

UMW HOLDINGS BERHAD

(COMPANY NO : 90278-P)

(INCORPORATED IN MALAYSIA)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE THIRD QUARTER ENDED

30 SEPTEMBER 2019

(THE FIGURES HAVE NOT BEEN AUDITED)

	Current Quarter Ended 30/09/2019 RM'000	Comparative Quarter Ended 30/09/2018 RM'000	9 Months Cumulative To Date 30/09/2019 RM'000	Comparative 9 Months Cumulative To Date 30/09/2018 RM'000
<u>Continuing Operations</u>				
Revenue	2,882,665	3,289,820	8,623,484	8,624,449
Operating Expenses	(2,835,221)	(3,191,905)	(8,453,191)	(8,224,903)
Other Operating Income	32,680	24,062	87,233	59,511
Profit From Operations	80,124	121,977	257,526	459,057
Share Of Results Of Associates And Joint Ventures	85,205	58,285	226,994	170,597
Investment Income	15,745	23,362	51,870	64,236
Profit Before Interest	181,074	203,624	536,390	693,890
Finance Costs	(30,769)	(26,434)	(93,274)	(71,881)
Profit Before Taxation And Zakat	150,305	177,190	443,116	622,009
Taxation And Zakat	(20,999)	(43,477)	(86,784)	(112,676)
Profit For The Period From Continuing Operations	129,306	133,713	356,332	509,333
<u>Discontinued Operations</u>				
Profit/(Loss) For The Period From Discontinued Operations	1,916	38,358	(516)	(103,871)
Profit For The Period	131,222	172,071	355,816	405,462
<u>Other Comprehensive Income/(Loss):</u>				
<u>Continuing Operations</u>				
Translation Of Foreign Operations	12,645	29,035	28,968	2,949
Share Of Other Comprehensive Income of Associates	215	-	668	-
Cash Flow Hedge	(15)	(38)	5	(30)
Other Comprehensive Income Net of Tax From Continuing Operations	12,845	28,997	29,641	2,919
<u>Discontinued Operations</u>				
Other Comprehensive Loss Net of Tax From Discontinued Operations	(26,171)	(44,265)	(46,660)	(23,267)
Other Comprehensive Loss Net of Tax	(13,326)	(15,268)	(17,019)	(20,348)
Total Comprehensive Income For The Period	117,896	156,803	338,797	385,114

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(THE FIGURES HAVE NOT BEEN AUDITED)

	Current Quarter Ended 30/09/2019 RM'000	Comparative Quarter Ended 30/09/2018 RM'000	9 Months Cumulative To Date 30/09/2019 RM'000	Comparative 9 Months Cumulative To Date 30/09/2018 RM'000
<u>Profit/(Loss) For The Period Attributable To:</u>				
Owners Of The Company From:				
- Continuing Operations	103,346	96,742	239,129	407,293
- Discontinued Operations	6,947	31,386	14,855	(80,705)
	<u>110,293</u>	<u>128,128</u>	<u>253,984</u>	<u>326,588</u>
Holder of Perpetual Sukuk:				
- Continuing Operations	-	-	34,829	-
	<u>-</u>	<u>-</u>	<u>34,829</u>	<u>-</u>
Non-Controlling Interests From:				
- Continuing Operations	25,960	36,972	82,374	102,041
- Discontinued Operations	(5,031)	6,971	(15,371)	(23,167)
	<u>20,929</u>	<u>43,943</u>	<u>67,003</u>	<u>78,874</u>
	<u>131,222</u>	<u>172,071</u>	<u>355,816</u>	<u>405,462</u>
<u>Total Comprehensive Income/(Loss) Attributable To:</u>				
Owners Of The Company From:				
- Continuing Operations	119,625	132,709	273,336	387,044
- Discontinued Operations	(19,224)	(12,879)	(31,805)	(103,972)
	<u>100,401</u>	<u>119,830</u>	<u>241,531</u>	<u>283,072</u>
Holder of Perpetual Sukuk:				
- Continuing Operations	-	-	34,829	-
	<u>-</u>	<u>-</u>	<u>34,829</u>	<u>-</u>
Non-Controlling Interests From:				
- Continuing Operations	22,526	30,001	77,808	125,208
- Discontinued Operations	(5,031)	6,972	(15,371)	(23,166)
	<u>17,495</u>	<u>36,973</u>	<u>62,437</u>	<u>102,042</u>
	<u>117,896</u>	<u>156,803</u>	<u>338,797</u>	<u>385,114</u>
Basic/(Diluted) EPS For The Period (Sen)				
- Continuing Operations	8.85	8.28	20.47	34.86
- Discontinued Operations	0.59	2.69	1.27	(6.91)
	<u>9.44</u>	<u>10.97</u>	<u>21.74</u>	<u>27.95</u>

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

UMW HOLDINGS BERHAD

(COMPANY NO : 90278-P)

(INCORPORATED IN MALAYSIA)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	(UNAUDITED) AS AT 30/09/2019 RM'000	(AUDITED) AS AT 31/12/2018 RM'000
ASSETS		
Non-Current Assets		
Property, Plant And Equipment	2,780,364	2,820,924
Investment Properties	209,021	220,901
Land Use Rights	417	468
Leased Assets	356,498	336,673
Other Receivables	23,237	32,136
Investments In Associates	1,852,011	1,792,383
Investments In Joint Ventures	50,312	48,627
Deferred Tax Assets	142,429	131,951
Other Investments	2,728	7,106
Right-Of-Use Assets	56,341	-
	<u>5,473,358</u>	<u>5,391,169</u>
Current Assets		
Inventories	1,912,546	1,548,507
Trade Receivables	1,078,313	960,413
Other Receivables	115,284	122,991
Other Investments	1,089,194	1,133,856
Derivative Assets	1,660	7,613
Deposits, Cash And Bank Balances	917,933	1,311,764
	<u>5,114,930</u>	<u>5,085,144</u>
Non-Current Assets Held For Sale	249,801	281,682
	<u>5,364,731</u>	<u>5,366,826</u>
TOTAL ASSETS	<u>10,838,089</u>	<u>10,757,995</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	(31,067)	(16,793)
Hedging Reserve	5	-
Fair value reserve	4,286	3,618
Retained Profits	2,991,816	2,773,269
	<u>3,549,583</u>	<u>3,344,637</u>
Perpetual Sukuk	1,097,860	1,097,860
Non-Controlling Interests	1,287,590	1,271,946
Total Equity	<u>5,935,033</u>	<u>5,714,443</u>
Non-Current Liabilities		
Provision For Warranties	224,081	223,186
Deferred Tax Liabilities	33,185	26,859
Long Term Borrowings	2,129,536	2,298,249
Lease Liabilities	39,928	-
	<u>2,426,730</u>	<u>2,548,294</u>
Current Liabilities		
Provision For Warranties	35,893	40,027
Taxation	38,138	55,752
Short Term Borrowings	562,501	534,486
Bank Overdrafts	-	475
Trade Payables	875,794	832,868
Other Payables	942,012	1,021,179
Derivative Liabilities	188	881
Liabilities Associated With Assets Held For Sale	5,086	9,590
Lease Liabilities	16,714	-
	<u>2,476,326</u>	<u>2,495,258</u>
Total Liabilities	<u>4,903,056</u>	<u>5,043,552</u>
TOTAL EQUITY AND LIABILITIES	<u>10,838,089</u>	<u>10,757,995</u>
Net Assets Per Share (RM)	3.0383	2.8628

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

UMW HOLDINGS BERHAD

(COMPANY NO : 90278-P)

(INCORPORATED IN MALAYSIA)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 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
9 MONTHS ENDED 30 SEPTEMBER 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										
Dividends distributed to equity holders	-	-	-	-	-	(29,208)	(29,208)	-	(54,170)	(83,378)
Distribution paid to perpetual sukuk holders	-	-	-	-	-	-	-	(34,829)	-	(34,829)
Effects of loss of control in a subsidiary	-	-	-	(1,148)	-	(6,229)	(7,377)	-	7,377	-
Total comprehensive income	-	668	-	(13,126)	5	253,984	241,531	34,829	62,437	338,797
At 30 September 2019	584,147	4,286	396	(31,067)	5	2,991,816	3,549,583	1,097,860	1,287,590	5,935,033

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2018

	Non - Distributable					Distributable				
	Share Capital RM'000	Share Premium RM'000	Capital Reserve RM'000	Foreign Currency Translation Reserve RM'000	Hedging Reserve RM'000	Retained Profits RM'000	Total RM'000	Perpetual Sukuk RM'000	Non - Controlling Interests RM'000	Total Equity RM'000
9 MONTHS ENDED 30 SEPTEMBER 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										
Dividend distributed to equity holders	-	-	-	-	-	(58,415)	(58,415)	-	(34,527)	(92,942)
Effect of loss of control in a subsidiary	-	-	-	(1,034)	-	1,034	-	-	(9,050)	(9,050)
Issuance of perpetual sukuk	-	-	-	-	-	-	-	1,100,000	-	1,100,000
Total comprehensive income	-	-	-	(5,475)	(30)	304,543	299,038	-	86,076	385,114
At 30 September 2018	584,147	-	396	3,692	(29)	2,699,665	3,287,871	1,100,000	1,173,681	5,561,552

(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)
(INCORPORATED IN MALAYSIA)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 SEPTEMBER 2019

	9 Months Ended 30/09/2019 RM'000	9 Months Ended 30/09/2018 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) Before Taxation And Zakat From:		
Continuing operations	443,116	622,009
Discontinued operations	276	(103,195)
	<u>443,392</u>	<u>518,814</u>
Adjustments For:		
Depreciation and amortisation	253,415	100,058
Reversal of impairment on inventories	-	(2,170)
Interest expense from:		
- Continuing operations	93,274	71,881
- Discontinued operations	2,634	10,430
Share of results of associates and joint ventures from:		
- Continuing operations	(226,994)	(170,627)
- Discontinued operations	-	30
Gain on disposal of property, plant and equipment	(38,740)	(10,935)
(Reversal of)/provision for impairment on receivables	(6,785)	784
Net unrealised foreign exchange/fair value loss	4,684	48,100
Loss on sale of investment	7,096	385
Interest and dividend income from other investments	(56,362)	(41,740)
Property, plant and equipment written off	224	1,400
Others	(4,134)	(135,212)
Operating Profit Before Working Capital Changes	<u>471,704</u>	<u>391,198</u>
Changes in receivables	(45,409)	17,423
Changes in inventories	(388,623)	(96,261)
Changes in payables	(117,457)	(1,326,444)
Cash Used in Operating Activities	<u>(79,785)</u>	<u>(1,014,084)</u>
Interest paid	(67,913)	(80,723)
Taxes paid	(108,726)	(58,683)
Net Cash Used in Operating Activities	<u>(256,424)</u>	<u>(1,153,490)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Net cash inflow/(outflow) arising from disposal of a subsidiary	6,137	(877)
Dividends received	135,759	66,473
Purchase of property, plant and equipment	(251,657)	(563,830)
Proceeds from disposal of property, plant and equipment	74,609	33,015
Interest income	55,212	38,871
Proceed from disposal of other investments	580,795	931,054
Purchase of other investments	(535,440)	(828,347)
Net Cash Generated From/(Used In) Investing Activities	<u>65,415</u>	<u>(323,641)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid to equity holders of the Company	(29,208)	(58,415)
Dividend paid to non-controlling interests	(54,170)	(34,527)
Proceeds from issuance of perpetual sukuk	-	1,100,000
Perpetual sukuk distribution paid	(34,829)	-
Payment for lease liabilities	(11,939)	-
Net (repayment)/drawdown of loans and borrowings	(141,796)	294,972
Net Cash (Used In)/Generated From Financing Activities	<u>(271,942)</u>	<u>1,302,030</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	<u>(462,951)</u>	<u>(175,101)</u>
CASH AND CASH EQUIVALENTS AS AT 1 JANUARY	1,315,236	1,187,898
EFFECTS OF EXCHANGE RATE CHANGES	74,249	90,590
CASH AND CASH EQUIVALENTS AS AT 30 SEPTEMBER	<u>926,534</u>	<u>1,103,387</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 USD5,000).

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 17 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 17 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

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 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 30 September 2019.

NOTE 6 - Dividends Paid

A final single-tier dividend of 2.5 sen per share in respect of financial year ended 31 December 2018 amounting to RM29.2 million was paid on 16 May 2019.

NOTE 7 - Segmental Reporting

Business Segment	Financial Period Ended 30 September 2019		
	Revenue RM'000	Profit/(Loss) Before Taxation RM'000	Profit/(Loss) Attributable to Owners of the Company RM'000
Automotive	6,845,905	415,433	292,366
Equipment	1,080,134	108,403	82,229
Manufacturing & Engineering	734,006	30,921	12,640
Others	(36,561)	(111,641)	(113,277)
Sub-total	8,623,484	443,116	273,958
Less : Profit attributable to Holders of Perpetual Sukuk	-	-	(34,829)
Total From Continuing Operations	8,623,484	443,116	239,129
Oil & Gas (Unlisted)	12,796	276	14,855
Total From Discontinued Operations	12,796	276	14,855
CONSOLIDATED TOTAL	8,636,280	443,392	253,984

Following the Group's decision to exit from the oil and gas industry, the Oil & Gas (Unlisted) segment had been classified as a disposal group on 31 December 2017. The assets of the disposal group have since been presented as "Assets held for sale" and the liabilities of the disposal group presented as "Liabilities associated with assets held for sale". The financial performance of the disposal group is classified as "Discontinued Operations" as it represents a separate major line of business that the Group is exiting from.

NOTE 7 - Segmental Reporting (Cont'd)

The results of the Discontinued Operations are as follows:

	Nine Months Ended 30/09/2019	Nine Months Ended 30/09/2018
	RM'000	RM'000
Revenue	12,796	64,222
Operating Expenses	(20,411)	(163,039)
Other Operating Income	10,362	6,029
Profit/(Loss) From Operations	2,747	(92,788)
Finance Costs	(2,634)	(10,430)
Share Of Results Of Associates And Joint Ventures	-	(30)
Investment Income	163	53
Profit/(Loss) Before Taxation And Zakat	276	(103,195)
Taxation And Zakat	(792)	(676)
Loss For The Period From Discontinued Operations	(516)	(103,871)
Net Cash Flows:		
Operating activities	48,583	8,996
Investing activities	137	80,980
Financing activities	-	(348,851)
	48,720	(258,875)

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 since the end of current financial period to the date of this announcement which substantially affects the results of the Group for the period ended 30 September 2019.

NOTE 9 - Changes in Composition of the Group

- a. The Company had on 11 January 2019 announced that it has entered into a Share Sale and Purchase Agreement (“SSPA”) with Mr Paul Anthony Montague (“Mr Montague), an Australian citizen, for the 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.

Following completion of the SSPA, on 5 February 2019, UAV, together with its subsidiaries listed below ceased to be subsidiaries of the 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 subsidiaries were completed on the following dates:

Date	Company
21 March 2019	UMW Marine and Offshore Pte Ltd
25 July 2019	UMW China Ventures (L) Ltd UMW Offshore Investment (L) Ltd
3 September 2019	UMW Australia Ventures Sdn Bhd

NOTE 10 - Capital Commitments

The Group's capital commitments as at 30 September 2019 is as follows:

	RM'000	RM'000
<u>Approved and contracted for:</u>		
Land and buildings	25,084	
Equipment, plant and machinery	20,176	
Others	10,620	55,880
	<hr/>	
<u>Approved but not contracted for:</u>		
Land and buildings	34,530	
Equipment, plant and machinery	205,315	
Others	47,956	287,801
	<hr/>	<hr/>
Total		343,681
		<hr/>

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 significant RPTs.

NOTE 12 - Classification of Financial Assets

Save for those assets or investments classified as Held For Sale arising from Discontinued operations, 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 30/09/2019 RM'000	As at 31/12/2018 RM'000
	<hr/>	<hr/>
Performance bonds in favour of third parties	9,960	10,010
	<hr/>	<hr/>

NOTE 14 - Review of Performance

Current Quarter Ended 30 September 2019

	Revenue			Profit/(Loss) Before Taxation		
	Quarter ended 30/09/2019 RM'000	Quarter ended 30/09/2018 RM'000	Variance %	Quarter ended 30/09/2019 RM'000	Quarter ended 30/09/2018 RM'000	Variance %
CONSOLIDATED TOTAL	2,885,127	3,299,294	-12.6%	152,502	216,798	-29.7%
Total From Continuing Operations	2,882,665	3,289,820	-12.4%	150,305	177,190	-15.2%
Business Segment:						
Automotive	2,296,944	2,643,401	-13.1%	140,090	151,257	-7.4%
Equipment	353,660	403,414	-12.3%	30,772	43,506	-29.3%
Manufacturing & Engineering	252,403	253,562	-0.5%	15,360	15,539	-1.2%
Others	(20,342)	(10,557)	-92.7%	(35,917)	(33,112)	-8.5%
Total From Discontinued Operations	2,462	9,474	-74.0%	2,197	39,608	-94.5%
Oil & Gas (Unlisted)	2,462	9,474	-74.0%	2,197	39,608	-94.5%

Group

Group revenue of RM2,885.1 million for the quarter ended 30 September 2019 was lower than RM3,299.3 million reported in the corresponding quarter ended 30 September 2018 ("corresponding quarter"). The decrease in revenue was mainly due to lower unit sales in the Automotive and Equipment segments.

Group profit before taxation from Continuing Operations of RM150.3 million was lower than RM177.2 million in the corresponding quarter, mainly due to lower vehicles sales in the Automotive segment and weaker performance in the Equipment segment.

In line with the planned exit of Discontinued Operations – Oil & Gas (Unlisted), the segment reported a smaller profit before taxation of RM2.2 million from RM39.6 million profit in the corresponding quarter.

Automotive Segment

Revenue of RM2,296.9 million was 13.1% lower than the RM2,643.4 million reported in the corresponding quarter, mainly due to lesser number of vehicles sold in the current quarter. The corresponding period's sales were boosted by the GST free period from 1 June 2018 to 31 August 2018.

Notwithstanding an increase in share of profit from an associated company, profit before taxation of RM140.1 million was lower than RM151.3 million reported in the corresponding quarter.

Equipment Segment

Revenue of RM353.7 million was lower than the corresponding quarter's RM403.4 million revenue. Both Heavy and Industrial Equipment businesses reported lower revenue following intense competition and sluggish demand in the current quarter.

In tandem with lower revenue, the segment's profit before taxation of RM30.8 million was lower than the corresponding quarter's RM43.5 million profit.

NOTE 14 - Review of Performance (Cont'd)

Current Quarter Ended 30 September 2019 (Cont'd)

Manufacturing & Engineering Segment

Revenue of RM252.4 million was marginally lower than the RM253.6 million reported in the corresponding quarter.

Correspondingly, profit before taxation of RM15.4 million was comparable to the RM15.5 million profit recorded in the corresponding quarter.

Nine Months Ended 30 September 2019

	Revenue			Profit/(Loss) Before Taxation		
	Nine Months Ended 30/09/2019 RM'000	Nine Months Ended 30/09/2018 RM'000	Variance %	Nine Months Ended 30/09/2019 RM'000	Nine Months Ended 30/09/2018 RM'000	Variance %
CONSOLIDATED TOTAL	8,636,280	8,688,671	-0.6%	443,392	518,814	-14.5%
Total From Continuing Operations	8,623,484	8,624,449	0.0%	443,116	622,009	-28.8%
Business Segment:						
Automotive	6,845,905	6,903,125	-0.8%	415,433	419,637	-1.0%
Equipment	1,080,134	1,142,403	-5.5%	108,403	126,255	-14.1%
Manufacturing & Engineering	734,006	600,349	22.3%	30,921	12,136	>100%
Others	(36,561)	(21,428)	-70.6%	(111,641)	63,981	>(100%)
Total From Discontinued Operations	12,796	64,222	-80.1%	276	(103,195)	>100%
Oil & Gas (Unlisted)	12,796	64,222	-80.1%	276	(103,195)	>100%

Group

Group revenue for the nine months ended 30 September 2019 of RM8,636.3 million was slightly lower than the RM8,688.7 million recorded in the nine months ended 30 September 2018 ("corresponding period"), mainly due to a decrease in revenue from the Automotive and Equipment businesses.

Group profit before taxation from Continuing Operations of RM443.1 million was lower than the RM622.0 million profit in the corresponding period as the Group had a one-off reversal of provision amounting to RM207.0 million in the corresponding period. Excluding the reversal of provision, current year's cumulative profit before taxation of RM443.1 million was higher as compared to RM415.0 million in the corresponding period.

Further details on the Group's performance from Continuing Operations are further elaborated in the segmental review below.

In line with the planned exit and divestments made over the last one year, Discontinued Operations – Oil & Gas (Unlisted) reported a pre-tax profit of RM0.3 million from RM103.2 million pre-tax loss in the corresponding period.

NOTE 14 - Review of Performance (Cont'd)

Nine Months Ended 30 September 2019 (Cont'd)

Automotive Segment

The Automotive segment's RM6,845.9 million revenue was lower than the RM6,903.1 million reported in the corresponding period, mainly due to a lower number of vehicles sold in the current year.

Notwithstanding an increase in share of profit from an associated company, profit before taxation of RM415.4 million was slightly lower than RM419.6 million profit reported in the corresponding period.

Equipment Segment

The Equipment segment's revenue of RM1,080.1 million was lower than RM1,142.4 million recorded in the corresponding period, mainly due to a decrease in revenue from both Heavy and Industrial Equipment sub-segments following a slow down in construction, manufacturing, mining and logging activities in countries that the segment operates in.

Following the decrease in revenue, the segment reported a lower pre-tax profit of RM108.4 million from RM126.3 million profit in the corresponding period.

Manufacturing & Engineering Segment

The Manufacturing & Engineering segment's revenue of RM734.0 million was higher than the RM600.3 million recorded in the corresponding period, mainly due to higher production of fan cases in Aerospace and higher sales of Auto-components products in the current year.

Profit before taxation of RM30.9 million was higher than RM12.1 million reported in the corresponding period, mainly due to the increase in revenue as well as improved margins from cost optimisation initiatives.

Others

The segment reported a pre-tax loss of RM111.6 million from a pre-tax profit of RM64.0 million in the corresponding period as the Group had a reversal of a one-off provision amounting to RM207.0 million in the corresponding period.

NOTE 15 - Comparison with Preceding Quarter's Results

	Revenue			Profit/(Loss) Before Taxation		
	3rd Quarter Ended 30/09/2019 RM'000	2nd Quarter Ended 30/06/2019 RM'000	Variance %	3rd Quarter Ended 30/09/2019 RM'000	2nd Quarter Ended 30/06/2019 RM'000	Variance %
CONSOLIDATED TOTAL	2,885,127	2,971,241	-2.9%	152,502	150,354	1.4%
Total From Continuing Operations	2,882,665	2,966,016	-2.8%	150,305	152,135	-1.2%
Business Segment:						
Automotive	2,296,944	2,386,426	-3.7%	140,090	151,118	-7.3%
Equipment	353,660	343,630	2.9%	30,772	35,467	-13.2%
Manufacturing & Engineering	252,403	244,501	3.2%	15,360	13,233	16.1%
Others	(20,342)	(8,541)	>(100%)	(35,917)	(47,683)	24.7%
Total From Discontinued Operations	2,462	5,225	-52.9%	2,197	(1,781)	>100%
Oil & Gas (Unlisted)	2,462	5,225	-52.9%	2,197	(1,781)	>100%

Group

Group revenue of RM2,885.1 million was lower than the RM2,971.2 million reported in the quarter ended 30 June 2019 ("preceding quarter"), mainly due to a lower revenue in the Automotive segment.

Group profit before tax from Continuing Operations of RM150.3 million was 1.2% lower than the RM152.1 million profit reported in the preceding quarter, as further explained in the segmental review below.

In line with the planned exit of Discontinued Operations – Oil & Gas (Unlisted), the segment reported a RM2.2 million pre-tax profit against RM1.8 million pre-tax loss in the preceding quarter.

Automotive Segment

The Automotive segment's revenue of RM2,296.9 million was lower than the preceding quarter's RM2,386.4 million revenue, mainly due to lower vehicle sales in the current quarter.

Notwithstanding a higher share of profit from an associated company, profit before tax of RM140.1 million was lower than RM151.1 million reported in the preceding quarter.

Equipment Segment

The Equipment segment's revenue of RM353.7 million was higher than the RM343.6 million reported in the preceding quarter, mainly due to a higher revenue in its Industrial Equipment sub-segment in the current quarter. However, a slow down in manufacturing, construction and logging activities caused a decline in Heavy Equipment revenue in the current quarter.

Profit before tax of RM30.8 million was lower than the RM35.5 million reported in the preceding quarter, mainly due to lower margins earned in a challenging market for both of its Heavy and Industrial Equipment businesses.

Manufacturing & Engineering Segment

The Manufacturing & Engineering segment's revenue of RM252.4 million was higher than the RM244.5 million reported in the preceding quarter, mainly due to a higher production of fan cases in its Aerospace sub-segment and higher demand for auto-components products in the current quarter.

In line with the increase in revenue, profit before tax of RM15.4 million was higher than RM13.2 million reported in the preceding quarter.

NOTE 15 - Comparison with Preceding Quarter's Results (Cont'd)

Others

The segment reported a lower pre-tax loss of RM35.9 million in the current quarter from a pre-tax loss of RM47.7 million in the preceding quarter, mainly due to lower operating expenses in the current quarter.

NOTE 16 - Current Prospects

Automotive Segment

The automotive business remains competitive as aggressive marketing and promotions are expected to continue in the last quarter of the year. Nevertheless, the recent launch of an all-new model in the third quarter of 2019 as well as enhancements added to current product offerings are expected to contribute positively to the automotive segment's sales performance in the coming quarters. Meanwhile, performance of our investment in an associated company is expected to remain strong for the rest of this year.

Equipment Segment

The Equipment segment's outlook appears to remain bearish as demand in the construction, manufacturing, mining and logging sectors is likely to remain sluggish for the rest of the year.

However, revival of some major infrastructure projects in Malaysia, improving demand in Singapore and Papua New Guinea, and expansion of product line-up in Vietnam are anticipated to minimise the downward pressures on the segment's performance.

Manufacturing & Engineering Segment

Demand for auto components and lubricants products are expected to remain stable over the near term.

A steady growth in our Aerospace business, on the back of planned production and delivery of fan cases is expected to underpin the segment's healthy performance for the remainder of the year.

Oil & Gas (Unlisted) Segment

As the Group expects to complete the divestment exercise, the Group does not expect any material impact in the year 2019.

Group

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

Notwithstanding the uncertainty in the global economy due to trade pressures as well as the exchange rate movements, the Group continued its cost optimisation initiatives to improve its business performance and operational productivity.

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	Revenue from contracts with customers RM'000	Lease rental income RM'000	Consolidated revenue RM'000
FYE 30 September 2019									
Business Segment									
Automotive	5,294,858	-	905,670	538,657	106,720	-	6,845,905	-	6,845,905
Equipment	-	536,832	336,640	25,978	49,989	-	949,439	130,695	1,080,134
Manufacturing & Engineering	-	-	277,331	307,312	-	149,363	734,006	-	734,006
Others	(1,961)	(15,105)	(15,720)	(2,421)	9,927	(4,701)	(29,981)	(6,580)	(36,561)
Total From Continuing Operations	5,292,897	521,727	1,503,921	869,526	166,636	144,662	8,499,369	124,115	8,623,484

	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 30 September 2018									
Business Segment									
Automotive	5,806,385	-	439,204	501,760	155,776	-	6,903,125	-	6,903,125
Equipment	-	542,853	375,566	51,087	61,353	-	1,030,859	111,544	1,142,403
Manufacturing & Engineering	-	-	267,212	175,859	27	157,251	600,349	-	600,349
Others	(954)	(8,968)	(13,955)	(1,194)	12,481	(4,811)	(17,401)	(4,027)	(21,428)
Total From Continuing Operations	5,805,431	533,885	1,068,027	727,512	229,637	152,440	8,516,932	107,517	8,624,449

NOTE 19 - Taxation

	3rd Quarter Ended 30/09/2019 RM'000	Nine Months Ended 30/09/2019 RM'000
Current period provision	(24,335)	(87,761)
Under provision in prior periods	3,520	3,478
Deferred taxation	(20,815)	(84,283)
Taxation	(184)	(175)
Zakat	(20,999)	(84,458)
Zakat	-	(2,326)
Total taxation and zakat	(20,999)	(86,784)

The effective tax rate for the period ended 30 September 2019 was lower than the statutory tax rate of 24.0%, primarily due to some overseas subsidiaries having lower tax rate as well as some local subsidiaries benefitting from non-taxable income.

NOTE 20 - Corporate Proposals

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) Sdn Bhd (“UMWI”)	Not Applicable
SPA 5	UMW Industrial Power Services Sdn Bhd (“UIPSSB”)	Not Applicable
SPA 6	UMWC	UIPSSB

The Disposal Consideration 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 “Tenancy”.

The 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.

On 3 June 2019, the Company announced that its wholly-owned subsidiaries have entered into 6 Supplemental Sale and Purchase Agreements (“First Supplement SPAs”) to further extend the Extended Conditional Period of the abovementioned 6 SPAs for a period of 3 months, commencing from 30 May 2019 and expiring on 29 August 2019, to allow full satisfaction of all conditions precedent in the SPAs. As of to date, the Company has been notified by SSSB that Ministry of Economic Affairs (“MEA”) has, vide its letter dated 28 June 2019, acknowledged the fulfillment by SSSB of the condition imposed by MEA upon granting the approvals for the Disposal Consideration.

NOTE 20 - Corporate Proposals (Cont'd)

On 20 June 2019, the Company received a notification from SSSB that SSSB had on 13 June 2019, entered into a Share Subscription Agreement (“SSA”) with Permodalan Nasional Berhad (“PNB”), and pursuant to the SSA, PNB has become a 30% shareholder of SSSB. PNB is a substantial shareholder of the Company as well as a person connected to Amanah Saham Bumiputera (“ASB”), a major shareholder of the Company. As a result, the Disposal Consideration is now deemed to be a related party transaction.

Subsequently, the Company had on 14 August 2019 announced that its subsidiaries, namely UASB, UMWE, UMW M&E, UMWI and UIPSSB (collectively referred to as “Vendors”), have entered into 6 Second Supplemental Sale and Purchase Agreements with SSSB (“Second Supplemental SPAs”) to amend and vary certain terms of the SPAs (as amended and varied First Supplemental SPAs). Pursuant to the Second Supplemental SPAs, both Vendors and SSSB mutually agreed that Disposal Consideration is now also conditional upon obtaining the requisite approvals from shareholders of the Vendors and the Company. The current Extended Conditional Period of the SPAs shall be further extended commencing from 30 August 2019 and shall end on 29 November 2019.

On 26 August 2019, on behalf of the Board, Maybank Investment Berhad announced that the Company has been notified by the Purchaser that the Selangor Land and Mines Office had, vide its letters dated 1 August 2019, 2 August 2019 and 5 August 2019 respectively to the Purchaser’s solicitors, informed that the State Authority has granted its approval for the Disposal Consideration on:

- (i) 29 July 2019 in respect of Lot 2 and Lot 3, Jalan Pengisar 15/9 and Lot 6, Lot 8, Lot 10, Lot 14, Lot 16 and Lot 18, Jalan Utas 15/7; and
- (ii) 1 August 2019 in respect of Lot 12, Jalan Utan 15/7 and Lot 51, Jalan Pengisar 15/9.

The above approval is valid for 2 years from the date of approval.

On 15 October 2019, on behalf of the Board, Maybank Investment Berhad had updated and announced that all the condition precedent as set out in the SPAs (as amended and varied by the First Supplemental SPAs and Second Supplemental SPAs) have been fulfilled and have become unconditional.

Subsequently on 13 November 2019, the SPAs had been completed following the settlement of the Disposal Consideration by SSSB in accordance with the terms and conditions of the SPAs and both the Tenants and SSSB have entered into the respective tenancy agreements in relation to the Tenancy.

Other than the above, there were no corporate proposals announced at the date of this announcement.

NOTE 21 - Group Borrowings and Debt Securities

	As at 30/09/2019					
	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	-	2,535,665	-	112,506	-	2,648,171
- United States Dollar @ 4.082	43,866	-	-	-	43,866	-
Long term loans payable within 12 months	-	(449,995)	-	449,995	-	-
	43,866	2,085,670	-	562,501	43,866	2,648,171
	43,866	2,085,670	-	562,501	43,866	2,648,171

	As at 30/09/2018					
	Long Term		Short Term		Total borrowings	
	Foreign denomination	RM denomination	Foreign denomination	RM denomination	Foreign denomination	RM denomination
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Secured						
Term loans and trade facilities	-	-	-	135,709	-	135,709
- United States Dollar @ 4.1383	-	-	55,453	-	55,453	-
	-	-	55,453	135,709	55,453	135,709
Unsecured						
Term loans and trade facilities	-	2,599,864	-	2,241	-	2,602,105
- United States Dollar @ 4.1383	49,867	-	203,467	-	253,334	-
Long term loans payable within 12 months	-	(349,986)	-	349,986	-	-
	49,867	2,249,878	203,467	352,227	253,334	2,602,105
	49,867	2,249,878	258,920	487,936	308,787	2,737,814

NOTE 22 – Financial Instruments

Derivatives

As at 30 September 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	199,592	1,138
	- Embedded derivatives	543,671	522
		743,263	1,660
Derivative Liabilities			
- Forward currency contract	Less than 1 year	48,169	(188)

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 22 – Financial Instruments (Cont'd)

Derivatives (Cont'd)

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 year ended 31 December 2018 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

The Board has declared a special dividend of 4.0 sen per share amounting to RM46.7 million in respect of the financial year ending 31 December 2019. The dividend is proposed to be payable on 23 December 2019 to shareholders whose name appears in the Record of Depositors as at close of business on 13 December 2019.

NOTE 25 - Earnings Per Share

Basic earnings per share for the current quarter and financial period ended 30 September 2019 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 30 September 2019.

	3rd Quarter Ended 30/09/2019	Nine Months Ended 30/09/2019
Profit for the period attributable to the owners of the Company (RM'000)		
- Continuing operations	103,346	239,129
- Discontinued operations	6,947	14,855
	110,293	253,984
Weighted average number of ordinary shares	1,168,293,932	1,168,293,932
Basic earnings per share (sen)		
- Continuing operations	8.85	20.47
- Discontinued operations	0.59	1.27
	9.44	21.74

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

	3rd Quarter Ended 30/09/2019 RM'000	Nine Months Ended 30/09/2019 RM'000
a. Interest income	6,904	26,474
b. Other investment income	10,313	29,888
c. Depreciation and amortisation	(81,964)	(253,415)
d. (Provision)/reversal of impairment losses on receivables	(1,035)	6,785
e. Loss on sale on investment	(87)	(7,096)
f. Gain on disposal of property, plant and equipment	12,812	38,740
g. Foreign exchange loss (net)	(248)	(12)
h. Loss on derivatives (net)	(2,295)	(4,672)
i. Property, plant and equipment written off	(21)	(224)

By Order Of The Board

MOHD NOR AZAM BIN MOHD SALLEH
Secretary
(MAICSA 7028137)

Kuala Lumpur
28 November 2019