71,001	79,213
Taxation	88,272	85,921	82,992
Short Term Borrowings	1,267,102	1,013,930	670,951
Bank Overdrafts	62,215	59,744	73,821
Trade Payables	919,585	750,169	746,764
Other Payables	1,092,702	1,295,604	1,099,902
Derivative Liabilities	9,752	7,046	1,263
Dividend Payable	292,074	175,244	157,720
	3,779,523	3,458,659	2,912,626
TOTAL LIABILITIES	5,994,534	5,196,986	4,665,851
TOTAL EQUITY AND LIABILITIES	12,426,255	11,495,403	10,259,923
Net Assets Per Share (RM)	4.3229	4.1499	3.6348

(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 30TH JUNE 2013

	←----- NON-DISTRIBUTABLE ----->					DISTRIBUTABLE			
	SHARE CAPITAL RM'000	SHARE PREMIUM RM'000	CAPITAL RESERVE RM'000	FOREIGN CURRENCY TRANSLATION RESERVE RM'000	HEDGING RESERVE RM'000	RETAINED PROFITS RM'000	TOTAL RM'000	NON- CONTROLLING INTERESTS RM'000	TOTAL EQUITY RM'000
6 MONTHS ENDED 30TH JUNE 2013									
At 1 st 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 st 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)
Disposal of a subsidiary	-	-	-	-	-	-	-	(1,583)	(1,583)
Dividends distributed to equity holders	-	-	-	-	-	(292,074)	(292,074)	(272,769)	(564,843)
Total comprehensive income	-	-	-	20,571	3,033	470,651	494,255	205,500	699,755
At 30 th June 2013	584,147	794,482	396	(19,225)	970	3,689,661	5,050,431	1,381,290	6,431,721

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30TH JUNE 2012

	←----- NON-DISTRIBUTABLE ----->					DISTRIBUTABLE			
	SHARE CAPITAL RM'000	SHARE PREMIUM RM'000	CAPITAL RESERVE RM'000	FOREIGN CURRENCY TRANSLATION RESERVE RM'000	HEDGING RESERVE RM'000	RETAINED PROFITS RM'000	TOTAL RM'000	NON- CONTROLLING INTERESTS RM'000	TOTAL EQUITY RM'000
6 MONTHS ENDED 30TH JUNE 2012									
At 1 st 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 st 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	-	-	-	-	-	-	-	9,108	9,108
Reduction of minority interest in subsidiaries	-	-	-	-	-	-	-	(438)	(438)
Liquidation of a subsidiary	-	-	-	-	-	-	-	(19)	(19)
Dividends distributed to equity holders	-	-	-	-	-	(87,622)	(87,622)	(248,046)	(335,668)
Total comprehensive income	-	-	-	(1,887)	(19)	444,279	442,373	285,378	727,751
At 30 th June 2012	584,147	794,482	396	(30,913)	(19)	3,253,140	4,601,233	1,393,573	5,994,806

(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 30TH JUNE 2013

	6 MONTHS ENDED 30/06/2013 RM'000	RESTATED 6 MONTHS ENDED 30/06/2012 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Taxation	875,892	953,496
Adjustments For:		
Depreciation & Amortisation	141,247	143,861
Reversal of impairment losses on investments	(8,061)	(11,367)
Net inventories written down/ (write back)	2,833	(3,392)
Interest expense	48,451	40,884
Share of results of associates/Jointly-Controlled Entities	(77,900)	(37,358)
Impairment/(Reversal of Impairment losses) on receivables	528	(9,324)
Net foreign exchange/fair value (gain)/loss	14,157	36,801
Interest & dividend income	(35,734)	(36,880)
Others	(32,497)	(10,530)
Operating Profit Before Working Capital Changes	928,916	1,066,191
Increase in receivables	(444,046)	(335,619)
Increase in inventories	(416,498)	(337,573)
(Decrease)/Increase in payables	(125,217)	495,229
Cash (Used In)/Generated From Operating Activities	(56,845)	888,228
Interest paid	(31,881)	(32,774)
Taxation paid	(198,810)	(206,353)
Net Cash (Used In)/Generated From Operating Activities	(287,536)	649,101
CASH FLOW FROM INVESTING ACTIVITIES		
Net cash outflow arising from equity investments	(219,597)	(1,090)
Dividends received	61,498	53,090
Purchase of properties, plant & equipment	(657,727)	(192,207)
Proceeds from disposal of properties, plant & equipment	62,918	27,424
Interest & dividend income	35,734	36,880
Other Investments (net)	(45,101)	(77,019)
Net Cash Used In Investing Activities	(762,275)	(152,922)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issuance of shares	25	9,108
Dividend paid to equity holders of the company	(175,244)	(157,720)
Dividend paid to non-controlling Interests	(272,769)	(248,046)
Drawdown of loans & borrowings	739,125	270,244
Net Cash Generated From/(Used In) Financing Activities	291,137	(126,414)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(758,674)	369,765
CASH AND CASH EQUIVALENTS AS AT 1ST JANUARY	2,435,561	2,130,761
EFFECTS OF EXCHANGE RATE CHANGES	18,053	(2,847)
CASH AND CASH EQUIVALENTS AS AT 30TH JUNE	1,694,940	2,497,679

(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 31st 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 31st 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 31st 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 31st December 2012 except as described below.

As of 1st 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 1st 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 1st 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

RM'000	At 31/12/2012	At 1/01/2012
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

RM'000	6 months ended 30th June 2012
Increase in Revenue	(26,677)
Increase in Share of Loss after Tax of Equity-accounted Jointly-Controlled Entities	(32,197)
Increase in Profit Before Taxation	9,922
Decrease in Taxation	(116)
Increase in Non-Controlling Interests	10,038

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 9th May 2013, the Company completed the second issuance of Islamic Medium Term Notes ("IMTN") with a nominal value of RM500.0 million under the IMTN programme ("New Sukuk Issuance").

The New Sukuk Issuance was undertaken by the Company to allow for the swap of the outstanding IMTN of RM500.0 million pursuant to the IMTN Programme of up to RM500.0 million in nominal value issued on 15th September 2009 ("Outstanding IMTN2") into the recently established IMTN Programme (this exercise will be referred to as the "Sukuk Swap Exercise"). The Sukuk Swap Exercise was done on a no cash basis and the New Sukuk will have the same maturity date and profit rate of the Outstanding IMTN2.

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 30th June 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 31st December 2012, was paid on 8th February 2013.

There was no dividend paid during the quarter ended 30th June 2013.

Note 7 - Segmental Reporting

	Six Months Ended 30th June 2013		
Business Segment	Revenue RM'000	Profit Before Taxation RM'000	Profit Attributable to Owners of the Company RM'000
Automotive	4,963,451	726,165	340,114
Equipment	923,620	111,000	87,176
Oil & Gas	325,280	96,404	87,957
Manufacturing & Engineering	364,994	6,852	2,977
Others	329,863	(64,529)	(47,573)
Sub-Total	6,907,208	875,892	470,651
Elimination of Inter-Segment Sales	(48,731)	-	
Consolidated Total	6,858,477	875,892	

Total assets increased in tandem with higher levels of revenue and profitability and there has been no material change in the total assets as compared to the last annual financial statements.

During the financial period, the Group has reclassified certain business unit within the Oil & Gas segment into Others segment to facilitate more efficient management monitoring of the business operations. Certain comparative numbers had been restated to reflect the reclassification.

Note 8 - Subsequent Material Events

In the opinion of the Directors, there has been no material event or transaction during the period from 30th June 2013 to the date of this announcement, which affects substantially the results of the Group for the period ended 30th June 2013.

Note 9 - Changes in Composition/Group

On 11th April 2013, UMW Standard Drilling Sdn Bhd, a wholly-owned subsidiary in the UMW Group, has established a wholly-owned subsidiary known as UMW Drilling Academy Sdn Bhd ("UMW DA") in Malaysia.

The principal activity of UMW DA is to provide training services and courses related to drilling activities. The authorised share capital of UMW DA is RM400,000 divided into 400,000 ordinary shares of RM1.00 each, whereas the initial paid-up capital of UMW DA is RM2.00 divided into 2 ordinary shares of RM1.00 each

On 29th April 2013, UMW Deepnautic Sdn Bhd and UMW Deepnautic Pte Ltd, dormant companies of UMW were placed under members' voluntary winding up as part of the Group's initiatives to reduce the number of dormant companies in the Group and to eliminate unnecessary administrative cost in maintaining the subsidiaries further.

On 2nd May 2013, UMW has announced that further to the announcement dated 31st January 2013 in relation to the divestment of UMW Linepipe's shareholding of 16.6012% of the total registered capital in Shanghai BSW Petro-pipe Co Ltd ("BSW") to CNPC Baoji Petroleum Steel Pipe Co Ltd ("Baoji") (Transaction 1) and 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 (Transaction 2), the Share Transfer Contract in

respect of Transaction 1 and the terms and conditions of the Share Sale Agreement in respect of Transaction 2 have been fulfilled and completed. With the completion of Transaction 1, UMW Linepipe's shareholding in BSW is now 32.3988% and with the completion of Transaction 2, UMW Linepipe is now a wholly-owned subsidiary within the UMW Group.

On 16th May 2013, UMW M&E Sdn Bhd (formerly known as UMW Auto Parts Sdn Bhd) ("UMW M&E"), a wholly-owned subsidiary of UMW, had entered into a Joint Venture and Shareholders Agreement ("the Agreement") with the Bluebird Group through its nominee, PT Pusaka Sukucadang ("BBG") Indonesia for the proposed establishment and management of a Joint Venture Company (JVCo) in Indonesia for purpose of engaging in mutual business cooperation in various automotive based businesses in Indonesia ("Proposed Joint Venture"). Under the Agreement, UMW M&E and BBG will jointly establish a JVCo with an initial paid up share capital of USD1,000,000 ordinary shares of USD1.00 each in the proportion of 49% UMW M&E and 51% BBG.

On 23rd May 2013, UMW Rig Asset (L) Ltd ("URA"), a wholly-owned subsidiary of Oil & Gas Corporation Berhad, which in turn, is a wholly-owned subsidiary of UMW, has today entered into a Share Purchase Agreement ("SPA") with S.D. Standard Drilling Plc ("SD") for the acquisition of the entire issued and paid-up capital of Offshore Driller 4 Ltd ("OD-4"), for a consideration of USD69.4 million and further for the assignment of all rights and interests under the Vessel Construction Agreement ("VCA") entered into between OD-4 and Keppel FELS Limited ("Keppel") on 29th April 2011, for the construction of a mobile offshore self-elevating jack-up drilling rig of Keppel FELS Mod VB designed with Builder's Hull no. B340 (the "Rig"), inclusive of all equipment and spares belonging to the Rig whether on board, ashore or on order as may be delivered by Keppel under VCA for a consideration of USD153.6 million. Total consideration arising from the acquisition was USD223.0 million.

Other than the above, there were no changes in the composition of the Group during the quarter ended 30th June 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	117,092	
Equipment, plant and machinery	567,587	
Others	9,720	694,399
Approved but not contracted for :		
Land and buildings	56,155	
Equipment, plant and machinery	1,556,192	
Others	18,167	1,630,514
Total		2,324,913

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	18,084
2.	KYB-UMW Malaysia Sdn Bhd and its subsidiary	Perodua Group	Associated Company	Sale of Goods	29,623
3.	UMW Toyota Motor Sdn Bhd and its subsidiaries	Perodua Group	Associated Company	Sale of Goods and Services	64,886
4.	UMW Industrial Power Sdn Bhd	Perodua Group	Associated Company	Sale of Goods and Services	1,558
5.	UMW Industries (1985) Sdn Bhd	Perodua Group	Associated Company	Sale of Goods and Services	3,100
6.	U-TravelWide Sdn Bhd	Perodua Group	Associated Company	Sale of Services	2,010
7.	Lubetech Sdn Bhd	Perodua Group	Associated Company	Sales of Goods and Services	7,139
8.	UMW Toyota Motor Sdn Bhd and its subsidiaries	UMW Toyotsu Motors Sdn Bhd	Associated Company	Sale of Goods and Services	68,001
				Purchase of Goods and Services	2,337
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	556,720
				Purchase of Goods and Services	1,644,318
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	30,362
				Purchase of Assets	3,669
		Toyota Tsusho (Malaysia) Sdn Bhd	Corporate Shareholder of KYB-UMW Malaysia Sdn Bhd	Sale of Goods and Services	35
				Purchase of Goods and Services	13,972
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	10,579
				Bare Boat Charter	18,230

No.	UMW & Its Subsidiaries	Transacting Parties	Relationship	Nature of Transaction	RM'000
12.	Jaybee Drilling Pvt Ltd	Jaybee Energy Pte Ltd	Related Company of Corporate Shareholder of Jaybee Drilling Pvt Ltd	Sale of Goods and Services	5,533
13.	UMW Sher (L) Ltd	Jaybee Energy Pte Ltd	Related Company of Corporate Shareholder of Jaybee Drilling Pvt Ltd	Bare Boat Charter Rental of PPE	5,787 902

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 RM723.2 million as at 30th June 2013 from RM603.9 million as at 31st December 2012.

Note 14 - Review of Performance

Current Quarter Ended 30th June 2013

	Revenue		Profit Before Tax	
	Quarter ended 30/06/2013 RM'000	Quarter ended 30/06/2012 RM'000 Restated	Quarter ended 30/06/2013 RM'000	Quarter ended 30/06/2012 RM'000 Restated
Consolidated Total	3,499,181	4,108,917	443,189	516,784
Business Segment :				
Automotive	2,571,362	3,036,657	358,110	490,347
Equipment	444,233	560,175	51,920	56,720
Oil & Gas	167,756	186,643	75,781	18,525
Manufacturing & Engineering	187,863	176,992	(2,536)	71

- Restated to take into account the MFRS impact

Group

The Group revenue of RM3,499.2 million for the second quarter ended 30th June 2013 was lower than RM4,108.9 million registered in the preceding year's corresponding quarter by 14.8%. This was due to the lower contribution of revenue from the Automotive, Oil & Gas and Equipment segments.

Consequently, the Group profit before taxation of RM443.2 million for the second quarter ended 30th June 2013 reduced by 14.2% compared to RM516.8 million registered in the same quarter of 2012. This was mainly due to lower contributions from the Automotive, Equipment and M&E segments but offset by higher profit contribution from the Oil & Gas segment.

The net profit attributable to equity holders of the Company in the second quarter of 2013 however increased by 12% to RM251.0 million from the RM224.2 million registered in the same quarter of 2012. The increase was due to the better margins in the Oil & Gas segment.

Automotive Segment

Total industry volume (“TIV”) as reported by Malaysian Automotive Association (“MAA”) for the 2nd quarter of 2013 of 155,824 units was 4.2% lower than 162,725 units recorded in the corresponding quarter in 2012. Sale of Toyota vehicles was 18.6% lower in line with the reduction in the TIV, as well as intense competition from new models launched by competitors. Perodua on the other hand, recorded an increase in vehicle sales of 9.8% in the 2nd quarter of 2013 compared to the corresponding quarter in 2012, contributed by higher sales of the new MyVi.

In line with the lower revenue, the profit before taxation recorded in the second quarter of 2013 of RM358.1 million was 27.0% lower than the RM490.3 million recorded in the same quarter of 2012. The reduction was attributable to higher selling and distribution expenses resulting from increase in promotional and advertising activities.

Toyota and Perodua vehicle sales of 74,503 units constitute 47.8% of the TIV of 155,824 units reported by MAA for the quarter ended 30th June 2013.

Equipment Segment

Revenue of the Equipment segment declined by 20.7%, from RM560.2 million recorded in the corresponding quarter of 2012 to RM444.2 million registered in the current quarter. The reduction in sales was due to lower demand for parts and equipment resulting from the weaker construction sector as well as the drop in mining activities at our overseas subsidiary.

In line with the above, the profit before taxation of the Equipment segment reduced by 8.5%, from RM56.7 million recorded in the corresponding quarter of 2012 to RM51.9 million for the current quarter.

Oil & Gas Segment

Revenue of the Oil & Gas segment for the current quarter ended 30th June 2013 was lower by 10.1% compared to the same quarter of 2012 mainly due to the expiration of a semi-submersible rig contract for Hakuryu 5 in January 2013.

Notwithstanding the above, profit before taxation increased to RM75.8 million in the current quarter from RM18.5 million registered in the preceding year’s corresponding quarter resulting from :

- a) new contribution from NAGA 4;
- b) lower repairs and maintenance cost following completion of the Deepdish project for NAGA 1;and
- c) completion of a sale of property by one of the subsidiaries.

Manufacturing & Engineering Segment

Revenue for the Manufacturing & Engineering segment for the current quarter of RM187.9 million was higher than the RM177.0 million recorded in the same quarter of 2012. However, this segment registered a loss before taxation of RM2.5 million for the quarter. The loss was mainly contributed by the weakening of the Indian Rupee which resulted in an unrealised forex loss on the USD loans of the subsidiaries in India.

Six Months Ended 30th June 2013

	Revenue		Profit Before Tax	
	6 Months ended 30/06/2013 RM'000	6 Months ended 30/06/2012 RM'000 Restated	6 Months ended 30/06/2013 RM'000	6 Months ended 30/06/2012 RM'000 Restated
Consolidated Total	6,858,477	7,808,954	875,892	953,496
Business Segment				
Automotive	4,963,451	5,533,996	726,165	861,044
Equipment	923,620	1,174,977	111,000	110,791
Oil & Gas	325,280	428,536	96,404	57,103
Manufacturing & Engineering	364,994	335,422	6,852	4,175

- Restated to take into account the MFRS impact

Group

The Group revenue of RM6,858.5 million for the six months ended 30th June 2013 was 12.1% lower than the RM7,809.0 million recorded in the corresponding period of 2012. The lower revenue was contributed by the Automotive, Oil & Gas and Equipment segments.

Likewise, Group profit before taxation for the six months ended 30th June 2013 reduced to RM875.9 million from the RM953.5 million registered in the same period of 2012 by 8.1%.

However, the net profit attributable to equity holders of the Company for the six months ended 30th June 2013 improved to RM470.7 million from the RM444.3 million registered in the first half of 2012, an increase of 5.9%. The increase was due to the improvement in the Oil & Gas segment.

Automotive Segment

The sale of Toyota vehicles for the six months ended 30th June 2013 reduced by 14.6%. This resulted in a lower revenue of RM4,963.5 million for the first half of 2013, 10.3% lower than the RM5,534.0 million recorded in the same period last year. New model launches and stiff competition from other car makers contributed to the lower revenue in the current period.

Despite the stiff competition, Perodua recorded higher vehicle sales by 3.6% in the first half of 2013, arising from higher demand for Alza and MyVi.

In line with the lower sales, the profit before taxation reduced by 15.7%, from RM861.0 million registered in the corresponding period of 2012 to RM726.2 million in the current period.

Toyota and Perodua vehicle sales of 143,929 units constitute 45.9% of the TIV of 313,488 units reported by MAA for the six months ended 30th June 2013. A total of 148,200 units of Toyota and Perodua vehicles or 49.2% of the TIV of 301,269 units were sold in the same period of 2012.

Equipment Segment

The Equipment segment revenue of RM923.6 million for the first half of 2013 was 21.4% lower than the RM1,175.0 million registered in the same period of 2012. Lower sales were due to :

- Softer construction sector in the first half of 2013; and
- Lower commodity prices that dampened equipment demand in the palm oil, iron ore and gold mining sectors.

Nevertheless, profit before taxation for the first half of 2013 registered at RM111.0 million, a marginal increase compared to RM110.8 million recorded in the first half of 2012.

Oil & Gas Segment

The revenue for the six months ended 30th June 2013 of RM325.3 million was 24.1% lower than the RM428.5 million recorded in the same period of 2012. The lower revenue was primarily due to the expiration of a semi-submersible rig contract for Hakuryu 5 in January 2013.

The profit before taxation of RM96.4 million was higher than RM57.1 million recorded in the same period of last year. The higher profit was mainly due to :

- a) new contribution from NAGA 4;
- b) lower repairs and maintenance cost following completion of Deepdish project for NAGA 1; and
- c) completion of a sale of property by one of the subsidiaries.

Manufacturing & Engineering Segment

The revenue for the Manufacturing & Engineering segment for the first six months ended 30th June 2013 of RM365.0 million was higher than the RM335.4 million recorded in the same period of 2012 mainly due to the higher demand for our lubricant products.

In line with the higher revenue, the profit before taxation increased from RM4.2 million recorded in the previous corresponding period to RM6.9 million in the current period.

Note 15 - Comparison with Preceding Quarter's Results

	Revenue		Profit Before Tax	
	2 nd Quarter ended 30/06/2013 RM'000	1 st Quarter ended 31/03/2013 RM'000	2 nd Quarter ended 30/06/2013 RM'000	1 st Quarter ended 31/03/2013 RM'000
Consolidated Total	3,499,181	3,359,296	443,189	432,703
Business Segment :				
Automotive	2,571,362	2,392,089	358,110	368,055
Equipment	444,233	479,387	51,920	59,080
Oil & Gas	167,756	157,524	75,781	20,623
Manufacturing & Engineering	187,863	177,131	(2,536)	9,388

The Group revenue of RM3,499.2 million for the second quarter of 2013 was higher than the RM3,359.3 million recorded in the first quarter of 2013 by 4.2%. The higher revenue was principally due to the following :

- higher sales of Toyota and Perodua vehicles by 9.8% and 6.2% respectively; and
- higher contribution from NAGA 1 and NAGA 4.

Consequently, the Group registered a higher profit before taxation of RM443.2 million for the second quarter of 2013 against the RM432.7 million for the first quarter of 2013, an increase of 2.4%.

Note 16 - Current Prospect

Automotive Segment

Despite intense competition due to new model launches at competitive prices, aggressive promotions in the second half of 2013 should continue to generate buying interest for motor vehicles. The government had also announced that the reduction of car prices of between 20% to 30% is to be done gradually until 2017, thus minimising uncertainty in the automotive market.

Equipment Segment

The Equipment segment is expected to maintain its first half momentum despite uncertain external factors which may affect the demand for equipment. The performance of this segment is expected to sustain.

Oil & Gas Segment

The performance of the Oil & Gas segment is expected to continue to improve for the second half 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 NAGA 4.

Manufacturing & Engineering Segment

The performance of the Manufacturing & Engineering segment is expected to improve for the second half of 2013 with the increasing demand for Repsol and Pennzoil lubricant products.

Group

The Group's performance may be impacted by the weakening Malaysian Ringgit. 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 31st 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

	Quarter Ended 30/06/2013 RM'000	Six Months Ended 30/06/2013 RM'000
Current period's provision	101,846	199,570
Under/(Over) provision in prior periods	-	-
	101,846	199,570
Deferred taxation	(644)	(834)
Total	101,202	198,736

The effective tax rate for the current quarter and period ended 30th June 2013 of 24.19% and 24.46%, respectively, were 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 16th May 2013, an announcement was made by UMW Holdings Berhad ("UMWH") in relation to its proposal to list its wholly-owned subsidiary, UMW Oil & Gas Corporation Berhad ("UMW-OG") on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities"). UMW-OG had, on 20th May 2013, submitted an application in relation to the Proposed Listing to the Securities Commission Malaysia and other relevant authorities.

On 29th July 2013, Bursa Securities had vide its letter, approved the admission to the Official List and the listing of and quotation for the entire issued and paid up share capital of UMW-OG of 2,162,000,000 ordinary shares of RM0.50 each in UMW-OG on the "Trading/Services" sector of the Main Market of Bursa Securities.

On 20th August 2013, UMWH Group has made a strategic decision to retain UMW Synergistic Generation Sdn Bhd and its two subsidiaries ("USG Group") under the UMWH Group and to continue nurturing this entity in tandem with its objective to maximise the creation of value for all its stakeholders.

The exclusion of the USG Group from the UMW-OG Group is not expected to have any material effect on the UMW-OG Group. Accordingly, the variation will not have any effect on the scheme for the Proposed Listing.

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	1,013,910	(USD144,898 SGD6,220
Finance lease payable	885		
Portion of long term loans payable within 12 months	186,219	1,201,014	(USD58,689
- Secured			
Short term loans and trade facilities	17,914	(AUD2,904 INR155,556
Finance lease payable	664	(KINA92 SGD231
Portion of long term loans payable within 12 months	47,510	(USD14,681
	<u> </u>	<u>66,088</u>	(USD218,268
		<u>1,267,102</u>	(SGD6,451
			(AUD2,904
			(INR155,556
			(KINA92
(b) Long term borrowings			
- Unsecured			
Long term loans	2,144,520	(USD283,292 INR12,933
Finance lease payable	1,344		
Portion of long term loans payable within 12 months	(186,219)	1,959,645	((USD58,689)
- Secured			
Long term loans	207,611	(USD65,322
Finance lease payable	157		
Portion of long term loans payable within 12 months	(47,510)	160,258	((USD14,681)
	<u> </u>	<u>160,258</u>	(USD275,244
		<u>2,119,903</u>	(INR12,933

Note 22 - Material Litigation

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

Note 23 - Dividend

The Board is pleased to declare an interim single-tier dividend of 20% or 10.0 sen (2012 - 20% or 10.0 sen) per share of RM0.50 each, amounting to a net dividend payable of approximately RM116.8 million (2012- RM116.8 million) for the year ending 31st December 2013, to be paid on 8th October 2013.

Note 24 - Earnings Per Share

Basic earnings per share for the quarter and financial year ended 30th June 2013 is calculated by dividing the net profit attributable to shareholders of RM251.0 million and RM470.7 million, respectively, by the weighted average number of ordinary shares in issue as at 30th June 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 31st March 2013 and 30th June 2013, pursuant to the format prescribed by Bursa Securities, is as follows :

	As at 31st March 2013 RM'000	As at 30th June 2013 RM'000
Total retained profits/(accumulated losses) of the Company and its subsidiaries:		
-Realised	2,664,206	2,558,291
-Unrealised	(128,053)	(60,927)
	2,536,153	2,497,364
Total share of retained profits/(accumulated losses) from associated companies:		
-Realised	1,273,987	1,143,400
-Unrealised	(42,984)	(25,859)
Total share of retained profits/(accumulated losses) from jointly-controlled entities:		
-Realised	85,032	112,948
-Unrealised	1,731	(7,516)
	3,853,919	3,720,337
Less: Consolidation adjustments	(123,171)	(30,676)
Total Group retained profits as per consolidated accounts	3,730,748	3,689,661

Note 26 - Audit Qualification

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

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

	2nd Quarter Ended 30/06/2013 RM'000	Six Months Ended 30/06/2013 RM'000
a) Interest income	15,083	32,145
b) Other investment income	1,565	3,589
c) Depreciation and amortization	(70,589)	(141,247)
d) Write back of allowance for impairment of receivables (net)	(1,253)	(528)
e) (Provision for)/write back of inventories	(246)	(2,833)
f) (Loss)/gain on disposal of quoted or unquoted investment	(696)	(1,281)
g) (Loss)/gain on disposal of properties	30,003	30,040
h) Reversal/(Impairment) of assets/investments (net)	(3,643)	(8,061)
i) Net foreign exchange gain/(loss)	27,099	21,577
j) (Loss)/gain on derivatives (net)	(20,667)	(34,608)
k) Exceptional item	-	-

By Order Of The Board

FADZILAH BINTI SAMION
Secretary
(MACS 01262)

Shah Alam
30th August 2013