

UMW HOLDINGS BERHAD

(COMPANY NO : 198201010554 (90278-P))

(INCORPORATED IN MALAYSIA)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD/YEAR ENDED 31 DECEMBER 2021

	3 Months Ended 31.12.2021 RM'000 (Unaudited)	3 Months Ended 31.12.2020 RM'000 (Unaudited)	12 Months Ended 31.12.2021 RM'000 (Unaudited)	12 Months Ended 31.12.2020 RM'000 (Unaudited)
Revenue	3,645,110	3,242,313	11,060,803	9,554,565
Operating expenses	(3,555,239)	(3,127,974)	(10,901,399)	(9,389,249)
Other operating income	35,588	30,112	114,843	92,347
Profit from operations	125,459	144,451	274,247	257,663
Share of results of associates and joint ventures	160,915	107,615	267,968	204,108
Investment income	14,316	13,949	48,697	54,407
Profit before interest	300,690	266,015	590,912	516,178
Finance costs	(29,695)	(29,114)	(108,162)	(115,513)
Profit before taxation and zakat	270,995	236,901	482,750	400,665
Taxation and zakat	109,335	(26,322)	32,898	(77,742)
Profit for the period/year	380,330	210,579	515,648	322,923
<u>Other comprehensive income/(loss):</u>				
Translation of foreign operations	3,533	(62,487)	22,575	(17,485)
Share of other comprehensive income of associates	214	351	30	504
Cash flow hedge	-	(119)	71	(38)
Other comprehensive income/(loss) net of tax	3,747	(62,255)	22,676	(17,019)
Total comprehensive income for the period/year	384,077	148,324	538,324	305,904
<u>Profit for the period/year attributable to:</u>				
Owners of the Company	239,965	154,855	268,230	204,600
Holders of perpetual sukuk	17,606	17,606	69,850	69,850
Non-controlling interests	122,759	38,118	177,568	48,473
	380,330	210,579	515,648	322,923
<u>Total comprehensive income attributable to:</u>				
Owners of the Company	243,923	77,248	295,065	189,680
Holders of perpetual sukuk	17,606	17,606	69,850	69,850
Non-controlling interests	122,548	53,470	173,409	46,374
	384,077	148,324	538,324	305,904
Earnings per share for the period/year (sen):				
Basic/diluted	20.54	13.25	22.96	17.51

The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2020 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 31 DECEMBER 2021

	As At 31.12.2021 RM'000 (Unaudited)	As At 31.12.2020 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	2,531,414	2,463,020
Investment properties	283,824	284,383
Leased assets	373,457	350,438
Right-of-use assets	128,182	152,059
Investments in joint ventures	77,850	64,997
Investments in associates	2,170,600	2,015,856
Deferred tax assets	222,174	119,414
Other investments	5,220	5,165
	<u>5,792,721</u>	<u>5,455,332</u>
Current assets		
Other investments	603,198	1,286,086
Derivative assets	5,598	13,237
Inventories	1,752,160	1,439,279
Trade receivables	904,185	1,059,057
Other receivables	147,476	128,647
Tax recoverable	19,413	14,561
Deposits, cash and bank balances	2,941,385	2,050,893
	<u>6,373,415</u>	<u>5,991,760</u>
Assets held for sale	6,553	-
	<u>6,379,968</u>	<u>5,991,760</u>
TOTAL ASSETS	<u>12,172,689</u>	<u>11,447,092</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	584,147	584,147
Capital reserve	396	396
Hedging reserve	-	(71)
Fair value reserve	5,130	5,100
Foreign currency translation reserve	(20,901)	(47,635)
Retained earnings	3,547,692	3,326,194
	<u>4,116,464</u>	<u>3,868,131</u>
Perpetual sukuk	1,097,860	1,097,860
Non-controlling interests	1,548,225	1,451,178
Total equity	<u>6,762,549</u>	<u>6,417,169</u>
Non-current liabilities		
Deferred tax liabilities	48,396	47,848
Provision for warranties	208,786	195,994
Lease liabilities	38,180	47,608
Borrowings	2,094,993	1,942,278
	<u>2,390,355</u>	<u>2,233,728</u>
Current liabilities		
Derivative liabilities	3,094	1,317
Provision for warranties	84,981	84,039
Provision for taxation	7,699	6,132
Borrowings	638,082	523,769
Trade payables	648,064	682,724
Other payables	1,600,726	1,473,487
Lease liabilities	16,608	24,727
Liabilities associated with assets held for sale	20,531	-
	<u>3,019,785</u>	<u>2,796,195</u>
Total liabilities	<u>5,410,140</u>	<u>5,029,923</u>
TOTAL EQUITY AND LIABILITIES	<u>12,172,689</u>	<u>11,447,092</u>
Net assets per share (RM)	<u>3.52</u>	<u>3.31</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 2020 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 YEAR ENDED 31 DECEMBER 2021

	<----- Non - Distributable ----->					Distributable				
	Share capital RM'000	Capital reserve RM'000	Hedging 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
12 MONTHS ENDED 31 DECEMBER 2021 (UNAUDITED)										
At 1 January 2021	584,147	396	(71)	5,100	(47,635)	3,326,194	3,868,131	1,097,860	1,451,178	6,417,169
Transactions with owners:										
Dividends distributed to equity holders	-	-	-	-	-	(46,732)	(46,732)	-	(76,362)	(123,094)
Distribution to holders of perpetual sukuk	-	-	-	-	-	-	-	(69,850)	-	(69,850)
Total comprehensive income	-	-	71	30	26,734	268,230	295,065	69,850	173,409	538,324
At 31 December 2021	584,147	396	-	5,130	(20,901)	3,547,692	4,116,464	1,097,860	1,548,225	6,762,549

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020

	<----- Non - Distributable ----->					Distributable				
	Share capital RM'000	Capital reserve RM'000	Hedging 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
12 MONTHS ENDED 31 DECEMBER 2020 (AUDITED)										
At 1 January 2020	584,147	396	(33)	4,596	(32,634)	3,139,925	3,696,397	1,097,860	1,303,828	6,098,085
Transactions with owners:										
Dividend distributed to equity holders	-	-	-	-	-	(23,366)	(23,366)	-	(70,325)	(93,691)
Effect of dilution of interest in a joint venture and an associate	-	-	-	-	385	5,035	5,420	-	171,301	176,721
Distribution to holders of perpetual sukuk	-	-	-	-	-	-	-	(69,850)	-	(69,850)
Total comprehensive (loss)/income	-	-	(38)	504	(15,386)	204,600	189,680	69,850	46,374	305,904
At 31 December 2020	584,147	396	(71)	5,100	(47,635)	3,326,194	3,868,131	1,097,860	1,451,178	6,417,169

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 2020 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 YEAR ENDED 31 DECEMBER 2021

	12 Months Ended 31.12.2021 RM'000 (Unaudited)	12 Months Ended 31.12.2020 RM'000 (Audited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation and zakat	482,750	400,665
Adjustments for:		
Depreciation and amortisation	343,537	374,074
Net provision for/(reversal of) impairment losses on:		
- leased assets	-	66
- investment in joint venture	1,052	(16,488)
- receivables	(3,111)	(38,905)
- other investments	15,637	9,607
Property, plant and equipment and leased assets written off	722	512
Net provision for/(reversal of) inventories written down	3,210	(4,365)
Interest expense	108,162	115,513
Share of results of associates and joint ventures	(267,968)	(204,108)
Net gain on disposal of property, plant and equipment, leased assets and right-of-use assets	(43,204)	(23,922)
Net (gain)/loss on disposals of investments in subsidiaries, joint venture and associates	(2,491)	115,562
Gain on favourable rental rates	-	(561)
Net fair value loss/(gain) on derivatives	9,416	(11,728)
Net unrealised foreign exchange loss/(gain)	10,277	(1,265)
Net fair value gain on financial assets held for trading	(686)	(3,788)
Net gain on disposal of other investments	(149)	(122)
Interest and other investments income	(51,828)	(57,812)
Net provision for warranties	59,648	38,329
Operating profit before working capital changes	664,974	691,264
Changes in receivables	82,912	242,664
Changes in inventories	(315,768)	156,953
Warranties paid	(45,964)	(36,055)
Changes in payables	57,677	96,438
Cash generated from operating activities	443,831	1,151,264
Interest paid	(108,174)	(116,531)
Taxes and zakat paid	(74,028)	(88,443)
Net cash generated from operating activities	261,629	946,290
CASH FLOWS FROM INVESTING ACTIVITIES		
Net cash inflow arising from disposal of subsidiaries	75,035	27,918
Dividends received	104,415	50,075
Purchase of property, plant and equipment, investment properties and leased assets	(406,409)	(220,885)
Proceeds from disposal of property, plant and equipment, and leased assets	75,585	57,470
Interest received	51,369	56,790
Proceeds from disposal of other investments	1,292,506	997,700
Purchase of other investments	(601,916)	(1,099,274)
Movement in deposits placement with maturity of more than 3 months	(102,208)	20,913
Movement in deposits placement restricted by bank	(5,044)	(1,200)
Movement in assets held for sale	(9,370)	-
Net cash generated from/(used in) investing activities	473,963	(110,493)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid to equity holders of the Company	(46,732)	(23,366)
Dividends paid to non-controlling interests	(76,362)	(70,325)
Dividends paid to perpetual sukuk holders	(69,850)	(69,850)
Lease payment	(34,623)	(30,940)
Net drawdown/(repayment) of borrowings	267,005	(43,061)
Net cash generated from/(used in) financing activities	39,438	(237,542)
NET INCREASE IN CASH AND CASH EQUIVALENTS	775,030	598,255
EFFECTS OF EXCHANGE RATE CHANGES	8,210	(3,266)
CASH AND CASH EQUIVALENTS AS AT 1 JANUARY	2,006,476	1,411,487
CASH AND CASH EQUIVALENTS AS AT 31 DECEMBER	2,789,716	2,006,476
Add: Deposits with maturity of more than 3 months	145,425	43,217
Deposits restricted by bank	6,244	1,200
DEPOSITS, CASH AND BANK BALANCES AS AT 31 DECEMBER	2,941,385	2,050,893

The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2020 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.

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020. 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 2020.

The accounting policies adopted in the preparation of the interim financial statements are consistent with those followed in the preparation of the Group’s audited financial statements for the financial year ended 31 December 2020, 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 2021:

- Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16 (Interest Rate Benchmark Reform - Phase 2)
- Amendments to MFRS 16 Leases (Covid-19 - Related Rent Concessions beyond 30 June 2021)

The Group has early adopted the Amendments to MFRS 16 Leases (Covid-19 - Related Rent Concessions beyond 30 June 2021), which is effective for financial periods beginning on or after 1 April 2021.

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

Standards issued but not yet effective

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

Effective for financial periods beginning on or after 1 January 2022

- Amendments to MFRS 1, MFRS 9 and MFRS 141 (Annual Improvements to MFRS Standards 2018 - 2020)
- Amendments to MFRS 3 Business Combinations (Reference to the Conceptual Framework)
- Amendments to MFRS 116 Property, Plant and Equipment (Proceeds before Intended Use)
- Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets (Onerous Contracts-Cost of Fulfilling a Contract)

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

Effective for financial periods beginning on or after 1 January 2023

- MFRS 17 Insurance Contracts
- Amendments to MFRS 17 Insurance Contracts
- Amendments to MFRS 17 Insurance Contracts (Initial Application of MFRS 17 and MFRS 9 - Comparative Information)
- Amendments to MFRS 101 Presentation of Financial Statements (Disclosure of Accounting Policies)
- Amendments to MFRS 101 Presentation of Financial Statements (Classification of Liabilities as Current or Non-current)
- 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)

MFRS, Interpretations and Amendments effective on a date yet to be announced

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

The 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 year, 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

There were no unusual items affecting assets, liabilities, equity, net income or cashflows during the current quarter and financial year ended 31 December 2021 except for those disclosed in Note 14 and 15, where only certain operations of the Group were allowed to operate during the imposition of the Full Movement Control Order (“FMCO”) from 1 June 2021 to 16 August 2021 (2.5 months) as part of government’s effort to curb the spread of Covid-19.

Subsequently, the restrictions were gradually eased in phases under the National Recovery Plan (“NRP”) and by the end of 2021, all business operations were allowed to operate under the Standard Operating Procedures (“SOPs”) set by the government which has vastly contributed to the improved performance in the fourth quarter of the financial year.

NOTE 4 - Accounting estimates

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

NOTE 5 - Issuance or repayment of debt and equity securities

On 15 February 2021, the Company fully redeemed RM200 million of Islamic Medium Term Notes ("IMTN") which was issued on 15 February 2016.

On 4 October 2021, the Company fully redeemed RM200 million of IMTN which was issued on 4 October 2016.

On 24 November 2021, the Company completed the issuance of IMTN with a nominal value of RM650 million under the IMTN programme with a maturity period of five (5) years.

Other than the above, there were no issuance and repayment of debt securities, share buybacks, share cancellations, shares held as treasury shares and resale of treasury shares for the year ended 31 December 2021.

NOTE 6 - Dividends paid

	31.12.2021 RM'000	31.12.2020 RM'000
<u>In respect of the financial year ended 31 December 2020:</u>		
Final dividend of 4.0 sen per ordinary share, declared on 25 February 2021 and paid on 30 April 2021.	46,732	-
<u>In respect of the financial year ended 31 December 2019:</u>		
Final dividend of 2.0 sen per ordinary share, declared on 27 February 2020 and paid on 31 March 2020.	-	23,366
	46,732	23,366
	46,732	23,366

NOTE 7 - Segmental reporting

	Financial Year Ended 31 December 2021		
	Revenue RM'000	Profit/(Loss) Before Taxation and Zakat RM'000	Profit/(Loss) Attributable to Owners of the Company RM'000
Business Segment			
Automotive	9,030,313	476,732	395,902
Equipment	1,313,449	107,011	77,271
Manufacturing & Engineering	726,333	22,163	(8,583)
Others	(9,292)	(123,156)	(126,510)
Subtotal	11,060,803	482,750	338,080
Less : Profit attributable to Holders of Perpetual Sukuk	-	-	(69,850)
CONSOLIDATED TOTAL	11,060,803	482,750	268,230

NOTE 7 - Segmental reporting (cont'd.)

Business Segment	Financial Year Ended 31 December 2020		
	Revenue RM'000	Profit/(Loss) Before Taxation and Zakat RM'000	Profit/(Loss) Attributable to Owners of the Company RM'000
Automotive	7,483,703	334,588	262,832
Equipment	1,137,332	102,932	76,835
Manufacturing & Engineering	918,276	61,590	34,260
Others	15,254	(98,445)	(99,477)
Subtotal	9,554,565	400,665	274,450
Less : Profit attributable to Holders of Perpetual Sukuk	-	-	(69,850)
CONSOLIDATED TOTAL	9,554,565	400,665	204,600

NOTE 8 - Subsequent material event

In the opinion of the directors, there has been no material event or transaction since the end of current financial year to the date of this announcement which substantially affects the results of the Group for the financial year ended 31 December 2021.

NOTE 9 - Changes in the composition of the Group

a. The winding up of the following subsidiaries in the Group were completed on the following dates:

Date	Company
15 March 2021	Arabian Drilling Services LLC
16 November 2021	UMW SG Engineering & Services Sdn Bhd
18 November 2021	KYB-UMW Steering Malaysia Sdn Bhd

- b. On 29 November 2021, the Group completed the disposal of its subsidiary, UMW Advantech Sdn Bhd, to a third party for a cash consideration of RM79,000,000.
- c. On 6 December 2021, the Group announced that its dormant subsidiary, UMW SG Power Systems Sdn Bhd, will be duly dissolved on the expiry of the three months from the lodgement date of the Return by the Group's appointed liquidator.
- d. On 27 December 2021, the Group announced that its dormant subsidiaries, namely UMW Oilfield International (M) Sdn Bhd and UMW Technology Sdn Bhd, have commenced members' voluntary winding up pursuant to Section 439(1) of the Companies Act 2016.

NOTE 10 - Capital commitments

The Group's capital commitments not provided for in the interim financial statements as at 31 December 2021 were as follows:

	RM'000	RM'000
<u>Approved and contracted for:</u>		
Land and buildings	10,626	
Equipment, plant and machinery	32,633	
Others*	<u>20,056</u>	63,315
<u>Approved but not contracted for:</u>		
Land and buildings	41,937	
Equipment, plant and machinery	413,629	
Others*	<u>58,335</u>	513,901
Total		<u>577,216</u>

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

NOTE 11 - 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 quarter and 12 months ended 31 December 2021.

Save for the recurrent related party transactions ("RPTs") with parties outside the Group as mandated by the shareholders at the 39th Annual General Meeting on 20 May 2021, there were no significant transactions with other related parties outside the Group.

NOTE 12 - Classification of financial assets

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

NOTE 13 - Changes in contingent liabilities and assets

Contingent liabilities of the Group are as follows:

	As at 31.12.2021 RM'000	As at 31.12.2020 RM'000
Performance bonds in favour of third parties	<u>11,580</u>	<u>20,340</u>

NOTE 14 - Review of performance**Quarter 4, 2021 vs Quarter 4, 2020**

	Revenue			Profit/(Loss) Before Taxation and Zakat		
	3 Months Ended 31.12.2021 RM'000	3 Months Ended 31.12.2020 RM'000	Variance %	3 Months Ended 31.12.2021 RM'000	3 Months Ended 31.12.2020 RM'000	Variance %
CONSOLIDATED TOTAL	3,645,110	3,242,313	12.4%	270,995	236,901	14.4%
Business Segment:						
Automotive	3,061,624	2,668,248	14.7%	269,160	191,025	40.9%
Equipment	365,135	317,943	14.8%	28,937	18,503	56.4%
Manufacturing & Engineering	225,878	244,167	(7.5)%	11,677	22,743	(48.7)%
Others	(7,527)	11,955	>(100%)	(38,779)	4,630	>(100%)

Group

The Group revenue of RM3,645.1 million in the current quarter was higher than the RM3,242.3 million reported in the quarter ended 31 December 2020 (“corresponding quarter”), mainly due to the higher sales in the Automotive and Equipment segments in the current quarter following reopening up of the economy under the NRP since the end of FMCO in the third quarter of 2021.

Correspondingly, the Group reported a higher profit before taxation and zakat (“PBTZ”) of RM271.0 million in the current quarter compared with RM236.9 million in the corresponding quarter.

i. Automotive Segment

The segment revenue of RM3,061.6 million was 14.7% higher than the RM2,668.2 million reported in the corresponding quarter, mainly due to the higher number of vehicles sold in the current quarter.

In line with the higher revenue and higher share of profit from an associated company, the segment recorded a higher PBTZ of RM269.2 million compared with RM191.0 million in the corresponding quarter.

ii. Equipment Segment

The segment revenue of RM365.1 million was 14.8% higher than the RM317.9 million in the corresponding quarter, mainly due to the higher demand for the segment’s products and services in the local and overseas markets continues to improve in the current quarter following the business recovery from the FMCO period.

Correspondingly, the segment’s PBTZ of RM28.9 million was 56.4% higher than the RM18.5 million profit reported in the corresponding quarter.

iii. Manufacturing & Engineering Segment

The segment revenue of RM225.9 million was 7.5% lower than the RM244.2 million reported in the corresponding quarter, due to the lower contribution from all the sub-segments mainly from the Auto Components and Lubricant sub-segments following lower demand, coupled with the disposal of a subsidiary, UMW Advantech Sdn Bhd effective 30 November 2021.

Consequently, the segment reported a lower PBTZ of RM11.7 million in the current quarter compared with RM22.7 million in the corresponding quarter.

NOTE 14 - Review of performance (cont'd.)**Financial Year, 2021 vs Financial Year, 2020**

	Revenue			Profit/(Loss) Before Taxation and Zakat		
	12 Months Ended 31.12.2021 RM'000	12 Months Ended 31.12.2020 RM'000	Variance %	12 Months Ended 31.12.2021 RM'000	12 Months Ended 31.12.2020 RM'000	Variance %
CONSOLIDATED TOTAL	11,060,803	9,554,565	15.8%	482,750	400,665	20.5%
Business Segment:						
Automotive	9,030,313	7,483,703	20.7%	476,732	334,588	42.5%
Equipment	1,313,449	1,137,332	15.5%	107,011	102,932	4.0%
Manufacturing & Engineering	726,333	918,276	(20.9)%	22,163	61,590	(64.0)%
Others	(9,292)	15,254	>(100%)	(123,156)	(98,445)	(25.1)%

Group

The Group revenue for the financial year ended 31 December 2021 of RM11,060.8 million was 15.8% higher than the RM9,554.6 million recorded in the corresponding year, primarily attributed to the higher revenue from the Automotive and Equipment segments following the longer sales tax exemption period.

Despite the longer shut down for certain business operations of the Group in 2021 of 2.5 months (1 June to 16 August 2021) compared with 1.5 months (18 March to 3 May 2020) in 2020, the Group registered a 20.5% higher PBTZ of RM482.8 million compared with the RM400.7 million in the corresponding year.

i. Automotive Segment

The Automotive segment achieved a 20.7% increase in revenue of RM9,030.3 million from RM7,483.7 million in the corresponding year. The increase is mainly attributed to continued sales momentum driven by the introduction of new car models and extended sales tax exemption.

Consistent with the higher revenue and higher share of profit from an associated company, the segment's PBTZ of RM476.7 million was also significantly higher than the RM334.6 million in the corresponding year.

ii. Equipment Segment

The segment revenue of RM1,313.4 million was 15.5% higher than the RM1,137.3 million in the corresponding year, mainly due to the surge in demand for the segment's products and services in the local and overseas markets in the current year following the general business recovery.

In line with the higher revenue, the segment's PBTZ of RM107.0 million was also higher than the RM102.9 million profit in the corresponding year.

iii. Manufacturing & Engineering Segment

The segment revenue of RM726.3 million was 20.9% lower than the RM918.3 million reported in the corresponding year, due to the lower contribution from all the sub-segments notably from the Aerospace sub-segment as a result of lower fan cases delivered.

Consequently, the segment's PBTZ of RM22.2 million was lower than the RM61.6 million in the corresponding year.

NOTE 15 - Comparison with immediate preceding quarter**Quarter 4, 2021 vs Quarter 3, 2021**

	Revenue			Profit/(Loss) Before Taxation and Zakat		
	3 Months Ended 31.12.2021 RM'000	3 Months Ended 30.09.2021 RM'000	Variance %	3 Months Ended 31.12.2021 RM'000	3 Months Ended 30.09.2021 RM'000	Variance %
CONSOLIDATED TOTAL	3,645,110	2,016,350	80.8%	270,995	16,470	>100%
Business Segment:						
Automotive	3,061,624	1,590,786	92.5%	269,160	27,408	>100%
Equipment	365,135	315,951	15.6%	28,937	24,320	19.0%
Manufacturing & Engineering	225,878	110,265	>100%	11,677	8,170	42.9%
Others	(7,527)	(652)	>(100%)	(38,779)	(43,428)	10.7%

Group

The Group revenue of RM3,645.1 million was 80.8% higher than the RM2,016.4 million reported in the preceding quarter ended 30 September 2021 ("preceding quarter"), mainly attributed to the increase in revenue in all core businesses following the reopening of the economy since the lifting of the FMCO which was imposed in the preceding quarter wherein the Group only had 1.5 months of uninterrupted business operations from 16 August to 30 September 2021.

Correspondingly, the Group reported a higher PBTZ of RM271.0 million in the current quarter compared with the RM16.5 million in the preceding quarter.

i. Automotive Segment

The segment revenue of RM3,061.6 million was significantly higher than the RM1,590.8 million in the preceding quarter, due to the higher number of vehicles sold, compared with the preceding quarter which was affected by the FMCO.

Correspondingly, with the increase in revenue and a higher share of profit from an associated company, the segment's PBTZ of RM269.2 million was substantially higher than the RM27.4 million in the preceding quarter.

ii. Equipment Segment

The segment revenue of RM365.1 million was 15.6% higher than the RM316.0 million reported in the preceding quarter, mainly attributed to the increase in demand for equipment following the reopening of the economy following the lifting of the FMCO.

In line with the higher revenue, the segment's PBTZ of RM28.9 million was higher than the RM24.3 million in the preceding quarter.

iii. Manufacturing & Engineering Segment

The segment revenue of RM225.9 million was higher than the RM110.3 million reported in the preceding quarter due to higher contribution from all sub-segments following the lifting of the FMCO.

Correspondingly, the segment reported a higher PBTZ of RM11.7 million compared with RM8.2 million in the preceding quarter.

NOTE 16 - Prospects

i. Automotive Segment

The Malaysian Automotive Association (“MAA”) is forecasting a 17.9% growth in the total industry volume (“TIV”) to 600,000 units for 2022 on the back of improved economic activities and consumer confidence. Automakers are expected to continue to ramp up production and deliveries to fulfil the backlog orders driven by the extension of the sales tax exemption until June 2022 as well as the low interest rate environment.

The introduction of all-new and facelift models, investments to further the initiatives on carbon neutrality through the manufacturing of Hybrid Electric Vehicles, as well as tax-free incentive for the purchase of Electric Vehicles (“EVs”) are expected to drive automotive sales and contribute positively to the Group in 2022.

The Group expects to remain resilient in facing the ongoing global shortage of semiconductor chips, rising material costs as well as the persisting Covid-19 pandemic threat by continuing to work closely with its principals, suppliers as well as internal and external stakeholders to mitigate and minimise the impact to the Group.

ii. Equipment Segment

Despite the challenging business environment arising from the Covid-19 pandemic and the political situation in Myanmar, the Equipment segment expects its business activities to improve following the reopening of the economy. The Heavy Equipment sub-segment could benefit from the expected increase in construction activities with the reopening of the economy, while the Industrial Equipment sub-segment’s performance is expected to be sustained as it continues to focus on the growth sectors. While the global supply chain issues may pose a challenge, order intakes remain healthy, which augurs well for the segment in 2022.

The segment will continue its cost optimisation and operational efficiency efforts as well as focusing on process improvement to minimise the impact of the Covid-19 pandemic on its operations.

iii. Manufacturing & Engineering Segment

The projected strong growth in TIV in 2022 bodes well for the Auto Components sub-segment. The Group, however, remains cautious of the supply chain issues that may affect production. The lubricants sub-segment will continue to expand its footprint in the industrial lubricant sector locally and regionally.

The Aerospace sub-segment is continuously exploring opportunities to improve its plant utilisation in line with its products and customer diversification strategy. The sub-segment has been impacted by the Covid-19 pandemic and is expected to turn around with the resumption of international travels.

Group

The Group expects its business operations both domestically and regionally to gradually recover in line with the projected economic growth in 2022. However, the Group remains cautious of the potential challenges arising from the persisting Covid-19 pandemic and will continue to improve its resilience through cost optimisation and operational efficiency.

NOTE 17 - Variance from profit forecast and profit guarantee

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

NOTE 18 - Revenue

Disaggregation of revenue from contracts with customers:

12 Months Ended 31 December 2021	Sale of vehicles RM'000	Sale of parts RM'000	Export sales RM'000	Services rendered RM'000	Sale of equipment RM'000	Sale of lubricants & related products 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
Business Segment											
Automotive	7,188,178	1,130,470	711,324	341	-	-	-	-	9,030,313	-	9,030,313
Equipment	-	264,333	39,725	45,807	731,453	-	-	-	1,081,318	232,131	1,313,449
Manufacturing & Engineering	-	340,208	222,851	272	-	163,002	-	-	726,333	-	726,333
Others	-	(30,837)	(2,134)	(112)	(1,301)	(6,265)	17,123	22,194	(1,332)	(7,960)	(9,292)
Total	7,188,178	1,704,174	971,766	46,308	730,152	156,737	17,123	22,194	10,836,632	224,171	11,060,803

12 Months Ended 31 December 2020	Sale of vehicles RM'000	Sale of parts RM'000	Export sales RM'000	Services rendered RM'000	Sale of equipment RM'000	Sale of lubricants & related products 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
Business Segment											
Automotive	5,768,615	1,073,034	579,713	62,341	-	-	-	-	7,483,703	-	7,483,703
Equipment	-	242,930	84,401	59,303	527,047	-	-	-	913,681	223,651	1,137,332
Manufacturing & Engineering	-	380,370	365,358	-	-	172,548	-	-	918,276	-	918,276
Others	(525)	(18,024)	(2,003)	3,240	(1,642)	(5,431)	26,639	21,276	23,530	(8,276)	15,254
Total	5,768,090	1,678,310	1,027,469	124,884	525,405	167,117	26,639	21,276	9,339,190	215,375	9,554,565

NOTE 19 – Taxation and Zakat

	3 Months Ended 31.12.2021 RM'000	3 Months Ended 31.12.2020 RM'000	12 Months Ended 31.12.2021 RM'000	12 Months Ended 31.12.2020 RM'000
Current period/year provision	(27,800)	(20,227)	(77,965)	(60,229)
Over provision in prior period/year	14,260	12,232	16,306	14,918
	(13,540)	(7,995)	(61,659)	(45,311)
Deferred taxation	122,875	(18,327)	103,145	(24,136)
Taxation	109,335	(26,322)	41,486	(69,447)
Zakat	-	-	(8,588)	(8,295)
Total taxation and zakat	109,335	(26,322)	32,898	(77,742)

The effective tax rate for the financial year ended 31 December 2021 was lower than the statutory tax rate, primarily due to the various tax incentives and benefits enjoyed by the Group, lower tax rate in certain jurisdictions and certain income not being subjected to tax.

During the quarter, there was a recognition of deferred tax assets of RM139.8 million arising from the approved investment tax allowance.

NOTE 20 - Corporate proposals

The Group has no corporate proposal announced that is not completed as at the date of this report.

NOTE 21 - Group borrowings and debt securities

	As at 31.12.2021				
	Long term	Short term		Total borrowings	
	RM denomination	Foreign denomination	RM denomination	Foreign denomination	RM denomination
	RM'000	RM'000	RM'000	RM'000	RM'000
Secured					
Term loans and trade facilities	88,300	-	-	-	88,300
	88,300	-	-	-	88,300
Unsecured					
Term loans and trade facilities	2,492,407	30,857	121,511	30,857	2,613,918
Long term loans payable within 12 months	(485,714)	-	485,714	-	-
	2,006,693	30,857	607,225	30,857	2,613,918
Total	2,094,993	30,857	607,225	30,857	2,702,218

	As at 31.12.2020				
	Long term	Short term		Total borrowings	
	RM denomination	Foreign denomination	RM denomination	Foreign denomination	RM denomination
	RM'000	RM'000	RM'000	RM'000	RM'000
Secured					
Term loans and trade facilities	87,888	-	-	-	87,888
	87,888	-	-	-	87,888
Unsecured					
Term loans and trade facilities	2,340,098	-	38,061	-	2,378,159
Long term loans payable within 12 months	(485,708)	-	485,708	-	-
	1,854,390	-	523,769	-	2,378,159
Total	1,942,278	-	523,769	-	2,466,047

NOTE 22 - Financial instruments**Derivatives**

As at 31 December 2021, 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	57,667	463
- Embedded derivatives	Less than 1 year	573,585	5,135
		631,252	5,598
Derivative Liabilities			
- Forward currency contracts	Less than 1 year	311,758	(3,094)

The Group uses forward currency contracts to hedge the current and future sales and purchases denominated in foreign currencies for which firm commitments existed at the end of reporting date. Derivatives are placed with or entered into with reputable financial institution with high credit ratings and no history of default.

NOTE 22 - Financial instruments (cont'd.)**Derivatives (cont'd.)**

There was no significant change to the type of derivative financial contracts entered into, cash requirements of the derivatives, risk associated with the derivatives and the risk management objectives and policies to mitigate these risks since the financial year ended 31 December 2021 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 year, the Group does not remeasure its financial liabilities at fair value after initial recognition.

NOTE 23 - Material litigation

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

NOTE 24 – Dividends declared

The Board has declared a final dividend of 5.8 sen per share amounting to RM67.8 million in respect of the financial year ended 31 December 2021. The final dividend is proposed to be paid on 29 April 2022 to shareholders whose name appears in the Record of Depositors as at close of business on 13 April 2022.

On 25 February 2021, the Board declared a final dividend of 4.0 sen per share amounting to RM46.7 million in respect of the financial year ended 31 December 2020 and was paid on 30 April 2021.

NOTE 25 - Earnings per share

The basic and diluted earnings per share is calculated by dividing the profit for the period/year attributable to the owners of the Company by the weighted average number of ordinary shares in issue.

	3 Months Ended 31.12.2021	3 Months Ended 31.12.2020	12 Months Ended 31.12.2021	12 Months Ended 31.12.2020
Profit for the period/year attributable to the owners of the Company (RM'000)	239,965	154,855	268,230	204,600
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	20.54	13.25	22.96	17.51

NOTE 26 - Audit qualification

The audit report in respect of the annual financial statements for the financial year ended 31 December 2020 was not qualified.

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

	3 Months Ended 31.12.2021 RM'000	3 Months Ended 31.12.2020 RM'000	12 Months Ended 31.12.2021 RM'000	12 Months Ended 31.12.2020 RM'000
a. Interest income	11,226	8,515	31,291	28,368
b. Other investment income	3,838	6,168	20,537	29,444
c. Depreciation and amortisation	(92,216)	(97,200)	(343,537)	(374,074)
d. Net (provision)/reversal of impairment on receivables	(8,098)	7,237	3,111	38,905
e. Net gain/(loss) on disposal of investments	2,663	(101,419)	2,640	(115,440)
f. Net gain on disposal of property, plant and equipment, leased assets and right-of-use assets	4,923	6,564	43,204	23,922
g. Net (provision)/reversal of inventories written down	(10,315)	6,176	(3,210)	4,365
h. Net foreign exchange gain/(loss)	7,663	(7,068)	(3,789)	6,227
i. Net fair value (loss)/gain on derivatives	(139)	10,261	(9,416)	11,728
j. Property, plant and equipment written off	(101)	(512)	(722)	(512)

By Order Of The Board

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

Kuala Lumpur
 25 February 2022