

# UMW HOLDINGS BERHAD

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

## INTERIM FINANCIAL REPORT ON CONSOLIDATED RESULTS FOR THE SECOND QUARTER ENDED 30<sup>TH</sup> JUNE 2009 (THE FIGURES HAVE NOT BEEN AUDITED)

### CONDENSED CONSOLIDATED INCOME STATEMENT

	CURRENT QUARTER ENDED 30/06/2009 RM'000	COMPARATIV E QUARTER ENDED 30/06/2008 RM'000	6 MONTHS CUMULATIVE TO DATE 30/06/2009 RM'000	COMPARATIV E 6 MONTHS CUMULATIVE TO DATE 30/06/2008 RM'000
<b><u>Continuing Operations</u></b>				
Revenue	2,581,069	3,568,164	4,930,872	6,553,290
Operating Expenses	(2,425,014)	(3,291,897)	(4,705,158)	(6,059,359)
Other Operating Income	25,425	30,561	46,383	50,655
<b>Profit From Operations</b>	181,480	306,828	272,097	544,586
Finance Costs	(16,017)	(9,973)	(26,160)	(18,697)
Share Of Profits Of Associated Companies	12,623	45,566	46,989	97,313
Investment Income	7,382	12,577	16,279	24,694
<b>Profit Before Taxation</b>	185,468	354,998	309,205	647,896
Taxation	(42,104)	(96,372)	(67,659)	(162,745)
<b>Profit For The Period</b>	143,364	258,626	241,546	485,151
<b><u>Attributable To :</u></b>				
Equity Holders Of The Company	79,431	151,724	145,389	293,494
Minority Interests	63,933	106,902	96,157	191,657
	143,364	258,626	241,546	485,151
<b><u>EPS Attributable To Equity Holders Of The Company :</u></b>				
Basic EPS For The Period (Sen)	7.24	14.08	13.26	27.25
Diluted EPS For The Period (Sen)	7.19	13.93	13.15	26.95

(The Condensed Consolidated Income Statement should be read in conjunction with the Annual Financial Report for the year ended 31<sup>st</sup> December 2008)

## CONDENSED CONSOLIDATED BALANCE SHEET

	(UNAUDITED) AS AT 30/06/2009 RM'000	(AUDITED) AS AT 31/12/2008 RM'000
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Investment In Associates	1,494,709	1,468,121
Investment Properties	14,180	14,384
Property, Plant And Equipment	1,978,044	1,792,362
Prepaid Land Lease Payments	219,522	221,660
Leased Assets	149,198	157,899
Deferred Tax Assets	24,988	21,331
Intangible Assets	211,893	132,906
Other Financial Assets	208,401	86,293
	4,300,935	3,894,956
<b>Current Assets</b>		
Deposits, Cash And Bank Balances	1,353,857	1,537,802
Trade Receivables	681,393	683,307
Other Receivables	293,129	254,611
Inventories	1,295,479	1,453,830
	3,623,858	3,929,550
Non-Current Assets Held For Sale	3,535	3,535
	3,627,393	3,933,085
<b>TOTAL ASSETS</b>	7,928,328	7,828,041
<b>EQUITY AND LIABILITIES</b>		
<b>Equity Attributable To Equity Holders Of The Company</b>		
Share Capital	550,357	546,072
Share Premium	442,891	414,651
Capital Reserve	5,793	5,793
Foreign Exchange Reserve	54,189	50,442
Share Option Reserve	61,169	61,169
Retained Profits	2,468,499	2,444,126
	3,582,898	3,522,253
Minority Interests	1,055,663	1,083,167
<b>TOTAL EQUITY</b>	4,638,561	4,605,420
<b>Non-Current Liabilities</b>		
Long Term Liabilities	926,993	719,517
Provision For Liabilities	42,986	43,995
Deferred Tax Liabilities	15,680	16,027
	985,659	779,539
<b>Current Liabilities</b>		
Bank Overdrafts	21,991	18,103
Short Term Borrowings	406,385	509,851
Trade Payables	732,242	730,190
Other Payables	836,360	920,324
Provision For Liabilities	106,047	66,620
Taxation	77,599	115,931
Dividend Payable	123,484	82,063
	2,304,108	2,443,082
<b>TOTAL LIABILITIES</b>	3,289,767	3,222,621
<b>TOTAL EQUITY AND LIABILITIES</b>	7,928,328	7,828,041
<b>Net Assets Per Share (RM)</b>	<b>3.2551</b>	<b>3.2251</b>

(The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for the year ended 31<sup>st</sup> December 2008)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30<sup>TH</sup> JUNE 2009**

	----- ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY -----								
	< ----- NON-DISTRIBUTABLE ----- >								
	SHARE CAPITAL RM'000	SHARE PREMIUM RM'000	CAPITAL RESERVE RM'000	FOREIGN EXCHANGE RESERVE RM'000	SHARE OPTION RESERVE RM'000	RETAINED PROFITS RM'000	TOTAL RM'000	MINORITY INTERESTS RM'000	TOTAL RM'000
<b>6 MONTHS PERIOD ENDED 30<sup>TH</sup> JUNE 2009</b>									
<b>At 1<sup>st</sup> January 2009</b>	546,072	414,651	5,793	50,442	61,169	2,444,126	3,522,253	1,083,167	4,605,420
Foreign currency translation	-	-	-	3,747	-	-	3,747	1,818	5,565
Net assets accretion arising from the share issue of a jointly controlled entity	-	-	-	-	-	2,468	2,468	-	2,468
Net income/(expense) recognised directly in equity	-	-	-	3,747	-	2,468	6,215	1,818	8,033
Profit for the period	-	-	-	-	-	145,389	145,389	96,157	241,546
Total recognised income and expense for the period	-	-	-	3,747	-	147,857	151,604	97,975	249,579
New subsidiaries	-	-	-	-	-	-	-	4,144	4,144
Increase in share capital of subsidiaries	-	-	-	-	-	-	-	22,706	22,706
Reduction of minority interest in subsidiaries	-	-	-	-	-	-	-	(5,151)	(5,151)
Issue of ordinary shares:									
Pursuant to ESOS	4,285	28,240	-	-	-	-	32,525	-	32,525
Dividends distributed to equity holders	-	-	-	-	-	(123,484)	(123,484)	(147,178)	(270,662)
<b>At 30<sup>th</sup> June 2009</b>	<b>550,357</b>	<b>442,891</b>	<b>5,793</b>	<b>54,189</b>	<b>61,169</b>	<b>2,468,499</b>	<b>3,582,898</b>	<b>1,055,663</b>	<b>4,638,561</b>
<b>6 MONTHS PERIOD ENDED 30<sup>TH</sup> JUNE 2008</b>									
<b>At 1<sup>st</sup> January 2008</b>	537,711	357,328	5,793	25,318	17,072	2,186,863	3,130,085	878,459	4,008,544
Foreign currency translation	-	-	-	(1,245)	-	-	(1,245)	(1,238)	(2,483)
Net income/(expense) recognised directly in equity	-	-	-	(1,245)	-	-	(1,245)	(1,238)	(2,483)
Profit for the period	-	-	-	-	-	293,494	293,494	191,657	485,151
Total recognised income and expense for the period	-	-	-	(1,245)	-	293,494	292,249	190,419	482,668
New subsidiary	-	-	-	-	-	-	-	1,037	1,037
Increase in share capital of subsidiaries	-	-	-	-	-	-	-	16	16
Net assets accretion arising from the share issue of an associated company	-	-	-	-	-	7,733	7,733	-	7,733
Dilution of equity interest in subsidiaries	-	-	-	-	-	-	-	307	307
Issue of ordinary shares:									
Pursuant to ESOS	2,666	15,107	-	-	-	-	17,773	-	17,773
Share-based payment under ESOS	-	-	-	-	3,616	-	3,616	-	3,616
Dividends distributed to equity holders	-	-	-	-	-	(112,082)	(112,082)	(13,362)	(125,444)
<b>At 30<sup>th</sup> June 2008</b>	<b>540,377</b>	<b>372,435</b>	<b>5,793</b>	<b>24,073</b>	<b>20,688</b>	<b>2,376,008</b>	<b>3,339,374</b>	<b>1,056,876</b>	<b>4,396,250</b>

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31<sup>st</sup> December 2008)

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED  
30<sup>TH</sup> JUNE 2009**

	<b>6 MONTHS ENDED 30/06/2009 RM'000</b>	<b>6 MONTHS ENDED 30/06/2008 RM'000</b>
<b>Cash Flow From Operating Activities</b>		
Profit Before Taxation	309,205	647,896
Adjustments For:		
Non-Cash Items	114,328	155,865
Non-Operating Items	(14,871)	(24,692)
Operating Profit Before Working Capital Changes	<u>408,662</u>	<u>779,069</u>
Changes In Working Capital:		
Net Change In Current Assets	154,054	(526,303)
Net Change In Current Liabilities	(233,839)	(37,929)
Net Cash Generated From Operating Activities	<u>328,877</u>	<u>214,837</u>
<b>Cash Flow From Investing Activities</b>		
Net Cash Outflow Arising From Equity Investments	(98,538)	(53,476)
Dividends Received	48,499	31,820
(Purchase)/Disposal Of Fixed Assets (Net)	(263,308)	(161,382)
Interest Income	15,566	24,634
Other Investments	(138,298)	(119,218)
Net Cash Used In Investing Activities	<u>(436,079)</u>	<u>(277,622)</u>
<b>Cash Flow From Financing Activities</b>		
Proceeds From Issue Of Shares	43,589	30,810
Dividends Paid	(229,241)	(61,173)
Bank Borrowings (Net)	99,456	163,713
Net Cash (Used In)/Generated From Financing Activities	<u>(86,196)</u>	<u>133,350</u>
<b>Net (Decrease)/Increase In Cash And Cash Equivalents</b>	<b>(193,398)</b>	<b>70,565</b>
<b>Cash And Cash Equivalents As At 1<sup>st</sup> January</b>	<b>1,519,699</b>	<b>1,567,223</b>
<b>Effects Of Exchange Rate Changes</b>	<b>5,565</b>	<b>(2,483)</b>
<b>Cash And Cash Equivalents As At 30<sup>th</sup> June</b>	<b><u>1,331,866</u></b>	<b><u>1,635,305</u></b>

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the year ended 31<sup>st</sup> December 2008)

### **Note 1 - Accounting Policies**

The interim financial statements have been prepared in accordance with FRS 134 : Interim Financial Reporting and Chapter 9, Part K of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The significant accounting policies and methods of computation in the interim financial statements are consistent with those in the annual financial statements for the year ended 31<sup>st</sup> December 2008.

### **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 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, equity, net income or cash flows.

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

There were no changes in estimates of amounts reported in the prior interim period of the current financial year or 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 debt securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the period ended 30<sup>th</sup> June 2009.

During the quarter ended 30<sup>th</sup> June 2009, the issued and paid-up capital of the Company increased from RM548,085,566 to RM550,356,716 as a result of the exercise and allotment of:

- (a) 640,300 option shares of par value RM0.50 each at an option price of RM3.335 per share;
- (b) 1,658,700 option shares of par value RM0.50 each at an option price of RM3.330 per share;
- (c) 116,100 option shares of par value RM0.50 each at an option price of RM3.325 per share;

- (d) 1,868,200 option shares of par value RM0.50 each at an option price of RM4.93 per share; and
- (e) 259,000 option shares of par value RM0.50 each at an option price of RM5.16 per share.

As at 30<sup>th</sup> June 2009, the total number of unexercised share options was 67,625,700 option shares of par value RM0.50 each.

At the date of this report, 7,187,200 option shares were exercised and allotted subsequent to 30<sup>th</sup> June 2009. After taking into account these new shares, the paid-up capital of the Company increased to RM553,950,316.

#### **Note 6 - Dividends Paid**

A second interim dividend of 20% or 10.0 sen per share of RM0.50 each less 25% income tax, (2008 - 12% or 6.0 sen per share of RM0.50 each less 26% income tax) amounting to a net dividend of RM82.1 million (2008 - RM47.8 million) for the financial year ended 31<sup>st</sup> December 2008, was paid on 20<sup>th</sup> February 2009.

#### **Note 7 - Segmental Reporting**

<b>Business Segment</b>	<b>Six Months Ended 30<sup>th</sup> June 2009</b>		
	<b>Segment Revenue RM'000</b>	<b>Segment Result RM'000</b>	<b>Profit Attributable to Equity Holders of the Company* RM'000</b>
Automotive	3,745,142	201,164	114,766
Equipment	582,867	45,399	31,000
Oil & Gas	387,404	24,071	23,162
Manufacturing & Engineering	226,287	6,509	2,859
Others	29,268	7,180	(26,398)
<b>Sub-Total</b>	<b>4,970,968</b>	<b>284,323</b>	<b>145,389</b>
Unallocated Corporate Expenses	-	(12,226)	
Elimination of Inter-Segment Sales	(40,096)	-	
<b>Consolidated Total</b>	<b>4,930,872</b>	<b>272,097</b>	

\* Profit attributable to equity holders of the Company includes net profit contributions from all associated companies in the Group.

#### **Note 8 - Subsequent Material Events**

There was no material event or transaction during the period from 1<sup>st</sup> July 2009 to the date of this announcement, in the opinion of the Directors, which affects substantially the results of the operations of the Group for the period ended 30<sup>th</sup> June 2009 in respect of which this announcement is made.

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

On 13<sup>th</sup> May 2009, Lubritech International (Holdings) Limited, a 60%-owned entity of UMW, received the certificate for the establishment of a new 100%-owned subsidiary company known as Lubritech Limited ("LL") in Xinhui, Jiangmen in the Peoples' Republic of China ("the PRC"). The intended principal activity of LL is manufacturing and processing of lubricants in the PRC. The registered capital of LL is USD13,200,000.

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

There was no material change in contingent liabilities or contingent assets since 31<sup>st</sup> December 2008.

### **Note 11 - Commitments**

These are in respect of capital commitments:

	RM'000	RM'000
<b>Approved and contracted for:</b>		
Land and buildings	46,883	
Equipment, plant and machinery	196,535	
Others	3,001	246,419
	<hr/>	
<b>Approved but not contracted for:</b>		
Land and buildings	72,996	
Equipment, plant and machinery	148,320	
Others	14,020	235,336
	<hr/>	
Total		<hr/> <u>481,755</u>

### **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	9,168
2.	KYB-UMW Malaysia Sdn. Bhd. and its subsidiary	Perodua Group	Associated Company	Sale of Goods	28,319
3.	UMW Toyota Motor Sdn. Bhd. and its subsidiaries	Perodua Group	Associated Company	Sale of Goods and Services	169,734
				Purchase of Goods and Services	297,163



No.	UMW & Its Subsidiaries	Transacting Parties	Relationship	Nature of Transaction	RM'000
4.	UMW Industries (1985) Sdn. Bhd.	Perodua Group	Associated Company	Sale of Goods and Services	3,190
5.	U-TravelWide Sdn. Bhd.	Perodua Group	Associated Company	Sale of Services	4,115
6.	UMW Toyota Motor Sdn. Bhd.	UMW Toyotsu Motors Sdn. Bhd.	Associated Company	Sale of Goods and Services	59,513
7.	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 Purchase of Goods and Services	291,734 1,102,201
8.	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 Purchase of Assets	3,948 1,725
		Toyota Tsusho (Malaysia) Sdn. Bhd.	Corporate Shareholder of KYB-UMW Malaysia Sdn. Bhd.	Sale of Goods and Services Purchase of Goods and Services	7 9,925
9.	UMW JDC Drilling Sdn. Bhd.	Japan Drilling Co., Ltd. and its subsidiaries	Corporate Shareholders of UMW JDC Drilling Sdn. Bhd.	Purchase of Goods and Services Bare Boat Charter	6,953 14,889

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

Group revenue of RM2,581.1 million for the second quarter ended 30<sup>th</sup> June 2009 was RM987.1 million or 27.7% lower than the RM3,568.2 million registered in the preceding year's corresponding quarter. Decline in spending by consumers and industrial sectors due to the global economic downturn resulted in the lower revenue recorded by the Automotive, Equipment and Manufacturing & Engineering segments.

In tandem with the reduced revenue, Group profit before taxation for the second quarter ended 30<sup>th</sup> June 2009 of RM185.5 million was lower than the RM355.0 million recorded in the same quarter of 2008 by RM169.5 million or 47.7%. The weakening of Ringgit Malaysia against the US Dollar and Japanese Yen also affected profit margins.

Despite the challenging economic environment, the Oil & Gas segment registered a positive variance for both revenue and profit before taxation for the second quarter as contributions from our new local and overseas investments started to flow in.

Overall, the UMW Group net profit attributable to the equity holders of the Company for the second quarter ended 30<sup>th</sup> June 2009 of RM79.4 million was less than the RM151.7 million recorded in the preceding year's corresponding quarter by RM72.3 million or 47.6%.

Total Group revenue of RM4,930.9 million for the six months ended 30<sup>th</sup> June 2009 was lower than the RM6,553.3 million registered in the same period of 2008 by RM1,622.4 million or 24.8%. Generally, lower demand for industrial and consumer products resulting from the global economic slow-down impacted the performance of the Group.

Correspondingly, Group profit before taxation for the six months ended 30<sup>th</sup> June 2009 of RM309.2 million was lower than the RM647.9 million recorded in the same period of 2008 by RM338.7 million or 52.3%.

Net profit attributable to the equity holders of the Company for the six months ended 30<sup>th</sup> June 2009 decreased to RM145.4 million from the RM293.5 million achieved in the same period of 2008, a reduction of RM148.1 million or 50.5%.

Total Toyota and Perodua vehicle sales of 113,580 units represented 45.2% of the total industry volume ("TIV") of 251,092 units for the six months ended 30<sup>th</sup> June 2009, as reported by the Malaysian Automotive Association.

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

Group revenue of RM2,581.1 million for the second quarter ended 30<sup>th</sup> June 2009 improved over the RM2,349.8 million recorded in the first quarter of 2009 by RM231.3 million or 9.8%. Greater demand for Toyota vehicles during the second quarter of this year contributed to the higher revenue.

In line with the higher revenue, Group profit before taxation of RM185.5 million for the second quarter exceeded the RM123.7 million recorded in the first quarter of 2009 by RM61.8 million or 50.0%.

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

- (a) The higher level of vehicle sales for the second quarter ended 30<sup>th</sup> June 2009 versus the first quarter is expected to continue into the second half of 2009 as reflected in the increase in new orders for Toyota and Perodua vehicles. The Malaysian Automotive Association has also revised its 2009 full year TIV forecast upwards, from 480,000 units to 500,000 units, in view of the improved consumer sentiment.

Demand for our industrial and heavy equipment is expected to improve further with the roll-out of some projects from the Iskandar Development Corridor, Pahang-Selangor Interstate Raw Water Transfer (IRWT) and Klang Valley LRT extension/upgrading under the Ninth Malaysia Plan.

Some of our recent investments in the Oil & Gas segment have started to contribute positively to Group profits in the second quarter. The new income-generating investments include the Zhongyou BSS plant, which is a joint venture with a subsidiary in the China National Petroleum Corporation group, the three land rigs in Assam, India as well as our investment in the business of power generator design and application through Synergistic Generation Sdn. Bhd.

Based on the better economic outlook for the second half of 2009 and with the strengthening of Ringgit Malaysia against the US Dollar, the Board is of the view that the Group's performance for the year 2009 will be satisfactory, albeit lower than the record 2008 performance.

- (b) The Board expects our internal KPI targets for 2009 to be achievable with the various proactive promotional programmes to increase sales volume and cost-saving measures to improve margins.

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

Based on the latest financial performance of the Group and the current market outlook for the remaining period to 31<sup>st</sup> December 2009, the Board of Directors is of the view that the Company's 2009 Headline KPIs as stated below are achievable:

- (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.

**Note 17 - Variance from Profit Forecast and Profit Guarantee**

This is not applicable to the Group.

**Note 18 - Taxation**

	<b>Current Quarter RM'000</b>	<b>Six Months Ended 30<sup>th</sup> June 2009 RM'000</b>
Current year's provision	55,240	71,663
Add/(Less) : Under/(Over) provision in prior years	-	-
	55,240	71,663
Deferred taxation	(13,136)	(4,004)
<b>Total</b>	<b>42,104</b>	<b>67,659</b>

The effective tax rates for the current quarter and six months ended 30<sup>th</sup> June 2009 were 24.4% and 25.8%, respectively. The effective tax rate for the current quarter ended 30<sup>th</sup> June 2009 was lower than the statutory tax rate of 25% primarily due to overseas subsidiaries with lower tax rates contributed higher profit in second quarter as compared to the first quarter. However, the effective tax rate for the year ended 30<sup>th</sup> June 2009 was slightly higher than the statutory tax rate of 25% primarily due to certain expenses were not allowable for tax purposes.

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

There was no sale of unquoted investment or properties during the current quarter and six months ended 30<sup>th</sup> June 2009.

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

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

	<b>Current Quarter RM'000</b>	<b>Six Months Ended 30<sup>th</sup> June 2009 RM'000</b>
Total purchases	180,143	180,320
Total sale proceeds	5,008	69,210
Total (loss)/gain arising from sale	(3)	(10)

(b) As at 30<sup>th</sup> June 2009, investments which were quoted within and outside Malaysia held as long term investments were as follows:

	<b>Quoted Outside Mal aysi a  RM'000</b>	<b>Quoted Within Mal aysi a  RM'000</b>
At cost	50,705	175,135
Provision for diminution in value	(22,476)	-
At net book value	28,229	175,135
Market value as at 30 <sup>th</sup> June 2009	28,229	175,164

The provision for diminution of RM22.5 million was made to reflect the market value of investment quoted outside Malaysia 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**

On 3<sup>rd</sup> April 2009, the Securities Commission had granted the Company a further extension of time of six months up to 30<sup>th</sup> September 2009 to implement the proposed listing of its wholly-owned subsidiary, UMW Oil & Gas Berhad.

The Company will carry out the listing proposal when market conditions show sustained levels of improvement.

Other than the above, 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	376,122		USD74,199 INR374,986 RMB1,364 SGD57
Finance lease payable	280		
Portion of long term loans payable within 12 months	17,556		USD2,978 KINA2,187
		393,958	
- Secured			
Short term loans and trade facilities	7,034		SGD91 INR95,677
Finance lease payable	1,303		SGD471 AUD71
Portion of long term loans payable within 12 months	4,090		SGD1,702
		12,427	
<b>Total</b>		406,385	USD77,177 INR470,663 AUD71 SGD2,321 RMB1,364 KINA2,187
(b) Long term borrowings			
- Unsecured			
Long term loans	648,228		USD172,434 SGD2,940 KINA16,832 INR8,885
Portion of long term loans payable within 12 months	(17,556)		(USD2,978) (KINA2,187)
		630,672	
- Secured			
Long term loans	298,467		USD27,821 AUD11,079 SGD2,479 INR2,381,162
Finance lease payable	1,944		SGD384 AUD421
Portion of long term loans payable within 12 months	(4,090)		(SGD1,702)
		296,321	
<b>Total</b>		926,993	USD197,277 AUD11,500 SGD4,101

**Note 23 - Financial Instruments**

(a) Foreign Currency Contracts

As at 14<sup>th</sup> August 2009, the Group had entered into the following outstanding foreign currency contracts to hedge its committed purchases and sales in foreign currencies:

<b>Currency</b>	<b>Contract Amounts '000</b>	<b>Equivalent Amount in RM'000</b>	<b>Expiry Dates</b>
Japanese Yen	1,412,161	58,906	17/08/2009 - 15/10/2009
United States Dollar	121,440	427,896	18/08/2009 - 29/01/2010
Euro	1,426	6,828	18/08/2009 - 30/11/2009
Swedish Krone	14,581	6,503	24/08/2009 - 31/12/2009
Thai Baht	16,879	1,759	17/08/2009 - 30/10/2009
Singapore Dollar	221	542	17/08/2009
Sterling Pound	83	416	28/08/2009

Foreign currency contracts are entered into to hedge the Group's committed purchases or sales in foreign currencies to limit the Group's exposure to fluctuation in foreign currency exchange rates. Foreign currency contracts are recognised only when the underlying transactions are settled. The Group does not hold or issue derivative financial instruments for trading purpose. There is minimal credit risk as the above foreign currency contracts were entered into with reputable financial institutions.

(b) Interest Rate Swap and Cross Currency Swap

As at the date of this report, a jointly controlled entity of the Group in India had entered into the following contracts:

- (i) an interest rate swap with a notional principal of USD48 million that fixed the company's obligation 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 company's obligation 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) a cross currency swap that entitles the company to convert JPY3,425 million to INR1,405.6 million and fixed the company's obligation to pay interest at a fixed rate of 9.35% per annum. The cross currency swap will mature on 31<sup>st</sup> March 2020.

The above contracts were entered into 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.

**Note 24 - Material Litigation**

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

**Note 25 - Dividend**

The Board is pleased to declare an interim single-tier dividend of 12% or 6.0 sen (2008 - 30% or 11.1 sen net) per share of RM0.50 each, amounting to a net dividend payable of approximately RM66.9 million (2008 - RM120.8 million) for the year ending 31<sup>st</sup> December 2009, to be paid on 7<sup>th</sup> October 2009.

**Note 26 - Earnings Per Share**

Basic earnings per share for the current quarter and six months ended 30<sup>th</sup> June 2009 are calculated by dividing the net profit attributable to shareholders of RM79,431,000 and RM145,389,000, respectively, by the weighted average number of ordinary shares in issue as at 30<sup>th</sup> June 2009 of 1,096,442,298 shares of RM0.50 each.

Diluted earnings per share for the current quarter and six months ended 30<sup>th</sup> June 2009 are calculated by dividing the adjusted net profit attributable to shareholders of RM79,431,000 and RM145,389,000, respectively, by the adjusted weighted average number of ordinary shares in issue and issuable of 1,105,335,626 shares of RM0.50 each.

	<b>No. of Shares of RM0.50 Each</b>
Weighted average number of shares as at 30/06/2009	1,096,442,298
Add: Dilutive ESOS	8,893,328
Adjusted weighted average number of shares	1,105,335,626

**Note 27 - Audit Qualification**

The audit report in respect of the annual financial statements for the year ended 31<sup>st</sup> December 2008 was not qualified.

**By Order Of The Board**

**SUSEELA MENON**  
**Secretary**  
**(MAICSA 7028386)**

Shah Alam  
21<sup>st</sup> August 2009