



UMW HOLDINGS BERHAD
Company No. 198201010554 (90278-P)

MINUTES OF THE 38TH ANNUAL GENERAL MEETING OF THE COMPANY HELD VIRTUALLY FROM THE BROADCAST VENUE AT THE HALLMARK, LEVEL 12, MENARA UMW, JALAN PUNCAK, OFF JALAN P. RAMLEE, 50250 KUALA LUMPUR, MALAYSIA ON THURSDAY, 25 JUNE 2020 AT 10.00 A.M.

PRESENT

Directors

Joined from the Broadcast Venue

Y Bhg Tan Sri Dato' Sri Hamad Kama Piah bin Che Othman *Group Chairman*
Y Bhg Datin Paduka Kartini binti Hj Abdul Manaf
Y Bhg Dato' Seri Prof. Dr. Ir. Zaini bin Ujang

Joined via video conferencing

Y Bhg Tan Sri Hasmah binti Abdullah
Y Bhg Dato' Eshah binti Meor Suleiman
Cik Salwah binti Abdul Shukor
Dr Veerinderjeet Singh a/l Tejwant Singh
Mr Lim Tze Seong
Encik Razalee bin Amin

Members of Senior Management

Joined from the Broadcast Venue

Encik Azmin bin Che Yusoff	<i>Acting President & Group Chief Executive Officer</i>
Mr Ravindran a/l Kurusamy	<i>President, UMW Toyota Motor Sdn Bhd</i>
Encik Megat Shahrul Azmir bin Nordin	<i>President, Equipment Division</i>
Y Bhg Dato' Abdul Rashid bin Musa	<i>President, Manufacturing & Engineering Division</i>
Encik Nik Azlan bin Nik Abdul Aziz	<i>Group Chief Financial Officer</i>
Encik Zailani bin Ali	<i>Group Chief Human Resources Officer</i>
Mr Eric Chew Kar Kean	<i>Director, UMW Development Sdn Bhd</i>
Encik Muzafar bin Munzir	<i>Senior Group General Counsel/Head of Group Corporate Services</i>

In attendance

Encik Mohd Nor Azam bin Mohd Salleh	<i>Group Secretary</i>
Ms Ng Yee Yee, Ernst & Young PLT	<i>External Auditors</i>
Ms Lee Siew Li, Tricor Investors & Issuing House Services Sdn Bhd	<i>Poll Administrator</i>
Ms Fong Sok Yee, Asia Securities Sdn Berhad	<i>Scrutineers</i>

The attendance of corporate representatives, shareholders, proxies and other invitees is as per the attendance record.

PRELIMINARY

The Group Chairman, Tan Sri Dato' Sri Hamad Kama Piah Che Othman, opened the meeting and extended a warm welcome to shareholders, corporate representatives, proxies and invitees to the Company's 38th Annual General Meeting ("AGM"), its first fully virtual AGM conducted via live streaming using the Remote Participation and Voting ("RPV") facility. He stated that the fully virtual AGM was held in light of the current COVID-19 pandemic and taking heed of the advice from the Ministry of Health Malaysia for the public to avoid participating in mass gatherings or events in the next 6 months to a year, as a precautionary measure to curb the spread of COVID-19.

The Group Chairman informed that the fully virtual AGM conformed with the latest Guidance Note on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission and in accordance with Section 327 of the Companies Act 2016 and Article 84 of the Company's Constitution.

Before proceeding with the AGM, the Group Chairman, on behalf of the Board, put on record its deepest condolences to the family of the late Encik Badrul Feisal Abdul Rahim, the former President & Group Chief Executive Officer ("PGCEO") of the Company, on his recent passing on 31 May 2020. He added that the Board also recorded its utmost appreciation over Encik Badrul Feisal's enormous contributions and excellent services rendered during his 10 years' tenure with the UMW Group, including as PGCEO and Director of the Company.

The meeting proceeded with the recital of Al-Fatihah and observed a moment of silence in honour of the late Encik Badrul Feisal.

The Group Chairman then proceeded to introduce the Board members who joined the AGM from the Broadcast Venue and remotely, the Acting PGCEO, the Chief Financial Officer, the Group Secretary, senior management of the Company as well as the representatives from Ernst & Young PLT, the Company's external auditors.

QUORUM

The Group Secretary confirmed the presence of a requisite quorum pursuant to Article 81 of the Company's Constitution.

The Group Secretary reported that based on the report issued by the Special Registrar appointed for the AGM, Tricor Investors & Issuing House Services Sdn Bhd ("TIH"), a total of 169 members, comprising shareholders, proxies and corporate representatives, representing 944,891,349 ordinary shares or 80.9% of the total issued share capital of the Company, had registered to attend the AGM virtually via the RPV facility.

NOTICE OF MEETING AND VOTING PROCUDURES

The Notice of AGM dated 28 May 2020 was taken as read. The Group Chairman proceeded to brief the meeting on the following -

- 1) All resolutions set out in the Notice of AGM would be put to vote by poll in accordance with Article 89 of the Company's Constitution.
- 2) TIH has been appointed to conduct the poll voting electronically and Asia Securities Sdn Bhd has been appointed as the independent scrutineers to verify the poll results.

NOTICE OF MEETING AND VOTING PROCEDURES (Cont'd)

- 3) Voting on all the resolutions tabled is available from the start of the meeting until the closure of the voting session, which will be announced later.
- 4) Voting results for each resolution would be projected on the screen upon the closure of the voting session and after they have been verified by the independent scrutineers. Shareholders are requested to view the results on the screen as it will not be read out. The voting results for each resolution will also be announced to Bursa Malaysia Securities Berhad at the close of business.

At this juncture, a video presentation by TIIH on the e-voting process using TIIH Online was shared with shareholders. The e-voting process had commenced from the start of the meeting at 10.00 a.m.

GROUP CHAIRMAN'S OPENING REMARKS

The Group Chairman in his opening remark stated that for 2019, the Group continued to maintain a strong market performance despite uncertainties in the global economy, various regional economic and regulatory factors, and the advent of Industry 4.0, that have brought upon sweeping changes to the industry that the Group is operating.

The Group Chairman highlighted that while addressing these challenges, UMW embarked on a journey of transformation that aims to take the Group to new heights, by shifting from business stabilisation to sustainable growth and value creation. Throughout 2019, UMW made steady progress in efficiency initiatives, capacity building, monetising non-core assets and industrial innovation.

The Group Chairman, on behalf of the Board, commended the Group for achieving notable performance and creating value for UMW stakeholders. He added that the Group continues to be driven by UMW's vision to be an innovative global conglomerate with sustainable businesses, with commitment to deliver excellence and sustained value creation for its stakeholders through products and services.

In addressing the outlook, the Group Chairman mentioned that in 2020, the global economy was rocked by the COVID-19 pandemic that is expected to cause significant deterioration in global economic activity. He added that UMW is challenging itself to remain relevant to customers by offering customer-centric solutions reflective of these evolving trends. The continued investment in technology, efficiency, innovation and workforce will strengthen UMW's future competitiveness.

The Group Chairman stressed that the Group will continue to focus on strengthening its core business segments and strategic cost optimisation initiatives to improve its business performance and operational productivity. He added that amidst the unprecedented challenging business environment, the Group will strive to maintain its performance in 2020.

The Group Chairman ended his welcoming remarks by extending his gratitude to the shareholders for their continued support and trust in UMW's ability to deliver.

**PRESENTATION
BY THE ACTING
PRESIDENT &
GROUP CEO**

The Group Chairman invited the Acting President & Group Chief Executive Officer (“Acting PGCEO”), Encik Azmin Che Yusoff, to present an overview and update on the UMW Group’s operations and performance to shareholders.

Encik Azmin presented the Company’s performance for the financial year ended 31 December 2019, which, among others covered the following areas -

- 1) 2019 Review;
- 2) Snapshot of UMW’s Financial Performance in 2019;
- 3) Cash and Debt Position;
- 4) 2019 Key Operational Highlights;
- 5) 2019 - Segmental Results;
- 6) COVID-19 Outbreak - Strategic Action Plan; and
- 7) 2020 and Beyond - Optimising potential, Maximising Performance -
 - Automotive Segment;
 - Equipment Segment;
 - Manufacturing & Engineering Segment;
 - Unlocking value of our assets.

Copy of the presentation is attached as **Appendix A** of the minutes and is also available in the Company’s website under the Investor Relations section.

**ADMINISTRATIVE
PROCEDURES
AND
DECLARATIONS
OF INTEREST**

Before proceeding with the agenda of the AGM, the Group Chairman informed the meeting that shareholders and proxyholders may raise questions in a real time manner by transmitting them via the Query Box provided. He stated that the Board and management will endeavour to respond to the questions submitted during the Q&A, and in the interest of time, only questions pertinent to the subject matter in hand will be responded. He further stated that if there is a time constraint during the Q&A session, responses to the questions raised will be emailed directly to the shareholders after the AGM.

The Group Chairman highlighted that with regard to the Ordinary Resolutions 3, 6 and 7 of the Agenda, he declared his interest in the proposals and will abstain from deliberating and voting pertaining to the proposals. However, he stated that in his capacity as a proxyholder, he will vote in accordance with the instructions received from the non-interested shareholders who have appointed him as their proxy.

The Group Chairman also highlighted that all questions pertaining to his re-election under the Ordinary Resolution 3, if any, will be answered by the Company’s Senior Independent Director, Tan Sri Hasmah Abdullah, who is also the Chairperson of the Nomination & Remuneration Committee of the Company.

The Group Chairman mentioned that apart from him, Dr Veerinderjeet Singh, who will be seeking re-election at the AGM and being also a shareholder of the Company, will abstain from voting on the Ordinary Resolution 5 on his re-election and the Ordinary Resolutions 6 and 7 of the Agenda.

Having concluded the above, the Group Chairman proceeded with the business of AGM by reading out the Agenda.

**FOR
DISCUSSION
ONLY****AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31
DECEMBER 2019 TOGETHER WITH THE REPORTS OF THE
DIRECTORS AND AUDITORS**

The Group Chairman explained that the Audited Financial Statements of the Company for the financial year ended 31 December 2019, together with the Reports of Directors and the Auditors were tabled for discussion only pursuant to Section 340(1) of the Companies Act 2016 and were not put to vote.

The Group Chairman declared that the Audited Financial Statements for the financial year ended 31 December 2019, together with the Reports of the Directors and Auditors thereon have been duly received by shareholders.

**ORDINARY
RESOLUTIONS
1 TO 5****RE-ELECTION OF DIRECTORS RETIRING PURSUANT TO ARTICLES
112, 126 AND 128 OF THE COMPANY'S CONSTITUTION**

The Group Chairman tabled the Ordinary Resolutions 1 to 5 on the proposed re-elections of the following Directors of the Company -

- 1) Encik Razalee Amin and Dato' Seri Prof. Dr. Ir. Zaini Ujang, who were appointed Directors on 1 September 2019 and 1 November 2019, respectively, pursuant to Article 112 of the Company's Constitution, and
- 2) Himself, Cik Salwah Abdul Shukor and Dr Veerinderjeet Singh, pursuant to Articles 126 and 128 of the Company's Constitution.

The Group Chairman stated that since he is an interested party for the Ordinary Resolution 3 relating to his re-election as Director, he will abstain from deliberating and voting pertaining to the proposal. Similarly, Dr Veerinderjeet Singh, being also a shareholder of the Company, will abstain from voting on the Ordinary Resolution 5 on his re-election.

The Group Chairman highlighted that for the purpose of determining the eligibility of the Directors standing for re-election, a comprehensive annual performance evaluation had been carried out by the Nomination & Remuneration Committee and the Board for 2019 to assess the performance and contribution of each individual Director, taking into consideration among others, character, integrity, professionalism and competency. The Board is satisfied that the retiring Directors have discharged their functions, duties and responsibilities well.

The Group Chairman explained that the Board had also conducted an assessment on the independence and effectiveness of Dr Veerinderjeet Singh as an independent director as recommended under Principle A of the Malaysian Code on Corporate Governance 2017. The Board is satisfied that Dr Veerinderjeet Singh has complied with the independence criteria as defined under the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

With regard to Encik Razalee Amin and Dato Seri Prof. Dr. Ir. Zaini Ujang, the Group Chairman informed that as their tenure as Directors is too short, a comprehensive performance evaluation on them will only be carried out for 2020. In this regard, the Group Chairman stated that the Board recommends the re-election of all retiring Directors.

**ORDINARY
RESOLUTION 6****PAYMENT OF DIRECTORS' FEES FOR THE PERIOD FROM 26 JUNE 2020 UNTIL THE NEXT AGM OF THE COMPANY**

The Group Chairman tabled the Ordinary Resolution 6 on payment of Directors' fees from 26 June 2020 to the next AGM.

The Group Chairman informed that Section 230(1) of the Companies Act 2016 provides that the fees and benefits payable to Directors of a listed company and its subsidiaries, shall be approved at a general meeting.

The Group Chairman stated that the Board is not proposing any revision to the existing Directors' fees payable and as such the approval for the payment of Directors' fees for the period from 26 June 2020 until the next AGM of the Company was sought as follows -

- 1) RM27,500 per month for the Non-Executive Chairman and RM13,750 per month for each Non-Executive Director of the Company; and
- 2) RM10,000 per annum for each Non-Executive Director who is the Chairman at the board of subsidiaries and RM8,000 per annum for each Non-Executive Director who is a board member at subsidiaries.

**ORDINARY
RESOLUTION 7****PAYMENT OF BENEFITS PAYABLE TO NON-EXECUTIVE DIRECTORS UP TO AN AMOUNT OF RM1,980,000 FOR THE PERIOD FROM 26 JUNE 2020 UNTIL THE NEXT AGM OF THE COMPANY**

The Group Chairman tabled the Ordinary Resolution 7 on the payment of benefits payable to the Non-Executive Chairman and Non-Executive Directors (NEDs") up to an amount of RM1,980,000 from 26 June 2020 until the next AGM of the Company.

The Group Chairman stated that in determining the estimated amount of benefits payable, the Board took into consideration various factors including the number of scheduled meetings for the Board, Board Committees and Board of subsidiaries, as well as the number of NEDs involved in these meetings. He added that details of the benefits payable to NEDs, comprising meeting allowance, benefits and other emoluments are set out in detail under Note 5 of the Notice of AGM.

The Group Chairman informed that the Board is not proposing any revision to the existing benefits payable to NEDs and that the Board is of the view that it is equitable and fair for the NEDs to be paid such payment upon them discharging their responsibilities and rendering their services to the Company and its subsidiaries.

**ORDINARY
RESOLUTION 8****RE-APPOINTMENT OF AUDITORS AND FIXING OF THEIR REMUNERATION**

The Group Chairman proceeded with the Ordinary Resolution 8 on the re-appointment of Ernst & Young PLT as Auditors for the ensuing financial year and to authorise the Directors to fix their remuneration.

ITEM	PROCEEDINGS
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**ORDINARY
RESOLUTION 8
(Cont'd)**

The meeting was informed that the Audit Committee (“AC”) had carried out an annual assessment on the external auditors, Ernst & Young PLT, to evaluate their suitability, effectiveness and independence as recommended under Principle B of the Malaysian Code on Corporate Governance 2017. Based on the evaluation conducted, AC is satisfied with the quality of external auditors’ performance, technical competency and audit independence.

**ORDINARY
RESOLUTION 9**

RENEWAL OF SHAREHOLDERS’ MANDATE FOR EXISTING RECURRENT RELATED PARTY TRANSACTIONS (“RRPT”) AND PROPOSED NEW SHAREHOLDERS’ MANDATE FOR ADDITIONAL RRPT OF A REVENUE OR TRADING NATURE

The resolution under Special Business on the Proposed Renewal of Shareholders’ Mandate for Existing RRPT and Proposed New Shareholders’ Mandate for an Additional RRPT of a Revenue or Trading Nature (“Proposed Shareholders’ Mandate”) was tabled.

The Group Chairman informed that the Board proposes to renew the mandate granted by shareholders of the Company on 23 May 2019 and to approve a new mandate for additional RRPT. The Group Chairman explained that the Proposed Shareholders’ Mandate will enable the UMW Group to enter into RRPT of a revenue or trading nature, which are necessary for the day-to-day operations of the UMW Group, involving related parties, and are on normal commercial terms which are not more favourable to the related parties than those generally available to the public, as detailed in the Circular to Shareholders dated 28 May 2020.

**OTHER
BUSINESS**

The Group Chairman proceeded with the final item on the Agenda which was to transact any other business.

The Group Secretary confirmed that the Company has not received any notice for transaction of any other business at the AGM.

**QUESTION AND
ANSWER
 (“Q&A”)
SESSION**

Having concluded the Agenda of the AGM, the meeting proceeded with the Q&A session.

The Group Chairman informed that the Company had received questions from the Minority Shareholder Watch Group (“MSWG”) vide a letter dated 22 June 2020 and from other shareholders prior to the AGM received as at 24 June 2020.

In addressing the questions received from MSWG and other shareholders, the Group Chairman called upon the Group CFO, Encik Nik Azlan Nik Abdul Aziz, to share with shareholders the questions posted and the corresponding Company’s responses.

The questions and the Company’s replies were read out and projected on the screen.

The letter from MSWG and the summary of questions raised by other shareholders, together with the Company’s replies are attached to the minutes as **Appendix B**.

**QUESTION AND
ANSWER
("Q&A")
SESSION
(Cont'd)**

Having concluded the above presentation, the Group Chairman then opened the Q&A session received via the Query Box.

The meeting proceeded to respond to the questions received from the Query Box, as follows -

Question 1 received from Mr Stephen Lye, a shareholder -

"Will there be staff layoff and salary cut?"

The Group Chairman replied that the Company is constantly evaluating the impact of the pandemic on the businesses. Wherever possible, the Company will try to redeploy current local employees as it terminates the current contracted foreign workers.

Question 2 received from Mr Hong Kok Chuang, a shareholder -

1) *"What is the Group's strategy during this pandemic?"*

The Group Chairman replied that the Group will continue to review, reduce, and optimise operational expenditure. The Group will also defer non-critical operational expenditure and will continue to manage its cashflow and to enhance operational efficiency and existing resources.

2) *"Directors' fees for attending the AGM?"*

The Group Chairman replied that the remuneration has already been included as part of the Directors' benefits and fees duly approved by shareholders at the last AGM.

Question 3 received from Mr V Alagappan, a shareholder -

"Are there plans to bring down the borrowing amount and interest costs especially in light of the more challenging environment?"

The Group Chairman replied that management is consistently exploring various options to optimise the finance cost for the Group.

Question 4 received from Mr Tsou Chia Ling, a shareholder -

"What strategies that UMW will take during the decline of car sales?"

The Group Chairman replied that the Group will continue to review, reduce, and optimise operational expenditure. To elaborate on the matter, Mr Ravindran Kurusamy, President, UMW Toyota Motor Sdn Bhd ("UMWT"), was requested to provide a brief snapshot on the automotive sector to shareholders.

Mr Ravindran stated that UMWT is well aware of the effect brought upon by the COVID-19 pandemic on the local automotive sector. He added that due to the impact on COVID-19 pandemic and with the introduction of new-normal lifestyles and social distancing, customers' sentiment has changed drastically.

QUESTION AND ANSWER (“Q&A”) SESSION (Cont’d)

He added that to recapture the market, UMWT has introduced various marketing activities and offering financing incentives for prospective Toyota owners such as EZ Beli, to mainly attract younger generation, who wishes to shift from using public transports to owning cars, as part of the new normal lifestyle. Arising from this, UMWT together with Perodua, have managed to attract customers for the popular Yaris, Vios and Myvi models. Added to this, UMWT will also be introducing 3 more models by year end and many more for next year, as the market is slowing and positively shifting.

Question 5 received from Encik Mohd Hafizuddin Ya’akop, a proxyholder -

“How much reduction in cost that was achieved by UMW when conducting the AGM virtually?”

The Group Chairman replied that the cost for holding the AGM virtually has been budgeted for and it is within budget. He added that generally, the cost of organising virtual AGM is cheaper compared to physical AGM.

Question 6 received from Mr Leong Wai Hong -

“Does UMW (Lubricant business) source its supply of base oil from other companies, and does UMW manufacture its own additives?”

In addressing this question, Dato’ Abdul Rashid Musa, President, Manufacturing & Engineering Division, was requested to provide the reply.

Dato’ Abdul Rashid explained that the UMW’s Lubricant segment carries few popular brands and is involved in downstream activities related to lubricant production. The Lubricant segment procures its base oil and additives from world-renowned oil and gas and chemical companies, respectively.

As highlighted earlier, the Group Chairman announced that in the interest of time, responses and answers to the remaining questions will be emailed to the respective shareholders directly after the AGM.

CONDUCTING THE POLL

At 10.45 a.m., the Group Chairman declared that the meeting is temporarily adjourned and will be called to order after the results of the poll are available for announcement. The Group Chairman announced that the voting session will be closed in 10 minutes.

The Group Chairman handed over to the Poll Administrators and the independent scrutineers for commencement of the e-polling process and validation.

ANNOUNCEMENT OF POLL RESULTS

At 11.20 a.m., the Group Chairman reconvened the meeting for the declaration of poll voting results, which have been verified by the independent scrutineers and the same were also projected on the screen as follows -

Resolution(s)	Vote For		Vote Against		Total Votes	
	No. of Units	%	No. of Units	%	No. of Units	%
Ordinary Resolution 1	979,059,467	99.997	26,262	0.003	979,085,729	100.000
Ordinary Resolution 2	979,059,467	99.997	26,262	0.003	979,085,729	100.000
Ordinary Resolution 3	978,397,967	99.931	678,362	0.069	979,076,329	100.000
Ordinary Resolution 4	978,965,567	99.988	120,162	0.012	979,085,729	100.000
Ordinary Resolution 5	979,071,901	99.999	13,762	0.001	979,085,663	100.000
Ordinary Resolution 6	979,057,600	99.997	28,063	0.003	979,085,663	100.000
Ordinary Resolution 7	979,057,600	99.997	28,063	0.003	979,085,663	100.000
Ordinary Resolution 8	979,063,168	99.998	22,561	0.002	979,085,729	100.000
Ordinary Resolution 9	979,059,847	99.997	25,862	0.003	979,085,709	100.000

Based on the poll results above, the Group Chairman declared that all resolutions tabled at the AGM were carried.

It was **RESOLVED** as follows -

Ordinary Resolution 1

Re-election of Encik Razalee bin Amin pursuant to Article 112 of the Company's Constitution

"THAT Encik Razalee bin Amin, a Director retiring pursuant to Article 112 of the Company's Constitution, be re-elected as Director of the Company."

Ordinary Resolution 2

Re-election of Dato' Seri Prof. Dr. Ir. Zaini bin Ujang pursuant to Article 112 of the Company's Constitution

"THAT Dato' Seri Prof. Dr. Ir. Zaini bin Ujang, a Director retiring pursuant to Article 112 of the Company's Constitution, be re-elected as Director of the Company."

Ordinary Resolution 3

Re-election of Tan Sri Dato' Sri Hamad Kama Piah bin Che Othman pursuant to Articles 126 and 128 of the Company's Constitution

"THAT Tan Sri Dato' Sri Hamad Kama Piah bin Che Othman, a Director retiring pursuant to Articles 126 and 128 of the Company's Constitution, be re-elected as Director of the Company."

Ordinary Resolution 4

Re-election of Salwah binti Abdul Shukor pursuant to Articles 126 and 128 of the Company's Constitution

"THAT Cik Salwah binti Abdul Shukor, a Director retiring pursuant to Articles 126 and 128 of the Company's Constitution, be re-elected as Director of the Company."

Ordinary Resolution 5

Re-election of Dr Veerinderjeet Singh a/l Tejwant Singh pursuant to Articles 126 and 128 of the Company's Constitution

"THAT Dr Veerinderjeet Singh a/l Tejwant Singh, a Director retiring pursuant to Articles 126 and 128 of the Company's Constitution, be re-elected Director of the Company."

Ordinary Resolution 6

Payment of Directors' Fees for the period from 26 June 2020 until the next AGM of the Company

"THAT the payment of the following Directors' fees for the period from 26 June 2020 until the next AGM of the Company, be approved -

**Ordinary
Resolution 6
(Cont'd)**

- 1) RM27,500 per month for the Non-Executive Chairman and RM13,750 per month for each Non-Executive Director of the Company; and
- 2) RM10,000 per annum for each Non-Executive Director who is the Chairman at the board of subsidiaries and RM8,000 per annum for each Non-Executive Director who is a board member at subsidiaries."

**Ordinary
Resolution 7**

Payment of Benefits Payable to the Non-Executive Directors up to an amount of RM1,980,000 for the period from 26 June 2020 until the next AGM of the Company

"THAT the payment of benefits payable to the Non-Executive Directors up to an amount of RM1,980,000 for the period from 26 June 2020 until the next AGM of the Company, be approved."

**Ordinary
Resolution 8**

Re-appointment of Auditors and Fixing of Auditors' Remuneration

"THAT Ernst & Young PLT, the retiring Auditors, be re-appointed Auditors of the Company for the financial year ending 31 December 2020, and the Directors be authorised to fix their remuneration."

**Ordinary
Resolution 9**

Renewal of Shareholders' Mandate for Existing Recurrent Related Party Transactions and New Shareholders' Mandate for additional Recurrent Related Party Transaction of a Revenue or Trading Nature ("Shareholders' Mandate")

"THAT the mandate granted by shareholders on 23 May 2019 pursuant to Paragraph 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, authorising the Company and/or its subsidiaries ("UMW Group") to enter into the recurrent transactions of a revenue or trading nature as set out in Section 2.3(b)(i) of the Circular to Shareholders dated 30 April 2020 ("Circular"), with the related parties mentioned therein, which are necessary for the day-to-day operations of the UMW Group, be renewed, AND THAT approval be given for a new mandate for the UMW Group to enter into additional recurrent transactions of a revenue or trading nature as set out in Section 2.3(b)(ii) of the Circular with the related parties mentioned therein, PROVIDED THAT such transactions are entered into in the ordinary course of business and on normal commercial terms which are not more favourable to the related party than those generally available to the public and are not to the detriment of the minority shareholders of the Company.

THAT the Shareholders' Mandate shall continue to be in force and effect until -

- 1) the conclusion of the next AGM of the Company, at which time the authority will lapse, unless the authority is renewed by a resolution passed at such general meeting;
- 2) the expiration of the period within which the Company's next AGM is required to be held, pursuant to Section 340(1) and (2) of the Companies Act 2016 (CA 2016) (but shall not extend to any extension as may be allowed pursuant to Section 340(4) of the CA 2016); or
- 3) revoked or varied by a resolution passed by the shareholders of the Company in a general meeting,

**Ordinary
Resolution 9
(Cont'd)**

whichever is the earliest;

AND THAT the Board of Directors of the Company be empowered and authorised to complete and do such acts and things as they may think expedient or necessary (including executing such documents as may be required) to give effect to the Shareholders' Mandate."

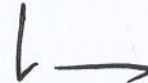
**CLOSURE OF
MEETING**

There being no other business to be transacted, the Group Chairman declared the meeting closed.

On behalf of the Board, the Group Chairman thanked all shareholders and proxyholders for their kind participation and support.

There being no other business to be transacted, the meeting ended at 11.30 a.m. with a vote of thanks to the Chair.

Approved,



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CHAIRMAN



38th Annual General Meeting

25 June 2020

2019 IN REVIEW

Crystallisation of asset monetisation and turn-around of Aerospace business ahead of schedule

CONSOLIDATED REVENUE

RM11,760.2m

3.4% y-o-y

- Higher sales in the Automotive and Manufacturing & Engineering segments

CONSOLIDATED PBT

RM741.2m

18.6% y-o-y

- M&E segment's PBT more than doubled as Aerospace business turned profitable
- Gain from land sale of RM188.1m

CONSOLIDATED PATAMI

RM454.4m

31.9% y-o-y

- Net of payment of RM70m to Perpetual Sukuk holders

DIVIDEND

6.0 sen per share

- Declared a final dividend of 2.0 sen per share in 4Q19 financial results, paid on 31 March 2020
- Special dividend of 4.0 sen per share was paid on 23 December 2019

SNAPSHOT OF UMW'S FINANCIAL PERFORMANCE IN 2019

Revenue from Continuing Operations and Associates' Contribution increased

	(RM'm)	2019	2018	year-on-year change
01	Revenue from Continuing Operations	11,739.1	11,303.6	3.9%
02	Share Of Results Of Associates And Joint Ventures	291.6	270.7	7.7%
03	Profit for the year	*628.7	**499.9	25.8%
04	Consolidated PATAMI	*454.4	**344.5	31.9%

* Include one-off gain from land sale amounting to RM188.1m in 2019

** Include reversal of provision amounting to RM207.0m in 2018

CASH AND DEBT POSITION

Efforts to deleverage our balance sheet is crystallising; debt-to-equity ratio has further improved

Deposits, cash, bank balances and money market investments

✓ RM2,544.0m

Total borrowings

✓ RM2,509.8m

Total equity

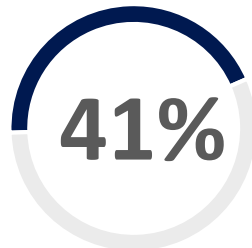
✓ RM6,098.1m

GROSS DEBT-TO-EQUITY RATIO

As at
31 Dec 2018



As at
31 Dec 2019



&

NET CASH POSITION



2019 KEY OPERATIONAL HIGHLIGHTS

2019 KEY OPERATIONAL HIGHLIGHTS

The Group achieved numerous milestones, paving the way for improved performance

A **new record** for UMW Group – **exceeded 50%** automotive market share in Malaysia for the first time

51.4%

- Launch of new models
- UMW Toyota Motor's market share grew to 11.6% from 11.1% in 2018
- Perodua's market share increased to 39.8% from 38% in 2018, a new record.
- **In 2019, Perodua recorded its highest ever sales.**

M&E revenue exceeds RM1 billion for the first time;

Aerospace business turned profitable



- Higher number of fan cases delivered
- Successful cost optimisation efforts

Successful asset monetisation – generate higher returns for shareholders

RM
188.1m

- Gain from the sale of our industrial land in Shah Alam.

Execution of business expansion strategy for Equipment segment

11.4%

- Increase in revenue in Papua New Guinea operations in 2019; 55% market share
- Signed exclusive agreement to distribute premium Kohler generator sets in Malaysia

Reduced debt

RM
350m

- Repaid maturing sukuk during the year.

SEGMENTAL RESULTS



2019 - SEGMENTAL RESULTS

Performance lifted by improved contribution from M&E segment and strategic cost optimisation initiatives

AUTOMOTIVE

(RM 'm)	2019	2018	% change	
Revenue	9,295.9	8,946.7	↑	3.9%
PBT	530.3	550.0	↓	(3.6%)

- UMW Toyota Motor sold 70,009 units in 2019, 5.2% higher than 2018.
- **Perodua's sales of 240,341 units in 2019 – highest-ever in their 26-year history.**
- PBT however, declined by 3.6%, mainly due to higher depreciation expenses following commencement of Bukit Raja Plant in late 2018.

EQUIPMENT

(RM 'm)	2019	2018	% change	
Revenue	1,408.2	1,539.6	↓	(8.5%)
PBT*	135.7	160.1	↓	(15.3%)

- Heavy equipment sub-segment was impacted by slow down in construction, mining and logging activities.
- The industrial equipment operations in Malaysia and Vietnam maintained their growth momentum.

MANUFACTURING & ENGINEERING

(RM 'm)	2019	2018	% change	
Revenue	1,062.5	843.2	↑	26.0%
PBT*	60.9	21.5	↑	>100%

- Revenue grew as a result of higher delivery of fan cases, higher sales of auto components and lubricants.
- Segment's profitability was further boosted through cost optimisation initiatives.

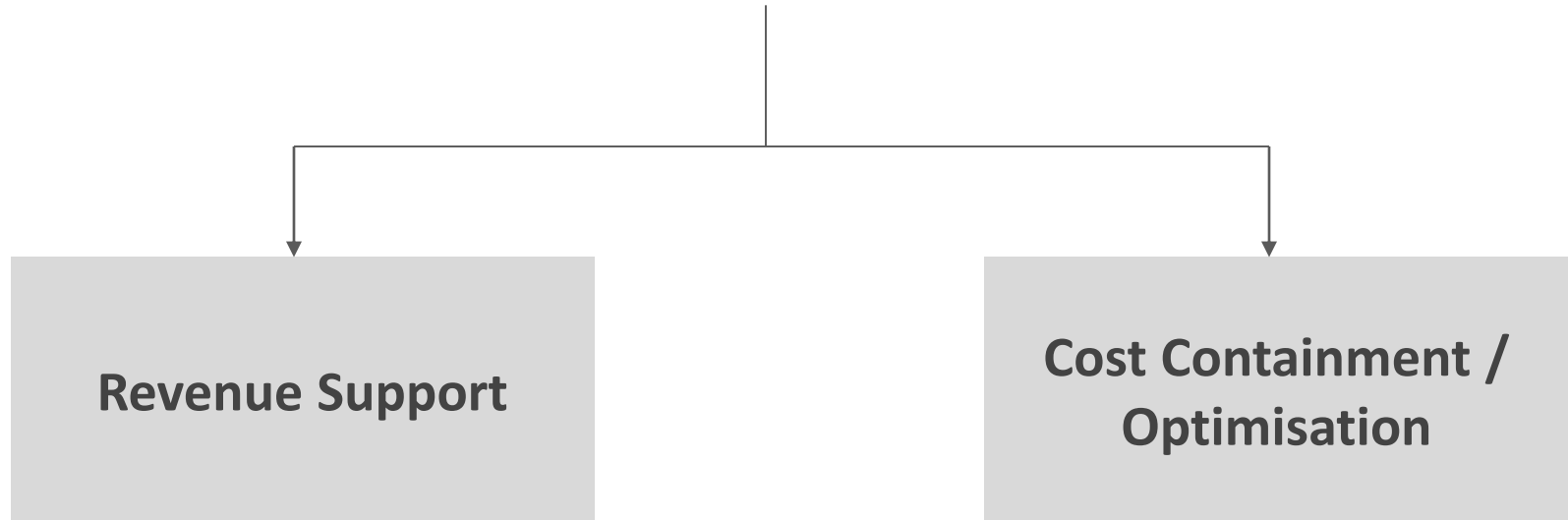
COVID-19 OUTBREAK
BEING RESILIENT TO FACE
THE CHALLENGES



COVID-19 OUTBREAK – STRATEGIC ACTION PLAN

To mitigate the impact from the unprecedented outbreak

Considering the slowdown in economic activities and to mitigate the effect of Covid-19, the Group has initiated Strategic Action Plans with a two-pronged approach:



COVID-19 OUTBREAK – STRATEGIC ACTION PLAN

Revenue support



AUTOMOTIVE

- Aggressive and innovative sales and after-sales campaigns
- Work closely with Toyota Capital Malaysia and other local financial institutions to offer attractive financing packages
- Ensure inventory availability



EQUIPMENT

- Work closely with principals and customers
- Extend promotional packages
- Ensure inventory availability



M&E

- UMW Aerospace obtained approval for 24-hour operations at its facility from 4 May 2020
- Ensure inventory availability
- KYB-UMW's operations expected to be sustained with export sales.

Over and above the Group's planned cost saving initiatives for the year, the Group is also aggressively embarking further on cost containment / optimisation initiatives.



Reviewing, reducing, optimising operational expenditures.



Deferral of non-critical operational and capital expenditures.

COVID-19 OUTBREAK - STRATEGIC ACTION PLAN

The operating landscape has changed and will continue to be highly fluid and unpredictable

The Group, supported by a strong financial position, is confident of withstanding any business interruptions in the year ahead and will continue to:

1 MANAGE STRONG CASH FLOW CONTROLS

- Stretch out trade payables to our principals
- Constant review and revision of capex and opex
- Extensive cost reduction and cost optimisation activities

2 ENHANCE OPERATIONAL EFFICIENCIES

- Supply chain stabilisation
- Inventory management
- Production capacity optimisation
- Engagement with customers, principals and OEMs

3 ENHANCE AND REDEPLOY EXISTING RESOURCES

- To build capabilities, accelerate recovery and retool the business
- Staff redeployment
- Initiatives to support the local workforce

RELATED GOVERNMENT STIMULUS MEASURES TO BUFFER IMPACT FROM OUTBREAK

Government's economic stimulus package, which introduced measures to safeguard household income

Enhanced access to financing for SMEs under the stimulus package

2020 and beyond...

**Optimising
potential,
maximizing
performance**





AUTOMOTIVE SEGMENT – UMW TOYOTA MOTOR

Continuous margin improvement efforts

Revenue elevation

Cost optimisation

1 Expansion of model line-up – to appeal to a wider audience

2 Attractive financing packages – in partnership with Toyota Capital – TOYOTA EZ BELI campaign

3 Collaboration with dealers to boost after-sales

1 Higher localisation

2 Highly-efficient Bukit Raja plant



2020



- Lexus UX 200 was launched on 4 March 2020
- Toyota RAV4 was introduced on 18 June 2020
- More new model launches in 2020 and 2021



AUTOMOTIVE SEGMENT – PERODUA

Leverage on Perodua's excellent brand perception for entry-level segment

1 Strategic planning of future car models

- To ensure it can remain competitive with exciting models

2 Ride on Perodua's success in the entry-level segment

- Perodua introduced an **all-new SUV model, Aruz** in January 2019,
- Sold **30,115** units in 2019

Malaysia's
best-selling
SUV in 2019



- **Enhanced Perodua Axia** was introduced in **September 2019**
- **Facelift Perodua Bezza** launched in **January 2020**



EQUIPMENT SEGMENT

Offer new products, services and business models that best fit customers' needs in the current environment

HEAVY EQUIPMENT

- 1 Provide innovative financing scheme for end clients
- 2 Improve provision of solutions throughout the product life-cycle
- 3 Development of high-performance, fuel-efficient equipment
- 4 Expansion in construction and resource mining sectors regionally

INDUSTRIAL EQUIPMENT

- 1 Refurbishment of ex-rental forklifts to expand market coverage and retain customers
- 2 Diversify product base
- 3 Expand to new markets

- 1 Strengthen fleet management capabilities
- 2 Offer innovative business solutions to existing customers
- 3 Formulate new digital business model to complement traditional business



MANUFACTURING & ENGINEERING SEGMENT

Explore opportunities to improve segment margins and build in-house capabilities

01

Modernization & capability building

02

Fully utilise aerospace investment

03

Expansion of lubricants business into ASEAN market

04

Pursue High-Value Manufacturing

861 acres of land in SERENDAH



- To be developed as UMW High Value Manufacturing (HVM) Park – with sustainability as a key design concept
- Signed MoU with MIDA and Invest Selangor, work closely with MATRADE to promote the park
- Active negotiations with interested parties
- UMW’s operations in Shah Alam to move to Serendah within the next few years.



THANK YOU



23 June 2020

Mr Devanesan Evanson
Chief Executive Officer
Minority Shareholder Watch Group
Tingkat 11, Bangunan KWSP
No. 3, Changkat Raja Chulan
Off Jalan Raja Chulan
50200 Kuala Lumpur

Dear Mr Devanesan,

38TH ANNUAL GENERAL MEETING (“AGM”) OF UMW HOLDINGS BERHAD (“UMW”)

We refer to your letter dated 22 June 2019 on the above matter.

We thank you for your letter and would be happy to respond to the queries raised by you at the AGM.

Our response to the questions/issues raised is as follows -

Strategic and Financial Matters

1) The Group expects to operate in a highly challenging operating environment in 2020 amid the unprecedented and evolving impact of the COVID-19 pandemic worldwide (page 38 of Annual Report 2019 (“AR2019”).

(a) How will it affect the Group’s plans in terms of launching new/upgraded car models?

Despite the economic uncertainty worldwide brought upon by COVID-19 pandemic, UMW Toyota Motor Sdn Bhd (“UMWT”) had and/or will be launching the following new models -

- 1) Lexus UX200 on 4 March 2020;
- 2) Toyota RAV 4 on 18 June 2020; and
- 3) 2 new CKD models will be introduced in the 2nd half of 2020.

With regard to Perusahaan Otomobil Kedua Sdn Bhd (“Perodua”), firm announcements on any future launches of new or upgraded models will be made in due course, as per planned.

This is in view of the encouraging sales received to date by UMWT and Perodua post-MCO period.

- (b) The Group is planning to roll out more exciting models to appeal to a wider audience (page 71 of AR2019). How many new/upgraded car models are to be launched in 2020/2021?

UMWT intends to roll out at least 6 models in 2020/2021.

Perodua introduced an updated Bezza model in January 2020 and will launch at least one new model within the timeframe of 2020/2021.

- 2) How will the Covid-19 pandemic affect the Group's capital expenditure for financial year ending 2020 across the Group's various business segments? What would be the estimated amount?

In view of the unprecedented Covid-19 pandemic, the UMW Group is currently reviewing its Capex requirements for the financial year ending 31 December 2020 in totality across all business divisions.

- 3) The UMW Toyota Motor assembly unit commenced operations at the new Bukit Raja plant in 2019 which is more automated and geared towards higher efficiency and cost optimisation (page 48 of AR2019).

- (a) What is Bukit Raja plant's capacity?

At present, Bukit Raja Plant's total production capacity is at 50,000 units.

- (b) What was Bukit Raja plant's utilisation rate for FY2019 and the estimated utilisation rate for 2020?

Bukit Raja Plant's utilisation rate for FY2019 was about 74.6% and for FY2020, it is estimated at 64%, taking into account the effect of plant shutdown during the MCO period.

- 4) UMW's market share increased from 49.1% in 2018 to 51.4% in 2019 due to higher number of vehicles sold. A total of 310,350 units were sold by the Automotive segment, which translates to a 5.6% increase from 2018 (page 68 of AR2019).

- (a) What is UMW's market share for the SUV segment for FY2019 as compared to the previous year?

Below is the table of SUVs sold by UMW (Toyota and Perodua) according to the report from the Malaysian Automotive Association (MAA) -

	2018	2019
Toyota	4,370	4,740
Perodua	Nil	30,115
Total	4,370	34,855
SUV TIV**	28,121	90,085
Market share	15.5%	38.7%

* SUV models include - Perodua Aruz, Toyota Rush and Toyota C-HR

** Other SUVs counted in the table include - Proton X70, Honda CR-V and HR-V

- (b) What is the Group's outlook for the SUV segment, particularly in relation to competition, going forward?**

UMW believes that there is still room for the SUV market to grow in Malaysia based on the resounding growth from 28,121 SUVs sold in 2018 to 90,085 in 2019, suggesting that there is an untapped potential for this type of vehicle.

Buyers appear to prefer SUVs because they generally offer more space, versatility and practicality within a compact footprint. SUVs are also currently trendy because they communicate an active lifestyle.

For 2019, UMWT's market share in the SUV segment was 5.3% and it aims to double the market share in this segment with new model launches in 2020/2021, while Perodua believes that there is still a growth potential for SUVs moving forward.

- (c) The All-New Yaris was added to the Group's offerings in 2019 (page 70 of AR2019). How many units of Yaris have been sold to-date? What is the targeted number of units of Yaris to be sold in 2020?**

For FY2019, UMWT sold 11,704 units of Yaris and targets to sell 12,000 units in FY2020.

Thank you.

Yours faithfully,
UMW HOLDINGS BERHAD



AZMIN CHE YUSOFF
Acting President & Group Chief Executive Officer



MINORITY SHAREHOLDERS WATCH GROUP
Shareholder Activism and Protection of Minority Interest

22 June 2020

BY FAX/HAND

(Fax No: 603-2025 2029)

The Board of Directors
UMW Holdings Berhad
Level 6, Menara UMW
Jalan Puncak
Off Jalan P. Ramlee
50250 Kuala Lumpur

Attention: En. Mohd Nor Azam Mohd Salleh
Company Secretary

Dear Directors,

Re: 38th Annual General Meeting (“AGM”) of UMW Holdings Berhad (“UMW” or the “Company”) to be held on Thursday, 25 June 2020

In the interest of minority shareholders and all other stakeholders of the Company, we would like to raise the following questions: -

Strategy & Financial Matters

1. The Group expects to operate in a highly challenging operating environment in 2020 amid the unprecedented and evolving impact of the COVID-19 pandemic worldwide (page 38 of Annual Report 2019 (“AR2019”)).
 - (a) How will it affect the Group's plans in terms of launching new/upgraded car models?
 - (b) The Group is planning to roll out more exciting models to appeal to a wider audience (page 71 of AR2019). How many new/upgraded car models are to be launched in 2020/2021?
2. How will the Covid-19 pandemic affect the Group's capital expenditure for financial year ending 2020 across the Group's various business segments? What would be the estimated amount?

BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD

(Incorporated in Malaysia . Company No:524989-M)

TINGKAT 11, BANGUNAN KWSP, NO.3, CHANGKAT RAJA CHULAN, OFF JALAN RAJA CHULAN,
50200 KUALA LUMPUR. TEL: (603)20709090 FAX: (603)20709107

E-mail: mswatch@mswg.org.my Website: www.mswg.org.my

3. The UMW Toyota Motor assembly unit commenced operations at the new Bukit Raja plant in 2019 which is more automated and geared towards higher efficiency and cost optimisation (page 48 of AR2019).
 - (a) What is Bukit Raja plant's capacity?
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 - (a) What is UMW's market share for the SUV segment for FY2019 as compared to the previous year?
 - (b) What is the Group's outlook for the SUV segment, particularly in relation to competition, going forward?
 - (c) The All-New Yaris was added to the Group's offerings in 2019 (page 70 of AR2019). How many units of Yaris have been sold to-date? What is the targeted number of units of Yaris to be sold in 2020?

Please present the questions raised herein, and the related answers, to the shareholders present at the forthcoming AGM. At the same time, we await a written reply as soon as possible for our records.

Thank you.

Yours sincerely



Devanesan Evanson
Chief Executive Officer
DE/ECYL/UMW/AGM 2020

Q & A Session



UMW Holdings Berhad | 38th Annual General Meeting

Thursday, 25 June 2020

The Hallmark, Level 12, Menara UMW, Kuala Lumpur



REPLY TO MSWG QUESTIONS



REPLY TO MSWG QUESTIONS

STRATEGIC AND FINANCIAL MATTERS

1. The Group expects to operate in a highly challenging operating environment in 2020 amid the unprecedented and evolving impact of the COVID-19 pandemic worldwide (page 38 of Annual Report 2019 (“AR2019”).
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REPLY TO MSWG QUESTIONS

STRATEGIC AND FINANCIAL MATTERS

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(Con't)

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This is in view of the encouraging sales received to date by UMWT and Perodua post-MCO period.



REPLY TO MSWG QUESTIONS

STRATEGIC AND FINANCIAL MATTERS

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REPLY TO MSWG QUESTIONS

STRATEGIC AND FINANCIAL MATTERS

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STRATEGIC AND FINANCIAL MATTERS

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REPLY TO MSWG QUESTIONS

STRATEGIC AND FINANCIAL MATTERS

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REPLY TO MSWG QUESTIONS

STRATEGIC AND FINANCIAL MATTERS

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**REPLY TO PRE - AGM SUBMITTED
QUESTIONS RECEIVED AS AT
24 JUNE 2020**

REPLY TO PRE - AGM SUBMITTED

QUESTIONS *(in verbatim)*

MCO, COVID-19,

1) are causes of profit and loss of company?

As announced on 15 June 2020, the Group registered a pre-tax profit of RM63.0 million in 1Q 2020 against RM140.5 million in 1Q 2019, representing a 55.1% decline. This was mainly due to the impact of COVID-19 pandemic that began in early 2020 and ultimately caused an economic standstill from March 2020 till May 2020.



REPLY TO PRE - AGM SUBMITTED

QUESTIONS *(in verbatim)*

MCO, COVID-19,

2) order book deferring and cancelation occurring?

Customers are generally taking cautious approach under this unprecedented period. As a results, there have been some deferment/cancellation of orders. However, sales/orders have since improved from May till June 2020, in tandem with the improved market post-MCO, especially for the automotive segment.

Management expects the recovery trend to continue into 2H 2020 supported by various government initiatives to boost the economy.

REPLY TO PRE - AGM SUBMITTED

QUESTIONS *(in verbatim)*

MCO, COVID-19,

- 3) winding up issue facing on business partners indirectly to full fill on going businesses and also under drafting project?

The Group's business partners/suppliers are currently not severely affected by the impact of COVID-19 and continuously taking measures to minimise potential disruptions to their business operations.



REPLY TO PRE - AGM SUBMITTED QUESTIONS *(in verbatim)*

MCO, COVID-19,

4) does business restructuring occurring in board?

The Group will update shareholders of any major corporate exercises as and when it arises.



REPLY TO PRE - AGM SUBMITTED

QUESTIONS *(in verbatim)*

MCO, COVID-19,

5) business operation cost does minimise in this and upcoming quarter?

The Group has reviewed its operating costs and currently implementing cost optimisation plans, including deferment/cancellation of non-critical activities and capital expenditure, while preserving quality and profit margins of its products.



REPLY TO PRE - AGM SUBMITTED

QUESTIONS *(in verbatim)*

MCO, COVID-19,

6) how was dividend payment can be occur in this or next year carry on?

Upon assessing the impact of the current COVID-19 and performance of the Group moving forward, the Company hopes that it can provides reasonable dividend to its shareholders.



REPLY TO PRE - AGM SUBMITTED

QUESTIONS *(in verbatim)*

MCO, COVID-19,

7) how mask manufacturing status?

The Group has no plan to manufacture face masks.

However, the Group has contributed approximately RM3.7 million to various agencies as part of its sustainability agenda to supports the Malaysian government's efforts in combating COVID-19.



REPLY TO PRE - AGM SUBMITTED QUESTIONS *(in verbatim)*

MCO, COVID-19,

8) what New action plan?

The Group will continue to focus on its 3 core businesses, namely, Automotive, Equipment and Manufacturing & Engineering, without losing sight of potential expansion opportunities, and will remain committed in delivering excellence.



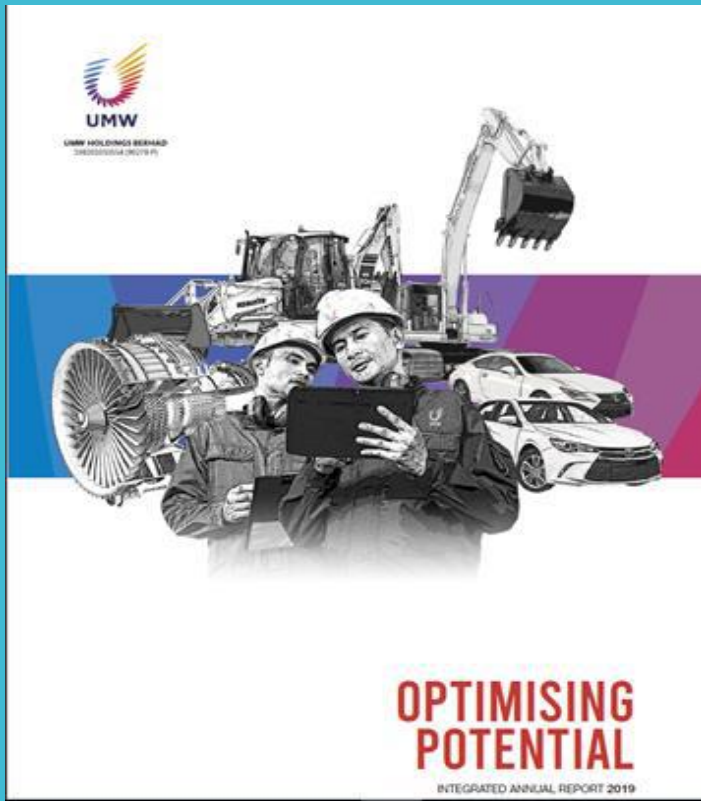
REPLY TO PRE - AGM SUBMITTED

QUESTIONS *(in verbatim)*

E-voucher for participating the AGM virtually

Door gifts/shopping vouchers and meals have always been provided at every physical AGM as goodwill gestures to appreciate the attendance of shareholders and proxyholders and to signify UMW's gratitude for the valuable and endless support of its shareholders. However, during this unprecedented and trying time brought upon by the COVID-19 pandemic and the fact that the AGM is held virtually, no door gift, including e-vouchers, will be given to shareholders or proxyholders participating the AGM remotely.

CONCLUSION



UMW Holdings Berhad | 38th Annual General Meeting

Thursday, 25 June 2020

The Hallmark, Level 12, Menara UMW, Kuala Lumpur

THANK YOU