

# UMW HOLDINGS BERHAD

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

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2018

(THE FIGURES HAVE NOT BEEN AUDITED )

	Current Quarter Ended 30/09/2018 RM'000	Comparative Quarter Ended 30/09/2017 RM'000	9 Months Cumulative To Date 30/09/2018 RM'000	Comparative 9 Months Cumulative To Date 30/09/2017 RM'000
<b><u>Continuing Operations</u></b>				
Revenue	3,289,976	2,639,162	8,624,449	8,091,819
Operating Expenses	(3,142,510)	(2,662,100)	(8,180,176)	(8,046,537)
Other Operating Income	24,143	20,440	60,445	60,137
<b>Profit/(Loss) From Operations</b>	171,609	(2,498)	504,718	105,419
Share Of Results Of Associates And Joint Ventures	57,223	40,231	169,250	113,422
Investment Income	23,369	21,394	64,255	59,508
<b>Profit Before Interest</b>	252,201	59,127	738,223	278,349
Finance Costs	(18,633)	(9,920)	(56,016)	(41,937)
<b>Profit Before Taxation And Zakat</b>	233,568	49,207	682,207	236,412
Taxation And Zakat	(43,477)	(29,550)	(112,676)	(89,336)
<b>Profit For The Period From Continuing Operations</b>	190,091	19,657	569,531	147,076
<b><u>Discontinued Operations</u></b>				
Loss For The Period From Discontinued Operations	(18,020)	(29,482)	(164,069)	(392,353)
<b>Profit/(Loss) For The Period</b>	172,071	(9,825)	405,462	(245,277)
<b><u>Other Comprehensive Income/(Loss):</u></b>				
<b><u>Continuing Operations</u></b>				
Translation Of Foreign Operations	(15,230)	(2,374)	(20,318)	(77,748)
Reclassification Adjustment Of Exchange Reserve	-	-	-	(371,681)
Reclassification Adjustment Of Hedging Reserve	-	-	-	(2,436)
Cash Flow Hedge	(38)	(7)	(30)	(7)
Other Comprehensive Loss Net Of Tax From Continuing Operations	(15,268)	(2,381)	(20,348)	(451,872)
<b><u>Discontinued Operations</u></b>				
Other Comprehensive Income Net Of Tax From Discontinued Operations	-	18,914	-	63,299
<b>Other Comprehensive (Loss)/Income Net Of Tax</b>	(15,268)	16,533	(20,348)	(388,573)
<b>Total Comprehensive Income/(Loss) For The Period</b>	156,803	6,708	385,114	(633,850)

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(THE FIGURES HAVE NOT BEEN AUDITED )

	Current Quarter Ended 30/09/2018 RM'000	Comparative Quarter Ended 30/09/2017 RM'000	9 Months Cumulative To Date 30/09/2018 RM'000	Comparative 9 Months Cumulative To Date 30/09/2017 RM'000
<b><u>Profit/(Loss) For The Period Attributable To:</u></b>				
Equity Holders Of The Company From:				
- Continuing Operations	155,007	(5,723)	475,201	75,743
- Discontinued Operations	<u>(26,877)</u>	<u>(23,644)</u>	<u>(148,611)</u>	<u>(294,247)</u>
	<u>128,130</u>	<u>(29,367)</u>	<u>326,590</u>	<u>(218,504)</u>
Non-Controlling Interests From:				
- Continuing Operations	35,085	25,381	94,330	71,333
- Discontinued Operations	<u>8,856</u>	<u>(5,839)</u>	<u>(15,458)</u>	<u>(98,106)</u>
	<u>43,941</u>	<u>19,542</u>	<u>78,872</u>	<u>(26,773)</u>
	<u>172,071</u>	<u>(9,825)</u>	<u>405,462</u>	<u>(245,277)</u>
<b><u>Total Comprehensive Income/(Loss) Attributable To:</u></b>				
Equity Holders Of The Company From:				
- Continuing Operations	136,190	(12,982)	447,649	(373,468)
- Discontinued Operations	<u>(26,876)</u>	<u>(4,730)</u>	<u>(148,611)</u>	<u>(230,949)</u>
	<u>109,314</u>	<u>(17,712)</u>	<u>299,038</u>	<u>(604,417)</u>
Non-Controlling Interests From:				
- Continuing Operations	38,633	30,258	101,534	68,672
- Discontinued Operations	<u>8,856</u>	<u>(5,838)</u>	<u>(15,458)</u>	<u>(98,105)</u>
	<u>47,489</u>	<u>24,420</u>	<u>86,076</u>	<u>(29,433)</u>
	<u>156,803</u>	<u>6,708</u>	<u>385,114</u>	<u>(633,850)</u>
<b><u>EPS Attributable To Equity Holders Of The Company:</u></b>				
Basic EPS For The Period (Sen)				
- Continuing Operations	13.27	(0.49)	40.67	6.48
- Discontinued Operations	<u>(2.30)</u>	<u>(2.02)</u>	<u>(12.72)</u>	<u>(25.18)</u>
	<u>10.97</u>	<u>(2.51)</u>	<u>27.95</u>	<u>(18.70)</u>
Diluted EPS For The Period (Sen)				
- Continuing Operations	13.27	(0.49)	40.67	6.48
- Discontinued Operations	<u>(2.30)</u>	<u>(2.02)</u>	<u>(12.72)</u>	<u>(25.18)</u>
	<u>10.97</u>	<u>(2.51)</u>	<u>27.95</u>	<u>(18.70)</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 30/09/2018 RM'000	(AUDITED) AS AT 31/12/2017 RM'000
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, Plant And Equipment	3,122,690	2,658,103
Investment Properties	1,494	1,496
Land Use Rights	2,318	2,503
Leased Assets	314,362	290,244
Other Receivables	34,621	34,621
Investments In Associates	1,741,744	1,661,497
Investments In Joint Ventures	52,969	51,813
Deferred Tax Assets	108,433	118,771
Other Investments	12,619	14,770
	<u>5,391,250</u>	<u>4,833,818</u>
<b>Current Assets</b>		
Inventories	1,411,263	1,410,746
Trade Receivables	838,977	902,122
Other Receivables	80,869	127,001
Other Investments	1,628,533	1,295,416
Derivative Assets	724	11,933
Deposits, Cash And Bank Balances	1,096,918	1,169,568
	<u>5,057,284</u>	<u>4,916,786</u>
Non-Current Assets Held For Sale	133,768	345,128
	<u>5,191,052</u>	<u>5,261,914</u>
<b>TOTAL ASSETS</b>	<u>10,582,302</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	3,692	10,201
Hedging Reserve	(29)	1
Retained Profits	2,699,665	2,452,503
	<u>3,287,871</u>	<u>3,047,248</u>
Perpetual Sukuk	1,100,000	-
Non-Controlling Interests	1,173,681	1,131,182
<b>Total Equity</b>	<u>5,561,552</u>	<u>4,178,430</u>
<b>Non-Current Liabilities</b>		
Provision For Warranties	153,210	153,209
Deferred Tax Liabilities	31,980	41,499
Long Term Borrowings	2,299,745	2,069,717
	<u>2,484,935</u>	<u>2,264,425</u>
<b>Current Liabilities</b>		
Provision For Warranties	91,364	53,095
Taxation	57,394	41,905
Short Term Borrowings	746,856	685,320
Bank Overdrafts	-	6,537
Trade Payables	671,450	949,483
Other Payables	922,268	1,846,055
Derivative Liabilities	3,828	6,283
Liabilities Associated With Assets Held For Sale	42,655	64,199
	<u>2,535,815</u>	<u>3,652,877</u>
<b>Total Liabilities</b>	<u>5,020,750</u>	<u>5,917,302</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>10,582,302</u>	<u>10,095,732</u>
<b>Net Assets Per Share (RM)</b>	<b>2.8142</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)

(INCORPORATED IN MALAYSIA)

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 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
<b>9 MONTHS ENDED 30 SEPTEMBER 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										
Dividends distributed to equity holders	-	-	-	-	-	(58,415)	(58,415)	-	(34,527)	(92,942)
Effects of loss of control in a subsidiary	-	-	-	(1,034)	-	1,034	-	-	(9,050)	(9,050)
Issuance of perpetual sukuk	-	-	-	-	-	-	-	1,100,000	-	1,100,000
Total comprehensive income	-	-	-	(5,475)	(30)	304,543	299,038	-	86,076	385,114
At 30 September 2018	584,147	-	396	3,692	(29)	2,699,665	3,287,871	1,100,000	1,173,681	5,561,552

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 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
<b>9 MONTHS ENDED 30 SEPTEMBER 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	-	-	-	-	-	33,734	33,734	-	(33,734)	-
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	-	-	-	(382,817)	(3,097)	(218,505)	(604,419)	-	(29,432)	(633,851)
At 30 September 2017	584,147	-	396	54,976	2	2,881,872	3,521,393	-	1,135,452	4,656,845

\* 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 30 SEPTEMBER 2018

	9 Months Ended 30/09/2018 RM'000	9 Months Ended 30/09/2017 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) Before Taxation And Zakat From:		
Continuing operations	682,207	236,412
Discontinued operations	(163,393)	(391,587)
	<u>518,814</u>	<u>(155,175)</u>
Adjustments For:		
Depreciation and amortisation	149,131	271,663
(Reversal of)/provision for impairment on property, plant and equipment and inventories	(503)	7,896
Interest expense from:		
- Continuing operations	56,016	41,937
- Discontinued operations	26,296	105,205
Share of results of associates and joint ventures from:		
- Continuing operations	(169,250)	(113,422)
- Discontinued operations	-	15,528
Gain on disposal of property, plant and equipment	(18,084)	(17,214)
Provision for impairment on receivables	414	60,707
Net unrealised foreign exchange/fair value loss/(gain)	51,575	(90,267)
Loss on demerger of a subsidiary	-	126,914
Loss on sale of investment	15,784	-
Interest and dividend income from other investments	(65,477)	(68,464)
Property, plant and equipment written off	1,493	167
Others	(283,871)	41,550
Operating Profit Before Working Capital Changes	<u>282,338</u>	<u>227,025</u>
Decrease/(Increase) in receivables	143,187	(435,228)
Decrease in inventories	40,169	84,179
(Decrease)/increase in payables	(1,265,816)	410,377
Cash (Used in)/Generated From Operating Activities	<u>(800,122)</u>	<u>286,353</u>
Interest paid	(95,742)	(146,082)
Taxation paid	(96,176)	(94,534)
Net Cash (Used in)/Generated From Operating Activities	<u>(992,040)</u>	<u>45,737</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Net cash outflow arising from demerger of a subsidiary	-	(929,926)
Net cash outflow arising from disposal of a subsidiary	(6,477)	-
Dividends received	69,873	76,887
Purchase of property, plant and equipment	(717,499)	(494,712)
Proceeds from disposal of property, plant and equipment	49,404	43,286
Interest & dividend income	62,208	66,368
Other Investments (net)	(332,675)	(165,167)
Net Cash Used In Investing Activities	<u>(875,166)</u>	<u>(1,403,264)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
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	636,438	267,568
Net Cash Generated From Financing Activities	<u>1,643,496</u>	<u>216,177</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(223,710)</b>	<b>(1,141,350)</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>147,032</b>	<b>235,314</b>
<b>CASH AND CASH EQUIVALENTS AS AT 30 SEPTEMBER</b>	<b><u>1,111,220</u></b>	<b><u>1,265,157</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 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 RM1.1 billion 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 September 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 September 2018		
	Revenue RM'000	Profit/(Loss) Before Taxation RM'000	Profit/(Loss) Attributable to Owners of the Company RM'000
Automotive	6,903,125	419,637	257,706
Equipment	1,142,403	126,255	99,270
Manufacturing & Engineering	600,349	12,136	(6,717)
Others	53,903	124,179	124,942
<b>Sub-total</b>	<b>8,699,780</b>	<b>682,207</b>	<b>475,201</b>
Elimination of Inter-Segment Sales	(75,331)	-	-
<b>Total From Continuing Operations</b>	<b>8,624,449</b>	<b>682,207</b>	<b>475,201</b>
Oil & Gas (Unlisted)	64,222	(163,393)	(148,611)
<b>Total From Discontinued Operations</b>	<b>64,222</b>	<b>(163,393)</b>	<b>(148,611)</b>
<b>CONSOLIDATED TOTAL</b>	<b>8,688,671</b>	<b>518,814</b>	<b>326,590</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>Nine Months Ended 30/9/2018</b>	<b>Nine Months Ended 30/9/2017</b>
	<b>RM'000</b>	<b>RM'000</b>
Revenue	64,222	308,363
Operating Expenses	(206,447)	(589,522)
Other Operating Income	5,094	2,429
<b>Loss From Operations</b>	<b>(137,131)</b>	<b>(278,730)</b>
Finance Costs	(26,296)	(105,205)
Share Of Results Of Associates And Joint Ventures	-	(15,528)
Investment Income	34	7,876
<b>Loss Before Taxation And Zakat</b>	<b>(163,393)</b>	<b>(391,587)</b>
Taxation And Zakat	(676)	(766)
<b>Loss For The Period From Discontinued Operations</b>	<b>(164,069)</b>	<b>(392,353)</b>
<b>Net Cash Flows:</b>		
Operating activities	8,996	(33,458)
Investing activities	80,980	2,732
Financing activities	(348,851)	(187,592)
	<b>(258,875)</b>	<b>(218,318)</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

In the opinion of the directors, there has been no material event or transaction during the period ended 30 September 2018 to the date of this announcement, which affects substantially the results of the Group for the period ended 30 September 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 was completed and PFP Taiwan had 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 had 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. 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 had 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”).
- f. On 9 July 2018, the Company announced that UMW Corporation Sdn Bhd, a wholly-owned subsidiary of the Company, had incorporated a new wholly-owned subsidiary known as UMW Komatsu Heavy Equipment Sdn Bhd (“UKHE”) under the Companies Act 2016.

The principal activity of UKHE is to provide corporate management, administrative, marketing and technical services to its subsidiaries and as investment holding.

- g. 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 had with effect from 16 July 2018, ceased to be a subsidiary in the UMW Group.
- h. On 16 August 2018, the Company announced that UKHE, a wholly-owned subsidiary in the UMW Group, had acquired one (1) ordinary share, representing the entire issued and paid-up share capital in UMW Heavy Equipment (S) Pte. Ltd. (“UHES”), for a total cash consideration of SGD1.00 (“the Acquisition”). UHES has become a wholly-owned subsidiary in the UMW Group as a result of the Acquisition.

UHES was incorporated in Singapore on 26 July 2018 with the issued and fully paid-up capital of one (1) ordinary share of SGD1.00. The principal activities of UHES are importing, distributing, rental and service of all types of heavy equipment and related spares.

## NOTE 9 - Changes in Composition of the Group (Cont'd)

- i. On 28 September 2018, the Company announced that its wholly-owned subsidiaries, namely, UMWC and UKHE, had entered into a Joint Venture Agreement (“JVA”) with Komatsu for the purpose of setting out their mutually agreed rights, duties, liabilities and obligations in relation to the operations of UKHE, as the joint-venture company, for the Heavy Equipment business in UMW. The entering into this JVA marked the completion of the the Agreement and the commencement of the strategic partnership between UMW and Komatsu.
- j. The winding up of the following subsidiaries within the Group was completed on the date stated below -

Date	Company
29 January 2018	Rail-Tech Industries Sdn Bhd
12 November 2018	Vina Offshore Holdings Pte Ltd

## 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	46,239	
Equipment, plant and machinery	205,593	
Others	27,091	278,923
		<hr/>
Approved but not contracted for:		
Land and buildings	250,872	
Equipment, plant and machinery	460,146	
Others	16,799	727,817
Total		<hr/> <hr/>

## 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 36<sup>th</sup> 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 increased to RM186.6 million as at 30 September 2018 from RM171.3 million as at 31 December 2017. Included in the amount is credit risk of RM177.0 million being corporate guarantees and financial indemnity granted by the Group as at 30 September 2018.

## NOTE 14 - Review of Performance

### Current Quarter Ended 30 September 2018

	Revenue			Profit/(Loss) Before Taxation		
	Quarter ended 30/09/2018 RM'000	Quarter ended 30/09/2017 RM'000	Variance %	Quarter ended 30/09/2018 RM'000	Quarter ended 30/09/2017 RM'000	Variance %
<b>CONSOLIDATED TOTAL</b>	<b>3,299,450</b>	<b>2,671,008</b>	<b>23.5%</b>	<b>215,816</b>	<b>19,933</b>	<b>&gt;100%</b>
<b>Total From Continuing Operations</b>	<b>3,289,976</b>	<b>2,639,162</b>	<b>24.7%</b>	<b>233,568</b>	<b>49,207</b>	<b>&gt;100%</b>
<b>Business Segment:</b>						
Automotive	2,643,401	2,115,924	24.9%	151,257	106,073	42.6%
Equipment	403,414	369,334	9.2%	43,506	39,251	10.8%
Manufacturing & Engineering	253,562	155,818	62.7%	15,539	(6,730)	>100%
<b>Total From Discontinued Operations</b>	<b>9,474</b>	<b>31,846</b>	<b>-70.3%</b>	<b>(17,752)</b>	<b>(29,274)</b>	<b>39.4%</b>
Oil & Gas (Unlisted)	9,474	31,846	-70.3%	(17,752)	(29,274)	39.4%

### Group

The Group registered a revenue of RM3,299.5 million which was higher than the RM2,671.0 million reported in the previous corresponding quarter. The improvement in revenue was contributed by the Automotive segment with increase in sales during Goods and Services Tax ("GST") -free period in Malaysia from 1 June 2018 to 31 August 2018.

The Group posted a profit before taxation from Continuing Operations of RM233.6 million for the current quarter which was substantially higher than the previous corresponding quarter of RM49.2 million. The improved performance was driven by higher contribution from the Automotive segment and better profit margin earned through cost optimisation from the Manufacturing and Engineering segment.

Discontinued Operations posted a loss before taxation of RM17.8 million compared with a loss of RM29.3 million in the previous corresponding quarter. The losses were attributable from operating expenditure incurred while the winding down of operations are being carried out in stages, which is in line with the divestment strategy of the Oil & Gas (Unlisted) segment.

### Automotive Segment

The Automotive segment registered a revenue of RM2,643.4 million which was higher than the RM2,115.9 million reported in the previous corresponding quarter. Sales improved substantially during GST -free period as well as supported by the launching of a new model during the quarter.

Profit before tax improved significantly to RM151.3 million from RM106.1 million reported in the previous corresponding quarter, mainly contributed by better performance from an associate company and improved profit margin due to the strengthening of Ringgit Malaysia against US Dollar.

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

### **Current Quarter Ended 30 September 2018 (Cont'd)**

#### **Equipment Segment**

The Equipment segment registered a revenue of RM403.4 million which was higher than the RM369.3 million reported in the previous corresponding quarter. The performance was attributable to higher export revenue and increased demand in the construction industry.

Profit before taxation was RM43.5 million which was higher than the previous corresponding quarter of RM39.3 million. The performance was supported by higher revenue.

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

The Manufacturing & Engineering segment registered a revenue of RM253.6 million which was higher than the RM155.8 million reported in the previous corresponding quarter. The improved revenue was contributed by the Aerospace business, which has started to generate revenue from fourth quarter of 2017.

Profit before taxation improved substantially from a loss of RM6.7 million reported in the corresponding quarter to a profit of RM15.5 million, mainly contributed by higher revenue and better profit margin earned from cost optimisation.

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

The Oil & Gas (Unlisted) segment registered a revenue of RM9.5 million and loss before taxation of RM17.8 million which was lower than the previous corresponding quarter. This was due to the winding down of operations in this segment.

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

### Nine Months Ended 30 September 2018

	Revenue			Profit/(Loss) Before Taxation		
	Nine Months Ended 30/09/2018 RM'000	Nine Months Ended 30/09/2017 RM'000	Variance %	Nine Months Ended 30/09/2018 RM'000	Nine Months Ended 30/09/2017 RM'000	Variance %
<b>CONSOLIDATED TOTAL</b>	<b>8,688,671</b>	<b>8,400,182</b>	<b>3.4%</b>	<b>518,814</b>	<b>(155,175)</b>	<b>&gt;100%</b>
<b>Total From Continuing Operations</b>	<b>8,624,449</b>	<b>8,091,819</b>	<b>6.6%</b>	<b>682,207</b>	<b>236,412</b>	<b>&gt;100%</b>
<b>Business Segment:</b>						
Automotive	6,903,125	6,567,123	5.1%	419,637	292,112	43.7%
Equipment	1,142,403	1,063,117	7.5%	126,255	110,995	13.7%
Manufacturing & Engineering	600,349	475,572	26.2%	12,136	(13,232)	>100%
				-		
<b>Total From Discontinued Operations</b>	<b>64,222</b>	<b>308,363</b>	<b>-79.2%</b>	<b>(163,393)</b>	<b>(391,587)</b>	<b>58.3%</b>
Oil & Gas (Listed)	-	214,186	-100.0%	-	(156,290)	100.0%
Oil & Gas (Unlisted)	64,222	94,177	-31.8%	(163,393)	(108,383)	-50.8%

### Group

The Group registered a revenue of RM8,688.7 million which was slightly higher than the RM8,400.1 million reported in the corresponding period. The performance was supported by higher revenue from the three core businesses.

The Group posted a profit before taxation from Continuing Operations of RM682.2 million which was significantly higher than the RM236.4 million reported in the corresponding period. The increase was contributed by better performance from Automotive segment and better profit margin earned through cost optimisation from the Manufacturing and Engineering segment.

The Group posted a loss before taxation from Discontinued Operations of RM163.4 million as compared to RM391.6 million in the corresponding period was mainly contributed from the loss on Demerger of UMW-OG of RM156.3 million in the previous corresponding period.

### Automotive Segment

The Automotive segment registered a revenue of RM6,903.1 million which was higher than the RM6,567.1 million reported in the previous corresponding period. The better performance was due to higher number of vehicles sold which was supported by higher Total Industry Volume ("TIV").

Profit before tax improved significantly to RM419.6 million from RM292.1 million reported in the previous corresponding period. This was mainly contributed by the better performance from an associate company and improved profit margin due to the strengthening of Ringgit Malaysia against US Dollar and Japanese Yen.

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

### **Nine Months Ended 30 September 2018 (Cont'd)**

#### **Equipment Segment**

The Equipment segment registered a revenue of RM1,142.4 million which was higher than the RM1,063.1 million reported in the previous corresponding period. Performance of the heavy equipment business was boosted by higher revenue and increased demand in the construction industry.

In tandem with the increase in revenue, profit before taxation for the Equipment segment increased from RM110.9 million reported in the previous corresponding period to RM126.3 million in the current period.

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

The Manufacturing & Engineering segment registered a revenue of RM600.3 million which was higher than the RM475.6 million recorded in the previous corresponding period. This was primarily contributed by the Aerospace business, which has started to generate revenue from fourth quarter of 2017.

Profit before taxation improved substantially from a loss of RM13.2 million reported in the previous corresponding period to a profit of RM12.1 million, mainly contributed by higher revenue and better profit margin earned from cost optimisation.

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

The Oil & Gas (Unlisted) segment registered a revenue of RM64.2 million and loss before taxation of RM163.4 million. The performance of this segment was impacted due to the winding down of operations in this segment.

#### **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 September 2018.

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

	Revenue			Profit/(Loss) Before Taxation		
	3rd Quarter Ended 30/09/2018 RM'000	2nd Quarter Ended 30/06/2018 RM'000	Variance %	3rd Quarter Ended 30/09/2018 RM'000	2nd Quarter Ended 30/06/2018 RM'000	Variance %
<b>CONSOLIDATED TOTAL</b>	<b>3,299,450</b>	<b>2,950,451</b>	<b>11.8%</b>	<b>215,816</b>	<b>179,432</b>	<b>20.3%</b>
<b>Total From Continuing Operations</b>	<b>3,289,976</b>	<b>2,919,134</b>	<b>12.7%</b>	<b>233,568</b>	<b>301,339</b>	<b>-22%</b>
<b>Business Segment:</b>						
Automotive	2,643,401	2,382,665	10.9%	151,257	142,439	6.2%
Equipment	403,414	365,947	10.2%	43,506	37,813	15.1%
Manufacturing & Engineering	253,562	178,321	42.2%	15,539	(547)	>100%
<b>Total From Discontinued Operations</b>	<b>9,474</b>	<b>31,317</b>	<b>-69.7%</b>	<b>(17,752)</b>	<b>(121,907)</b>	<b>85%</b>
Oil & Gas (Unlisted)	9,474	31,317	-69.7%	(17,752)	(121,907)	85%

The Group registered a revenue from Continuing Operations of RM3,290.0 million which was higher by RM370.9 million from the RM2,919.1 million reported in the preceding quarter. This was mainly contributed by the Automotive segment as the sales improved substantially during GST-free period.

The Group posted a profit before taxation from Continuing Operations of RM233.6 million which was lower by RM67.7 million in the current quarter as compared with RM301.3 million in the preceding quarter was mainly contributed from the reversal of provisions in the preceding period. Excluding the reversal of provisions, the three core businesses recorded higher profit in this quarter.

## **NOTE 16 - Current Prospects**

### **Automotive Segment**

The reintroduction of Sales and Service Tax (“SST”) on 1 September 2018 is expected to impact the consumer demand in vehicles sales. The segment has remained challenging with intense competition and continuation of strict lending guidelines.

The recently launched new models have attracted positive interest, with further momentum to be built at the forthcoming Kuala Lumpur International Motor Show 2018.

The Group expects the segment to perform satisfactorily in the fourth quarter of 2018.

### **Equipment Segment**

Despite the review of mega projects, the demand in construction sector will continue with the strong growth in private consumption and other infrastructure development for coastal and rural roads. This provides sales opportunities for the heavy equipment segment.

Industrial equipment business is expected to continue performing well with the rental business.

The Group expects the segment to contribute satisfactorily in the fourth quarter of 2018.

### **Manufacturing & Engineering Segment**

Efforts are in progress to enhance the market penetration into other ASEAN countries for lubricant business whilst Aerospace business has steadily increased its production to meet the expected orders from Rolls-Royce.

The Group expects the segment to contribute a better revenue in the fourth quarter of 2018.

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

Following the impending divestment of the Oil and Gas (Unlisted) segment, the Group does not expect any adverse material impact in the fourth quarter of 2018.

### **Group**

Despite the uncertainty in the global economy and challenging business environment, 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 30 September 2018</b>									
<b>Business Segment</b>									
Automotive	5,806,385	-	439,204	501,760	155,776	-	6,903,125	-	6,903,125
Equipment	-	542,853	375,566	51,087	61,353	-	1,030,859	111,544	1,142,403
Manufacturing & Engineering	-	-	267,212	175,859	27	157,251	600,349	-	600,349
Others	-	-	-	-	53,903	-	53,903	-	53,903
<b>Sub-total</b>	<b>5,806,385</b>	<b>542,853</b>	<b>1,081,982</b>	<b>728,706</b>	<b>271,059</b>	<b>157,251</b>	<b>8,588,236</b>	<b>111,544</b>	<b>8,699,780</b>
Elimination of Inter-Segment Sales	(954)	(8,968)	(13,955)	(1,194)	(41,422)	(4,811)	(71,304)	(4,027)	(75,331)
<b>Total From Continuing Operations</b>	<b>5,805,431</b>	<b>533,885</b>	<b>1,068,027</b>	<b>727,512</b>	<b>229,637</b>	<b>152,440</b>	<b>8,516,932</b>	<b>107,517</b>	<b>8,624,449</b>

	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 30 September 2017</b>									
<b>Business Segment</b>									
Automotive	5,336,506	-	266,173	541,630	422,814	-	6,567,123	-	6,567,123
Equipment	-	514,676	348,910	27,644	61,395	-	952,625	110,492	1,063,117
Manufacturing & Engineering	-	-	248,845	60,433	7,226	159,068	475,572	-	475,572
Others	-	-	-	-	63,001	-	63,001	-	63,001
<b>Sub-total</b>	<b>5,336,506</b>	<b>514,676</b>	<b>863,928</b>	<b>629,707</b>	<b>554,436</b>	<b>159,068</b>	<b>8,058,321</b>	<b>110,492</b>	<b>8,168,813</b>
Elimination of Inter-Segment Sales	(850)	(8,628)	(14,481)	(1,349)	(43,412)	(4,396)	(73,117)	(3,877)	(76,994)
<b>Total From Continuing Operations</b>	<b>5,335,656</b>	<b>506,048</b>	<b>849,447</b>	<b>628,358</b>	<b>511,023</b>	<b>154,672</b>	<b>7,985,204</b>	<b>106,615</b>	<b>8,091,819</b>

## NOTE 19 - Taxation

	<b>3rd Quarter Ended 30/09/2018 RM'000</b>	<b>Nine Months Ended 30/09/2018 RM'000</b>
Current period provision	(41,622)	(104,811)
Under provision in prior periods	(1,867)	(2,964)
	(43,489)	(107,775)
Deferred taxation	11	497
Taxation	(43,478)	(107,278)
Zakat	1	(5,398)
<b>Total taxation and zakat</b>	<b>(43,477)</b>	<b>(112,676)</b>

The effective tax rates for the period ended 30 September 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.

## NOTE 20 - Corporate Proposals (Cont'd)

On 31 October 2018, the Company announced that the Board has decided to allow the MBMR Offer and Perodua Offer to lapse and not to further extend the period for the MBMR Offer and Perodua Offer. With the lapse of both the MBMR Offer and Perodua Offer, the Company will not be pursuing the Proposed Acquisitions, Proposed MO and Proposed Rights Issue.

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 30/09/2018					
	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	-	-	-	135,709	-	135,709
- United States Dollar @ 4.1383	-	-	55,453	-	55,453	-
	-	-	55,453	135,709	55,453	135,709
<b>Unsecured</b>						
Term loans and trade facilities	-	2,599,864	-	2,241	-	2,602,105
- United States Dollar @ 4.1383	49,867	-	203,467	-	253,334	-
Long term loans payable within 12 months	-	(349,986)	-	349,986	-	-
	49,867	2,249,878	203,467	352,227	253,334	2,602,105
	<b>49,867</b>	<b>2,249,878</b>	<b>258,920</b>	<b>487,936</b>	<b>308,787</b>	<b>2,737,814</b>

	As at 30/09/2017					
	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 @ 4.2205	169,998	-	191,652	-	361,650	-
- Australian Dollar @ 3.2984	-	-	35,276	-	35,276	-
- Omani Rial @ 10.9677	75,152	-	-	-	75,152	-
- Indian Rupee @ 0.0647	-	-	1,475	-	1,475	-
Long term loans payable within 12 months						
- United States Dollar @ 4.2205	(27,446)	-	27,446	-	-	-
- Omani Rial @ 10.9677	(30,062)	-	30,062	-	-	-
	187,642	-	285,911	-	473,553	-
<b>Unsecured</b>						
Term loans and trade facilities		1,512,830	-	143,907	-	1,656,737
- United States Dollar @ 4.2205	343,760	-	381,533	-	725,293	-
	343,760	1,512,830	381,533	143,907	725,293	1,656,737
	<b>531,402</b>	<b>1,512,830</b>	<b>667,444</b>	<b>143,907</b>	<b>1,198,846</b>	<b>1,656,737</b>

## NOTE 22 - Derivatives

As at 30 September 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	344,465	724
Derivative Liabilities - Embedded derivatives	Less than 1 year	634,625	(3,828)

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 September 2018 (2017 – Nil).

## NOTE 25 - Earnings Per Share

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

	<b>3rd Quarter Ended 30/09/2018</b>	<b>Nine Months Ended 30/09/2018 RM'000</b>
Net profit/(loss) attributable to shareholders (RM'000)		
- Continuing operations	155,007	475,201
- Discontinued operations	(26,877)	(148,611)
	128,130	326,590
Weighted average number of ordinary shares	1,168,293,932	1,168,293,932
Basic/Diluted earnings per share (sen)		
- Continuing operations	13.27	40.67
- Discontinued operations	(2.30)	(12.72)
	10.97	27.95

## 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**

	<b>3rd Quarter Ended 30/09/2018 RM'000</b>	<b>Nine Months Ended 30/09/2018 RM'000</b>
a. Interest income	10,776	27,482
b. Other investment income	12,961	37,995
c. Depreciation and amortisation	(49,073)	(149,131)
d. Reversal of/(Provision for) impairment losses of receivables	370	(414)
e. Reversal of provision for impairment on property, plant and equipment and inventories	(1,667)	503
f. Loss on sale on investment	(15,399)	(15,784)
g. Gain on disposal of property, plant and equipment	7,149	18,084
h. Foreign exchange gain (net)	2,066	13,268
i. Loss on derivatives (net)	(3,844)	(7,758)
j. Property, plant and equipment written off	(93)	(1,493)

**By Order Of The Board**

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

Shah Alam  
30 November 2018