

UMW HOLDINGS BERHAD

(COMPANY NO : 198201010554 (90278-P))
(INCORPORATED IN MALAYSIA)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 31 MARCH 2020 (THE FIGURES HAVE NOT BEEN AUDITED)

	Current Quarter Ended 31/03/2020 RM'000	Comparative Quarter Ended 31/03/2019 RM'000	3 Months Cumulative To Date 31/03/2020 RM'000	Comparative 3 Months Cumulative To Date 31/03/2019 RM'000
Revenue	2,119,193	2,779,912	2,119,193	2,779,912
Operating Expenses	(2,095,603)	(2,710,007)	(2,095,603)	(2,710,007)
Other Operating Income	22,070	24,888	22,070	24,888
Profit From Operations	45,660	94,793	45,660	94,793
Share Of Results Of Associates And Joint Ventures	29,185	60,649	29,185	60,649
Investment Income	17,937	17,754	17,937	17,754
Profit Before Interest	92,782	173,196	92,782	173,196
Finance Costs	(29,736)	(32,660)	(29,736)	(32,660)
Profit Before Taxation And Zakat	63,046	140,536	63,046	140,536
Taxation And Zakat	(14,241)	(29,695)	(14,241)	(29,695)
Profit For The Period	48,805	110,841	48,805	110,841
<u>Other Comprehensive Income:</u>				
Translation Of Foreign Operations	14,790	9,247	14,790	9,247
Share Of Other Comprehensive Income of Associates	198	215	198	215
Cash Flow Hedge	33	15	33	15
Other Comprehensive Income Net Of Tax	15,021	9,477	15,021	9,477
Total Comprehensive Income For The Period	63,826	120,318	63,826	120,318
<u>Profit For The Period Attributable To:</u>				
Owners Of The Company	44,317	86,502	44,317	86,502
Non-Controlling Interests	4,488	24,339	4,488	24,339
	48,805	110,841	48,805	110,841
<u>Total Comprehensive Income/(Loss) Attributable To:</u>				
Owners Of The Company	76,344	85,128	76,344	85,128
Non-Controlling Interests	(12,518)	35,190	(12,518)	35,190
	63,826	120,318	63,826	120,318
Basic EPS For The Period (Sen)	3.79	7.40	3.79	7.40

(The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2019 and accompanying explanatory notes attached to the Interim Condensed Consolidated Financial Statements.)

UMW HOLDINGS BERHAD

(COMPANY NO : 198201010554 (90278-P))

(INCORPORATED IN MALAYSIA)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	(UNAUDITED) AS AT 31/03/2020 RM'000	(AUDITED) AS AT 31/12/2019 RM'000
ASSETS		
Non-Current Assets		
Property, Plant And Equipment	2,679,523	2,701,692
Investment Properties	167,002	170,768
Leased Assets	380,641	357,947
Right-Of-Use Assets	186,216	195,260
Investments In Joint Ventures	55,773	54,870
Investments In Associates	1,896,674	1,866,512
Deferred Tax Assets	137,550	135,160
Other Investments	5,625	5,991
	<u>5,509,004</u>	<u>5,488,200</u>
Current Assets		
Other Investments	1,154,356	1,071,881
Derivative Assets	7,163	5,598
Inventories	1,708,453	1,589,567
Trade Receivables	849,317	1,242,966
Other Receivables	199,589	211,110
Deposits, Cash And Bank Balances	1,368,016	1,472,111
	<u>5,286,894</u>	<u>5,593,233</u>
Non-Current Assets Held For Sale	12,301	53,240
	<u>5,299,195</u>	<u>5,646,473</u>
TOTAL ASSETS	<u>10,808,199</u>	<u>11,134,673</u>
EQUITY AND LIABILITIES		
Equity Attributable To The Equity Holders Of The Company		
Share Capital	584,147	584,147
Capital Reserve	396	396
Hedging Reserve	-	(33)
Fair Value Reserve	4,794	4,596
Foreign Currency Translation Reserve	(12,128)	(32,634)
Retained Profits	3,165,911	3,139,925
	<u>3,743,120</u>	<u>3,696,397</u>
Perpetual Sukuk	1,097,860	1,097,860
Non-Controlling Interests	1,291,310	1,303,828
Total Equity	<u>6,132,290</u>	<u>6,098,085</u>
Non-Current Liabilities		
Deferred Tax Liabilities	38,164	39,094
Provision For Warranties	217,636	216,647
Lease Liabilities	60,005	56,408
Long Term Borrowings	2,056,188	2,123,422
	<u>2,371,993</u>	<u>2,435,571</u>
Current Liabilities		
Derivative Liabilities	7,390	2,901
Provision For Warranties	60,762	61,138
Provision For Taxation	27,631	31,400
Short Term Borrowings	465,514	386,361
Trade Payables	688,788	562,139
Other Payables	1,027,144	1,514,422
Lease Liabilities	26,687	37,607
Liabilities Associated With Assets Held For Sale	-	5,049
	<u>2,303,916</u>	<u>2,601,017</u>
Total Liabilities	<u>4,675,909</u>	<u>5,036,588</u>
TOTAL EQUITY AND LIABILITIES	<u>10,808,199</u>	<u>11,134,673</u>
Net Assets Per Share (RM)	3.2039	3.1639

(The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2019 and accompanying explanatory notes attached to the Interim Condensed Consolidated Financial Statements.)

UMW HOLDINGS BERHAD

(COMPANY NO : 198201010554 (90278-P))

(INCORPORATED IN MALAYSIA)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2020 (THE FIGURES HAVE NOT BEEN AUDITED)

	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 2020										
At 1 January 2020	584,147	4,596	396	(32,634)	(33)	3,139,925	3,696,397	1,097,860	1,303,828	6,098,085
Transactions with owners										
Dividends distributed to equity holders	-	-	-	-	-	(23,366)	(23,366)	-	-	(23,366)
Effect of dilution of interest in a joint venture and an associate	-	-	-	(11,290)	-	5,035	(6,255)	-	-	(6,255)
Total comprehensive income/(loss)	-	198	-	31,796	33	44,317	76,344	-	(12,518)	63,826
At 31 March 2020	584,147	4,794	396	(12,128)	-	3,165,911	3,743,120	1,097,860	1,291,310	6,132,290

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										
Effect of loss of control in a subsidiary	-	-	-	452	-	(8,583)	(8,131)	-	8,131	-
Total comprehensive income/(loss)	-	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

(The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2019 and accompanying explanatory notes attached to the Interim Condensed Consolidated Financial Statements.)

UMW HOLDINGS BERHAD

(COMPANY NO : 198201010554 (90278-P))

(INCORPORATED IN MALAYSIA)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 MARCH 2020 (THE FIGURES HAVE NOT BEEN AUDITED)

	3 Months Ended 31/03/2020 RM'000	3 Months Ended 31/03/2019 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit Before Taxation And Zakat	63,046	140,536
Adjustments for:		
Depreciation and amortisation	92,031	86,483
Net reversal of impairment on:		
- receivables	(26,554)	(4,689)
- investments in joint ventures	(12,347)	-
- investments in associates	(15,822)	-
Reversal of inventories written down	(4,255)	-
Interest expense	29,736	32,660
Share of results of associates and joint ventures	(29,185)	(60,649)
Gain on disposal of property, plant and equipment	(8,305)	(6,843)
Net unrealised foreign exchange/fair value (gain)/loss	(5,334)	8,438
Loss on sale of investment	27,666	3,663
Interest and dividend income from other investments	(18,862)	(18,335)
Property, plant and equipment written off	-	51
Others	613	(4,838)
Operating Profit Before Working Capital Changes	92,428	176,477
Changes in receivables	447,117	(97,909)
Changes in inventories	(47,790)	(132,000)
Changes in payables	(328,394)	62,990
Cash Generated From Operating Activities	163,361	9,558
Interest paid	(29,835)	(35,484)
Taxes and zakat paid	(22,218)	(23,243)
Net Cash Generated From/(Used In) Operating Activities	111,308	(49,169)
CASH FLOWS FROM INVESTING ACTIVITIES		
Net cash inflow arising from disposal of a joint venture	-	6,137
Dividends received	363	755
Purchase of property, plant and equipment	(74,609)	(70,285)
Proceeds from disposal of property, plant and equipment	13,742	16,391
Interest received	18,499	17,983
Proceed from disposal of other investments	154,488	308,997
Purchase of other investments	(190,092)	(281,787)
Net Cash Used In Investing Activities	(77,609)	(1,809)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid to equity holders of the Company	(23,366)	-
Payment for lease liabilities	(7,459)	(11,270)
Net repayment of loans and borrowings	(46,093)	(217,319)
Net Cash Used In Financing Activities	(76,918)	(228,589)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(43,219)	(279,567)
CASH AND CASH EQUIVALENTS AS AT 1 JANUARY	1,411,487	1,318,495
EFFECTS OF EXCHANGE RATE CHANGES	3,034	8,982
CASH AND CASH EQUIVALENTS AS AT 31 MARCH	1,371,302	1,047,910

(The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2019 and accompanying explanatory notes attached to the Interim Condensed Consolidated 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 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 2019. 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 2019.

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 2019, 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 2020.

The Board has engaged the external auditors, Ernst & Young PLT, to review the Condensed Report for the 3-month ended 31 March 2020 in accordance with the International Standard on Review Engagement 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*.

Adoption of Amendments and Annual Improvements to Standards

The Group has adopted the following amendments to MFRS for annual 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

The adoption of the above amended standards did not have any significant effect on the financial performance or position of the Group.

Standards issued but not yet effective

At the date of authorisation of the Condensed Report, the following Standards and Amendments 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 2021

- MFRS 17 Insurance Contracts
- Amendments to MFRS 16 Leases (Covid-19-Related Rent Concessions)

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 2022

- Amendments to MFRS 101 Presentation of Financial Statements (Classification of Liabilities as Current or Non-current)
- Amendments to MFRS 3 Business Combinations (Reference to the Conceptual Framework)
- Amendments to MFRS 116 Property, Plant and Equipment (Property, Plant and Equipment–Proceeds before Intended Use)
- Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets (Onerous Contracts–Cost of Fulfilling a Contract)

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

There are no other new or revised MFRSs and amendments to MFRSs not yet effective that would likely have a material impact on the Group and the Company in the current or future reporting periods.

NOTE 2 - Seasonal or Cyclical Factors

During the financial period, the businesses of the Group were not affected by any significant seasonal or cyclical factors.

NOTE 3 - Exceptional Items

There were no material items affecting assets, liabilities, equity, net income, or cash flows during the financial period under review that were unusual because of their nature, size or incidence.

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 2020.

NOTE 6 - Dividends Paid

Dividend for the financial year ended 31 December 2019 –

- A final single-tier dividend of 2.0 sen per share (2018 – 2.5 sen per share), amounting to a net dividend of RM23.4 million (2018 – RM29.2 million) was paid on 31 March 2020.

NOTE 7 - Segmental Reporting

Business Segment	Financial Period Ended 31 March 2020		
	Revenue RM'000	Profit/(Loss) Before Taxation RM'000	Profit/(Loss) Attributable to Owners of the Company RM'000
Automotive	1,585,885	53,701	50,462
Equipment	289,154	25,767	15,645
Manufacturing & Engineering	248,533	10,480	6,526
Others	(4,379)	(26,902)	(28,316)
CONSOLIDATED TOTAL	2,119,193	63,046	44,317

There has been no other material increase in total assets compared to the last annual financial statements.

NOTE 8 - Subsequent Material Event

The COVID-19 outbreak is a global crisis that is having a growing impact on the global economy. In its Economic Monetary Review, Bank Negara Malaysia has revised Malaysia's 2020 GDP forecast to be within a range of -2.0% to 0.5%; as it contends with global supply and demand shocks, as well as lower domestic private consumption due to the imposition of the Movement Control Order ("MCO").

To face the challenges ahead, the Group will remain vigilant and continue to enhance its operational efficiencies as it navigates its way in this unprecedented and fast-changing global situation. The Group is also actively enhancing and redeploying its existing resources to build capabilities, accelerate recovery and retool the business for a new, post COVID-19 world.

NOTE 9 - Changes in Composition of the Group

The Company had on 10 February 2020 announced the completion for winding up of Kelang Pembena Kereta2 Sdn Bhd, a dormant subsidiary of the Group. Kelang Pembena Kereta2 Sdn Bhd henceforth ceased to be a subsidiary of the Group.

NOTE 10 - Capital Commitments

The Group's capital commitments as at 31 March 2020 is as follows:

	RM'000	RM'000
<u>Approved and contracted for:</u>		
Land and buildings	6,432	
Equipment, plant and machinery	34,061	
Others	3,012	43,505
	<hr/>	
<u>Approved but not contracted for:</u>		
Land and buildings	87,646	
Equipment, plant and machinery	224,982	
Others	53,301	365,929
	<hr/>	
Total		<u>409,434</u>

NOTE 11 - Significant Related Party Transactions

In the opinion of the directors, save for recurrent related party transactions ("RPTs") mandated by shareholders at the 36th Annual General Meeting on 23 May 2019, there were no other significant RPTs.

NOTE 12 - Classification of Financial Assets

Save for those assets or investments classified as Held For Sale, there were no changes to the classification of financial assets for the period under review.

NOTE 13 - Changes in Contingent Liabilities and Contingent Assets

Contingent liabilities of the Group are as follows:

	As at 31/03/2020 RM'000	As at 31/12/2019 RM'000
	<hr/>	<hr/>
Performance bonds in favour of third parties	10,090	12,320
	<hr/>	<hr/>

NOTE 14 - Review of Performance

Current Quarter Ended 31 March 2020

	Revenue			Profit/(Loss) Before Taxation		
	Quarter ended 31/03/2020 RM'000	Quarter ended 31/03/2019 RM'000	Variance %	Quarter ended 31/03/2020 RM'000	Quarter ended 31/03/2019 RM'000	Variance %
CONSOLIDATED TOTAL	2,119,193	2,779,912	-23.8%	63,046	140,536	-55.1%
Business Segment:						
Automotive	1,585,885	2,162,535	-26.7%	53,701	124,225	-56.8%
Equipment	289,154	382,843	-24.5%	25,767	42,164	-38.9%
Manufacturing & Engineering	248,533	237,100	4.8%	10,480	2,329	>100%
Others	(4,379)	(2,566)	-70.7%	(26,902)	(28,182)	4.5%

Group

Group revenue of RM2,119.2 million was lower than the RM2,779.9 million reported in the quarter ended 31 March 2019 (“corresponding quarter”). The decrease in revenue was mainly due to lower sales in the Automotive and Equipment businesses, following disruptions caused by the COVID-19 pandemic.

In line with the decrease in revenue, Group profit before taxation (“PBT”) of RM63.0 million was lower than the RM140.5 million in the corresponding quarter.

Automotive Segment

Revenue of RM1,585.9 million was 26.7% lower than the RM2,162.5 million reported in the corresponding quarter, mainly due to a lesser number of vehicles sold in the current quarter.

Following the decrease in revenue and a lower share of profit from an associated company, the segment’s PBT declined to RM53.7 million from RM124.2 million in the corresponding quarter.

Equipment Segment

Revenue of RM289.2 million was lower than the RM382.8 million in the corresponding quarter, mainly due to sluggish demand for both Heavy Equipment and Industrial Equipment businesses arising from challenging market conditions in the current quarter.

In line with the decrease in revenue, the segment’s PBT of RM25.8 million was lower than the RM42.2 million profit reported in the corresponding quarter.

Manufacturing & Engineering Segment

Revenue of RM248.5 million was higher than the RM237.1 million reported in the previous corresponding quarter, mainly due to a higher volume of fan cases delivered by its Aerospace sub-segment in the current quarter.

Profit before taxation of RM10.5 million was higher than the RM2.3 million in the corresponding quarter following the increase in Aerospace revenue and a higher contribution from the Lubricants sub-segment.

NOTE 15 - Comparison with Preceding Quarter's Results

	Revenue			Profit/(Loss) Before Taxation		
	1st Quarter Ended 31/03/2020 RM'000	4th Quarter Ended 31/12/2019 RM'000	Variance %	1st Quarter Ended 31/03/2020 RM'000	4th Quarter Ended 31/12/2019 RM'000	Variance %
CONSOLIDATED TOTAL	2,119,193	3,123,924	-32.2%	63,046	297,836	-78.8%
Business Segment:						
Automotive	1,585,885	2,449,969	-35.3%	53,701	114,869	-53.3%
Equipment	289,154	328,031	-11.9%	25,767	27,274	-5.5%
Manufacturing & Engineering	248,533	328,543	-24.4%	10,480	30,001	-65.1%
Others	(4,379)	17,381	>(100%)	(26,902)	(62,452)	56.9%
Other Gains	-	-	-	-	188,144	-100%

Group

Group revenue of RM2,119.2 million was lower than the RM3,123.9 million reported in the quarter ended 31 December 2019 ("preceding quarter"), mainly due to a decrease in revenue in the Automotive and Equipment businesses, following disruptions caused by the COVID-19 pandemic.

Group PBT of RM63.0 million was lower than the RM297.8 million profit reported in the preceding quarter, mainly due to the significant decrease in revenue. The preceding quarter's results also included a one-off gain on land disposals amounting to RM188.1 million.

Automotive Segment

Revenue of RM1,585.9 million was lower than the RM2,450.0 million reported in the preceding quarter, mainly due to a lesser number of vehicles sold in the current quarter.

Following the decrease in revenue and a lower share of profit from an associated company, the segment's PBT declined to RM53.7 million from RM114.9 million in the preceding quarter.

Equipment Segment

Revenue of RM289.2 million was lower than the RM328.0 million reported in the preceding quarter, mainly due to the disruptions caused by the COVID-19 pandemic in the current quarter.

PBT of RM25.8 million was lower than the RM27.3 million recorded in the preceding quarter, in line with the decrease in revenue.

Manufacturing & Engineering Segment

The Manufacturing & Engineering segment registered a lower revenue of RM248.5 million than the RM328.5 million reported in the preceding quarter, mainly due to operational disruptions, affecting all sub-segments, following the implementation of MCO in mid-March 2020.

In line with the decrease in revenue, the segment's PBT of RM10.5 million was lower than the RM30.0 million reported in the preceding quarter.

NOTE 16 – Current Prospects

Automotive Segment

In light of the ongoing Covid-19 pandemic and the implementation of MCO, there would be negative impact to consumer sentiment, which is expected to lead to a decline in vehicle sales. This is supported by the downward revision of total industry volume, from 607,000 units to 400,000 units, forecasted by the Malaysian Automotive Association in April 2020.

Despite the subdued market environment, the Group is cautiously optimistic of improving demand from customers post-MCO. Furthermore, the Group plans to launch a pipeline of exciting new models to soften the impact of market slowdown. The segment should also benefit from the recent announcement of 100% sales tax exemption on CKD vehicles and 50% exemption for CBU vehicles effective from 15 June 2020 to 31 December 2020.

Equipment Segment

The Heavy Equipment sub-segment may face sluggish domestic demand due to the delay in implementation of projects caused by the COVID-19 pandemic and slowdown in some sectors it operates in. Nevertheless, encouraging demand in mining and construction sectors in its overseas operations could help to soften the impact.

The Industrial Equipment sub-segment will continue to focus on expanding its equipment rental business while extending recovery packages to its customers, especially those in the small and medium enterprises to cushion the impact of COVID-19 on their businesses.

Manufacturing & Engineering Segment

While new vehicle sales is projected to decline this year, the demand for auto components in the after-sales and overseas markets is expected to be sustainable. The lubricants sub-segment will continue to leverage on its OEM partners and strengthen its domestic sales and export to ASEAN countries.

While we are expecting a downward impact to the Aerospace sub-segment following the COVID-19 pandemic, the Group is partially sheltered by firm fan case orders received for the rest of the year.

Group

The Group will continue to focus on strengthening its core business segments and strategic cost optimisation initiatives to improve its business performance and operational productivity.

Amidst the unprecedented challenging business environment, the Group will strive to maintain its performance in 2020.

NOTE 17 – Variance from Profit Forecast and Profit Guarantee

Not applicable as there was no profit forecast or profit guarantee issued by 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	Oil & Gas (Unlisted) RM'000	Revenue from contracts with customers RM'000	Lease rental income RM'000	Consolidated revenue RM'000
FPE 31 March 2020										
Business Segment										
Automotive	1,181,242	-	228,518	147,291	28,834	-	-	1,585,885	-	1,585,885
Equipment	-	140,116	67,203	21,072	14,038	-	-	242,429	46,725	289,154
Manufacturing & Engineering	-	-	82,561	125,692	-	40,280	-	248,533	-	248,533
Others	(111)	(357)	(4,070)	(523)	2,716	(1,501)	1,586	(2,260)	(2,119)	(4,379)
Total	1,181,131	139,759	374,212	293,532	45,588	38,779	1,586	2,074,587	44,606	2,119,193

	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	Oil & Gas (Unlisted) RM'000	Revenue from contracts with customers RM'000	Lease rental income RM'000	Consolidated revenue RM'000
FPE 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	-	(1,426)	(6,073)	-	8,508	(6,471)	5,109	(353)	(2,213)	(2,566)
Total	1,656,985	187,368	480,716	287,407	67,459	39,967	5,109	2,725,011	54,901	2,779,912

NOTE 19 - Taxation

	1st Quarter Ended 31/03/2020 RM'000
Current period provision	(16,376)
Under provision in prior periods	(88)
	(16,464)
Deferred taxation	2,223
Taxation	(14,241)
Zakat	-
Total taxation and zakat	(14,241)

The effective tax rate for the financial period ended 31 March 2020 was 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

Following completion of the Group's disposal of industrial leasehold land, together with all remaining buildings, structures and plants, measuring 38.803 acres in Shah Alam on 15 November 2019, the status of utilisation of proceeds is as follows:

Utilisation purposes	Proposed utilisation as set out in the Circular dated 30 September 2019	Actual utilisation as at 10 June 2020	Timeframe for utilisation of proceeds as set out in Circular dated 30 September 2019	
	Amount	Amount	Balance to be utilised	Expected timeframe from receipt of proceeds
	RM'000	RM'000	RM'000	
Capital expenditure	70,000	67,030	2,970	12 months
Settlement of maturing debt	150,000	-	150,000	8 months
Working capital of UMW Group	4,068	5,380*	-	1 month
Special cash dividend	46,732	46,732	-	3 months
Defray estimated expenses relating to the Proposals	16,900	15,588*	-	3 months
Total	287,700	134,730	152,970	

*As disclosed in the Circular to shareholders, any shortfall or excess in funds allocated for estimated expenses will be funded from or used for working capital purposes.

NOTE 21 - Group Borrowings and Debt Securities

	As at 31/03/2020					
	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	-	87,813	-	-	-	87,813
	-	87,813	-	-	-	87,813
Unsecured						
Term loans and trade facilities	-	2,227,646	-	165,516	-	2,393,162
- United States Dollar @ 4.3212	40,727	-	-	-	40,727	-
Long term loans payable within 12 months	-	(299,998)	-	299,998	-	-
	40,727	1,927,648	-	465,514	40,727	2,393,162
	40,727	2,015,461	-	465,514	40,727	2,480,975

	As at 31/03/2019					
	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

NOTE 22 – Financial Instruments

Derivatives

As at 31 March 2020, 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 contracts	Less than 1 year	153,609	7,163
Derivative Liabilities			
- Forward currency contracts	Less than 1 year	60,074	(977)
- Embedded derivatives	Less than 1 year	284,947	(6,413)
		345,021	(7,390)

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.

There is no significant change to the type of derivative financial contracts entered into, cash requirements of the derivatives, risk associated with the derivatives and the risk management objectives and policies to mitigate these risks since the financial period ended 31 March 2020 other than expiry of outstanding contracts reported then.

Fair Value Changes of Financial Liabilities

Other than derivatives which are classified as liabilities if they are at fair value loss position as at the end of the reporting period, the Group does not remeasure its financial liabilities at fair value after initial recognition.

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 2020 (2019 – Nil).

NOTE 25 - Earnings Per Share

Basic earnings per share for the current quarter and financial period ended 31 March 2020 is calculated by dividing the profit for the period attributable to the owners of the Company by the weighted average number of ordinary shares in issue as at 31 March 2020.

	1st Quarter Ended 31/03/2020
Profit for the period attributable to the owners of the Company (RM'000)	44,317
Weighted average number of ordinary shares	1,168,293,932
Basic earnings per share (sen)	3.79

NOTE 26 - Audit Qualification

The audit report in respect of the annual financial statements for the financial year ended 31 December 2019 was not qualified.

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

	1st Quarter Ended 31/03/2020 RM'000
a. Interest income	8,901
b. Other investment income	9,961
c. Depreciation and amortisation	(92,031)
d. Reversal of impairment on receivables (net)	26,554
e. Loss on sale on investment (net)	(27,666)
f. Gain on disposal of property, plant and equipment (net)	8,305
g. Foreign exchange gain (net)	9,055
h. Loss on derivatives (net)	(2,924)

By Order Of The Board

MOHD NOR AZAM MOHD SALLEH
Practising Certificate No. 201908002015
Group Secretary

Kuala Lumpur
15 June 2020