

UMW HOLDINGS BERHAD

(COMPANY NO : 198201010554 (90278-P))

(INCORPORATED IN MALAYSIA)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 SEPTEMBER 2023

	3 Months Ended 30.09.2023 RM'000 (Unaudited)	3 Months Ended 30.09.2022 RM'000 (Unaudited)	9 Months Ended 30.09.2023 RM'000 (Unaudited)	9 Months Ended 30.09.2022 RM'000 (Unaudited)
Revenue	4,834,088	4,057,465	13,698,539	11,439,063
Operating expenses	(4,662,114)	(3,927,781)	(13,064,863)	(11,084,822)
Other operating income	29,796	33,788	98,722	95,873
Profit from operations	201,770	163,472	732,398	450,114
Share of results of associates and joint ventures	115,626	72,809	293,897	267,146
Investment income	24,716	16,556	74,069	46,353
Profit before interest	342,112	252,837	1,100,364	763,613
Finance costs	(15,841)	(21,352)	(47,412)	(85,792)
Profit before taxation and zakat	326,271	231,485	1,052,952	677,821
Taxation and zakat	(65,939)	(72,124)	(203,507)	(172,127)
Profit for the period	260,332	159,361	849,445	505,694
<u>Other comprehensive income:</u>				
Translation of foreign operations	(3,131)	18,947	27,063	52,434
Share of other comprehensive income of associates	406	353	808	901
Other comprehensive (loss)/income net of tax	(2,725)	19,300	27,871	53,335
Total comprehensive income for the period	257,607	178,661	877,316	559,029
<u>Profit for the period attributable to:</u>				
Owners of the Company	173,109	100,697	611,120	309,092
Holders of perpetual sukuk	17,415	17,415	52,244	52,244
Non-controlling interests	69,808	41,249	186,081	144,358
	260,332	159,361	849,445	505,694
<u>Total comprehensive income attributable to:</u>				
Owners of the Company	170,859	118,160	637,465	357,612
Holders of perpetual sukuk	17,415	17,415	52,244	52,244
Non-controlling interests	69,333	43,086	187,607	149,173
	257,607	178,661	877,316	559,029
Earnings per share for the period (sen):				
Basic/diluted	14.82	8.62	52.31	26.46

The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2022 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 AS AT 30 SEPTEMBER 2023

	As At 30.09.2023 RM'000 (Unaudited)	As At 31.12.2022 RM'000 (Audited)
Assets		
Non-current assets		
Property, plant and equipment	2,799,533	2,706,160
Investment properties	201,619	208,852
Intangible assets	979	801
Leased assets	409,266	389,830
Right-of-use assets	122,863	121,753
Investments in joint ventures	80,754	78,667
Investments in associates	2,528,282	2,362,313
Deferred tax assets	173,382	178,073
Other investments	5,745	5,261
	<u>6,322,423</u>	<u>6,051,710</u>
Current assets		
Other investments	277,166	196,223
Derivative assets	1,705	22,650
Inventories	2,192,875	2,045,729
Trade receivables	1,205,631	1,124,329
Other receivables	194,058	107,208
Tax recoverable	11,286	16,500
Deposits, cash and bank balances	2,635,270	2,808,126
	<u>6,517,991</u>	<u>6,320,765</u>
Assets held for sale	44,619	44,619
	<u>6,562,610</u>	<u>6,365,384</u>
Total assets	<u>12,885,033</u>	<u>12,417,094</u>
Equity and liabilities		
Equity attributable to equity holders of the Company		
Share capital	584,147	584,147
Capital reserve	-	396
Fair value reserve	7,138	6,330
Foreign currency translation reserve	38,688	12,755
Retained earnings	4,226,659	3,746,388
	<u>4,856,632</u>	<u>4,350,016</u>
Perpetual sukuk	1,115,275	1,097,860
Non-controlling interests	1,794,699	1,692,079
Total equity	<u>7,766,606</u>	<u>7,139,955</u>
Non-current liabilities		
Deferred tax liabilities	52,308	60,823
Provision for warranties	235,125	234,957
Lease liabilities	38,308	39,345
Borrowings	1,308,860	1,339,932
	<u>1,634,601</u>	<u>1,675,057</u>
Current liabilities		
Derivative liabilities	11,694	1,174
Provision for warranties	84,251	55,149
Provision for taxation	94,372	27,984
Borrowings	208,612	212,335
Trade payables	1,463,201	1,741,969
Other payables	1,605,274	1,550,848
Lease liabilities	16,422	12,623
	<u>3,483,826</u>	<u>3,602,082</u>
Total liabilities	<u>5,118,427</u>	<u>5,277,139</u>
Total equity and liabilities	<u>12,885,033</u>	<u>12,417,094</u>
Net assets per share attributable to owners of the Company (RM)	<u>4.16</u>	<u>3.72</u>

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2022 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 30 SEPTEMBER 2023

	<----- Non-Distributable ----->				Distributable				
	Share capital RM'000	Capital reserve RM'000	Fair value reserve RM'000	Foreign currency translation reserve RM'000	Retained earnings RM'000	Total RM'000	Perpetual sukuk RM'000	Non-controlling interests RM'000	Total equity RM'000
9 MONTHS ENDED 30 SEPTEMBER 2023 (UNAUDITED)									
At 1 January 2023	584,147	396	6,330	12,755	3,746,388	4,350,016	1,097,860	1,692,079	7,139,955
Transactions with owners:									
Dividend distributed to equity holders	-	-	-	-	(130,849)	(130,849)	-	(84,987)	(215,836)
Distribution to holders of perpetual sukuk	-	-	-	-	-	-	(34,829)	-	(34,829)
Total comprehensive income	-	(396)	808	25,933	611,120	637,465	52,244	187,607	877,316
At 30 September 2023	584,147	-	7,138	38,688	4,226,659	4,856,632	1,115,275	1,794,699	7,766,606

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2022

	<----- Non-Distributable ----->				Distributable				
	Share capital RM'000	Capital reserve RM'000	Fair value reserve RM'000	Foreign currency translation reserve RM'000	Retained earnings RM'000	Total RM'000	Perpetual sukuk RM'000	Non-controlling interests RM'000	Total equity RM'000
9 MONTHS ENDED 30 SEPTEMBER 2022 (UNAUDITED)									
At 1 January 2022	584,147	396	5,130	(19,135)	3,434,152	4,004,690	1,097,860	1,659,999	6,762,549
Transactions with owners:									
Dividend distributed to equity holders	-	-	-	-	(67,761)	(67,761)	-	(86,066)	(153,827)
Liquidation of a subsidiary	-	-	-	(206)	-	(206)	-	-	(206)
Distribution to holders of perpetual sukuk	-	-	-	-	-	-	(52,244)	-	(52,244)
Total comprehensive income	-	-	548	30,509	309,092	340,149	52,244	149,173	541,566
At 30 September 2022	584,147	396	5,678	11,168	3,675,483	4,276,872	1,097,860	1,723,106	7,097,838

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 2022 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 30 SEPTEMBER 2023

	9 Months Ended 30.09.2023 RM'000 (Unaudited)	9 Months Ended 30.09.2022 RM'000 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation and zakat	1,052,952	677,821
Adjustments for:		
Depreciation and amortisation	262,251	254,273
Net (reversal of impairment)/impairment losses on:		
- property, plant and equipment	(692)	(3,293)
- receivables	(1,924)	719
- other investments	(2,553)	(2,711)
Property, plant and equipment written off	1,013	3,417
Net reversal of inventories written down	(6,147)	(4,124)
Interest expense	47,412	85,792
Share of results of associates and joint ventures	(293,897)	(267,146)
Net gain on disposal of property, plant and equipment, leased assets and right-of-use assets	(26,623)	(22,045)
Net loss on disposals of investments in subsidiaries	-	6,648
Net fair value loss on derivatives	31,326	34,258
Net unrealised foreign exchange (gain)/loss	(4,301)	9,858
Net fair value gain on financial assets held for trading	(3,235)	(1,346)
Net gain on disposal of other investments	(1,570)	(153)
Interest and other investments income	(75,764)	(47,814)
Net provision for warranties	62,078	59,629
Operating profit before working capital changes	<u>1,040,326</u>	<u>783,783</u>
Changes in receivables	(175,763)	59,468
Changes in inventories	(140,773)	(248,534)
Warranties paid	(34,831)	(33,469)
Changes in payables	<u>(196,938)</u>	<u>515,870</u>
Cash generated from operating activities	492,021	1,077,118
Interest paid	(47,486)	(85,752)
Taxes and zakat paid	<u>(138,567)</u>	<u>(50,188)</u>
Net cash generated from operating activities	<u>305,968</u>	<u>941,178</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends received	131,820	93,611
Purchase of property, plant and equipment, investment properties, intangible assets and leased assets	(374,056)	(379,897)
Proceeds from disposal of property, plant and equipment, and leased assets	56,721	47,877
Interest received	73,104	46,921
Proceeds from disposal of other investments	344,468	718,434
Purchase of other investments	(422,354)	(349,312)
Movement in fixed deposits placement with maturity of more than 3 months	218,611	(293,984)
Movement in deposits placement restricted by/pledged with banks	(58,120)	6,244
Movement in assets held for sale	-	(6,831)
Net cash used in investing activities	<u>(29,806)</u>	<u>(116,937)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid to equity holders of the Company	(130,849)	(67,761)
Dividends paid to non-controlling interests	(84,987)	(86,066)
Dividends paid to perpetual sukuk holders	(34,829)	(34,829)
Lease payment	(13,234)	(17,993)
Net repayment of borrowings	<u>(34,795)</u>	<u>(819,715)</u>
Net cash used in financing activities	<u>(298,694)</u>	<u>(1,026,364)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(22,532)	(202,123)
EFFECTS OF EXCHANGE RATE CHANGES	10,167	21,831
CASH AND CASH EQUIVALENTS AS AT 1 JANUARY	<u>2,432,269</u>	<u>2,700,280</u>
CASH AND CASH EQUIVALENTS AS AT 30 SEPTEMBER	2,419,904	2,519,988
Add: Deposits with maturity of more than 3 months	157,246	528,845
Deposits restricted by/pledged with banks	<u>58,120</u>	<u>-</u>
DEPOSITS, CASH AND BANK BALANCES AS AT 30 SEPTEMBER	<u>2,635,270</u>	<u>3,048,833</u>

The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2022 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*, the requirements of the Companies Act 2016 in Malaysia, where applicable 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 in accordance with MFRS 9 *Financial Instruments* and the retirement benefit obligations, including actuarial gains and losses are recognised in accordance with MFRS 119 *Employee Benefits*.

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022. 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 financial year ended 31 December 2022.

The accounting standards adopted in the preparation of the interim financial statements are consistent with those adopted in the preparation of the Group’s audited financial statements for the financial year ended 31 December 2022, except for the newly-issued MFRS and amendments to standards to be applied by all Entities Other Than Private Entities as described below.

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 2023:

- MFRS 17 Insurance Contracts
- Amendments to MFRS 17 Insurance Contracts (Initial Application of MFRS 17 and MFRS 9 - Comparative Information)
- Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors (Definition of Accounting Estimates)
- Amendments to MFRS 112 Income Taxes (Deferred Tax related to Assets and Liabilities arising from a Single Transaction and International Tax Reform - Pillar Two Model Rules)

The adoption of the amended standards above is either not relevant or does not have any material impact on the financial performance or position of the Group.

Standards issued but not yet effective

As at the date of authorisation of the interim financial statements, the following Standards and amendments to Standards have been issued by the Malaysian Accounting Standards Board (“MASB”) but are not yet effective and have not been adopted by the Group:

Effective for financial years beginning on or after 1 January 2024

- Amendment to MFRS 16 Leases (Lease Liability in a Sale and Leaseback)
- Amendments to MFRS 101 Presentation of Financial Statements (Non-current Liabilities with Covenants)
- Amendments to MFRS 107 Statement of Cash Flows and MFRS 7 Financial Instruments: Disclosures (Supplier Finance Arrangement)

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

Effective for financial years beginning on or after 1 January 2025

- Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates (Lack of Exchangeability)

Effective date of these amendments to Standards has been deferred, and yet to be announced

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

The above pronouncements are either not relevant or are expected not to have any material impact on the financial statements of the Group.

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 - Unusual items due to their nature, size or incidence

Other than those disclosed in Note 9, Note 15 and Note 16, there were no unusual items affecting assets, liabilities, equity, net income or cashflows during the current quarter/period ended 30 September 2023.

NOTE 4 - Significant accounting estimates and changes in estimates

There were no changes in estimates that have had any material effect during the financial period under review.

NOTE 5 - Debt and equity securities

There were no issuances, repurchases and repayments of debt and equity securities during the current quarter/period ended 30 September 2023.

NOTE 6 - Dividends paid

	30.09.2023	30.09.2022
	RM’000	RM’000
<u>In respect of the financial year ended 31 December 2022:</u>		
Final dividend of 11.2 sen per ordinary shares, declared on 27 February 2023 and paid on 12 May 2023.	130,849	-
<u>In respect of the financial year ended 31 December 2021:</u>		
Final dividend of 5.8 sen per ordinary shares, declared on 25 February 2022 and paid on 29 April 2022.	-	67,761
	<u>130,849</u>	<u>67,761</u>

NOTE 7 - Segmental reporting

	9 Months Ended 30.09.2023		
Business Segment	Revenue RM'000	Profit Before Taxation and Zakat RM'000	Profit Attributable to Owners of the Company RM'000
Automotive	11,067,278	687,463	426,818
Equipment	1,343,064	155,895	104,839
Manufacturing & Engineering	987,089	69,836	36,332
Others	392,376	139,758	95,375
Inter-segment eliminations	(91,268)	-	-
Subtotal	13,698,539	1,052,952	663,364
Less : Profit attributable to holders of perpetual sukuk	-	-	(52,244)
CONSOLIDATED TOTAL	13,698,539	1,052,952	611,120

	9 Months Ended 30.09.2022		
Business Segment	Revenue RM'000	Profit/(Loss) Before Taxation and Zakat RM'000	Profit/(Loss) Attributable to Owners of the Company RM'000
Automotive	9,615,098	592,272	341,354
Equipment	1,132,724	117,182	80,716
Manufacturing & Engineering	705,697	37,096	13,037
Others	46,532	(68,729)	(73,771)
Inter-segment eliminations	(60,988)	-	-
Subtotal	11,439,063	677,821	361,336
Less : Profit attributable to holders of perpetual sukuk	-	-	(52,244)
CONSOLIDATED TOTAL	11,439,063	677,821	309,092

NOTE 8 - Event after the reporting period

On 6 October 2023, the Company announced that its wholly owned subsidiary, UMW Equipment Division Sdn. Bhd. ("UEDSB"), entered into a Share Sale and Purchase Agreement ("SSPA") and the related Shareholders Agreement ("SHA") (collectively referred to as "Agreements"), with Toyota Industries Corporation ("TICO") (hereinafter, UEDSB and TICO will be collectively referred to as "the Parties").

The Agreements serve as an authoritative framework for the intended mutual collaboration between the Parties in the Industrial Equipment ("IE") business through UMW Toyota Material Handling Sdn. Bhd. ("UTMH") ("Proposed Transaction"). The Proposed Transaction is expected to result in a gain on disposal of approximately RM85.5 million.

On 1 November 2023, the Company announced that the Closing Conditions specified in the SSPA have been satisfied. In view of this, the SHA is now in full force and effect.

NOTE 9 - Significant event during the financial period

- a. On 2 June 2023, UMW Development Sdn. Bhd., a wholly owned subsidiary completed the sale of 140 acres of land at the UMW High Value Manufacturing Park (“UMW HVM Park”) in Serendah to Longi (Kuching) Sdn. Bhd. for RM304.9 million with a total gain of RM218.1 million.
- b. On 24 August 2023, Permodalan Nasional Berhad (“PNB”), a major shareholder of the Company and AmanahRaya Trustees Berhad (as trustee for the unit trust funds) entered into a conditional share purchase agreement with Sime Darby Enterprise Sdn. Bhd. (“SDESB”) (as the purchaser) and Sime Darby Holdings Berhad (“SDHB”) (as the warrantor) (“SPA”), to divest approximately 61.18% equity interest in the Company for a total cash consideration of RM3,574.1 million in accordance with the terms and conditions of the SPA.

The completion of this SPA will trigger a Mandatory General Offer (“MGO”) for the remaining shares of the Company not already owned by SDESB, which upon its successful completion will result in the Company being delisted from the Main Market of Bursa Malaysia.

SDESB and SDHB are both wholly owned subsidiaries of Sime Darby Berhad (“SDB”), a public listed company on the Main Market of Bursa Malaysia.

Barring any unforeseen circumstances, the Company will become the subsidiary of SDESB in the fourth quarter of 2023 upon the SPA becoming unconditional and the Company will be delisted from the Main Market of Bursa Malaysia in the first quarter of 2024 upon completion of the MGO.

NOTE 10 - Changes in the composition of the Group

- a. The liquidation of UMW Oil & Gas Berhad (“UOG”), a dormant subsidiary of the Company was completed and dissolved on 18 January 2023.
- b. On 13 July 2023, UMW Equipment Division Sdn. Bhd., a wholly owned subsidiary of the Group, had incorporated a new wholly owned subsidiary known as UMW Toyota Material Handling Sdn. Bhd. (“UTMH”) under the Companies Act 2016.

The principal activity of UTMH is investment holding and the provision of management support for the material handling business and consultancy services to its subsidiaries.

Pursuant to the Company’s announcements as disclosed in Note 8, UTMH serves as a Special Purpose Vehicle (“SPV”) to facilitate the restructuring of the relevant IE Companies, which are as follows:

- i) The SPV acquired all issued share capital indirectly held in the following companies (“Internal Sales”):
 - a) UMW Industries (1985) Sdn. Bhd. (“UMWI”),
 - b) UMW Equipment & Engineering Pte. Ltd. (“UEEPL”),
 - c) UMW Equipment Systems Pte. Ltd. (“UESPL”) (including its wholly owned subsidiary, UMW Equipment Systems (Vietnam) Co. Limited (“UESV”)),
 - d) UMW Industrial Trading (Shanghai) Co., Ltd (“UIT”),
 - e) UMW Industrial Equipment (Shanghai) Co., Ltd (“UIE”), and
 - f) Vision Fleet Equipment Leasing (Zhejiang) Co., Ltd. (“VSF”)

NOTE 10 - Changes in the composition of the Group (cont'd.)

- ii) On 1 November 2023, following the completion of the Internal Sales, UEDSB sold and transferred 26% of its shareholding in UTMH to TICO for a total cash consideration of RM260.0 million, resulting in UEDSB holding the majority shareholding (controlling entity) with 74% of the total issued and paid-up ordinary shares while TICO shall be holding the minority shares (non-controlling interests) with 26% of the total issued and paid-up ordinary shares in UTMH.

NOTE 11 - Capital commitments

The Group's capital commitments not provided for in the interim financial statements as at 30 September 2023 were as follows:

	RM'000	RM'000
<u>Approved and contracted for:</u>		
Land and buildings	133,713	
Equipment, plant and machinery	89,093	
Others*	25,151	247,957
<u>Approved but not contracted for:</u>		
Land and buildings	53,770	
Equipment, plant and machinery	400,837	
Others*	43,268	497,875
Total		<u>745,832</u>

*Others consist of furniture and fittings, office equipment, computer equipment and software, motor vehicles and leasehold improvements.

NOTE 12 - Significant related party transactions

All related party transactions and balances within the Group had been entered into in the normal course of business and were carried out on normal commercial terms during the current financial period ended 30 September 2023.

Save for the recurrent related party transactions ("RPTs") with parties outside the Group as mandated by the shareholders, there were no significant transactions with other related parties outside the Group.

NOTE 13 - Classification of financial assets

There were no changes to the classification of financial assets for the financial period under review compared with the last annual financial statements.

NOTE 14 - Changes in contingent liabilities and assets

Contingent liabilities of the Group are as follows:

	As at 30.09.2023 RM'000	As at 31.12.2022 RM'000
Performance bonds in favour of third parties	17,340	10,550

NOTE 15 - Review of performance**Quarter 3 2023 vs Quarter 3 2022**

	Revenue			Profit/(Loss) Before Taxation and Zakat		
	3 Months Ended 30.09.2023 RM'000	3 Months Ended 30.09.2022 RM'000	Variance %	3 Months Ended 30.09.2023 RM'000	3 Months Ended 30.09.2022 RM'000	Variance %
CONSOLIDATED TOTAL	4,834,088	4,057,465	19.1%	326,271	231,485	40.9%
Business Segment:						
Automotive	4,023,153	3,427,556	17.4%	257,608	183,551	40.3%
Equipment	451,950	394,357	14.6%	55,504	49,979	11.1%
Manufacturing & Engineering	363,809	252,174	44.3%	25,655	13,418	91.2%
Others	27,613	3,609	>100%	(12,496)	(15,463)	19.2%
Inter-segment eliminations	(32,437)	(20,231)	(60.3)%	-	-	-

Group

The Group revenue of RM4,834.1 million in the current quarter was 19.1% higher than the RM4,057.5 million reported in the quarter ended 30 September 2022 ("corresponding quarter") attributed to the higher contribution from all segments driven by the sustained demand in the current quarter.

Correspondingly, the Group recorded a 40.9% higher profit before taxation and zakat ("PBTZ") of RM326.3 million in the current quarter compared with RM231.5 million in the corresponding quarter.

i. Automotive Segment

The segment revenue of RM4,023.2 million was 17.4% higher than the RM3,427.6 million reported in the corresponding quarter, mainly due to the higher number of vehicles sold in the current quarter.

In line with higher revenue, the segment's PBTZ of RM257.6 million was higher than the RM183.6 million reported in the corresponding quarter.

ii. Equipment Segment

The segment revenue of RM452.0 million was 14.6% higher than the RM394.4 million reported in the corresponding quarter, attributed to the continuous increase in demand from both local and overseas markets.

As a result, the segment's PBTZ increased to RM55.5 million, 11.1% higher than RM50.0 million reported in the corresponding quarter.

NOTE 15 - Review of performance (cont'd.)**Quarter 3 2023 vs Quarter 3 2022 (cont'd.)****iii. Manufacturing & Engineering Segment**

The segment revenue of RM363.8 million was 44.3% higher than the RM252.2 million reported in the corresponding quarter. The improved performance was attributable to the higher contribution from all sub-segments, primarily from the Aerospace sub-segment due to higher delivery of fan cases.

Consequently, the segment recorded a 91.2% higher PBTZ of RM25.7 million compared with RM13.4 million reported in the corresponding quarter.

iv. Others

The segment under Others mainly relates to various activities besides Automotive, Equipment and Manufacturing & Engineering such as property development, information technology, management and corporate services, various professional services and research and development.

The segment revenue of RM27.6 million in the current quarter was higher than the RM3.6 million reported in the corresponding quarter mainly due to higher revenue from the sale of industrial plots in Serendah in the current quarter.

As a result, the segment reported a 19.2% lower loss before taxation and zakat ("LBTZ") of RM12.5 million in the current quarter compared with RM15.5 million in the corresponding quarter.

Nine Months 2023 vs Nine Months 2022

	Revenue			Profit/(Loss) Before Taxation and Zakat		
	9 Months Ended 30.09.2023 RM'000	9 Months Ended 30.09.2022 RM'000	Variance %	9 Months Ended 30.09.2023 RM'000	9 Months Ended 30.09.2022 RM'000	Variance %
CONSOLIDATED TOTAL	13,698,539	11,439,063	19.8%	1,052,952	677,821	55.3%
Business Segment:						
Automotive	11,067,278	9,615,098	15.1%	687,463	592,272	16.1%
Equipment	1,343,064	1,132,724	18.6%	155,895	117,182	33.0%
Manufacturing & Engineering	987,089	705,697	39.9%	69,836	37,096	88.3%
Others	392,376	46,532	>100%	139,758	(68,729)	>100%
Inter-segment eliminations	(91,268)	(60,988)	(49.6)%	-	-	-

Group

2023 so far has resulted in a strong financial performance for all segments. The Group revenue for the nine months period ended 30 September 2023 of RM13,698.5 million was already 19.8% higher than the RM11,439.1 million recorded for the period ended 30 September 2022 ("corresponding period"). This was attributable to the continued economic growth momentum in the current period.

Correspondingly, the Group recorded a 55.3% higher PBTZ of RM1,053.0 million, inclusive of the RM218.1 million profit from the completion of the sale of industrial land to Longi in the current period, compared with RM677.8 million reported in the corresponding period.

NOTE 15 - Review of performance (cont'd.)

Nine Months 2023 vs Nine Months 2022 (cont'd.)

i. Automotive Segment

The segment revenue of RM11,067.3 million was 15.1% higher than the RM9,615.1 million recorded in the corresponding period, underpinned by the higher number of vehicles sold in the current period.

Accordingly, the segment recorded a 16.1% higher PBTZ of RM687.5 million compared with RM592.3 million reported in the corresponding period.

ii. Equipment Segment

The revenue of RM1,343.1 million was 18.6% higher than the RM1,132.7 million reported in the corresponding period, attributable to the higher delivery of equipment largely from the Heavy Equipment sub-segment in the current period.

In tandem with the higher revenue reported, the segment's PBTZ of RM155.9 million was 33.0% higher than the RM117.2 million recorded in the corresponding period.

iii. Manufacturing & Engineering Segment

The segment revenue of RM987.1 million was 39.9% higher than the RM705.7 million reported in the corresponding period due to higher contribution from all sub-segments, most notably from the Aerospace sub-segment in which its revenue increased more than double following higher delivery of fan cases in the current period.

The segment's PBTZ of RM69.8 million was 88.3% higher compared with the RM37.1 million recorded in the corresponding period.

iv. Others

Revenue for this segment of RM392.4 million was significantly higher in comparison to RM46.5 million reported in the corresponding period largely contributed by the completion of the sale of industrial land to Longi during the current period.

Correspondingly, the segment registered PBTZ of RM139.8 million in the current period compared with LBTZ of RM68.7 million in the corresponding period.

NOTE 16 - Comparison with immediate preceding quarter**Quarter 3 2023 vs Quarter 2 2023**

	Revenue			Profit/(Loss) Before Taxation and Zakat		
	3 Months Ended 30.09.2023 RM'000	3 Months Ended 30.06.2023 RM'000	Variance %	3 Months Ended 30.09.2023 RM'000	3 Months Ended 30.06.2023 RM'000	Variance %
CONSOLIDATED TOTAL	4,834,088	4,484,870	7.8%	326,271	475,950	(31.4)%
Business Segment:						
Automotive	4,023,153	3,417,205	17.7%	257,608	212,833	21.0%
Equipment	451,950	456,219	(0.9)%	55,504	49,063	13.1%
Manufacturing & Engineering	363,809	299,725	21.4%	25,655	21,806	17.7%
Others	27,613	340,279	(91.9)%	(12,496)	192,248	>(100)%
Inter-segment eliminations	(32,437)	(28,558)	(13.6)%	-	-	-

Group

The Group revenue of RM4,834.1 million was higher than the RM4,484.9 million reported in the preceding quarter ended 30 June 2023 ("preceding quarter"), attributable to the higher contribution from the Automotive and Manufacturing & Engineering segments in the current quarter boosted by the stable market demand.

Nevertheless, the Group reported a 31.4% lower PBTZ of RM326.3 million in the current quarter compared with RM476.0 million in the preceding quarter. Excluding the profit of RM218.1 million from the completion of the sale of industrial land to Longi in the preceding quarter, the current quarter's PBTZ would have been higher by 26.5%.

i. Automotive Segment

The segment revenue of RM4,023.2 million was 17.7% higher than the preceding quarter's revenue of RM3,417.2 million mainly due to the higher number of vehicles sold in the current quarter.

Correspondingly, the segment reported a 21.0% higher PBTZ of RM257.6 million compared with RM212.8 million reported in the preceding quarter.

ii. Equipment Segment

The segment revenue of RM452.0 million was slightly lower than the RM456.2 million reported in the preceding quarter due to lower delivery of equipment in the current quarter.

However, despite the lower revenue, the segment's PBTZ reached RM55.5 million, an increase of 13.1% from RM49.1 million in the preceding quarter mainly due to lower operating costs.

iii. Manufacturing & Engineering Segment

The segment revenue of RM363.8 million was 21.4% higher than the RM299.7 million reported in the preceding quarter due to improved contributions across all sub-segments supported by sustained demand.

Accordingly, the segment's PBTZ of RM25.7 million was 17.7% higher than the RM21.8 million reported in the preceding quarter.

NOTE 16 - Comparison with immediate preceding quarter (cont'd.)

Quarter 3 2023 vs Quarter 2 2023 (cont'd.)

iv. Others

Revenue for this segment of RM27.6 million in the current quarter was lower than RM340.3 million mainly due to the completion of the sale of industrial land to Longi in the preceding quarter.

Consequently, the segment reported LBTZ of RM12.5 million in the current quarter compared with PBTZ of RM192.2 million in the preceding quarter.

NOTE 17 - Prospects

The World Bank, in its October 2023 East Asia and the Pacific Economic Update report, revised Malaysia's economic growth projection for 2023 to 3.9% from an earlier projection of 4.3% in April 2023, amid substantial deceleration in external demand. Whilst the Ministry of Finance in its Economic Outlook 2024, forecasted the gross domestic product to expand by approximately 4.0% in 2023. Malaysia's domestic demand in 2023 continues to be buoyed by expansion in consumption and investment spending underpinned by favourable labour market conditions, easing inflationary pressures and vibrant tourism activities. The downside risks emanate primarily from external factors such as persistent inflation, further tightening of monetary policy, China's slow recovery and any spill-over economic impact from the prolonged geopolitical tensions including in the Middle East.

i. Automotive Segment

The demand for vehicles is expected to remain strong for the remainder of the year, supported by the high industry order backlog. The sales momentum will be further supported by the year-end sales promotions as well as new model launches. The improving supply chain has led to higher vehicle production, thus reducing the delivery lead-time to customers. This is also expected to help drive sales of new vehicles.

The Group anticipates that the automotive segment's sales will continue to perform well in the last quarter of the year.

ii. Equipment Segment

The outlook for the Equipment segment continues to remain favourable in all the sectors that it serves albeit the last quarter four of 2023 is expected to be softer than the prior quarters.

On 1 November 2023, the Industrial Equipment ("IE") sub-segment successfully completed the Share Sale & Purchase Agreement and Shareholders Agreement with Toyota Industries Corporation ("TICO"). This marks a significant collaboration with our principal, which will further enhance and expand our IE business. We aim to leverage on TICO's capabilities to establish a One-Stop Center for the IE and Logistics Automation businesses.

NOTE 17 – Prospects (cont’d.)

ii. Equipment Segment (cont’d.)

The Heavy Equipment sub-segment continues to exhibit strength, primarily driven by the increased demand in the mining sector in Papua New Guinea and the plantation sector in Malaysia. Furthermore, the ongoing infrastructure projects in Malaysia, Singapore, and Papua New Guinea are expected to contribute positively to this sub-segment. Nevertheless, the sub-segment remains vigilant on the potential impact of the ongoing political uncertainties in Myanmar.

The segment will continue to monitor the market closely and implement action plans to remain resilient while streamlining operations and managing costs.

iii. Manufacturing & Engineering Segment

The Auto Components and Lubricants sub-segments are expected to benefit from the sustained demand in the original equipment (“OE”) market, in line with the expected higher demand for new vehicles in the last quarter of the year.

The reopening of international borders and the increase in air travel which is expected to reach close to 95% of the pre-pandemic level by the end of this year will bode well for the Aerospace sub-segment. Rolls-Royce’s three-year forecast indicates that orders for aircraft are expected to continue to improve beyond the pre-Covid-19 level. The higher forecasted orders for fan cases will increase the plant utilisation rate and are expected to contribute positively to the Aerospace sub-segment for the remainder of the year.

The Group will continue to focus on strengthening its businesses through operational efficiency and cost management initiatives as well as accelerate its CREST@UMW initiatives to improve its resilience and sustainability. The Group expects to deliver satisfactory performance for the year.

NOTE 18 - Variance from profit forecast and profit guarantee

Not applicable as there was no profit forecast or profit guarantee issued by the Group.

NOTE 19 - Revenue

Disaggregation of revenue from contracts with customers:

	Sale of vehicles RM'000	Sale of parts RM'000	Export sales RM'000	Sale of equipment RM'000	Sale of lubricants & related products RM'000	Services rendered RM'000	Property Development RM'000	Others RM'000	Revenue from contracts with customers RM'000	Lease rental income RM'000	Consolidated revenue RM'000
9 Months Ended 30.09.2023											
Business Segment											
Automotive	8,808,618	1,604,111	652,814	-	-	1,735	-	-	11,067,278	-	11,067,278
Equipment	-	262,788	20,274	776,217	-	82,741	-	-	1,142,020	201,044	1,343,064
Manufacturing & Engineering	-	324,989	479,005	-	182,935	160	-	-	987,089	-	987,089
Others	-	-	-	-	-	568	380,356	11,452	392,376	-	392,376
Inter-segment eliminations	(1,849)	(53,454)	(2,304)	(1,023)	(25,608)	(450)	-	-	(84,688)	(6,580)	(91,268)
Total	8,806,769	2,138,434	1,149,789	775,194	157,327	84,754	380,356	11,452	13,504,075	194,464	13,698,539

	Sale of vehicles RM'000	Sale of parts RM'000	Export sales RM'000	Sale of equipment RM'000	Sale of lubricants & related products RM'000	Services rendered RM'000	Property Development RM'000	Others RM'000	Revenue from contracts with customers RM'000	Lease rental income RM'000	Consolidated revenue RM'000
9 Months Ended 30.09.2022											
Business Segment											
Automotive	7,588,976	1,345,465	679,906	-	-	751	-	-	9,615,098	-	9,615,098
Equipment	-	248,622	27,403	625,562	-	44,954	-	-	946,541	186,183	1,132,724
Manufacturing & Engineering	-	322,369	212,102	-	171,130	96	-	-	705,697	-	705,697
Others	-	-	-	-	-	813	35,690	10,029	46,532	-	46,532
Inter-segment eliminations	-	(45,583)	(2,003)	(582)	(6,570)	(363)	-	-	(55,101)	(5,887)	(60,988)
Total	7,588,976	1,870,873	917,408	624,980	164,560	46,251	35,690	10,029	11,258,767	180,296	11,439,063

NOTE 20 - Taxation and Zakat

	3 Months Ended 30.09.2023 RM'000	3 Months Ended 30.09.2022 RM'000	9 Months Ended 30.09.2023 RM'000	9 Months Ended 30.09.2022 RM'000
Current period provision	(65,586)	(39,890)	(202,194)	(124,619)
Over/(under) provision in prior period	5,229	(3,413)	6,029	(4,932)
	(60,357)	(43,303)	(196,165)	(129,551)
Deferred taxation	(4,536)	(27,222)	(4,206)	(37,779)
Taxation	(64,893)	(70,525)	(200,371)	(167,330)
Zakat	(1,046)	(1,599)	(3,136)	(4,797)
Total taxation and zakat	(65,939)	(72,124)	(203,507)	(172,127)

The effective tax rate for the nine months ended 30 September 2023 was lower than the statutory tax rate, primarily due to the various tax incentives and benefits, lower tax rate in certain jurisdictions and certain income not being subjected to tax.

NOTE 21 - Corporate proposals

Following the completion of the transfer of shares between UMW Equipment Division Sdn. Bhd. ("UEDSB"), a wholly owned subsidiary of UMW Holdings Berhad ("UMWH") and Toyota Industries Corporation ("TICO") as disclosed in Note 8 and Note 10(b), the proceeds of RM260.0 million from the transaction will be utilised to meet the working capital requirements, future investment opportunities, capital expenditure and/or the repayment of borrowings of the UEDSB and UMW Group.

Other than the above, there was no corporate proposal announced that is not completed as at the reporting date.

NOTE 22 - Group borrowings and debt securities

	As at 30.09.2023		
	Long term	Short term	Total borrowings
	RM denomination	RM denomination	RM denomination
	RM'000	RM'000	RM'000
Secured			
Term loans and trade facilities	88,300	-	88,300
Long term loans payable within 12 months	(29,432)	29,432	-
	58,868	29,432	88,300
Unsecured			
Term loans and trade facilities	1,261,992	167,180	1,429,172
Long term loans payable within 12 months	(12,000)	12,000	-
	1,249,992	179,180	1,429,172
Total	1,308,860	208,612	1,517,472

NOTE 22 - Group borrowings and debt securities (cont'd.)

	As at 31.12.2022		
	Long term	Short term	Total borrowings
	RM denomination	RM denomination	RM denomination
Secured	RM'000	RM'000	RM'000
Term loans and trade facilities	88,300	-	88,300
Long term loans payable within 12 months	(7,358)	7,358	-
	80,942	7,358	88,300
Unsecured			
Term loans and trade facilities	1,270,990	192,977	1,463,967
Long term loans payable within 12 months	(12,000)	12,000	-
	1,258,990	204,977	1,463,967
Total	1,339,932	212,335	1,552,267

NOTE 23 - Financial instruments**Derivatives**

As at 30 September 2023, the Group's outstanding derivative assets and liabilities are as follows:

Type of Derivative	Tenor	Notional Value RM'000	Fair Value Asset/(Liability) RM'000
Derivative Assets			
- Forward currency contracts	Less than 1 year	287,865	1,705
Derivative Liabilities			
- Forward currency contracts	Less than 1 year	236,570	(5,293)
- Embedded derivatives	Less than 1 year	953,263	(6,401)
		1,189,833	(11,694)

i. Forward currency contracts

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 the reporting date.

ii. Embedded derivatives

The Group entered purchase contracts mainly with suppliers in Asia Pacific including Japan. The purchase price in these contracts is denominated in USD and subject to periodic price review.

Derivatives are placed with or entered with reputable financial institution with high credit ratings and no history of default. The Group does not participate in any speculative investment activities.

NOTE 23 - Financial instruments (cont'd.)

Derivatives (cont'd.)

There was no significant change to the type of derivative financial contracts entered, 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 30 September 2023 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 24 - Material litigation

There was no material litigation pending at the date of this announcement.

NOTE 25 - Dividends declared

No interim dividend has been recommended for the quarter/period ended 30 September 2023 (30 September 2022: RM Nil).

NOTE 26 - Earnings per share

The basic and diluted earnings per share 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.

	3 Months Ended 30.09.2023	3 Months Ended 30.09.2022	9 Months Ended 30.09.2023	9 Months Ended 30.09.2022
Profit for the period attributable to the owners of the Company (RM'000)	173,109	100,697	611,120	309,092
Weighted average number of ordinary shares	1,168,293,932	1,168,293,932	1,168,293,932	1,168,293,932
Earnings per share (sen) - Basic/diluted	14.82	8.62	52.31	26.46

NOTE 27 - Audit qualification

The audit report in respect of the annual financial statements for the financial year ended 31 December 2022 was not qualified.

NOTE 28 - Items to disclose in the Statement of Comprehensive Income

	3 Months Ended 30.09.2023 RM'000	3 Months Ended 30.09.2022 RM'000	9 Months Ended 30.09.2023 RM'000	9 Months Ended 30.09.2022 RM'000
a. Interest income	24,240	16,326	70,779	44,932
b. Other investments income	1,103	635	4,985	2,882
c. Depreciation and amortisation	(89,347)	(89,060)	(262,251)	(254,273)
d. Net reversal of/(allowance for) expected credit loss on receivables	2,068	137	1,924	(719)
e. Net reversal of impairment on property, plant and equipment	520	3,293	692	3,293
f. Net gain/(loss) on disposal of investments	668	248	1,570	(6,495)
g. Net gain on disposal of property, plant and equipment, leased assets and right-of-use assets	7,427	5,416	26,623	22,045
h. Net reversal of inventories written down	2,887	1,893	6,147	4,124
i. Net realised and unrealised foreign exchange gain/(loss)	6,938	(7,761)	8,475	(5,926)
j. Net fair value loss on derivatives	(6,313)	(18,143)	(31,326)	(34,258)
k. Property, plant and equipment written off	(705)	(3,327)	(1,013)	(3,417)

By Order Of The Board

RAJA NORAKMAR BINTI RAJA MOHD ALI
Practising Certificate No. 201908002126 / LS 0005749
Joint Group Secretary

Kuala Lumpur
 27 November 2023