

# UMW HOLDINGS BERHAD

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

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 31 MARCH 2018

(THE FIGURES HAVE NOT BEEN AUDITED )

	Current Quarter Ended 31/03/2018 RM'000	Comparative Quarter Ended 31/03/2017 RM'000	3 Months Cumulative To Date 31/03/2018 RM'000	Comparative 3 Months Cumulative To Date 31/03/2017 RM'000
<b><u>Continuing Operations</u></b>				
Revenue	2,415,339	2,695,150	2,415,339	2,695,150
Operating Expenses	(2,342,996)	(2,619,554)	(2,342,996)	(2,619,554)
Other Operating Income	19,316	21,690	19,316	21,690
<b>Profit From Operations</b>	91,659	97,286	91,659	97,286
Share Of Results Of Associates And Joint Ventures	57,622	41,263	57,622	41,263
Investment Income	21,579	18,067	21,579	18,067
<b>Profit Before Interest</b>	170,860	156,616	170,860	156,616
Finance Costs	(23,560)	(17,760)	(23,560)	(17,760)
<b>Profit Before Taxation And Zakat</b>	147,300	138,856	147,300	138,856
Taxation And Zakat	(29,606)	(24,625)	(29,606)	(24,625)
<b>Profit For The Period From Continuing Operations</b>	117,694	114,231	117,694	114,231
<b><u>Discontinued Operations</u></b>				
Loss For The Period From Discontinued Operations	(23,900)	(124,792)	(23,900)	(124,792)
<b>Profit/(Loss) For The Period</b>	93,794	(10,561)	93,794	(10,561)
<b><u>Other Comprehensive Income/(Loss):</u></b>				
<b><u>Continuing Operations</u></b>				
Translation Of Foreign Operations	24,145	(23,643)	24,145	(23,643)
Cash Flow Hedge	189	907	189	907
Other Comprehensive Income/(Loss) Net Of Tax From Continuing Operations	24,334	(22,736)	24,334	(22,736)
<b><u>Discontinued Operations</u></b>				
Other Comprehensive Income Net Of Tax From Discontinued Operations	-	15,784	-	15,784
<b>Other Comprehensive Income/(Loss) Net Of Tax</b>	24,334	(6,952)	24,334	(6,952)
<b>Total Comprehensive Income/(Loss) For The Period</b>	118,128	(17,513)	118,128	(17,513)

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(THE FIGURES HAVE NOT BEEN AUDITED )

	Current Quarter Ended 31/03/2018 RM'000	Comparative Quarter Ended 31/03/2017 RM'000	3 Months Cumulative To Date 31/03/2018 RM'000	Comparative 3 Months Cumulative To Date 31/03/2017 RM'000
<b><u>Profit/(Loss) For The Period Attributable To:</u></b>				
Equity Holders Of The Company From:				
- Continuing Operations	91,147	92,606	91,147	92,606
- Discontinued Operations	(17,063)	(72,441)	(17,063)	(72,441)
	<u>74,084</u>	<u>20,165</u>	<u>74,084</u>	<u>20,165</u>
Non-Controlling Interests From:				
- Continuing Operations	26,547	21,625	26,547	21,625
- Discontinued Operations	(6,837)	(52,351)	(6,837)	(52,351)
	<u>19,710</u>	<u>(30,726)</u>	<u>19,710</u>	<u>(30,726)</u>
	<u>93,794</u>	<u>(10,561)</u>	<u>93,794</u>	<u>(10,561)</u>
<b><u>Total Comprehensive Income/(Loss) Attributable To :</u></b>				
Equity Holders Of The Company From:				
- Continuing Operations	97,532	67,062	97,532	67,062
- Discontinued Operations	(17,063)	(56,657)	(17,063)	(56,657)
	<u>80,469</u>	<u>10,405</u>	<u>80,469</u>	<u>10,405</u>
Non-Controlling Interests From:				
- Continuing Operations	44,496	24,433	44,496	24,433
- Discontinued Operations	(6,837)	(52,351)	(6,837)	(52,351)
	<u>37,659</u>	<u>(27,918)</u>	<u>37,659</u>	<u>(27,918)</u>
	<u>118,128</u>	<u>(17,513)</u>	<u>118,128</u>	<u>(17,513)</u>
<b><u>EPS Attributable To Equity Holders Of The Company:</u></b>				
Basic EPS For The Period (Sen)				
- Continuing Operations	7.80	7.93	7.80	7.93
- Discontinued Operations	(1.46)	(6.20)	(1.46)	(6.20)
	<u>6.34</u>	<u>1.73</u>	<u>6.34</u>	<u>1.73</u>
Diluted EPS For The Period (Sen)				
- Continuing Operations	7.80	7.93	7.80	7.93
- Discontinued Operations	(1.46)	(6.20)	(1.46)	(6.20)
	<u>6.34</u>	<u>1.73</u>	<u>6.34</u>	<u>1.73</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 31/03/2018 RM'000	(AUDITED) AS AT 31/12/2017 RM'000
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, Plant And Equipment	2,957,292	2,658,103
Investment Properties	1,493	1,496
Land Use Rights	2,441	2,503
Leased Assets	291,028	290,244
Other Receivables	34,621	34,621
Investments In Associates	1,717,211	1,661,497
Investments In Joint Ventures	51,116	51,813
Deferred Tax Assets	108,446	118,771
Other Investments	14,768	14,770
	<u>5,178,416</u>	<u>4,833,818</u>
<b>Current Assets</b>		
Inventories	1,639,542	1,410,746
Trade Receivables	797,094	902,122
Other Receivables	143,355	127,001
Other Investments	1,271,906	1,295,416
Derivative Assets	8,589	11,933
Deposits, Cash And Bank Balances	817,858	1,169,568
	<u>4,678,344</u>	<u>4,916,786</u>
Non-Current Assets Held For Sale	319,311	345,128
	<u>4,997,655</u>	<u>5,261,914</u>
<b>TOTAL ASSETS</b>	<u>10,176,071</u>	<u>10,095,732</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity Attributable To The Equity Holders Of The Company</b>		
Share Capital	584,147	584,147
Capital Reserve	396	396
Foreign Currency Translation Reserve	16,397	10,201
Hedging Reserve	190	1
Retained Profits	2,526,587	2,452,503
	<u>3,127,717</u>	<u>3,047,248</u>
Non-Controlling Interests	1,167,808	1,131,182
<b>Total Equity</b>	<u>4,295,525</u>	<u>4,178,430</u>
<b>Non-Current Liabilities</b>		
Provision For Warranties	153,210	153,209
Deferred Tax Liabilities	31,681	41,499
Long Term Borrowings	2,294,449	2,069,717
	<u>2,479,340</u>	<u>2,264,425</u>
<b>Current Liabilities</b>		
Provision For Warranties	67,565	53,095
Taxation	42,056	41,905
Short Term Borrowings	603,107	685,320
Bank Overdrafts	8,827	6,537
Trade Payables	590,612	949,483
Other Payables	2,036,843	1,846,055
Derivative Liabilities	2,935	6,283
Liabilities Associated With Assets Held For Sale	49,261	64,199
	<u>3,401,206</u>	<u>3,652,877</u>
<b>Total Liabilities</b>	<u>5,880,546</u>	<u>5,917,302</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>10,176,071</u>	<u>10,095,732</u>
<b>Net Assets Per Share (RM)</b>	<b>2.6772</b>	<b>2.6083</b>

(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)

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## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 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	Non - Controlling Interests RM'000	Total Equity RM'000
<b>3 MONTHS ENDED 31 MARCH 2018</b>									
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									
Effects of loss of control in a subsidiary	-	-	-	-	-	-	-	(1,033)	(1,033)
Total comprehensive income	-	-	-	6,196	189	74,084	80,469	37,659	118,128
At 31 March 2018	584,147	-	396	16,397	190	2,526,587	3,127,717	1,167,808	4,295,525

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 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	Non - Controlling Interests RM'000	Total Equity RM'000
<b>3 MONTHS ENDED 31 MARCH 2017</b>									
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)	-
Transfer to share capital *	794,482	(794,482)	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	(10,265)	505	20,165	10,405	(27,918)	(17,513)
At 31 March 2017	1,378,629	-	396	427,528	3,604	2,948,680	4,758,837	2,087,925	6,846,762

\* 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

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## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 MARCH 2018

	3 Months Ended 31/03/2018 RM'000	3 Months Ended 31/03/2017 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) Before Taxation And Zakat From:		
Continuing operations	147,300	138,856
Discontinued operations	(23,735)	(124,468)
	<u>123,565</u>	<u>14,388</u>
Adjustments For:		
Depreciation and amortisation	50,777	112,176
Net inventories written down	584	3,773
Interest expense from:		
- Continuing operations	23,560	17,760
- Discontinued operations	8,766	49,811
Share of results of associates and joint ventures from:		
- Continuing operations	(57,622)	(41,263)
- Discontinued operations	-	1,176
Gain on disposal of property, plant and equipment	(7,046)	(5,217)
Provision for/(Reversal of) impairment on receivables	1,374	(1,706)
Net unrealised foreign exchange/fair value gain	(6,880)	(21,888)
Loss on sale of investment	677	-
Interest and dividend income from other investments	(22,572)	(22,168)
Property, plant and equipment written off	574	34
Others	33,367	(60,990)
Operating Profit Before Working Capital Changes	<u>149,124</u>	<u>45,886</u>
(Increase)/decrease in receivables	(49,990)	148,612
(Increase)/decrease in inventories	(213,047)	228,428
Increase/(decrease) in payables	16,578	(62,570)
Cash Generated From Operating Activities	<u>(97,335)</u>	<u>360,356</u>
Interest paid	(58,168)	(67,087)
Taxation paid	(29,228)	(45,188)
Net Cash (Used In)/Generated From Operating Activities	<u>(184,731)</u>	<u>248,081</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Net cash outflow arising from disposal of a subsidiary	(1,023)	-
Purchase of property, plant and equipment	(414,721)	(77,739)
Proceeds from disposal of property, plant and equipment	21,718	12,851
Interest & dividend income	22,572	22,168
Other Investments (net)	23,493	454,939
Net Cash (Used In)/Generated From Investing Activities	<u>(347,961)</u>	<u>412,219</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Drawdown/(repayment) of loans and borrowings	156,066	(124,761)
Net Cash Generated From/(Used In) Financing Activities	<u>156,066</u>	<u>(124,761)</u>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(376,626)</b>	<b>535,539</b>
<b>CASH AND CASH EQUIVALENTS AS AT 1 JANUARY</b>	<b>1,187,898</b>	<b>2,171,193</b>
<b>EFFECTS OF EXCHANGE RATE CHANGES</b>	<b>27,135</b>	<b>51,003</b>
<b>CASH AND CASH EQUIVALENTS AS AT 31 MARCH</b>	<b><u>838,407</u></b>	<b><u>2,757,735</u></b>

(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 and 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”).

Other than the above, there were no issuances and repayment of debt securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the period ended 31 March 2018.

## NOTE 6 - Dividends Paid

There was no dividend paid during the period ended 31 March 2018.

## NOTE 7 - Segmental Reporting

Business Segment	Financial Period Ended 31 March 2018		
	Revenue RM'000	Profit/(Loss) Before Taxation RM'000	Profit/(Loss) Attributable to Owners of the Company RM'000
Automotive	1,877,059	125,941	81,376
Equipment	373,042	44,936	36,602
Manufacturing & Engineering	168,466	(2,855)	(9,157)
Others	15,884	(20,722)	(17,674)
<b>Sub-total</b>	<b>2,434,451</b>	<b>147,300</b>	<b>91,147</b>
Elimination of Inter-Segment Sales	(19,112)	-	-
<b>Total From Continuing Operations</b>	<b>2,415,339</b>	<b>147,300</b>	<b>91,147</b>
Oil & Gas (Listed)	-	-	-
Oil & Gas (Unlisted)	23,430	(23,735)	(17,063)
<b>Total From Discontinued Operations</b>	<b>23,430</b>	<b>(23,735)</b>	<b>(17,063)</b>
<b>CONSOLIDATED TOTAL</b>	<b>2,438,769</b>	<b>123,565</b>	<b>74,084</b>

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:

	<b>Three Months Ended 31/3/2018</b>	<b>Three Months Ended 31/3/2017</b>
	<b>RM'000</b>	<b>RM'000</b>
Revenue	23,430	108,435
Operating Expenses	(40,028)	(187,047)
Other Operating Income	1,623	1,030
<b>Loss From Operations</b>	<b>(14,975)</b>	<b>(77,582)</b>
Finance Costs	(8,766)	(49,811)
Share Of Results Of Associates And Joint Ventures	-	(1,176)
Investment Income	6	4,101
<b>Loss Before Taxation And Zakat</b>	<b>(23,735)</b>	<b>(124,468)</b>
Taxation And Zakat	(165)	(324)
<b>Loss For The Period From Discontinued Operations</b>	<b>(23,900)</b>	<b>(124,792)</b>
<b>Net Cash Flows:</b>		
Operating activities	(181)	(54,815)
Investing activities	52	(3,417)
Financing activities	(30,960)	(82,956)
	<b>(31,089)</b>	<b>(141,188)</b>

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

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, in the opinion of the directors, there has been no material event or transaction during the period ended 31 March 2018 to the date of this announcement, which affects substantially the results of the Group for the period ended 31 March 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. 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	63,585	
Equipment, plant and machinery	174,716	
Others	15,132	253,433
	<hr/>	
Approved but not contracted for:		
Land and buildings	238,064	
Equipment, plant and machinery	665,771	
Others	43,050	946,885
Total	<hr/>	<hr/>
		1,200,318

## 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 35<sup>th</sup> Annual General Meeting held on 25 May 2017.

## 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 increased to RM229.5 million as at 31 March 2018 from RM171.3 million as at 31 December 2017. Included in the amount is credit risk of RM216.7 million being corporate guarantees and financial indemnity granted by the Group as at 31 March 2018.

## NOTE 14 - Review of Performance

### Current Quarter Ended 31 March 2018

	Revenue			Profit/(Loss) Before Taxation		
	Quarter ended 31/03/2018 RM'000	Quarter ended 31/03/2017 RM'000	Variance %	Quarter ended 31/03/2018 RM'000	Quarter ended 31/03/2017 RM'000	Variance %
<b>CONSOLIDATED TOTAL</b>	<b>2,438,769</b>	<b>2,803,585</b>	<b>-13%</b>	<b>123,565</b>	<b>14,388</b>	<b>&gt;100%</b>
<b>Total From Continuing Operations</b>	<b>2,415,339</b>	<b>2,695,150</b>	<b>-10%</b>	<b>147,300</b>	<b>138,856</b>	<b>6%</b>
<b>Business Segment:</b>						
Automotive	1,877,059	2,190,856	-14%	125,941	87,071	45%
Equipment	373,042	342,433	9%	44,936	39,548	14%
Manufacturing & Engineering	168,466	165,883	2%	(2,855)	3,098	>(100%)
<b>Total From Discontinued Operations</b>	<b>23,430</b>	<b>108,435</b>	<b>-78%</b>	<b>(23,735)</b>	<b>(124,468)</b>	<b>81%</b>
Oil & Gas (Listed)	-	74,278	-100%	-	(104,908)	100%
Oil & Gas (Unlisted)	23,430	34,157	-31%	(23,735)	(19,560)	-21%

### Group

The Group registered a revenue from Continuing Operations of RM2,415.3 million for the current quarter ended 31 March 2018, lower than the RM2,695.2 million reported in the previous corresponding quarter. The quarter under review continued to be challenging for automotive segment due to the intense competition and strict lending guidelines by financial institutions.

The Group posted a profit before taxation from Continuing Operations of RM147.3 million for the current quarter, 6% higher than the profit of RM138.9 million in the previous corresponding quarter. The improved performance was primarily driven by the automotive segment with higher contribution of RM125.9 million, an increase of 45% as compared to RM87.1 million in the previous corresponding quarter.

The Group posted a loss before taxation from Discontinued Operations of RM23.7 million, substantially lower than the loss of RM124.5 million registered in the same period of 2017. Operations in the oil & gas (unlisted) segment have been scaled down while the management has been actively executing the divestment strategy.

## **NOTE 14 - Review of Performance (Cont'd)**

### **Current Quarter Ended 31 March 2018 (Cont'd)**

#### **Automotive Segment**

The Automotive segment reported a revenue of RM1,877.1 million in the first quarter of the year, 14% lower than the RM2,190.9 million registered in the previous corresponding quarter. Sales performance was weighed down by shortfall in the passenger car segment and higher demand for the sports utility vehicle segment. This was evidenced by the decline in sales volume.

Despite lower revenue contribution, profit before tax improved from RM87.1 million to RM125.9 million in the current quarter, mainly contributed by better performance from associate company and improved profit margin as Ringgit remained strong against US dollar.

#### **Equipment Segment**

The Equipment segment registered a revenue of RM373.0 million in the first quarter of 2018, higher than the RM342.4 million reported in the previous corresponding quarter. The performance for heavy equipment business was lifted by higher export sales of Komatsu equipment whilst the industrial equipment business was bolstered by a major order via renewal of the entire fleet of old equipment.

Profit before taxation was RM44.9 million for the first quarter of 2018, 14% higher than previous corresponding quarter of RM39.5 million as a result of improved revenue.

#### **Manufacturing & Engineering Segment**

The Manufacturing & Engineering segment reported a marginally higher revenue of RM168.5 million as compared to RM165.9 million in the previous corresponding quarter contributed by higher revenue in auto component business and revenue generated by the aerospace business.

Aerospace business which is now revenue-generating, remains at operating loss due to high operating expenses incurred as compared to 2017. Consequently, the overall segment registered a loss before taxation of RM2.9 million as compared to profit before taxation of RM3.1 million in the previous corresponding quarter.

#### **Oil & Gas (Unlisted) Segment**

The segment registered a revenue of RM23.4 million in the first quarter as compared with the RM34.2 million recorded in the previous corresponding quarter. The decrease was in line with the exit strategy as some operations had ceased and scaled down.

The segment reported a loss before taxation of RM23.7 million due to lower revenue contribution.

#### **Oil & Gas (Listed) Segment**

UMW Oil and Gas Corporation Berhad ("UMW-OG") had been demerged from the group and results of the company 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 31 March 2018.

## NOTE 15 - Comparison with Preceding Quarter's Results

	Revenue			Profit/(Loss) Before Taxation		
	1st Quarter Ended 31/03/2018 RM'000	4th Quarter Ended 31/12/2017 RM'000	Variance %	1st Quarter Ended 31/03/2018 RM'000	4th Quarter Ended 31/12/2017 RM'000	Variance %
<b>CONSOLIDATED TOTAL</b>	2,438,769	3,001,233	-19%	123,565	(381,661)	>100%
<b>Total From Continuing Operations</b>	2,415,339	2,975,037	-19%	147,300	30,683	>100%
<b>Business Segment:</b>						
Automotive	1,877,059	2,405,059	-22%	125,941	153,948	-18%
Equipment	373,042	395,783	-6%	44,936	30,821	46%
Manufacturing & Engineering	168,466	169,504	-1%	(2,855)	(4,478)	36%
<b>Total From Discontinued Operations</b>	23,430	26,196	-11%	(23,735)	(412,344)	94%
Oil & Gas (Listed)	-	-	-	-	-	-
Oil & Gas (Unlisted)	23,430	26,196	-11%	(23,735)	(412,344)	94%

The Group registered a revenue from Continuing Operations of RM2,415.3 million, lower by RM559.7 million from the RM2,975.0 million recorded in the preceding quarter. The automotive segment was affected by the poor consumer sentiment which resulted in lower units sold. This is consistent with the overall market sentiment with a drop in total industry volume by 4% for the first quarter of the year.

The Group posted a profit before taxation from Continuing Operations of RM147.3 million in the current quarter as compared with RM30.7 million in the preceding quarter. Profit before taxation from Continuing Operations from the preceding quarter included a provision of RM254.0 million in relation to the anticipated early settlement of the financial obligation as part of the exit strategy of oil and gas segment.

## **NOTE 16 - Current Prospects**

### **Automotive Segment**

The segment is expected to remain challenging with continuation of strict lending guidelines and weaker consumer demand.

Following UMW Toyota Motor Sdn Bhd (“UMWT”)’s initiative to increase dealers’ involvement, UMWT is able to increase intensity on high value-added upstream activities such as product development, marketing and dealer network support; while dealers continue to dedicate themselves towards ensuring customer satisfaction.

Despite the challenging environment, the Group expects the segment to perform satisfactorily in 2018.

### **Equipment Segment**

Better demand for heavy equipment is expected with the anticipated growth in the construction sector together with infrastructure development requirements in the Malaysian market. Industrial equipment operations are also expecting a strong growth potential in Malaysia, Singapore and Vietnam driven by improved market demand.

The Group expects the segment to perform better in 2018.

### **Manufacturing & Engineering Segment**

The automotive component operations are forecast to improve with contracts awarded to the Group as a result of new models introduced by our customers. Sales of Replacement Equipment Manufacturers for both domestic and export markets are expected to contribute higher revenue. The lubricant business which has presence in Malaysia, China and Indonesia is expected to grow in tandem with higher demand.

Aerospace business with Rolls-Royce is progressing as per schedule and is currently in the ramp-up stage to deliver the fan cases as per contractual requirement.

The Group expects the segment to perform satisfactorily in 2018.

### **Oil & Gas (Unlisted) Segment**

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

### **Group**

The Group is now focusing on strengthening our three core businesses, namely automotive, equipment, and manufacturing and engineering which will lead to better performance. 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
<b>FYE 31 March 2018</b>									
<b>Business Segment</b>									
Automotive	1,524,917	-	137,750	156,783	57,609	-	1,877,059	-	1,877,059
Equipment	-	185,189	117,797	14,713	17,569	-	335,268	37,774	373,042
Manufacturing & Engineering	-	-	89,058	31,159	2	48,247	168,466	-	168,466
Others	-	-	-	-	15,884	-	15,884	-	15,884
<b>Sub-total</b>	1,524,917	185,189	344,605	202,655	91,064	48,247	2,396,677	37,774	2,434,451
Elimination of Inter-Segment Sales	(203)	(92)	(4,927)	(208)	(11,512)	(1,765)	(18,707)	(405)	(19,112)
<b>Total From Continuing Operations</b>	1,524,714	185,097	339,678	202,447	79,552	46,482	2,377,970	37,369	2,415,339

	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
<b>FYE 31 March 2017</b>									
<b>Business Segment</b>									
Automotive	1,797,816	-	80,723	171,122	141,195	-	2,190,856	-	2,190,856
Equipment	-	174,737	106,569	9,067	15,332	-	305,705	36,728	342,433
Manufacturing & Engineering	-	-	83,151	26,555	2	56,175	165,883	-	165,883
Others	-	-	-	-	15,255	-	15,255	-	15,255
<b>Sub-total</b>	1,797,816	174,737	270,443	206,744	171,784	56,175	2,677,699	36,728	2,714,427
Elimination of Inter-Segment Sales	(94)	(4,633)	(4,764)	(635)	(6,346)	(1,538)	(18,010)	(1,267)	(19,277)
<b>Total From Continuing Operations</b>	1,797,722	170,104	265,679	206,109	165,438	54,637	2,659,689	35,461	2,695,150

## NOTE 19 - Taxation

	<b>1st Quarter Ended 31/03/2018 RM'000</b>
Current period provision	29,924
Under provision in prior periods	158
	30,082
Deferred taxation	(476)
Taxation	29,606
Zakat	-
<b>Total taxation and zakat</b>	<b>29,606</b>

The effective tax rates for the period ended 31 March 2018 were lower than the statutory tax rate of 24.0% primarily due to some overseas subsidiaries were having lower tax rate.

## 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 March 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 31/03/2018					
	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
<b>Secured</b>						
Term loans and trade facilities						
- United States Dollar @ 3.8635	-	-	51,770	-	51,770	-
- Australian Dollar @ 2.9754	-	-	28,121	-	28,121	-
- Omani Rial @ 10.0323	145,337	-	129,851	-	275,188	-
- Indian Rupee @ 0.05929	-	-	47	-	47	-
	145,337	-	209,789	-	355,126	-
<b>Unsecured</b>						
Short term loans and trade facilities	-	2,099,852	-	156,134	-	2,255,986
- United States Dollar @ 3.8635	49,260	-	237,184	-	286,444	-
Long term loans payable within 12 months	-	-	-	-	-	-
	49,260	2,099,852	237,184	156,134	286,444	2,255,986
	<b>194,597</b>	<b>2,099,852</b>	<b>446,973</b>	<b>156,134</b>	<b>641,570</b>	<b>2,255,986</b>

	As at 31/03/2017					
	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
<b>Secured</b>						
Term loans and trade facilities						
- United States Dollar @ 4.4255	939,470	-	112,407	-	1,051,877	-
- Australian Dollar @ 3.3825	-	-	28,500	-	28,500	-
- Omani Rial @ 11.4942	-	-	148,773	-	148,773	-
- Indian Rupee @ 0.0682	-	-	1,023	-	1,023	-
- Renminbi @ 0.64261	24,336	-	-	-	24,336	-
	963,806	-	290,703	-	1,254,509	-
<b>Unsecured</b>						
Short term loans and trade facilities	-	798,914	-	333,138	-	1,132,052
- United States Dollar @ 4.4255	2,090,685	-	1,713,465	-	3,804,150	-
Long term loans payable within 12 months	(258,707)	-	258,707	-	-	-
	1,831,978	798,914	1,972,172	333,138	3,804,150	1,132,052
	<b>2,795,784</b>	<b>798,914</b>	<b>2,262,875</b>	<b>333,138</b>	<b>5,058,659</b>	<b>1,132,052</b>

## NOTE 22 – Derivatives

As at 31 March 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	93,395	604
- Embedded derivatives	Less than 1 year	643,837	7,985
		737,232	8,589
Derivative Liabilities			
- Forward currency contract	Less than 1 year	331,373	(2,935)

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

The Board is pleased to declare an interim single-tier dividend of 5.0 sen per share (2017 – Nil), amounting to a net dividend payable of approximately RM58.4 million (2017 – Nil) for the financial year ending 31 December 2018, to be paid on 21 June 2018 to shareholders whose name appears in the Record of Depositors as at the close of business on 6 June 2018.

## NOTE 25 - Earnings Per Share

Basic earnings per share for the current quarter and financial period ended 31 March 2018 is calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares in issue as at 31 March 2018.

	1st Quarter Ended 31/03/2018
Net profit/(loss) attributable to shareholders (RM'000)	
- Continuing operations	91,147
- Discontinued operations	(17,063)
	74,084
Weighted average number of ordinary shares	1,168,293,932
Basic/Diluted earnings per share (sen)	
- Continuing operations	7.80
- Discontinued operations	(1.46)
	6.34

## 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

	1st Quarter Ended 31/03/2018 RM'000
a. Interest income	12,445
b. Other investment income	10,127
c. Depreciation and amortisation	(50,777)
d. Provision impairment losses of receivables	(1,374)
e. Provision for write down of inventories	(584)
f. Loss on sale on investment	(677)
g. Gain on disposal of property, plant and equipment	7,046
h. Foreign exchange losses (net)	7,434
i. Gain on derivatives (net)	289
j. Property, plant and equipment written off	(574)

**By Order Of The Board**

**MOHD NOR AZAM BIN MOHD SALLEH**  
**Secretary**  
**(MAICSA 7028137)**

Shah Alam  
22 May 2018