

UMW HOLDINGS BERHAD

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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2018

(THE FIGURES HAVE NOT BEEN AUDITED)

	Current Quarter Ended 31/12/2018 RM'000	Comparative Quarter Ended 31/12/2017 RM'000	12 Months Cumulative To Date 31/12/2018 RM'000	Audited Comparative 12 Months Cumulative To Date 31/12/2017 RM'000
<u>Continuing Operations</u>				
Revenue	2,681,828	2,974,819	11,306,277	11,066,638
Operating Expenses	(2,756,227)	(3,024,647)	(10,936,403)	(11,071,184)
Other Operating Income	92,583	68,112	153,028	128,249
Profit From Operations	18,184	18,284	522,902	123,703
Share Of Results Of Associates And Joint Ventures	96,322	68,578	265,572	182,000
Investment Income	21,541	20,323	85,796	79,831
Profit Before Interest	136,047	107,185	874,270	385,534
Finance Costs	(32,101)	(77,024)	(88,117)	(118,961)
Profit Before Taxation And Zakat	103,946	30,161	786,153	266,573
Taxation And Zakat	(29,797)	(32,343)	(142,473)	(121,679)
Profit/(Loss) For The Period From Continuing Operations	74,149	(2,182)	643,680	144,894
<u>Discontinued Operations</u>				
Profit/(Loss) For The Period From Discontinued Operations	1,979	(413,009)	(162,090)	(805,362)
Profit/(Loss) For The Period	76,128	(415,191)	481,590	(660,468)
<u>Other Comprehensive Income/(Loss):</u>				
<u>Continuing Operations</u>				
Translation Of Foreign Operations	24,984	(4,181)	4,666	(81,929)
Reclassification Adjustment Of Exchange Reserve	-	-	-	(371,681)
Reclassification Adjustment Of Hedging Reserve	-	(6)	-	(2,442)
Cash Flow Hedge	29	527	(1)	520
Other Comprehensive Profit/(Loss) Net Of Tax From Continuing Operations	25,013	(3,660)	4,665	(455,532)
<u>Discontinued Operations</u>				
Other Comprehensive Income Net Of Tax From Discontinued Operations	-	(34,946)	-	28,353
Other Comprehensive Income/(Loss) Net Of Tax	25,013	(38,606)	4,665	(427,179)
Total Comprehensive Income/(Loss) For The Period	101,141	(453,797)	486,255	(1,087,647)

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(THE FIGURES HAVE NOT BEEN AUDITED)

	Current Quarter Ended 31/12/2018 RM'000	Comparative Quarter Ended 31/12/2017 RM'000	12 Months Cumulative To Date 31/12/2018 RM'000	Audited Comparative 12 Months Cumulative To Date 31/12/2017 RM'000
<u>Profit/(Loss) For The Period Attributable To:</u>				
Owners Of The Company From:				
- Continuing Operations	15,402	(40,421)	490,603	35,322
- Discontinued Operations	(336)	(381,687)	(148,947)	(675,934)
	<u>15,066</u>	<u>(422,108)</u>	<u>341,656</u>	<u>(640,612)</u>
Holders of Perpetual Sukuk:				
- Continuing Operations	35,403	-	35,403	-
	<u>35,403</u>	<u>-</u>	<u>35,403</u>	<u>-</u>
Non-Controlling Interests From:				
- Continuing Operations	23,344	38,239	117,674	109,572
- Discontinued Operations	2,315	(31,322)	(13,143)	(129,428)
	<u>25,659</u>	<u>6,917</u>	<u>104,531</u>	<u>(19,856)</u>
	<u>76,128</u>	<u>(415,191)</u>	<u>481,590</u>	<u>(660,468)</u>
<u>Total Comprehensive Income/(Loss) Attributable To:</u>				
Owners Of The Company From:				
- Continuing Operations	39,798	(15,772)	487,447	(389,240)
- Discontinued Operations	(336)	(416,633)	(148,947)	(647,582)
	<u>39,462</u>	<u>(432,405)</u>	<u>338,500</u>	<u>(1,036,822)</u>
Holders of Perpetual Sukuk:				
- Continuing Operations	35,403	-	35,403	-
	<u>35,403</u>	<u>-</u>	<u>35,403</u>	<u>-</u>
Non-Controlling Interests From:				
- Continuing Operations	23,961	9,930	125,495	78,602
- Discontinued Operations	2,315	(31,322)	(13,143)	(129,427)
	<u>26,276</u>	<u>(21,392)</u>	<u>112,352</u>	<u>(50,825)</u>
	<u>101,141</u>	<u>(453,797)</u>	<u>486,255</u>	<u>(1,087,647)</u>
Basic/Diluted EPS For The Period (Sen)				
- Continuing Operations	1.32	(3.46)	41.99	3.02
- Discontinued Operations	(0.03)	(32.67)	(12.75)	(57.85)
	<u>1.29</u>	<u>(36.13)</u>	<u>29.24</u>	<u>(54.83)</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 31/12/2018 RM'000	(AUDITED) AS AT 31/12/2017 RM'000
ASSETS		
Non-Current Assets		
Property, Plant And Equipment	3,118,976	2,658,103
Investment Properties	1,672	1,496
Land Use Rights	2,257	2,503
Leased Assets	336,673	290,244
Other Receivables	34,621	34,621
Investments In Associates	1,843,902	1,661,497
Investments In Joint Ventures	51,694	51,813
Deferred Tax Assets	108,361	118,771
Other Investments	7,105	14,770
	<u>5,505,261</u>	<u>4,833,818</u>
Current Assets		
Inventories	1,531,604	1,410,746
Trade Receivables	881,374	902,122
Other Receivables	150,972	127,001
Other Investments	1,133,856	1,295,416
Derivative Assets	7,613	11,933
Deposits, Cash And Bank Balances	1,311,984	1,169,568
	<u>5,017,403</u>	<u>4,916,786</u>
Non-Current Assets Held For Sale	168,006	345,128
	<u>5,185,409</u>	<u>5,261,914</u>
TOTAL ASSETS	<u>10,690,670</u>	<u>10,095,732</u>
EQUITY AND LIABILITIES		
Equity Attributable To The Equity Holders Of The Company		
Share Capital	584,147	584,147
Capital Reserve	396	396
Foreign Currency Translation Reserve	(17,795)	10,201
Hedging Reserve	-	1
Retained Profits	2,759,983	2,452,503
	<u>3,326,731</u>	<u>3,047,248</u>
Perpetual Sukuk	1,097,860	-
Non-Controlling Interests	1,271,072	1,131,182
Total Equity	<u>5,695,663</u>	<u>4,178,430</u>
Non-Current Liabilities		
Provision For Warranties	153,302	153,209
Deferred Tax Liabilities	34,752	41,499
Long Term Borrowings	2,298,249	2,069,717
	<u>2,486,303</u>	<u>2,264,425</u>
Current Liabilities		
Provision For Warranties	111,748	53,095
Taxation	42,642	41,905
Short Term Borrowings	534,486	685,320
Bank Overdrafts	475	6,537
Trade Payables	707,849	949,483
Other Payables	1,103,692	1,846,055
Derivative Liabilities	881	6,283
Liabilities Associated With Assets Held For Sale	6,931	64,199
	<u>2,508,704</u>	<u>3,652,877</u>
Total Liabilities	<u>4,995,007</u>	<u>5,917,302</u>
TOTAL EQUITY AND LIABILITIES	<u>10,690,670</u>	<u>10,095,732</u>
Net Assets Per Share (RM)	2.8475	2.6083

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

UMW HOLDINGS BERHAD

(COMPANY NO : 90278-P)

(INCORPORATED IN MALAYSIA)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 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
12 MONTHS ENDED 31 DECEMBER 2018										
At 1 January 2018	584,147	-	396	10,201	1	2,452,503	3,047,248	-	1,131,182	4,178,430
Transactions with owners										
Acquisition of non-controlling interests	-	-	-	-	-	(602)	(602)	-	602	-
Dividends distributed to equity holders	-	-	-	-	-	(58,415)	(58,415)	-	(64,645)	(123,060)
Perpetual sukuk:										
- distribution paid	-	-	-	-	-	-	-	(35,403)	-	(35,403)
Effects of loss of control in a subsidiary	-	-	-	(1,040)	-	1,040	-	-	(9,029)	(9,029)
Issuance of ordinary share by subsidiary	-	-	-	-	-	-	-	-	100,610	100,610
Issuance of perpetual sukuk	-	-	-	-	-	-	-	1,097,860	-	1,097,860
Total comprehensive income	-	-	-	(26,956)	(1)	365,457	338,500	35,403	112,352	486,255
At 31 December 2018	584,147	-	396	(17,795)	-	2,759,983	3,326,731	1,097,860	1,271,072	5,695,663

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 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
12 MONTHS ENDED 31 DECEMBER 2017										
At 1 January 2017	584,147	794,482	396	437,793	3,099	2,898,645	4,718,562	-	2,145,713	6,864,275
Transactions with owners										
Acquisition of non-controlling interests	-	-	-	-	-	26,494	26,494	-	(30,070)	(3,576)
Dividend distributed to equity holders	-	-	-	-	-	-	-	-	(75,922)	(75,922)
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	-	-	-	-	-	-	-	-	(892,216)	(892,216)
Total comprehensive income	-	-	-	(427,592)	(3,098)	(640,634)	(1,071,324)	-	(16,323)	(1,087,647)
At 31 December 2017	584,147	-	396	10,201	1	2,452,503	3,047,248	-	1,131,182	4,178,430

* 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 DECEMBER 2018

	12 Months Ended 31/12/2018 RM'000	12 Months Ended 31/12/2017 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) Before Taxation And Zakat From:		
Continuing operations	786,153	266,573
Discontinued operations	(161,091)	(803,407)
	<u>625,062</u>	<u>(536,834)</u>
Adjustments For:		
Depreciation and amortisation	203,405	405,830
Provision for impairment on property, plant and equipment, leased assets and inventories	44,843	84,497
Interest expense from:		
- Continuing operations	88,117	118,961
- Discontinued operations	17,944	98,494
Share of results of associates and joint ventures from:		
- Continuing operations	(265,572)	(182,000)
- Discontinued operations	-	30,953
Gain on disposal of property, plant and equipment	(24,989)	(22,163)
Provision for/(Reversal of) impairment on receivables	12,981	(6,276)
Net unrealised foreign exchange/fair value loss/(gain)	37,044	(210,210)
Write down to fair value less cost to sell	12,850	286,299
Net impairment on assets	70,970	-
(Reversal)/Remeasurement of provision for financial guarantee	(207,036)	253,972
Loss on demerger of a subsidiary	-	126,914
Loss on sale of investment	5,176	-
Interest and dividend income from other investments	(87,167)	(88,067)
Property, plant and equipment written off	1,695	5,795
Others	58,746	29,211
Operating Profit Before Working Capital Changes	<u>594,069</u>	<u>395,376</u>
Decrease in receivables	92,071	289,830
(Increase)/decrease in inventories	(96,123)	209,307
(Decrease)/increase in payables	(932,847)	600,188
Cash (Used in)/Generated From Operating Activities	<u>(342,830)</u>	<u>1,494,701</u>
Interest paid	(130,650)	(233,468)
Taxation paid	(138,812)	(131,921)
Net Cash (Used in)/Generated From Operating Activities	<u>(612,292)</u>	<u>1,129,312</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Net cash outflow on acquisition of additional shares	(2,527)	(4,550)
Net cash outflow arising from demerger of a subsidiary	-	(929,926)
Net cash inflow arising from disposal of a subsidiary	146,451	-
Additional investment in an associate	-	(224)
Dividends received	136,586	97,962
Purchase of property, plant and equipment	(914,666)	(869,760)
Proceeds from disposal of property, plant and equipment	79,611	68,545
Interest income	83,898	85,862
Other Investments (net)	162,170	(292,149)
Net Cash Used In Investing Activities	<u>(308,477)</u>	<u>(1,844,240)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid to equity holders of the Company	(58,415)	-
Dividend paid to non-controlling interests	(64,645)	(75,922)
Proceeds from issuance of perpetual sukuk	1,097,860	-
Perpetual sukuk distribution paid	(35,403)	-
Net drawdown of loans and borrowings	222,829	194,837
Net Cash Generated From Financing Activities	<u>1,162,226</u>	<u>118,915</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	241,457	(596,013)
CASH AND CASH EQUIVALENTS AS AT 1 JANUARY	1,187,898	1,607,294
EFFECTS OF EXCHANGE RATE CHANGES	(110,650)	176,617
CASH AND CASH EQUIVALENTS AS AT 31 DECEMBER	<u>1,318,705</u>	<u>1,187,898</u>

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

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

Basis of preparation

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

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

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

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

Adoption of Amendments and Annual Improvements to Standards

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

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

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

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

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

a. MFRS 9: Financial Instruments

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

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

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

b. MFRS 15: Revenue from Contracts with Customers

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

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

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

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

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

Standards issued but not yet effective

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

Effective for financial periods beginning on or after 1 January 2019

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

Effective for financial periods beginning on or after 1 January 2021

- MFRS 17, Insurance Contracts

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

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

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

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

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

MFRS 16: Leases

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

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

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

NOTE 2 - Seasonal or Cyclical Factors

The Group is principally engaged in the -

- a. import, assembly and marketing of passenger and commercial vehicles and related spares and manufacturing of original/replacement automotive parts;
- b. trading and manufacturing of a wide range of light and heavy equipment including related spares for use in the industrial, construction, agricultural and mining sectors; and
- c. manufacturing and trading of oil pipes and providing various oil and gas services including drilling and pipe-coating.

The Group’s products and services are generally dependent on the Malaysian and global economies, consumer demand and market sentiment.

NOTE 3 - Exceptional Items

There were no material unusual items affecting assets, liabilities, equity, net income, or cash flows of the Group.

NOTE 4 - Accounting Estimates

There were no changes in estimates of amounts reported in prior interim periods of the current financial year or changes in estimates of amounts reported in prior years that have a material effect in the current interim period.

NOTE 5 - Issuance or Repayment of Debt and Equity Securities

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

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

Other than the above, there were no issuances and repayment of debt securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the period ended 31 December 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 31 December 2018		
	Revenue RM'000	Profit/(Loss) Before Taxation RM'000	Profit/(Loss) Attributable to Owners of the Company RM'000
Automotive	8,949,204	545,143	362,715
Equipment	1,540,162	152,294	117,451
Manufacturing & Engineering	842,800	21,605	(3,534)
Others	68,615	67,111	49,374
Sub-total	11,400,781	786,153	526,006
Elimination of Inter-Segment Sales	(94,504)	-	-
Less : Profit attributable to Holders of Perpetual Sukuk	-	-	(35,403)
Total From Continuing Operations	11,306,277	786,153	490,603
Oil & Gas (Unlisted)	72,391	(161,091)	(148,947)
Total From Discontinued Operations	72,391	(161,091)	(148,947)
CONSOLIDATED TOTAL	11,378,668	625,062	341,656

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:

	Twelve Months Ended 31/12/2018	Twelve Months Ended 31/12/2017
	RM'000	RM'000
Revenue	72,391	334,775
Operating Expenses	(146,856)	(1,019,877)
Other Operating Income	(68,753)	2,906
Loss From Operations	(143,218)	(682,196)
Finance Costs	(17,944)	(98,494)
Share Of Results Of Associates And Joint Ventures	-	(30,953)
Investment Income	71	8,236
Loss Before Taxation And Zakat	(161,091)	(803,407)
Taxation And Zakat	(999)	(1,955)
Loss For The Period From Discontinued Operations	(162,090)	(805,362)
Net Cash Flows:		
Operating activities	293,131	(86,651)
Investing activities	37,622	5,384
Financing activities	(552,114)	(233,499)
	(221,361)	(314,766)

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 31 December 2018 to the date of this announcement, which affects substantially the results of the Group for the period ended 31 December 2018.

NOTE 9 - Changes in Composition of the Group

- a. On 17 January 2018, the Company announced that all conditions in the Share Purchase Agreement (“SPA”) for the proposed disposal of 375,000 shares, representing 75% of the equity interest in PFP Taiwan Co., Ltd (“PFP Taiwan”) by PFP (Aust) Holdings Pty Ltd, a wholly-owned subsidiary in the UMW Group, to Ms Huang, Hsueh-Fang, for a total consideration of NT\$20,000,000 (“Proposed Disposal”) have been fulfilled. The Proposed Disposal has now been completed and PFP Taiwan has ceased to be a subsidiary in the UMW Group.
- b. On 8 February 2018, the Company announced that UMW Petropipe (L) Ltd (“UPP”), a wholly-owned subsidiary of the Company has completed the registration of the second tranche transfer of UPP’s 40% equity interest in Sichuan Haihua Petroleum Steelpipe Co., Ltd (“SCHH”), to Sichuan Gangrong Energy Co., Ltd (32.4%), Sichuan Jinyang Antisepsis Engineering Co., Ltd (5.06%) and Elite International Investment (HK) Ltd (2.54%). Accordingly, the Group ceased to have any interest in SCHH.
- c. On 24 May 2018, UMW Australia Ventures Sdn Bhd, a dormant subsidiary in the Group commenced member’s voluntary winding up pursuant to Section 441 of the Companies Act 2016.
- d. On 21 June 2018, UMW Marine and Offshore Pte Ltd, a dormant subsidiary in the Group commenced member’s voluntary winding up pursuant to Section 290(1) of the Singapore Companies Act (Chapter 50).
- e. On 2 July 2018, the Company announced that further to the execution of Letter of Intent (“LOI”) between UMW Corporation Sdn Bhd (“UMWC”), a wholly-owned subsidiary of the Company and Komatsu Ltd. (“Komatsu”), UMWC has entered into a Transaction Agreement (“the Agreement”) with Komatsu. The Agreement serves as a framework for the contemplated mutual cooperation between UMWC and Komatsu in the Heavy Equipment business (“Proposed Transaction”).
- f. On 9 July 2018, the Company announced that UMW Corporation Sdn Bhd, a wholly-owned subsidiary of the Company, has today 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 has 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 paidup 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, have today 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 marks the completion of the the Agreement and the commencement of the strategic partnership between UMW and Komatsu.
- j. 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
12 November 2018	Vina Offshore Holdings Pte Ltd

- k. On 11 January 2019, the Company has announced that the Company has entered into a Share Sale and Purchase Agreement (“SSPA”) with Mr Paul Anthony Montague (“Mr Montague), an Australian citizen, for the proposed disposal by the Company of 1,410,601 shares, representing 100% of the issued and paid-up capital of UMW Australia Venture (L) Ltd (“UAV”),to Mr Montague, for a purchase price of AUD2.00 (“Proposed Disposal”).

On 5 February 2019, UAV together with its subsidiaries listed below ceased to be subsidiaries in UMW Group –

Name of Company	Place of Incorporation
PFP Holdings Pty Ltd PFP (Aust) Holdings Pty Ltd PFP (Aust) Pty Ltd Australasia Piping Products Pty Ltd	Australia
PFP (Malaysia) Sdn Bhd	Malaysia
PFP Singapore Pte Ltd	Singapore
PFP (Shenzhen) Piping Material Co, Ltd (in liquidation)	The People's Republic of China

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	37,612	
Equipment, plant and machinery	226,345	
Others	<u>41,014</u>	304,971
Approved but not contracted for:		
Land and buildings	152,955	
Equipment, plant and machinery	325,136	
Others	<u>23,713</u>	<u>501,804</u>
Total		<u><u>806,775</u></u>

NOTE 11 - Significant Related Party Transactions

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

NOTE 12 - Classification of Financial Assets

There were no changes in the classification of financial assets as a result of a change in the purpose or use of the asset, except for those assets or investments classified as Held for Sale as stated in Note 7-Segmental Reporting.

NOTE 13 - Changes in Contingent Liabilities and Contingent Assets

Contingent liabilities of the Group had decreased to RM130.7 million as at 31 December 2018 from RM171.3 million as at 31 December 2017. Included in the amount is credit risk of RM121.5 million being corporate guarantees and financial indemnity granted by the Group as at 31 December 2018.

NOTE 14 - Review of Performance

Current Quarter Ended 31 December 2018

	Revenue			Profit/(Loss) Before Taxation		
	Quarter ended 31/12/2018 RM'000	Quarter ended 31/12/2017 RM'000	Variance %	Quarter ended 31/12/2018 RM'000	Quarter ended 31/12/2017 RM'000	Variance %
CONSOLIDATED TOTAL	2,689,998	3,001,233	-10.4%	106,248	(381,663)	>100%
Total From Continuing Operations	2,681,828	2,974,819	-9.8%	103,946	30,161	>100%
Business Segment:						
Automotive	2,046,080	2,405,059	-14.9%	125,506	153,947	-18.5%
Equipment	397,760	395,783	0.5%	26,039	30,821	-15.5%
Manufacturing & Engineering	242,451	169,504	43.0%	9,469	(4,477)	>100%
Total From Discontinued Operations	8,170	26,414	-69.1%	2,302	(411,824)	>100%
Oil & Gas (Unlisted)	8,170	26,414	-69.1%	2,302	(411,824)	>100%

Group

The Group registered a revenue of RM2,690.0 million which was lower than the RM3,001.2 million reported in the previous corresponding quarter. The shortfall in revenue was due to lower number of vehicles sold in the Automotive segment.

The Group posted a profit before taxation from Continuing Operations of RM103.9 million for the current quarter compared to the profit of RM30.2 million in the same quarter of previous year. The improved performance was driven by higher contribution from the Manufacturing & Engineering segment. The lower profit in the previous corresponding quarter was mainly due to higher provisions.

However, Discontinued Operations posted a profit before taxation of RM2.3 million compared to a loss of RM411.8 million in the same quarter of previous year. Included in the previous corresponding quarter were provisions made in line with the divestment strategy.

Automotive Segment

The Automotive segment registered a revenue of RM2,046.1 million which was lower than the RM2,405.1 million reported in the previous corresponding quarter. This was due to the decrease in the number of vehicles sold.

Profit before tax declined to RM125.5 million from RM153.9 million reported in the previous corresponding quarter in tandem with the lower revenue recorded.

NOTE 14 - Review of Performance (Cont'd)

Current Quarter Ended 31 December 2018 (Cont'd)

Equipment Segment

The Equipment segment registered a revenue of RM397.8 million which was marginally higher than the RM395.8 million reported in the previous corresponding quarter.

Profit before taxation was RM26.0 million which was lower than the previous corresponding quarter of RM30.8 million due to the provision of stock obsolescence for the heavy equipment segment.

Manufacturing & Engineering Segment

The Manufacturing & Engineering segment registered a revenue of RM242.5 million which was higher than the RM169.5 million reported in the previous corresponding quarter. The improved revenue was contributed by the Aerospace business.

Profit before taxation improved substantially from a loss of RM4.5 million reported in the corresponding quarter to a profit of RM9.5 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 RM8.2 million which was lower than the RM26.4 million reported in the previous corresponding quarter. This was due to the winding down of operations which are being carried out in stages.

The segment reported a profit before taxation of RM2.3 million compared to a loss of RM411.8 million in the previous corresponding quarter. Included in the previous corresponding quarter were provisions made in line with the divestment strategy.

NOTE 14 - Review of Performance (Cont'd)

Twelve Months Ended 31 December 2018

	Revenue			(Loss)/Profit Before Taxation		
	Twelve Months Ended 31/12/2018 RM'000	Twelve Months Ended 31/12/2017 RM'000	Variance %	Twelve Months Ended 31/12/2018 RM'000	Twelve Months Ended 31/12/2017 RM'000	Variance %
CONSOLIDATED TOTAL	11,378,668	11,401,413	-0.2%	625,062	(536,834)	>100%
Total From Continuing Operations	11,306,277	11,066,638	2.2%	786,153	266,573	>100%
Business Segment:						
Automotive	8,949,204	8,972,182	-0.3%	545,143	446,059	22.2%
Equipment	1,540,162	1,441,344	6.9%	152,294	143,001	6.5%
Manufacturing & Engineering	842,800	645,076	30.7%	21,605	(17,709)	>100%
Total From Discontinued Operations	72,391	334,775	-78.4%	(161,091)	(803,407)	79.9%
Oil & Gas (Listed)	-	214,186	-100.0%	-	(156,290)	100.0%
Oil & Gas (Unlisted)	72,391	120,589	-40.0%	(161,091)	(520,203)	69.0%
Loss On Demerger	-	-	-	-	(126,914)	100.0%

Group

The Group registered a revenue of RM11,378.7 million which was marginally lower than the RM11,401.4 million reported in the corresponding period. The lower revenue was attributable to lower contribution from Oil & Gas (Listed and Unlisted) due to the de-merger of Oil & Gas (Listed) and winding down of operations of Oil & Gas (Unlisted) which is in line with the divestment strategy of the oil and gas business.

The Group posted a profit before taxation from Continuing Operations of RM786.2 million which was higher than the RM266.6 million reported in the corresponding period. The increase was contributed by better performance from the three core segments and the reversal of provisions. The lower profit in the previous year was mainly due to higher provisions.

The Group posted a lower loss before taxation from Discontinued Operations of RM161.1 million as compared to RM803.4 million in the corresponding period.

Automotive Segment

The Automotive segment registered a revenue of RM8,949.2 million which was marginally lower than the RM8,972.2 million reported in the previous corresponding period. The reduction in revenue was due to lower number of vehicles sold.

Profit before tax improved from RM446.1 million to RM545.1 million mainly contributed by the better performance from an associate company and improved profit margin from cost optimisation.

NOTE 14 - Review of Performance (Cont'd)

Twelve Months Ended 31 December 2018 (Cont'd)

Equipment Segment

The Equipment segment registered a revenue of RM1,540.2 million which was higher than the RM1,441.3 million reported in the previous corresponding period. Performance of the heavy equipment business was boosted by higher sales in mining and logging industries.

In tandem with the increase in revenue, profit before taxation for the Equipment segment increased from RM143.0 million reported in the previous corresponding period to RM152.3 million in the current period.

Manufacturing & Engineering Segment

The Manufacturing & Engineering segment registered a revenue of RM842.8 million which was higher than the RM645.1 million recorded in the previous corresponding period. This was primarily contributed by the Aerospace business.

Profit before taxation improved substantially from a loss of RM17.7 million reported in the previous corresponding period to a profit of RM21.6 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 RM72.4 million which was lower than the RM120.6 million recorded in the previous corresponding period. This was due to the winding down of operations which are being carried out in stages.

The segment reported a lower loss before taxation of RM161.1 million as compared to a loss before taxation of RM520.3 million in the previous year.

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 31 December 2018.

NOTE 15 - Comparison with Preceding Quarter's Results

	Revenue			Profit/(Loss) Before Taxation		
	4th Quarter Ended 31/12/2018 RM'000	3rd Quarter Ended 30/09/2018 RM'000	Variance %	4th Quarter Ended 31/12/2018 RM'000	3rd Quarter Ended 30/09/2018 RM'000	Variance %
CONSOLIDATED TOTAL	2,689,998	3,299,293	-18.5%	106,248	215,816	-50.8%
Total From Continuing Operations	2,681,828	3,289,819	-18.5%	103,946	233,568	-55%
Business Segment:						
Automotive	2,046,080	2,643,401	-22.6%	125,506	151,257	-17.0%
Equipment	397,760	403,413	-1.4%	26,039	43,506	-40.1%
Manufacturing & Engineering	242,451	253,562	-4.4%	9,469	15,539	-39.1%
Total From Discontinued Operations	8,170	9,474	-13.8%	2,302	(17,752)	>100%
Oil & Gas (Unlisted)	8,170	9,474	-13.8%	2,302	(17,752)	>100%

The Group registered a revenue from Continuing Operations of RM2,681.8 million which was lower by RM608.0 million from the RM3,289.8 million reported in the preceding quarter. This was mainly contributed by lower number of vehicles sold in the Automotive segment.

The Group posted a profit before taxation from Continuing Operations of RM103.9 million in the current quarter as compared to RM233.6 million in the preceding quarter attributable to the lower revenue recorded.

NOTE 16 - Current Prospects

Automotive Segment

The reintroduction of Sales Tax and Service Tax on 1 September 2018 had impacted the consumer demand in vehicles sales. Coupled with the strict lending guidelines, the segment is expected to remain challenging and competitive.

Nevertheless, the commencement of new plant operations and the launching of new models shall provide a firm foundation for the segment to perform satisfactorily in 2019.

Equipment Segment

The segment will continue to face lower domestic demand as a result of the slower growth in the construction sector and reviews on mega projects. Nevertheless, encouraging demand in the mining and logging industries as well as strong performance in rental equipment business will soften the impact on the overall performance of the segment.

The Group expects the segment to remain profitable in 2019.

NOTE 16 - Current Prospects (Cont'd)

Manufacturing & Engineering Segment

Efforts are in progress to enhance the market penetration into other ASEAN countries for lubricant business whilst Aerospace business is expected to increase significantly due to the ramp up in its production to deliver to Rolls-Royce.

The Group expects the segment to achieve better performance in 2019.

Oil & Gas (Unlisted) Segment

Following the impending divestment of the Oil and Gas (Unlisted) segment, the Group does not expect any adverse material impact from this segment.

Group

The Group will continue to focus on strengthening its three core businesses, namely Automotive, Equipment, and Manufacturing and Engineering. This will put the Group in a better position to grow and enhance shareholder value.

Barring any unforeseen circumstances, the Board expects the Group's performance for the financial year 2019 to be satisfactory.

NOTE 17 - Variance from Profit Forecast and Profit Guarantee

This is not applicable to the Group.

NOTE 18 - Revenue

Disaggregation of revenue from contracts with customers –

	Sale of vehicle RM'000	Sale of equipment RM'000	Sale of parts RM'000	Export sales RM'000	Services rendered RM'000	Sale of lubricants & related products RM'000	Revenue from contracts with customers RM'000	Lease rental income RM'000	Consolidated revenue RM'000
FYE 31 December 2018									
Business Segment									
Automotive	7,461,872	-	594,284	697,334	195,714	-	8,949,204	-	8,949,204
Equipment	-	712,788	390,396	176,340	85,013	-	1,364,537	175,625	1,540,162
Manufacturing & Engineering	-	-	354,513	277,195	30	211,062	842,800	-	842,800
Others	-	-	-	-	68,615	-	68,615	-	68,615
Sub-total	7,461,872	712,788	1,339,193	1,150,869	349,372	211,062	11,225,156	175,625	11,400,781
Elimination of Inter-Segment Sales	(954)	(11,918)	(18,567)	(1,777)	(31,783)	(23,492)	(88,491)	(6,013)	(94,504)
Total From Continuing Operations	7,460,918	700,870	1,320,626	1,149,092	317,589	187,570	11,136,665	169,612	11,306,277

	Sale of vehicle RM'000	Sale of equipment RM'000	Sale of parts RM'000	Export sales RM'000	Services rendered RM'000	Sale of lubricants & related products RM'000	Revenue from contracts with customers RM'000	Lease rental income RM'000	Consolidated revenue RM'000
FYE 31 December 2017									
Business Segment									
Automotive	7,351,547	-	356,031	702,917	561,687	-	8,972,182	-	8,972,182
Equipment	-	699,366	384,042	128,284	80,500	-	1,292,192	149,152	1,441,344
Manufacturing & Engineering	-	-	339,789	82,433	110	222,744	645,076	-	645,076
Others	-	-	-	-	107,550	-	107,550	-	107,550
Sub-total	7,351,547	699,366	1,079,862	913,634	749,847	222,744	11,017,000	149,152	11,166,152
Elimination of Inter-Segment Sales	(4,076)	(15,291)	(20,947)	(1,794)	(46,521)	(5,722)	(94,351)	(5,163)	(99,514)
Total From Continuing Operations	7,347,471	684,075	1,058,915	911,840	703,326	217,022	10,922,649	143,989	11,066,638

NOTE 19 - Taxation

	4th Quarter Ended 31/12/2018 RM'000	Twelve Months Ended 31/12/2018 RM'000
Current period provision	(24,067)	(128,879)
Under provision in prior periods	(3,018)	(5,982)
	(27,085)	(134,861)
Deferred taxation	(2,711)	(2,214)
Taxation	(29,796)	(137,075)
Zakat	(1)	(5,398)
Total taxation and zakat	(29,797)	(142,473)

The effective tax rates for the period ended 31 December 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

- a. 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.

NOTE 20 - Corporate Proposals (Cont'd)

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.

On 31 October 2018, the Company announced 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.

- b. On 30 November 2018, the Company announced that its wholly-owned subsidiaries have entered into 6 sale and purchase agreements ("SPA") with Strategic Sonata Sdn Bhd ("SSSB"), a wholly-owned subsidiary of Mapletree Dextra Pte Ltd, for the disposal of leasehold industrial land comprising 10 lots held under separate documents of title ("Land") together with all remaining buildings, structures and plants measuring in total 38.803 acres to SSSB, for a total cash consideration of RM287,700,000.00 ("Disposal Consideration") as follows:

Agreement	Parties	
	Registered Proprietor(s)	Beneficial Owner(s)
SPA 1	UMW Corporation Sdn Bhd ("UMWC")	Not Applicable
SPA 2	UMW Advantech Sdn Bhd ("UASB")	1. UMWC 2. UASB 3. UMW Equipment Sdn Bhd ("UMWE")
SPA 3	UMW M&E Sdn Bhd ("UMW M&E")	UASB
SPA 4	UMW Industries (1985) ("UMWI")	Not Applicable
SPA 5	UMW Industrial Power Services Sdn Bhd ("UIPSSB")	Not Applicable
SPA 6	UMWC	UIPSSB

NOTE 20 - Corporate Proposals (Cont'd)

The Proposed Disposal was subject to the letting of part of the Land (“Tenanted Lots”) by SSSB (“Landlord”) to the following subsidiaries who are also the existing registered proprietors and/or the beneficial owners of the Land (“Tenants”) who will also be entering into separate Tenancy Agreements with SSSB, the agreed forms of which are appended to the SPAs, for the proposed tenancy of the Tenanted Lots –

- (i) UMWC in respect of Lot 8, part of Lot 10 and Lot 3 (Plot A);
- (ii) UMWE in respect of Lot 3 (Plot B);
- (iii) UASB in respect of Lot 3 (Plot C) and Lot 6;
- (iv) UMWI in respect of Lot 14 and Lot 16;
- (v) UIPSSB in respect of Lot 12,

hereinafter referred to as the “Proposed Tenancy”.

The Proposed Tenancy was intended to commence on the completion of the respective SPA and entails the rental of the Tenanted Lots by the Tenants from SSSB for a tenure not exceeding 3 years at a yearly rental totalling RM12,600,000, subject to the conditions contained in the Tenancy Agreements.

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 31/12/2018					
	Long Term		Short Term		Total borrowings	
	Foreign denomination RM'000	RM denomination RM'000	Foreign denomination RM'000	RM denomination RM'000	Foreign denomination RM'000	RM denomination RM'000
Unsecured						
Term loans and trade facilities		2,599,879		129,105		2,728,984
- United States Dollar @ 4.1335	48,362	-	55,389	-	103,751	
Long term loans payable within 12 months	-	(349,992)	-	349,992	-	-
	48,362	2,249,887	55,389	479,097	103,751	2,728,984
	48,362	2,249,887	55,389	479,097	103,751	2,728,984

NOTE 21 - Group Borrowings and Debt Securities (Cont'd)

	As at 31/12/2017					
	Long Term		Short Term		Total borrowings	
	Foreign denomination	RM denomination	Foreign denomination	RM denomination	Foreign denomination	RM denomination
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Secured						
Term loans and trade facilities						
- United States Dollar @ 4.047	157,116	-	171,977	-	329,093	-
- Australian Dollar @ 3.161	-	-	28,264	-	28,264	-
- Omani Rial @ 10.563	65,139	-	-	-	65,139	-
- Indian Rupee @ 0.063	-	-	757	-	757	-
Long term loans payable within 12 months						
- United States Dollar @ 4.047	(26,433)	-	26,433	-	-	-
- Omani Rial @ 10.563	(28,950)	-	28,950	-	-	-
	166,872	-	256,381	-	423,253	-
Unsecured						
Term loans and trade facilities		1,574,677	-	103,554	-	1,678,231
- United States Dollar @ 4.047	328,168	-	325,385	-	653,553	-
Long term loans payable within 12 months	-	-	-	-	-	-
	328,168	1,574,677	325,385	103,554	653,553	1,678,231
	495,040	1,574,677	581,766	103,554	1,076,806	1,678,231

NOTE 22 – Derivatives

As at 31 December 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	206,101	7,613
Derivative Liabilities			
- Embedded derivatives	Less than 1 year	636,822	(881)

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 has declared a final single-tier dividend of 2.5 sen per share in respect of the financial year ended 31 December 2018. The payment date and entitlement date for the final single-tier dividend will be determined and announced at a later date.

NOTE 25 - Earnings Per Share

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

	4th Quarter Ended 31/12/2018	Ended 31/12/2018 RM'000
Net profit/(loss) attributable to shareholders (RM'000)		
- Continuing operations	15,402	490,603
- Discontinued operations	(336)	(148,947)
	15,066	341,656
Weighted average number of ordinary shares	1,168,293,932	1,168,293,932
Basic/Diluted earnings per share (sen)		
- Continuing operations	1.32	41.99
- Discontinued operations	(0.03)	(12.75)
	1.29	29.24

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

	4th Quarter Ended 31/12/2018 RM'000	Twelve Months Ended 31/12/2018 RM'000
a. Interest income	9,755	37,237
b. Other investment income	11,935	49,930
c. Depreciation and amortisation	(54,274)	(203,405)
d. Provision for impairment losses of receivables	(12,567)	(12,981)
e. Provision for impairment on property, plant and equipment and inventories	(45,346)	(44,843)
f. Loss on sale on investment	10,608	(5,176)
g. Gain on disposal of property, plant and equipment	6,905	24,989
h. Foreign exchange net (loss)/gain	(2,464)	10,804
i. Gain on derivatives (net)	10,285	2,527
j. Property, plant and equipment written off	(202)	(1,695)

By Order Of The Board

MOHD NOR AZAM BIN MOHD SALLEH
Secretary
(MAICSA 7028137)

Shah Alam
27 February 2019