

UMW HOLDINGS BERHAD

(COMPANY NO : 90278-P)
(INCORPORATED IN MALAYSIA)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SECOND QUARTER ENDED 30 JUNE 2018

(THE FIGURES HAVE NOT BEEN AUDITED)

	Current Quarter Ended 30/06/2018 RM'000	Comparative Quarter Ended 30/06/2017 RM'000	6 Months Cumulative To Date 30/06/2018 RM'000	Comparative 6 Months Cumulative To Date 30/06/2017 RM'000
<u>Continuing Operations</u>				
Revenue	2,919,134	2,757,507	5,334,473	5,452,657
Operating Expenses	(2,694,670)	(2,764,883)	(5,037,666)	(5,384,437)
Other Operating Income	16,986	18,007	36,302	39,697
Profit From Operations	241,450	10,631	333,109	107,917
Share Of Results Of Associates And Joint Ventures	54,405	31,928	112,027	73,191
Investment Income	19,307	20,047	40,886	38,114
Profit Before Interest	315,162	62,606	486,022	219,222
Finance Costs	(13,823)	(14,257)	(37,383)	(32,017)
Profit Before Taxation And Zakat	301,339	48,349	448,639	187,205
Taxation And Zakat	(39,593)	(35,161)	(69,199)	(59,786)
Profit For The Period From Continuing Operations	261,746	13,188	379,440	127,419
<u>Discontinued Operations</u>				
Loss For The Period From Discontinued Operations	(122,149)	(238,079)	(146,049)	(362,871)
Profit/(Loss) For The Period	139,597	(224,891)	233,391	(235,452)
<u>Other Comprehensive Income/(Loss):</u>				
<u>Continuing Operations</u>				
Translation Of Foreign Operations	(29,233)	(51,731)	(5,088)	(75,374)
Reclassification Adjustment Of Exchange Reserve	-	(371,681)	-	(371,681)
Reclassification Adjustment Of Hedging Reserve	-	(3,343)	-	(2,436)
Cash Flow Hedge	(181)	-	8	-
Other Comprehensive Loss Net Of Tax From Continuing Operations	(29,414)	(426,755)	(5,080)	(449,491)
<u>Discontinued Operations</u>				
Other Comprehensive Income Net Of Tax From Discontinued Operations	-	28,601	-	44,385
Other Comprehensive Loss Net Of Tax	(29,414)	(398,154)	(5,080)	(405,106)
Total Comprehensive Income/(Loss) For The Period	110,183	(623,045)	228,311	(640,558)

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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SECOND QUARTER ENDED 30 JUNE 2018

(THE FIGURES HAVE NOT BEEN AUDITED)

	Current Quarter Ended 30/06/2018 RM'000	Comparative Quarter Ended 30/06/2017 RM'000	6 Months Cumulative To Date 30/06/2018 RM'000	Comparative 6 Months Cumulative To Date 30/06/2017 RM'000
<u>Profit/(Loss) For The Period Attributable To:</u>				
Equity Holders Of The Company From:				
- Continuing Operations	229,047	(11,140)	320,194	81,466
- Discontinued Operations	(104,671)	(198,162)	(121,734)	(270,603)
	<u>124,376</u>	<u>(209,302)</u>	<u>198,460</u>	<u>(189,137)</u>
Non-Controlling Interests From:				
- Continuing Operations	32,698	24,327	59,245	45,952
- Discontinued Operations	(17,477)	(39,916)	(24,314)	(92,267)
	<u>15,221</u>	<u>(15,589)</u>	<u>34,931</u>	<u>(46,315)</u>
	<u>139,597</u>	<u>(224,891)</u>	<u>233,391</u>	<u>(235,452)</u>
<u>Total Comprehensive Income/(Loss) Attributable To:</u>				
Equity Holders Of The Company From:				
- Continuing Operations	213,946	(427,549)	311,459	(360,486)
- Discontinued Operations	(104,672)	(169,562)	(121,735)	(226,219)
	<u>109,274</u>	<u>(597,111)</u>	<u>189,724</u>	<u>(586,705)</u>
Non-Controlling Interests From:				
- Continuing Operations	18,386	13,982	62,901	38,414
- Discontinued Operations	(17,477)	(39,916)	(24,314)	(92,267)
	<u>909</u>	<u>(25,934)</u>	<u>38,587</u>	<u>(53,853)</u>
	<u>110,183</u>	<u>(623,045)</u>	<u>228,311</u>	<u>(640,558)</u>
<u>EPS Attributable To Equity Holders Of The Company:</u>				
Basic EPS For The Period (Sen)				
- Continuing Operations	19.61	(0.96)	27.41	6.97
- Discontinued Operations	(8.96)	(16.96)	(10.42)	(23.16)
	<u>10.65</u>	<u>(17.92)</u>	<u>16.99</u>	<u>(16.19)</u>
Diluted EPS For The Period (Sen)				
- Continuing Operations	19.61	(0.96)	27.41	6.97
- Discontinued Operations	(8.96)	(16.96)	(10.42)	(23.16)
	<u>10.65</u>	<u>(17.92)</u>	<u>16.99</u>	<u>(16.19)</u>

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

UMW HOLDINGS BERHAD

(COMPANY NO : 90278-P)

(INCORPORATED IN MALAYSIA)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	(UNAUDITED) AS AT 30/06/2018 RM'000	(AUDITED) AS AT 31/12/2017 RM'000
ASSETS		
Non-Current Assets		
Property, Plant And Equipment	3,051,264	2,658,103
Investment Properties	1,492	1,496
Land Use Rights	2,380	2,503
Leased Assets	305,849	290,244
Other Receivables	34,621	34,621
Investments In Associates	1,689,900	1,661,497
Investments In Joint Ventures	54,726	51,813
Deferred Tax Assets	108,252	118,771
Other Investments	13,967	14,770
	<u>5,262,451</u>	<u>4,833,818</u>
Current Assets		
Inventories	1,537,697	1,410,746
Trade Receivables	936,058	902,122
Other Receivables	104,541	127,001
Other Investments	1,192,727	1,295,416
Derivative Assets	9,732	11,933
Deposits, Cash And Bank Balances	880,622	1,169,568
	<u>4,661,377</u>	<u>4,916,786</u>
Non-Current Assets Held For Sale	219,814	345,128
	<u>4,881,191</u>	<u>5,261,914</u>
TOTAL ASSETS	<u>10,143,642</u>	<u>10,095,732</u>
EQUITY AND LIABILITIES		
Equity Attributable To The Equity Holders Of The Company		
Share Capital	584,147	584,147
Capital Reserve	396	396
Foreign Currency Translation Reserve	11,075	10,201
Hedging Reserve	9	1
Retained Profits	2,582,930	2,452,503
	<u>3,178,557</u>	<u>3,047,248</u>
Perpetual Sukuk	1,100,000	-
Non-Controlling Interests	1,134,206	1,131,182
Total Equity	<u>5,412,763</u>	<u>4,178,430</u>
Non-Current Liabilities		
Provision For Warranties	153,210	153,209
Deferred Tax Liabilities	31,731	41,499
Long Term Borrowings	2,249,953	2,069,717
	<u>2,434,894</u>	<u>2,264,425</u>
Current Liabilities		
Provision For Warranties	74,315	53,095
Taxation	51,163	41,905
Short Term Borrowings	598,069	685,320
Bank Overdrafts	-	6,537
Trade Payables	705,024	949,483
Other Payables	804,303	1,846,055
Derivative Liabilities	8,623	6,283
Liabilities Associated With Assets Held For Sale	54,488	64,199
	<u>2,295,985</u>	<u>3,652,877</u>
Total Liabilities	<u>4,730,879</u>	<u>5,917,302</u>
TOTAL EQUITY AND LIABILITIES	<u>10,143,642</u>	<u>10,095,732</u>
Net Assets Per Share (RM)	2.7207	2.6083

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

UMW HOLDINGS BERHAD

(COMPANY NO : 90278-P)

(INCORPORATED IN MALAYSIA)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2018

	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	Perpetual Sukuk RM'000	Non - Controlling Interests RM'000	Total Equity RM'000
6 MONTHS ENDED 30 JUNE 2018										
At 1 January 2018	584,147	-	396	10,201	1	2,452,503	3,047,248	-	1,131,182	4,178,430
Transactions with owners										
Dividends distributed to equity holders	-	-	-	-	-	(58,415)	(58,415)	-	(34,527)	(92,942)
Effects of loss of control in a subsidiary	-	-	-	-	-	-	-	-	(1,036)	(1,036)
Issuance of perpetual sukuk	-	-	-	-	-	-	-	1,100,000	-	1,100,000
Total comprehensive income	-	-	-	874	8	188,842	189,724	-	38,587	228,311
At 30 June 2018	584,147	-	396	11,075	9	2,582,930	3,178,557	1,100,000	1,134,206	5,412,763

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2017

	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	Perpetual Sukuk RM'000	Non - Controlling Interests RM'000	Total Equity RM'000
6 MONTHS ENDED 30 JUNE 2017										
At 1 January 2017	584,147	794,482	396	437,793	3,099	2,898,645	4,718,562	-	2,145,713	6,864,275
Transactions with owners										
Acquisition of non-controlling interests	-	-	-	-	-	29,870	29,870	-	(29,870)	-
Dividend distributed to equity holders	-	-	-	-	-	-	-	-	(51,391)	(51,391)
Transfer to share capital *	794,482	(794,482)	-	-	-	-	-	-	-	-
Capital reduction	(794,482)	-	-	-	-	167,998	(626,484)	-	-	(626,484)
Effect of loss of control in a subsidiary	-	-	-	-	-	-	-	-	(895,704)	(895,704)
Total comprehensive income	-	-	-	(394,476)	(3,091)	(189,138)	(586,705)	-	(53,853)	(640,558)
At 30 June 2017	584,147	-	396	43,317	8	2,907,375	3,535,243	-	1,114,895	4,650,138

* The new Companies Act 2016 ("CA 2016"), which became effective on 31 January 2017, abolished the concept of authorised share capital and par value of share capital. Consequently, the amounts standing to the credit of the share premium account became part of the Company's share capital pursuant to the transitional provisions set out in Section 618(2) of the CA 2016.

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

UMW HOLDINGS BERHAD

(COMPANY NO : 90278-P)
(INCORPORATED IN MALAYSIA)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2018

	6 Months Ended 30/06/2018 RM'000	6 Months Ended 30/06/2017 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) Before Taxation And Zakat From:		
Continuing operations	448,639	187,205
Discontinued operations	(145,642)	(362,312)
	<u>302,997</u>	<u>(175,107)</u>
Adjustments For:		
Depreciation and amortisation	100,058	223,512
(Reversal of)/provision for impairment on property, plant and equipment and inventories	(2,170)	8,732
Interest expense from:		
- Continuing operations	37,383	32,017
- Discontinued operations	17,982	94,837
Share of results of associates and joint ventures from:		
- Continuing operations	(112,027)	(73,191)
- Discontinued operations	-	4,945
Gain on disposal of property, plant and equipment	(10,935)	(9,781)
Provision for impairment on receivables	784	4,408
Net unrealised foreign exchange/fair value loss/(gain)	48,100	(86,297)
Loss on demerger of a subsidiary	-	126,914
Loss on sale of investment	385	-
Interest and dividend income from other investments	(41,740)	(47,109)
Property, plant and equipment written off	1,400	186
Others	(135,212)	28,885
Operating Profit Before Working Capital Changes	<u>207,005</u>	<u>132,951</u>
Decrease/(Increase) in receivables	17,423	(222,204)
(Increase)/decrease in inventories	(96,261)	185,841
(Decrease)/increase in payables	(1,326,444)	23,095
Cash (Used in)/Generated From Operating Activities	<u>(1,198,277)</u>	<u>119,683</u>
Interest paid	(80,723)	(129,451)
Taxation paid	(58,683)	(74,660)
Net Cash Used In Operating Activities	<u>(1,337,683)</u>	<u>(84,428)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Net cash outflow arising from demerger of a subsidiary	-	(929,926)
Net cash outflow arising from disposal of a subsidiary	(877)	-
Dividends received	66,473	76,887
Purchase of property, plant and equipment	(563,830)	(236,999)
Proceeds from disposal of property, plant and equipment	33,015	28,053
Interest & dividend income	38,871	43,136
Other Investments (net)	102,707	(207,315)
Net Cash Used In Investing Activities	<u>(323,641)</u>	<u>(1,226,164)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid to equity holders of the Company	(58,415)	-
Dividend paid to non-controlling interests	(34,527)	(51,391)
Proceeds from issuance of perpetual sukuk	1,100,000	-
Net drawdown of loans and borrowings	294,972	355,231
Net Cash Generated From Financing Activities	<u>1,302,030</u>	<u>303,840</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	<u>(359,294)</u>	<u>(1,006,752)</u>
CASH AND CASH EQUIVALENTS AS AT 1 JANUARY	1,187,898	2,171,193
EFFECTS OF EXCHANGE RATE CHANGES	90,590	202,129
CASH AND CASH EQUIVALENTS AS AT 30 JUNE	<u>919,194</u>	<u>1,366,570</u>

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

NOTE 1 - Significant accounting policies and application of Malaysian Financial Reporting Standards (“MFRS”)

Basis of preparation

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

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

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2017. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2017.

The accounting policies adopted in the preparation of the Condensed Report are consistent with those followed in the preparation of the Group’s audited financial statements for the financial year ended 31 December 2017, except for the newly-issued MFRS and amendments to standards to be applied by all Entities Other Than Private Entities for the financial periods beginning on or after 1 January 2018.

Adoption of Amendments and Annual Improvements to Standards

The Group has adopted the following Amendments and Annual Improvements to Standards, with a date of initial application of 1 January 2018 -

- Amendments to MFRS 2 Share-based Payment - *Classification and Measurement of Share-based Payment Transactions*
- MFRS 9 Financial Instruments (IFRS 9 as issued by the International Accounting Standards Board in July 2014)
- MFRS 15 Revenue from Contracts with Customers
- MFRS 15 Revenue from Contracts with Customers - *Clarifications to MFRS 15 Revenue from Contracts with Customers*
- Amendments to MFRS 140 Investment Property - *Transfers of Investment Property*
- Annual Improvements to MFRSs 2014-2016 Cycle - *Amendments to MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards and Amendments to MFRS 128 Investments in Associates and Joint Ventures*

The adoption of the above pronouncements did not have any material impact on the financial statements of the Group, other than as disclosed below -

NOTE 1 - Significant accounting policies and application of Malaysian Financial Reporting Standards (“MFRS”) (Cont’d)

Adoption of Amendments and Annual Improvements to Standards (Cont’d)

a. MFRS 9: Financial Instruments

In November 2014, MASB issued the final version of MFRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces MFRS 139 Financial Instruments: Recognition and Measurement and all previous versions of MFRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. MFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory.

The adoption of MFRS 9 does not have any material impact on the Group's and the Company's financial statements as the classification and measurement of the Group's financial assets under MFRS 9 is similar to the Group's previous classification and measurement under MFRS 139.

With regard to the impairment of financial assets based on the expected credit loss (“ECL”) model, there is no material impact to the Group's and Company's financial statement arising from the ECL model.

b. MFRS 15: Revenue from Contracts with Customers

MFRS 15 supersedes MFRS 111 Construction Contracts, MFRS 118 Revenue and related Interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standard establishes a five-step model to account for revenue arising from contracts with customers. Under MFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

The Group adopted MFRS 15 using the modified retrospective method i.e. to either apply MFRS 15 to only contracts that are not completed contracts at the date of initial application. The adoption of MFRS 15 affects disclosures of the Group's interim financial statements but has had no significant impact on the Group's financial position of performance.

As required for the interim financial statements, the Group has disaggregated revenue recognised from contracts with customers into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. Refer to Note 18 for the disclosure on disaggregated revenue.

NOTE 1 - Significant accounting policies and application of Malaysian Financial Reporting Standards (“MFRS”) (Cont’d)

Standards issued but not yet effective

At the date of authorisation of the Condensed Report, the following Standards, Amendments and Annual Improvements to Standards were issued by the Malaysian Accounting Standards Board (“MASB”) but are not yet effective and have not been adopted by the Group –

Effective for financial periods beginning on or after 1 January 2019

- MFRS 16 Leases
- IC Interpretation 23, Uncertainty over Income Tax Treatments
- Amendments to MFRS 3, Business Combinations (Annual Improvements to MFRS Standards 2015-2017 Cycle)
- Amendments to MFRS 9, Financial Instruments – Prepayment Features with Negative Compensation
- Amendments to MFRS 11, Joint Arrangements (Annual Improvements to MFRS Standards 2015-2017 Cycle)
- Amendments to MFRS 112, Income Taxes (Annual Improvements to MFRS Standards 2015-2017 Cycle)
- Amendments to MFRS 123, Borrowing Costs (Annual Improvements to MFRS Standards 2015-2017 Cycle)
- Amendments to MFRS 128, Investments in Associates and Joint Ventures – Long-term Interests in Associates and Joint Ventures

Effective for financial periods beginning on or after 1 January 2021

- MFRS 17, Insurance Contracts

MFRSs, Interpretations and Amendments effective for a date yet to be confirmed

- Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures - *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture**

* *The effective date of these Standards has been deferred, and has yet to be announced by MASB.*

The Group will adopt the above pronouncements when they become effective in the respective financial periods. The Group does not expect any material impact to the financial statements on the above pronouncements other than for the standard described below, for which the effects are still being assessed -

NOTE 1 - Significant accounting policies and application of Malaysian Financial Reporting Standards (“MFRS”) (Cont’d)

MFRS 16: Leases

MFRS 16 replaces the guidance in MFRS 117 Leases. The new standard requires lessees to present right-of-use assets and lease liabilities on the statement of financial position and to recognise the following for leases at the commencement date:

- A lease liability, which is a lessee’s obligation to make lease payments arising from a lease, measured on a discounted basis; and
- A right-of-use asset, which is an asset that represents the lessee’s right to use, or control the use of, a specified asset for the lease term.

MFRS 16 is effective for annual periods on or after 1 January 2019, with early application permitted. The Group will assess the impact of MFRS 16 and plans to adopt the new standard on the required effective date.

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 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 material unusual items affecting assets, liabilities, equity, net income, or cash flows of the Group.

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 22 March 2018, the Company has received the acknowledgement receipt from the Securities Commission Malaysia (“SC”) pursuant to the Company’s lodgement of the Perpetual Islamic Notes (“Perpetual Sukuk”) issuance programme of RM2.0 billion in nominal value based on the shariah principle of Musharakah (“Perpetual Sukuk Programme”).

On 20 April 2018, the Company completed the first issuance of Perpetual Sukuk with a nominal value of RM1,100 million under the Perpetual Sukuk Programme. The Perpetual Sukuk was issued with a tenure of perpetual non-callable 10 years at a periodic distribution rate of 6.35% per annum.

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 30 June 2018.

NOTE 6 - Dividends Paid

Dividend for the financial year ending 31 December 2018 –

- an interim single-tier dividend of 5.0 sen per share (2017 – Nil), amounting to a net dividend of RM58.4 million (2017 – Nil) was paid on 21 June 2018.

NOTE 7 - Segmental Reporting

Business Segment	Financial Period Ended 30 June 2018		
	Revenue RM'000	Profit/(Loss) Before Taxation RM'000	Profit/(Loss) Attributable to Owners of the Company RM'000
Automotive	4,259,724	268,380	168,061
Equipment	738,990	82,749	66,364
Manufacturing & Engineering	346,787	(3,402)	(15,351)
Others	32,837	100,912	101,120
Sub-total	5,378,338	448,639	320,194
Elimination of Inter-Segment Sales	(43,865)	-	-
Total From Continuing Operations	5,334,473	448,639	320,194
Oil & Gas (Unlisted)	54,747	(145,642)	(121,734)
Total From Discontinued Operations	54,747	(145,642)	(121,734)
CONSOLIDATED TOTAL	5,389,220	302,997	198,460

As at 31 December 2017, the Oil & Gas (Unlisted) segment had been classified as a disposal group, following the Group's strategic decision to exit from the oil and gas industry. The assets of the disposal group had been presented as "Assets held for sale" and the liabilities of the disposal group had been presented as "Liabilities associated with assets held for sale". The results had been classified as "Discontinued Operations" since the disposal group represent a separate major line of business of the Group.

The comparative condensed consolidated statement of comprehensive income for Oil & Gas (Unlisted) had been re-presented to show the Discontinued Operations separately from the Continuing Operations.

NOTE 7 - Segmental Reporting (Cont'd)

The results of the Discontinued Operations are as follows:

	Six Months Ended 30/6/2018	Six Months Ended 30/6/2017
	RM'000	RM'000
Revenue	54,747	276,518
Operating Expenses	(187,446)	(548,369)
Other Operating Income	5,011	1,467
Loss From Operations	(127,688)	(270,384)
Finance Costs	(17,982)	(94,837)
Share Of Results Of Associates And Joint Ventures	-	(4,945)
Investment Income	28	7,854
Loss Before Taxation And Zakat	(145,642)	(362,312)
Taxation And Zakat	(407)	(559)
Loss For The Period From Discontinued Operations	(146,049)	(362,871)
Net Cash Flows:		
Operating activities	(10,405)	(47,957)
Investing activities	63	10,736
Financing activities	(293,722)	(162,301)
	(304,064)	(199,522)

Other than the above, there has been no other material increase in total assets compared to the last annual financial statements

NOTE 8 - Subsequent Material Events

- a) On 2 July 2018, the Company announced that further to the execution of Letter of Intent ("LOI") between UMW Corporation Sdn Bhd ("UMWC"), a wholly-owned subsidiary of the Company and Komatsu Ltd. ("Komatsu"), UMWC has entered into a Transaction Agreement ("the Agreement") with Komatsu. The Agreement serves as a framework for the contemplated mutual cooperation between UMWC and Komatsu in the Heavy Equipment business ("Proposed Transaction").
- b) On 16 July 2018, the Company announced that following the fulfilment of all obligations in the Share Sale Agreement ("SSA") between UMWC and DKLS Luxuria Sdn Bhd ("DLSB") for the disposal by UMWC of 22,400,000 ordinary shares representing 70% equity interest in the share capital of UMW Fabritech Sdn Bhd ("UMW Fabritech") to DLSB, UMW Fabritech has with effect from 16 July 2018, ceased to be a subsidiary in the UMW Group.

Other than the above, in the opinion of the directors, there has been no material event or transaction during the period ended 30 June 2018 to the date of this announcement, which affects substantially the results of the Group for the period ended 30 June 2018.

NOTE 9 - Changes in Composition of the Group

- a. On 17 January 2018, the Company announced that all conditions in the Share Purchase Agreement (“SPA”) for the proposed disposal of 375,000 shares, representing 75% of the equity interest in PFP Taiwan Co., Ltd (“PFP Taiwan”) by PFP (Aust) Holdings Pty Ltd, a wholly-owned subsidiary in the UMW Group, to Ms Huang, Hsueh-Fang, for a total consideration of NT\$20,000,000 (“Proposed Disposal”) have been fulfilled. The Proposed Disposal has now been completed and PFP Taiwan has ceased to be a subsidiary in the UMW Group.
- b. On 8 February 2018, the Company announced that UMW Petropipe (L) Ltd (“UPP”), a wholly-owned subsidiary of the Company has completed the registration of the second tranche transfer of UPP’s 40% equity interest in Sichuan Haihua Petroleum Steelpipe Co., Ltd (“SCHH”), to Sichuan Gangrong Energy Co., Ltd (32.4%), Sichuan Jinyang Antisepsis Engineering Co., Ltd (5.06%) and Elite International Investment (HK) Ltd (2.54%). Accordingly, the Group ceased to have any interest in SCHH.
- c. On 24 May 2018, UMW Australia Ventures Sdn Bhd, a dormant subsidiary in the Group commenced member’s voluntary winding up pursuant to Section 441 of the Companies Act 2016.
- d. On 21 June 2018, UMW Marine and Offshore Pte Ltd, a dormant subsidiary in the Group commenced member’s voluntary winding up pursuant to Section 290(1) of the Singapore Companies Act (Chapter 50).
- e. The winding up of the following subsidiary within the Group has been completed on the date stated below -

Date	Company
29 January 2018	Rail-Tech Industries Sdn Bhd

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	53,928	
Equipment, plant and machinery	75,290	
Others	5,403	134,621
	<hr/>	
Approved but not contracted for:		
Land and buildings	253,988	
Equipment, plant and machinery	568,023	
Others	30,536	852,547
Total	<hr/>	<hr/>
		987,168

NOTE 11 - Significant Related Party Transactions

In the opinion of the directors, there were no significant related party transactions (“RPTs”) except for those in the recurrent RPT mandate duly approved by shareholders at the 36th Annual General Meeting held on 24 May 2018.

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, except for those assets or investments classified as Held for Sale as stated in Note 7-Segmental Reporting.

NOTE 13 - Changes in Contingent Liabilities and Contingent Assets

Contingent liabilities of the Group had decreased to RM161.2 million as at 30 June 2018 from RM171.3 million as at 31 December 2017. Included in the amount is credit risk of RM152.6 million being corporate guarantees and financial indemnity granted by the Group as at 30 June 2018.

NOTE 14 - Review of Performance

Current Quarter Ended 30 June 2018

	Revenue			Profit/(Loss) Before Taxation		
	Quarter ended 30/06/2018 RM'000	Quarter ended 30/06/2017 RM'000	Variance %	Quarter ended 30/06/2018 RM'000	Quarter ended 30/06/2017 RM'000	Variance %
CONSOLIDATED TOTAL	2,950,451	2,925,590	0.8%	179,432	(189,495)	>100%
Total From Continuing Operations	2,919,134	2,757,507	5.9%	301,339	48,349	>100%
Business Segment:						
Automotive	2,382,665	2,260,343	5.4%	142,439	98,969	43.9%
Equipment	365,948	351,351	4.2%	37,813	32,196	17.4%
Manufacturing & Engineering	178,321	153,871	15.9%	(547)	(9,600)	94.3%
Total From Discontinued Operations	31,317	168,083	-81.4%	(121,907)	(237,844)	48.7%
Oil & Gas (Listed)	-	139,908	-100.0%	-	(51,382)	100.0%
Oil & Gas (Unlisted)	31,317	28,175	11.2%	(121,907)	(59,548)	>(100%)
Loss On Demerger	-	-	-	-	(126,914)	100.0%

Group

The Group registered a revenue from Continuing Operations of RM2,919.1 million for the current quarter ended 30 June 2018 which was higher than the RM2,757.5 million reported in the previous corresponding quarter. The improvement in revenue was contributed by the core business segment with increase in sales arising from the Goods and Services Tax (“GST”)–free period in Malaysia.

The Group posted a profit before taxation from Continuing Operations of RM301.3 million for the current quarter which was substantially higher than the RM48.3 million in the previous corresponding quarter. The improved performance was driven by higher contribution from the Automotive segment and the reversal of provisions.

Loss before taxation from Discontinued Operations RM121.9 million was reported for the current quarter which was substantially lower than the loss of RM237.8 million registered in the same period of 2017. Operations in the oil & gas (unlisted) segment have been scaled down while the management has been executing the divestment strategy.

NOTE 14 - Review of Performance (Cont'd)

Current Quarter Ended 30 June 2018 (Cont'd)

Automotive Segment

The Automotive segment reported a revenue of RM2,382.7 million in the second quarter of the year which was 5.4% higher than the RM2,260.3 million registered in the previous corresponding quarter. Sales improved substantially following the increased consumer demand arising from the GST – free period in Malaysia and the launch of a new model during the quarter.

Profit before tax improved from RM99.0 million to RM142.4 million in the current quarter, mainly contributed by better performance from an associate company and improved profit margin due to the strengthening of Ringgit Malaysia against US Dollar.

Equipment Segment

The Equipment segment registered a revenue of RM365.9 million in the second quarter of 2018 which was higher than the RM351.4 million reported in the previous corresponding quarter. The performance for heavy equipment business was lifted by higher export sales and increased demand in the construction industry.

Profit before taxation was RM37.8 million for the second quarter of 2018 which was 17.4% higher than the previous corresponding quarter of RM32.2 million as a result of increase in revenue.

Manufacturing & Engineering Segment

The Manufacturing & Engineering segment reported a higher revenue of RM178.3 million as compared to RM153.9 million in the previous corresponding quarter. The improved revenue was contributed by the Aerospace business, which has started to generate revenue.

Loss before taxation of RM0.5 million for the second quarter of 2018 was substantially lower than the loss of RM9.6 million in the previous corresponding quarter mainly contributed by the increase in revenue and better profit margin earned from the stronger Ringgit Malaysia against the other major currencies too.

Oil & Gas (Unlisted) Segment

The segment registered a revenue of RM31.3 million in the second quarter of 2018 as compared to the RM28.2 million recorded in the previous corresponding quarter. This was due to the winding down of operations which are being carried out in stages, in line with the divestment strategy.

The segment reported a loss before taxation of RM121.9 million due to the write down of investments to fair value in line with the divestment strategy.

Oil & Gas (Listed) Segment

UMW Oil and Gas Corporation Berhad (“UMW-OG”) had been demerged from the group and the results of the company are no longer included as part of the Group’s performance effective 1 July 2017. Hence, no contribution from UMW-OG was reflected in the quarter ended 30 June 2018.

NOTE 14 - Review of Performance (Cont'd)

Six Months Ended 30 June 2018

	Revenue			(Loss)/Profit Before Taxation		
	Six Months Ended 30/06/2018 RM'000	Six Months Ended 30/06/2017 RM'000	Variance %	Six Months Ended 30/06/2018 RM'000	Six Months Ended 30/06/2017 RM'000	Variance %
CONSOLIDATED TOTAL	5,389,220	5,729,175	-5.9%	302,997	(175,107)	>100%
Total From Continuing Operations	5,334,473	5,452,657	-2.2%	448,639	187,205	>100%
Business Segment:						
Automotive	4,259,724	4,451,199	-4.3%	268,380	186,039	44.3%
Equipment	738,990	693,784	6.5%	82,749	71,744	15.3%
Manufacturing & Engineering	346,787	319,754	8.5%	(3,402)	(6,502)	47.7%
Total From Discontinued Operations	54,747	276,518	-80.2%	(145,642)	(362,312)	59.8%
Oil & Gas (Listed)	-	214,186	-100.0%	-	(156,290)	100.0%
Oil & Gas (Unlisted)	54,747	62,332	-12.2%	(145,642)	(79,108)	-84.1%
Loss On Demerger	-	-	-	-	(126,914)	100.0%

Group

The Group reported a revenue of RM5,389.2 million for the six months ended 30 June 2018 which was 5.9% lower than the RM5,729.2 million recorded in the corresponding period of 2017. This was due to lower TIV ("Total Industry Volume") faced by the Automotive segment.

The Group recorded a profit before taxation from Continuing Operations of RM448.6 million which was substantially higher than the RM187.2 million registered in the same period last year. The increase was contributed from the increase in revenue arising from the GST-free period in Malaysia and the reversal of provisions.

The Group posted a loss before taxation from Discontinued Operations of RM145.6 million for the six months ended 30 June 2018, as compared to RM362.3 million in the corresponding period of 2017. Included in the previous corresponding period was the loss on Demerger of UMW-OG of RM126.9 million and the loss before taxation reported of RM156.3 million. The Oil & Gas (Unlisted) segment reported a loss before taxation of RM145.6 million due to the write down of investments to fair value in line with the divestment strategy.

Automotive Segment

The Automotive segment reported a revenue of RM4,259.7 million in the first half of the year which was 4.3% lower than the RM4,451.2 million registered in the previous corresponding period. Sales performance was weighed down by lower number of vehicles sold.

Despite lower revenue contribution, profit before tax improved from RM186.0 million to RM268.4 million in the first half of the year, mainly contributed by better performance from an associate company and improved profit margin as Ringgit Malaysia remained strong against US dollar.

NOTE 14 - Review of Performance (Cont'd)

Six Months Ended 30 June 2018 (Cont'd)

Equipment Segment

The Equipment segment generated a revenue of RM739.0 million for the first half of 2018 which was 6.5% higher than the RM693.8 million recorded in the same period of 2017. Performance of the heavy equipment business was boosted by higher export sales and increased demand in the construction industry.

In tandem with the increase in revenue, profit before taxation for the Equipment segment increased from RM71.7 million recorded in the first half of 2017 to RM82.7 million in the current period.

Manufacturing & Engineering Segment

The Manufacturing & Engineering segment recorded a revenue of RM346.8 million for the first half of 2018 which was 8.5% higher than the RM319.8 million recorded in the same period of 2017. This was primarily contributed by the Aerospace business.

The segment posted a lower loss before taxation of RM3.4 million for the first half of 2018 compared to the loss of RM6.5 million in the previous corresponding period. This was due to the increase in revenue which was contributed by the Aerospace business. In addition, the core businesses in Auto Components and Lubricants registered a profit of RM25.9 million which was higher by RM8.1 million than the RM17.8 million in the previous corresponding period.

Oil & Gas (Unlisted) Segment

The Oil & Gas (Unlisted) segment registered a revenue of RM54.7 million in the first half of 2018 which was lower by RM7.6 million as compared to the RM62.3 million recorded in the same period of 2017. This was due to the winding down of operations which are being carried out in stages, in line with the divestment strategy of the oil and gas segment.

The segment reported a higher loss before taxation of RM145.6 million, compared to the loss before taxation of RM79.1 million in the same period of 2017 due to the write down of investments to fair value in line with the divestment strategy.

Oil & Gas (Listed)

UMW-OG had been demerged from the group and the results of the company are no longer included as part of the Group's performance effective 1 July 2017. Hence, no contribution from UMW-OG was reflected in the period ended 30 June 2018.

NOTE 15 - Comparison with Preceding Quarter's Results

	Revenue			Profit/(Loss) Before Taxation		
	2nd Quarter Ended 30/06/2018 RM'000	1st Quarter Ended 31/03/2018 RM'000	Variance %	2nd Quarter Ended 30/06/2018 RM'000	1st Quarter Ended 31/03/2018 RM'000	Variance %
CONSOLIDATED TOTAL	2,950,451	2,438,769	21.0%	179,432	123,565	45.2%
Total From Continuing Operations	2,919,134	2,415,339	20.9%	301,339	147,300	>100%
Business Segment:						
Automotive	2,382,665	1,877,059	26.9%	142,439	125,941	13.1%
Equipment	365,948	373,042	-1.9%	37,813	44,936	-15.9%
Manufacturing & Engineering	178,321	168,466	5.8%	(547)	(2,855)	80.8%
Total From Discontinued Operations	31,317	23,430	33.7%	(121,907)	(23,735)	>(100%)
Oil & Gas (Listed)	-	-	-	-	-	-
Oil & Gas (Unlisted)	31,317	23,430	33.7%	(121,907)	(23,735)	>(100%)

The Group registered a revenue from Continuing Operations of RM2,919.1 million, higher by RM503.8 million from the RM2,415.3 million recorded in the preceding quarter, mainly contributed by the Automotive segment with the increase in sales arising from the GST-free period in Malaysia.

The Group posted a profit before taxation from Continuing Operations of RM301.3 million which was higher by RM154.0 million in the current quarter as compared with RM147.3 million in the preceding quarter. The higher profit was primarily due to the increase in sales arising from the GST-free period in Malaysia and the reversal of provisions.

NOTE 16 - Current Prospects

Automotive Segment

The recent announcement on the change of GST rate to 0% has driven up demand and hence, a surge in the sales volume for vehicles. The reintroduction of Sales and Service Tax ("SST") on 1 September 2018 is expected to impact the consumer demand in vehicles sales.

The segment is expected to remain challenging with intense competition and continuation of strict lending guidelines towards the last quarter of the year. Nevertheless, the Group expects the segment to perform satisfactorily in the second half of 2018.

NOTE 16 - Current Prospects (Cont'd)

Equipment Segment

With the on-going review of mega infrastructure projects in the country, demand for heavy equipment in the second half of the year is expected to be subdued. However, given our current order secured, the performance of the business is expected to be satisfactory. Industrial equipment business is expecting to perform well with the rental business in the warehouse and logistics sectors.

The Group expects the segment to perform better in the second half of 2018.

Manufacturing & Engineering Segment

The manufacturing of auto-components is anticipated to remain positive for both the domestic and export markets, supported by the on-going growth in the market demand. For lubricant business, more efforts have been intensified to enhance market demand in Malaysia, China and Indonesia. Aerospace business with Rolls-Royce is producing and delivering as per contractual requirement.

The Group expects the segment to contribute satisfactorily in the second half of 2018.

Oil & Gas (Unlisted) Segment

Following the impending divestment of the Oil and Gas segment, the Group does not expect any adverse material impact in the remaining two quarters of 2018.

Group

The Group is now on the recovery trend focusing on strengthening our three core businesses, namely Automotive, Equipment, and Manufacturing and Engineering which will put the company in a better position to grow its businesses and enhance shareholder value.

The Board expects the Group's performance for the financial year 2018 to be satisfactory.

NOTE 17 - Variance from Profit Forecast and Profit Guarantee

This is not applicable to the Group.

NOTE 18 - Revenue

Disaggregation of revenue from contracts with customers –

	Sale of vehicle RM'000	Sale of equipment RM'000	Sale of parts RM'000	Export sales RM'000	Services rendered RM'000	Sale of lubricants & related products RM'000	Revenue from contracts with customers RM'000	Lease rental income RM'000	Consolidated revenue RM'000
FYE 30 June 2018									
Business Segment									
Automotive	3,557,431	-	279,550	317,239	105,504	-	4,259,724	-	4,259,724
Equipment	-	344,820	247,623	31,646	35,210	-	659,299	79,691	738,990
Manufacturing & Engineering	-	-	172,054	79,435	7	95,291	346,787	-	346,787
Others	-	-	-	-	32,837	-	32,837	-	32,837
Sub-total	3,557,431	344,820	699,227	428,320	173,558	95,291	5,298,647	79,691	5,378,338
Elimination of Inter-Segment Sales	(576)	(2,066)	(10,299)	(592)	(24,634)	(3,064)	(41,231)	(2,634)	(43,865)
Total From Continuing Operations	3,556,855	342,754	688,928	427,728	148,924	92,227	5,257,416	77,057	5,334,473

	Sale of vehicle RM'000	Sale of equipment RM'000	Sale of parts RM'000	Export sales RM'000	Services rendered RM'000	Sale of lubricants & related products RM'000	Revenue from contracts with customers RM'000	Lease rental income RM'000	Consolidated revenue RM'000
FYE 30 June 2017									
Business Segment									
Automotive	3,657,853	-	170,930	344,452	277,964	-	4,451,199	-	4,451,199
Equipment	-	342,027	223,052	16,583	33,505	-	615,167	78,617	693,784
Manufacturing & Engineering	-	-	162,545	47,743	108	109,358	319,754	-	319,754
Others	-	-	-	-	36,815	-	36,815	-	36,815
Sub-total	3,657,853	342,027	556,527	408,778	348,392	109,358	5,422,935	78,617	5,501,552
Elimination of Inter-Segment Sales	(760)	(6,365)	(9,751)	(1,017)	(25,500)	(2,928)	(46,321)	(2,574)	(48,895)
Total From Continuing Operations	3,657,093	335,662	546,776	407,761	322,892	106,430	5,376,614	76,043	5,452,657

NOTE 19 - Taxation

	2nd Quarter Ended 30/06/2018 RM'000	Six Months Ended 30/06/2018 RM'000
Current period provision	(33,266)	(63,190)
Under provision in prior periods	(939)	(1,097)
	(34,205)	(64,287)
Deferred taxation	10	486
Taxation	(34,195)	(63,801)
Zakat	(5,398)	(5,398)
Total taxation and zakat	(39,593)	(69,199)

The effective tax rates for the period ended 30 June 2018 were lower than the statutory tax rate of 24.0% primarily due to some overseas subsidiaries were having lower tax rate and non-taxable income recorded by local subsidiaries.

NOTE 20 - Corporate Proposals

On 9 March 2018, the Company announced on the separate conditional offers to the following parties:

- (i) Med-Bumikar Mara Sdn. Bhd. (“Med-Bumikar”) and its wholly-owned subsidiary, Central Shore Sdn Bhd (“CSSB”), for the acquisition of their collective 50.07% equity interest in MBM Resources Berhad (“MBMR”); and
- (ii) PNB Equity Resources Corporation Sdn. Bhd. (“PERC”) for the acquisition of PERC’s 10.00% equity interest in Perusahaan Otomobil Kedua Sdn Bhd (“Perodua”).

The conditional offer to Med-Bumikar and CSSB for all their 195,717,751 MBMR Shares (“MBMR Sale Shares”), collectively representing 50.07% equity interest in MBMR and the resultant proposed mandatory take-over offer for all the remaining MBMR Shares not already owned by UMWH and persons acting concert with it, if any, after the Proposed MBMR Acquisition (“Proposed MO”).

The conditional offer is at a price of approximately RM501.0 million or RM2.56 per MBMR Sale Share, valuing MBMR at approximately RM1.0 billion (based on 100% equity value), to be settled in cash (“MBMR Offer”).

If the MBMR Offer is accepted and subject to the completion of the Proposed MBMR Acquisition, the Company’s shareholding in MBMR will increase from nil to 50.07% and UMWH will then be obliged to extend the Proposed MO pursuant to Section 218(2) of the Capital Markets and Services Act, 2007 and Paragraph 4.01(a) of the Rules on Take-Overs, Mergers and Compulsory Acquisitions. UMWH does not intend to maintain the listing status of MBMR on the Main Market of Bursa Malaysia Securities Berhad (“Bursa Securities”) subsequent to the Proposed MO.

On 13 March 2018, the Company announced to undertake the Proposed Rights Issue to raise the necessary proceeds to primarily repay a bridging facility to be obtained by the Company to finance the Proposed MO.

On 26 March 2018, the Company announced that it has been notified by Med-Bumikar and CSSB, that they have separately rejected the conditional offer made by the Company for the Proposed MO. Accordingly, the Company has notified Med-Bumikar and CSSB respectively in writing of its decision to extend the period for which the MBMR Offer shall continue to be valid, from 28 March 2018 to 30 April 2018.

On 28 March 2018, the Company announced that PERC has vide its letter dated 28 June 2018 requested for an extension of time to accept the Perodua Offer to 30 April 2018. In this respect, the Company has notified PERC in writing of its decision to extend the period for the Perodua Offer to 30 April 2018.

On 3 April 2018, the Company announced that it has been notified by Med-Bumikar and CSSB, that they stand firm by their decisions and would not consider the MBMR Offer. Notwithstanding the position taken by the board of directors of Med-Bumikar and CSSB, the Company remains interested to re-engage discussion should Med-Bumikar, CSSB and their shareholders wish to reconsider the MBMR Offer.

On 27 April 2018, the Company announced that it has extended the MBMR Offer and the Perodua Offer respectively to 31 October 2018, to enable parties to deliberate on the offers.

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

	As at 30/06/2018					
	Long Term		Short Term		Total borrowings	
	Foreign denomination	RM denomination	Foreign denomination	RM denomination	Foreign denomination	RM denomination
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Secured						
Term loans and trade facilities						
- United States Dollar @ 4.03850	-	-	54,116	-	54,116	-
- Indian Rupee @ 0.0590	-	-	890	-	890	-
	-	-	55,006	-	55,006	-
Unsecured						
Term loans and trade facilities	-	2,399,839	-	119,317	-	2,519,156
- United States Dollar @ 4.03850	50,077	-	223,783	-	273,860	-
Long term loans payable within 12 months	-	(199,963)	-	199,963	-	-
	50,077	2,199,876	223,783	319,280	273,860	2,519,156
	50,077	2,199,876	278,789	319,280	328,866	2,519,156

	As at 30/06/2017					
	Long Term		Short Term		Total borrowings	
	Foreign denomination	RM denomination	Foreign denomination	RM denomination	Foreign denomination	RM denomination
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Secured						
Term loans and trade facilities						
- United States Dollar @ 4.2933	181,014	-	194,847	-	375,861	-
- Australian Dollar @ 3.2984	-	-	30,423	-	30,423	-
- Omani Rial @ 11.1425	83,983	-	-	-	83,983	-
Long term loans payable within 12 months						
- United States Dollar @ 4.2933	(27,884)	-	27,884	-	-	-
- Omani Rial @ 11.1425	(30,539)	-	30,539	-	-	-
	206,574	-	283,693	-	490,267	-
Unsecured						
Term loans and trade facilities		1,799,810	-	150,993	-	1,950,803
- United States Dollar @ 4.2933	59,248	-	448,339	-	507,587	-
	59,248	1,799,810	448,339	150,993	507,587	1,950,803
	265,822	1,799,810	732,032	150,993	997,854	1,950,803

NOTE 22 – Derivatives

As at 30 June 2018, the Group's outstanding derivative assets and liabilities are detailed below-

Type of Derivative	Tenor	Notional Value RM'000	Fair Value Asset/(Liability) RM'000
Derivative Assets - Forward currency contract	Less than 1 year	503,231	9,732
Derivative Liabilities - Embedded derivatives	Less than 1 year	664,899	(8,623)

The Group uses forward currency contracts to hedge the current and future sales and purchases denominated in foreign currencies for which firm commitments existed at the end of reporting date. Derivatives are placed with or entered into with reputable financial institution with high credit ratings and no history of default.

NOTE 23 - Material Litigation

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

NOTE 24 - Dividend

No interim dividend has been recommended for the quarter ended 30 June 2018 (2017 – Nil).

NOTE 25 - Earnings Per Share

Basic earnings per share for the current quarter and financial period ended 30 June 2018 is calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares in issue as at 30 June 2018.

	2nd Quarter Ended 30/06/2018	Six Months Ended 30/06/2018
Net profit/(loss) attributable to shareholders (RM'000)		
- Continuing operations	229,047	320,194
- Discontinued operations	(104,671)	(121,734)
	124,376	198,460
Weighted average number of ordinary shares	1,168,293,932	1,168,293,932
Basic/Diluted earnings per share (sen)		
- Continuing operations	19.61	27.41
- Discontinued operations	(8.96)	(10.42)
	10.65	16.99

NOTE 26 - Audit Qualification

The audit report in respect of the annual financial statements for the financial year ended 31 December 2017 was not qualified.

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

	2nd Quarter Ended 30/06/2018 RM'000	Six Months Ended 30/06/2018 RM'000
a. Interest income	4,261	16,706
b. Other investment income	14,907	25,034
c. Depreciation and amortisation	(49,281)	(100,058)
d. Reversal of/(Provision for) impairment losses of receivables	590	(784)
e. Reversal of provision for impairment on property, plant and equipment and inventories	2,754	2,170
f. Gain/(Loss) on sale on investment	292	(385)
g. Gain on disposal of property, plant and equipment	3,889	10,935
h. Foreign exchange gain (net)	3,768	11,202
i. Loss on derivatives (net)	(4,203)	(3,914)
j. Property, plant and equipment written off	(826)	(1,400)

By Order Of The Board

MOHD NOR AZAM BIN MOHD SALLEH
Secretary
(MAICSA 7028137)

Kuala Lumpur
29 August 2018