

UMW HOLDINGS BERHAD

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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 31 MARCH 2019

(THE FIGURES HAVE NOT BEEN AUDITED)

	Current Quarter Ended 31/03/2019 RM'000	Comparative Quarter Ended 31/03/2018 RM'000	3 Months Cumulative To Date 31/03/2019 RM'000	Comparative 3 Months Cumulative To Date 31/03/2018 RM'000
<u>Continuing Operations</u>				
Revenue	2,774,803	2,415,339	2,774,803	2,415,339
Operating Expenses	(2,718,816)	(2,344,678)	(2,718,816)	(2,344,678)
Other Operating Income	20,517	19,604	20,517	19,604
Profit From Operations	76,504	90,265	76,504	90,265
Share Of Results Of Associates And Joint Ventures	65,649	56,278	65,649	56,278
Investment Income	17,740	21,575	17,740	21,575
Profit Before Interest	159,893	168,118	159,893	168,118
Finance Costs	(19,217)	(13,837)	(19,217)	(13,837)
Profit Before Taxation And Zakat	140,676	154,281	140,676	154,281
Taxation And Zakat	(29,450)	(29,606)	(29,450)	(29,606)
Profit For The Period From Continuing Operations	111,226	124,675	111,226	124,675
<u>Discontinued Operations</u>				
Loss For The Period From Discontinued Operations	(385)	(30,881)	(385)	(30,881)
Profit For The Period	110,841	93,794	110,841	93,794
<u>Other Comprehensive Income/(Loss):</u>				
<u>Continuing Operations</u>				
Translation Of Foreign Operations	9,247	(57,557)	9,247	(57,557)
Share Of Other Comprehensive Income Of Associates	215	-	215	-
Cash Flow Hedge	15	189	15	189
Other Comprehensive Profit/(Loss) Net Of Tax From Continuing Operations	9,477	(57,368)	9,477	(57,368)
<u>Discontinued Operations</u>				
Other Comprehensive Income Net Of Tax From Discontinued Operations	-	81,702	-	81,702
Other Comprehensive Income Net Of Tax	9,477	24,334	9,477	24,334
Total Comprehensive Income For The Period	120,318	118,128	120,318	118,128

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(THE FIGURES HAVE NOT BEEN AUDITED)

	Current Quarter Ended 31/03/2019 RM'000	Comparative Quarter Ended 31/03/2018 RM'000	3 Months Cumulative To Date 31/03/2019 RM'000	Comparative 3 Months Cumulative To Date 31/03/2018 RM'000
<u>Profit/(Loss) For The Period Attributable To:</u>				
Owners Of The Company From:				
- Continuing Operations	85,706	95,012	85,706	95,012
- Discontinued Operations	796	(20,928)	796	(20,928)
	<u>86,502</u>	<u>74,084</u>	<u>86,502</u>	<u>74,084</u>
Non-Controlling Interests From:				
- Continuing Operations	25,520	29,663	25,520	29,663
- Discontinued Operations	(1,181)	(9,953)	(1,181)	(9,953)
	<u>24,339</u>	<u>19,710</u>	<u>24,339</u>	<u>19,710</u>
	<u>110,841</u>	<u>93,794</u>	<u>110,841</u>	<u>93,794</u>
<u>Total Comprehensive Income/(Loss) Attributable To:</u>				
Owners Of The Company From:				
- Continuing Operations	84,333	19,695	84,333	19,695
- Discontinued Operations	796	60,774	796	60,774
	<u>85,129</u>	<u>80,469</u>	<u>85,129</u>	<u>80,469</u>
Non-Controlling Interests From:				
- Continuing Operations	36,370	47,612	36,370	47,612
- Discontinued Operations	(1,181)	(9,953)	(1,181)	(9,953)
	<u>35,189</u>	<u>37,659</u>	<u>35,189</u>	<u>37,659</u>
	<u>120,318</u>	<u>118,128</u>	<u>120,318</u>	<u>118,128</u>
Basic EPS For The Period (Sen)				
- Continuing Operations	7.33	8.13	7.33	8.13
- Discontinued Operations	0.07	(1.79)	0.07	(1.79)
	<u>7.40</u>	<u>6.34</u>	<u>7.40</u>	<u>6.34</u>
Diluted EPS For The Period (Sen)				
- Continuing Operations	7.33	8.13	7.33	8.13
- Discontinued Operations	0.07	(1.79)	0.07	(1.79)
	<u>7.40</u>	<u>6.34</u>	<u>7.40</u>	<u>6.34</u>

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

UMW HOLDINGS BERHAD

(COMPANY NO : 90278-P)

(INCORPORATED IN MALAYSIA)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	(UNAUDITED) AS AT 31/03/2019 RM'000	(AUDITED) AS AT 31/12/2018 RM'000
ASSETS		
Non-Current Assets		
Property, Plant And Equipment	2,834,887	2,820,924
Investment Properties	219,605	220,901
Land Use Rights	451	468
Leased Assets	332,973	336,673
Other Receivables	50	32,136
Investments In Associates	1,848,822	1,792,383
Investments In Joint Ventures	70,353	48,627
Deferred Tax Assets	138,834	131,951
Other Investments	12,224	7,106
Right-Of-Use Assets	60,220	-
	5,518,419	5,391,169
Current Assets		
Inventories	1,685,435	1,548,507
Trade Receivables	904,678	960,413
Other Receivables	304,160	122,991
Other Investments	1,106,632	1,133,856
Derivative Assets	78	7,613
Deposits, Cash And Bank Balances	1,047,910	1,311,764
	5,048,893	5,085,144
Non-Current Assets Held For Sale	230,643	281,682
	5,279,536	5,366,826
	10,797,955	10,757,995
TOTAL ASSETS		
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	(17,944)	(16,793)
Hedging Reserve	15	-
Fair value reserve	3,833	3,618
Retained Profits	2,851,188	2,773,269
	3,421,635	3,344,637
Perpetual Sukuk	1,097,860	1,097,860
Non-Controlling Interests	1,315,266	1,271,946
Total Equity	5,834,761	5,714,443
Non-Current Liabilities		
Provision For Warranties	223,094	223,186
Deferred Tax Liabilities	33,993	26,859
Long Term Borrowings	2,296,222	2,298,249
Lease Liabilities	44,062	-
	2,597,371	2,548,294
Current Liabilities		
Provision For Warranties	52,103	40,027
Taxation	58,099	55,752
Short Term Borrowings	317,900	534,486
Bank Overdrafts	-	475
Trade Payables	909,459	832,868
Other Payables	1,012,878	1,021,179
Derivative Liabilities	381	881
Liabilities Associated With Assets Held For Sale	-	9,590
Lease Liabilities	15,003	-
	2,365,823	2,495,258
Total Liabilities	4,963,194	5,043,552
TOTAL EQUITY AND LIABILITIES	10,797,955	10,757,995
Net Assets Per Share (RM)	2.9287	2.8628

(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 MARCH 2019

	Non - Distributable					Distributable				
	Share Capital RM'000	Fair Value Reserve 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
3 MONTHS ENDED 31 MARCH 2019										
At 1 January 2019	584,147	3,618	396	(16,793)	-	2,773,269	3,344,637	1,097,860	1,271,946	5,714,443
Transactions with owners										
Effects of loss of control in a subsidiary	-	-	-	452	-	(8,583)	(8,131)	-	8,131	-
Total comprehensive income	-	215	-	(1,603)	15	86,502	85,129	-	35,189	120,318
At 31 March 2019	584,147	3,833	396	(17,944)	15	2,851,188	3,421,635	1,097,860	1,315,266	5,834,761

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2018

	Non - Distributable					Distributable				
	Share Capital RM'000	Share Premium RM'000	Capital Reserve RM'000	Foreign Currency Translation Reserve RM'000	Hedging Reserve RM'000	Retained Profits RM'000	Total RM'000	Perpetual Sukuk RM'000	Non - Controlling Interests RM'000	Total Equity RM'000
3 MONTHS ENDED 31 MARCH 2018										
At 1 January 2017	584,147	-	396	10,201	1	2,452,503	3,047,248	-	1,131,182	4,178,430
Transactions with owners										
Effect of loss of control in a subsidiary	-	-	-	-	-	-	-	-	(1,033)	(1,033)
Total comprehensive income	-	-	-	6,196	189	74,084	80,469	-	37,659	118,128
At 31 March 2018	584,147	-	396	16,397	190	2,526,587	3,127,717	-	1,167,808	4,295,525

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

UMW HOLDINGS BERHAD

(COMPANY NO : 90278-P)
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 MARCH 2019

	3 Months Ended 31/03/2019 RM'000	3 Months Ended 31/03/2018 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) Before Taxation And Zakat From:		
Continuing operations	140,676	154,281
Discontinued operations	(140)	(30,715)
	<u>140,536</u>	<u>123,566</u>
Adjustments For:		
Depreciation and amortisation	86,483	50,777
Net inventories written down	-	584
Interest expense from:		
- Continuing operations	19,217	13,837
- Discontinued operations	1,529	18,489
Share of results of associates and joint ventures from:		
- Continuing operations	(65,649)	(56,278)
- Discontinued operations	-	(1,705)
Gain on disposal of property, plant and equipment	(6,843)	(7,046)
(Reversal)/provision for impairment on receivables	(4,689)	1,374
Net unrealised foreign exchange/fair value loss/(gain)	8,438	(6,880)
Loss on sale of investment	3,663	677
Interest and dividend income from other investments	(18,335)	(22,572)
Property, plant and equipment written off	51	574
Others	12,076	33,727
Operating Profit Before Working Capital Changes	<u>176,477</u>	<u>149,124</u>
Increase in receivables	(97,909)	(49,990)
Increase in inventories	(132,000)	(213,047)
Increase in payables	62,990	16,578
Cash Generated From/(Used in) Operating Activities	<u>9,558</u>	<u>(97,335)</u>
Interest paid	(35,484)	(58,168)
Taxation paid	(23,243)	(29,228)
Net Cash Used in Operating Activities	<u>(49,169)</u>	<u>(184,731)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Net cash inflow/(outflow) arising from disposal of a subsidiary	6,137	(1,023)
Dividends received	755	-
Purchase of property, plant and equipment	(70,285)	(414,721)
Proceeds from disposal of property, plant and equipment	16,391	21,718
Interest income	17,983	22,572
Proceed from disposal of other investments	308,997	229,328
Purchase of other investments	(281,787)	(205,835)
Net Cash Used in Investing Activities	<u>(1,809)</u>	<u>(347,961)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment for lease liabilities	(11,270)	-
Net (repayment)/drawdown of loans and borrowings	(217,319)	156,066
Net Cash (Used in)/Generated From Financing Activities	<u>(228,589)</u>	<u>156,066</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	<u>(279,567)</u>	<u>(376,626)</u>
CASH AND CASH EQUIVALENTS AS AT 1 JANUARY	1,318,495	1,187,898
EFFECTS OF EXCHANGE RATE CHANGES	8,982	27,135
CASH AND CASH EQUIVALENTS AS AT 31 MARCH	<u>1,047,910</u>	<u>838,407</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 2018. 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 2018.

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 2018, 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 2019.

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 2019 -

- MFRS 9 Prepayment Features with Negative Compensation (Amendments to MFRS 9)
- MFRS 16 Leases
- MFRS 128 Long-term Interests in Associates and Joint Ventures (Amendments to MFRS 128)
- Annual Improvements to MFRS Standards 2015 – 2017 Cycle
- MFRS 119 Plan Amendment, Curtailment or Settlement (Amendments to MFRS 119)
- IC Interpretation 23 Uncertainty over Income Tax Treatments

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 16: Leases

MFRS 16 supersedes MFRS 117 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model.

Lessor accounting under MFRS 16 is substantially unchanged from MFRS 117. Lessors will continue to classify leases as either operating or finance leases using similar principles as in MFRS 117. Therefore, MFRS 16 did not have an impact for leases where the Group is the lessor.

The Group adopted MFRS 16 using the modified retrospective method of adoption with the date of initial application of 1 January 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application.

The Group elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (‘short-term leases’), and lease contracts for which the underlying asset is of low value (below USD 5,000).

The effect of adoption MFRS 16 as at 1 January 2019 is as follows:

	<u>RM'000</u>
<u>Assets</u>	
Right-of-use assets	<u>65,047</u>
<u>Liabilities</u>	
Lease liabilities	<u>65,047</u>

a) **Nature of the effect of adoption of MFRS 16**

The Group has lease contracts for various items of land, buildings, plant and equipment, and other assets. Before the adoption of MFRS 16, the Group classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease. A lease was classified as a finance lease if it transferred substantially all of the risks and rewards incidental to ownership of the leased asset to the Group; otherwise it was classified as an operating lease. In an operating lease, the leased property was not capitalised and the lease payments were recognised as rental expense in the statement of profit or loss on a straight-line basis over the lease term.

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 16: Leases (Cont’d)

a) **Nature of the effect of adoption of MFRS 16 (Cont’d)**

Upon adoption of MFRS 16, the Group applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The standard provides specific transition requirements and practical expedients, which has been applied by the Group as further detailed below:

- ***Leases previously accounted for as operating leases***

The Group recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

- ***The Group also applied the available practical expedients wherein it:***

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics.
- Relied on its assessment of whether leases are onerous immediately before the date of initial application.
- Applied the short-term leases exemptions to leases with lease term that ends within 12 months at the date of initial application.
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
- Used hindsight in determining the lease term where the contract contains options to extend or terminate the lease.
- Elected not to separate lease and non-lease components for classes of assets.

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 16: Leases (Cont’d)

b) **Summary of new accounting policies**

Set out below are the new accounting policies of the Group upon adoption of MFRS 16, which have been applied from the date of initial application:

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. For the measurement of the right-of-use at the time of first-time application, initial direct costs were not taken into account, in accordance with MFRS 16.C10(d). The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees, and the exercise price of a purchase option reasonably certain to be exercised by the Group, and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date. A single discount rate was used for a portfolio of leases with reasonably similar characteristics as a practical expedient applied by the Group. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

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 16: Leases (Cont’d)

b) Summary of new accounting policies (Cont’d)

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of premises, plant and equipment, stockyard and motor vehicles (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value (below USD5,000). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Significant judgements applied

The lease term determined by the Group comprises non-cancellable period of lease contracts, any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has the option, under some of its leases to lease the assets for additional terms of 1 to 30 years. Judgements are applied in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. The Group uses hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy).

The Group included the renewal period as part of the lease term for leases of certain premises, plant and equipment due to the significance of these assets to its operations.

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 2020

- Amendments to MFRS 3 Business Combinations (Definition of a Business)
- Amendments to MFRS 101 Presentation of Financial Statements (Definition of Material)
- Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors
- MFRS 117 Insurance Contracts

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

Effective for financial periods beginning on or after 1 January 2021

- MFRS 117 Insurance Contracts

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

- Amendments to MFRS 10 Consolidated Financial Statements: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- Amendments to 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.

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

There were no issuances and repayment of debt securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the period ended 31 March 2019.

NOTE 6 - Dividends Paid

There was no dividend paid during the period ended 31 March 2019.

NOTE 7 - Segmental Reporting

Business Segment	Financial Period Ended 31 March 2019		
	Revenue RM'000	Profit/(Loss) Before Taxation RM'000	Profit/(Loss) Attributable to Owners of the Company RM'000
Automotive	2,162,535	124,225	85,567
Equipment	382,843	42,164	30,812
Manufacturing & Engineering	237,100	2,329	(3,175)
Others	16,010	(28,042)	(27,498)
Sub-total	2,798,488	140,676	85,706
Elimination of Inter-Segment Sales	(23,685)	-	-
Total From Continuing Operations	2,774,803	140,676	85,706
Oil & Gas (Unlisted)	5,109	(140)	796
Total From Discontinued Operations	5,109	(140)	796
CONSOLIDATED TOTAL	2,779,912	140,536	86,502

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:

	Three Months Ended 31/03/2019	Three Months Ended 31/03/2018
	RM'000	RM'000
Revenue	5,109	23,430
Operating Expenses	(8,105)	(81,586)
Other Operating Income	4,371	44,215
Profit/(Loss) From Operations	1,375	(13,941)
Finance Costs	(1,529)	(18,489)
Share Of Results Of Associates And Joint Ventures	-	1,705
Investment Income	14	10
Loss Before Taxation And Zakat	(140)	(30,715)
Taxation And Zakat	(245)	(166)
Loss For The Period From Discontinued Operations	(385)	(30,881)
Net Cash Flows:		
Operating activities	29,202	(181)
Investing activities	(197)	52
Financing activities	-	(30,960)
	29,005	(31,089)

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 March 2019 to the date of this announcement, which affects substantially the results of the Group for the period ended 31 March 2019.

NOTE 9 - Changes in Composition of the Group

- a. On 11 January 2019, the Company 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

- b. The winding up of the following subsidiary within the Group has been completed on the date stated below -

Date	Company
21 March 2019	UMW Marine and Offshore 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	25,564	
Equipment, plant and machinery	15,867	
Others	<u>21,730</u>	63,161
Approved but not contracted for:		
Land and buildings	26,521	
Equipment, plant and machinery	357,708	
Others	<u>114,804</u>	499,033
Total		<u><u>562,194</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 increased to RM175.0 million as at 31 March 2019 from RM130.7 million as at 31 December 2018. Included in the amount is credit risk of RM165.6 million being corporate guarantees and financial indemnity granted by the Group as at 31 March 2019.

NOTE 14 - Review of Performance

Current Quarter Ended 31 March 2019

	Revenue			Profit/(Loss) Before Taxation		
	Quarter ended 31/03/2019 RM'000	Quarter ended 31/03/2018 RM'000	Variance %	Quarter ended 31/03/2019 RM'000	Quarter ended 31/03/2018 RM'000	Variance %
CONSOLIDATED TOTAL	2,779,912	2,438,769	14.0%	140,536	123,566	13.7%
Total From Continuing Operations	2,774,803	2,415,339	14.9%	140,676	154,281	-8.8%
Business Segment:						
Automotive	2,162,535	1,877,059	15.2%	124,225	125,941	-1.4%
Equipment	382,843	373,042	2.6%	42,164	44,936	-6.2%
Manufacturing & Engineering	237,100	168,466	40.7%	2,329	(2,855)	>100%
Total From Discontinued Operations	5,109	23,430	-78.2%	(140)	(30,715)	99.5%
Oil & Gas (Unlisted)	5,109	23,430	-78.2%	(140)	(30,715)	99.5%

Group

The Group registered a revenue of RM2,779.9 million which was higher than the RM2,438.8 million reported in the previous corresponding quarter. The better performance was contributed by higher number of vehicles sold by the Automotive segment and higher unit sales by the aerospace business in the Manufacturing & Engineering segments.

The Group posted a profit before taxation from Continuing Operations of RM140.7 million for the current quarter compared to the RM154.3 million in the same quarter of previous year. The decrease was mainly due to lower performance from Automotive and Equipment segment.

Discontinued Operations posted a marginal loss before taxation of RM0.1 million compared with a loss of RM30.7 million in the same quarter of previous year. The lower loss in O&G Unlisted was mainly due to its scaled down operations in line with the divestment strategy of the oil and gas segment.

Automotive Segment

The Automotive segment registered a revenue of RM2,162.5 million which was higher than the RM1,877.1 million reported in the previous corresponding period. The improved revenue was due to higher number of vehicles sold during the period as compared to 2018.

Notwithstanding the higher revenue, profit before tax was marginally lower by RM1.7 million to RM124.2 million from RM125.9 million reported in the previous corresponding period due to higher depreciation from new plant, which was partially offset by better performance from an associated company.

NOTE 14 - Review of Performance (Cont'd)

Current Quarter Ended 31 March 2019 (Cont'd)

Equipment Segment

The Equipment segment registered a revenue of RM382.8 million which was higher than the RM373.0 million reported in the previous corresponding quarter. The performance was attributed to higher revenue from Heavy Equipment business during the current quarter.

Profit before taxation of RM42.2 million was lower than the previous corresponding quarter of RM44.9 million due to lower profit margin as a result of competitive pricing for both Heavy Equipment and Industrial Equipment businesses.

Manufacturing & Engineering Segment

The Manufacturing & Engineering segment registered a revenue of RM237.1 million which was higher than the RM168.5 million reported in the previous corresponding quarter. The improved revenue was contributed by the Aerospace business as a result of higher delivery of fan cases and increase in sales from the Auto Component business.

Profit before taxation improved substantially from a loss of RM2.9 million reported in the corresponding quarter to a profit of RM2.4 million, mainly contributed by higher revenue.

Oil & Gas (Unlisted) Segment

The Oil & Gas (Unlisted) segment registered a revenue of RM5.1 million which was lower than the RM23.4 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 marginal loss before taxation of RM0.1 million compared with a loss of RM30.7 million in the previous corresponding quarter. Included in the previous corresponding quarter was a write down of assets and investments to fair value in line with in the divestment strategy.

NOTE 15 - Comparison with Preceding Quarter's Results

	Revenue			Profit/(Loss) Before Taxation		
	1st Quarter Ended 31/03/2019 RM'000	4th Quarter Ended 31/12/2018 RM'000	Variance %	1st Quarter Ended 31/03/2019 RM'000	4th Quarter Ended 31/12/2018 RM'000	Variance %
CONSOLIDATED TOTAL	2,779,912	2,689,998	3.3%	140,536	106,248	32.3%
Total From Continuing Operations	2,774,803	2,681,828	3.5%	140,676	103,946	35.3%
Business Segment:						
Automotive	2,162,535	2,046,080	5.7%	124,225	125,506	-1.0%
Equipment	382,843	397,759	-3.8%	42,164	26,039	61.9%
Manufacturing & Engineering	237,100	242,451	-2.2%	2,329	9,469	-75.4%
Total From Discontinued Operations	5,109	8,170	-37.5%	(140)	2,302	>(100%)
Oil & Gas (Unlisted)	5,109	8,170	-37.5%	(140)	2,302	>(100%)

The Group registered a revenue from Continuing Operations of RM2,774.8 million which was higher by RM93.0 million from the RM2,681.8 million reported in the preceding quarter. This was mainly contributed by higher number of vehicles sold.

The Group posted a profit before taxation from Continuing Operations of RM140.7 million which was higher by RM36.8 million in the current quarter as compared with RM103.9 million in the preceding quarter attributable to the higher revenue recorded during the current period.

NOTE 16 - Current Prospects

Automotive Segment

The segment is expected to remain competitive due to wider customers' choice and stringent loan approvals. However, with an exciting line-up of new models and the recent reduction in banks' base lending rates, the segment will see improvement in sales.

Therefore, the Group expects the segment to perform satisfactorily in 2019.

Equipment Segment

The revival of the major infrastructure projects by the Malaysia Government has brought back interest in the construction sector which will lead to stronger demand in the segment. However, margins may be affected due to competition in pricing. Nevertheless, this segment is expected to perform well in view of the positive outlook in our overseas market and better productivity and cost management.

The Group expects the segment to contribute satisfactorily in 2019.

Manufacturing & Engineering Segment

The outlook for auto component parts and lubricant business is positive, which is supported by strong market demand in vehicle sales and replacement market. Production of fan cases is also expected to increase in 2019.

Therefore, the Group expects the segment to perform better in 2019.

NOTE 16 - Current Prospects (Cont'd)

Oil & Gas (Unlisted) Segment

Following the ongoing divestment of the Oil and Gas (Unlisted) assets, the Group does not expect any adverse material impact from this segment in 2019.

Group

The Group will continue to strengthen its three core businesses, namely Automotive, Equipment, and Manufacturing and Engineering.

Notwithstanding the uncertainty in the global economy due to trade tensions as well as the exchange rate movements, the Group is embarking on its cost optimisation initiatives to improve its business performance and operational productivity. The Board expects the Group's overall performance for the financial year 2019 to remain 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 March 2019									
Business Segment									
Automotive	1,656,985	-	288,152	179,560	37,838	-	2,162,535	-	2,162,535
Equipment	-	188,794	109,134	6,696	21,105	-	325,729	57,114	382,843
Manufacturing & Engineering	-	-	89,503	101,151	8	46,438	237,100	-	237,100
Others	-	-	-	-	16,010	-	16,010	-	16,010
Sub-total	1,656,985	188,794	486,789	287,407	74,961	46,438	2,741,374	57,114	2,798,488
Elimination of Inter-Segment Sales	-	(1,426)	(6,073)	-	(7,502)	(6,471)	(21,472)	(2,213)	(23,685)
Total From Continuing Operations	1,656,985	187,368	480,716	287,407	67,459	39,967	2,719,902	54,901	2,774,803

	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 March 2018									
Business Segment									
Automotive	1,524,917	-	137,750	156,783	57,609	-	1,877,059	-	1,877,059
Equipment	-	185,189	117,797	14,713	17,569	-	335,268	37,774	373,042
Manufacturing & Engineering	-	-	89,058	31,159	2	48,247	168,466	-	168,466
Others	-	-	-	-	15,885	-	15,885	-	15,885
Sub-total	1,524,917	185,189	344,605	202,655	91,065	48,247	2,396,678	37,774	2,434,452
Elimination of Inter-Segment Sales	(203)	(92)	(4,927)	(208)	(11,513)	(1,765)	(18,708)	(405)	(19,113)
Total From Continuing Operations	1,524,714	185,097	339,678	202,447	79,552	46,482	2,377,970	37,369	2,415,339

NOTE 19 - Taxation

	1st Quarter Ended 31/03/2019 RM'000
Current period provision	(29,352)
Under provision in prior periods	(97)
	(29,449)
Deferred taxation	(1)
Taxation	(29,450)
Zakat	-
Total taxation and zakat	(29,450)

The effective tax rates for the period ended 31 March 2019 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 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 31/3/2019					
	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
Unsecured						
Term loans and trade facilities	-	2,399,886	-	113,206	-	2,513,092
- United States Dollar @ 4.082	46,331	-	54,699	-	101,030	-
Long term loans payable within 12 months	-	(149,995)	-	149,995	-	-
	46,331	2,249,891	54,699	263,201	101,030	2,513,092
	46,331	2,249,891	54,699	263,201	101,030	2,513,092

	As at 31/3/2018					
	Long Term		Short Term		Total borrowings	
	Foreign denomination	RM denomination	Foreign denomination	RM denomination	Foreign denomination	RM denomination
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Secured						
Term loans and trade facilities	-	-	51,770	-	51,770	-
- United States Dollar @ 3.8635	-	-	28,121	-	28,121	-
- Australian Dollar @ 2.9754	145,337	-	129,851	-	275,188	-
- Omani Rial @ 10.0323	-	-	47	-	47	-
- Indian Rupee @ 0.05929	-	-	-	-	-	-
	145,337	-	209,789	-	355,126	-
Unsecured						
Term loans and trade facilities	-	2,099,852	-	156,134	-	2,255,986
- United States Dollar @ 3.8635	49,260	-	237,184	-	286,444	-
Long term loans payable within 12 months	-	-	-	-	-	-
	49,260	2,099,852	237,184	156,134	286,444	2,255,986
	194,597	2,099,852	446,973	156,134	641,570	2,255,986

NOTE 22 – Derivatives

As at 31 March 2019, 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	426,981	78
Derivative Liabilities - Embedded derivatives	Less than 1 year	570,703	(381)

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 31 March 2019 (2018 – 15% or 5.0 sen per share, amounting to a net dividend of RM58.4 million).

NOTE 25 - Earnings Per Share

Basic earnings per share for the current quarter and financial period ended 31 March 2019 is calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares in issue as at 31 March 2019.

	1st Quarter Ended 31/03/2019
Net profit attributable to shareholders (RM'000)	
- Continuing operations	85,706
- Discontinued operations	796
	86,502
Weighted average number of ordinary shares	1,168,293,932
Basic earnings per share (sen)	
- Continuing operations	7.33
- Discontinued operations	0.07
	7.40

NOTE 26 - Audit Qualification

The audit report in respect of the annual financial statements for the financial year ended 31 December 2018 was not qualified.

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

	1st Quarter Ended 31/03/2019 RM'000
a. Interest income	10,426
b. Other investment income	7,909
c. Depreciation and amortisation	(86,483)
d. Reversal of/(Provision for) impairment losses of receivables	4,689
e. Loss on sale on investment	(3,663)
f. Gain on disposal of property, plant and equipment	6,843
g. Foreign exchange gain (net)	(2,122)
h. Loss on derivatives (net)	(6,686)
i. Property, plant and equipment written off	(51)

By Order Of The Board

MOHD NOR AZAM BIN MOHD SALLEH
Secretary
(MAICSA 7028137)

Shah Alam
21 May 2019