

# UMW HOLDINGS BERHAD

(COMPANY NO : 198201010554 (90278-P))

(INCORPORATED IN MALAYSIA)

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 DECEMBER 2022

	3 Months Ended 31.12.2022 RM'000 (Unaudited)	3 Months Ended 31.12.2021 RM'000 (Unaudited)	12 Months Ended 31.12.2022 RM'000 (Unaudited)	12 Months Ended 31.12.2021 RM'000 (Audited)
Revenue	4,375,368	3,645,110	15,814,431	11,060,803
Operating expenses	(4,268,719)	(3,555,239)	(15,353,541)	(10,901,399)
Other operating income	48,747	35,588	144,620	114,843
<b>Profit from operations</b>	<b>155,396</b>	<b>125,459</b>	<b>605,510</b>	<b>274,247</b>
Share of results of associates and joint ventures	67,769	160,915	334,915	267,968
Investment income	23,808	14,316	70,161	48,697
<b>Profit before interest</b>	<b>246,973</b>	<b>300,690</b>	<b>1,010,586</b>	<b>590,912</b>
Finance costs	(28,336)	(29,695)	(114,128)	(108,162)
<b>Profit before taxation and zakat</b>	<b>218,637</b>	<b>270,995</b>	<b>896,458</b>	<b>482,750</b>
Taxation and zakat	(46,475)	109,335	(218,602)	32,898
<b>Profit for the period/year</b>	<b>172,162</b>	<b>380,330</b>	<b>677,856</b>	<b>515,648</b>
<b><u>Other comprehensive (loss)/income:</u></b>				
Translation of foreign operations	(17,468)	3,533	34,966	22,575
Share of other comprehensive income of associates	299	214	1,200	30
Cash flow hedge	-	-	-	71
Other comprehensive (loss)/income net of tax	(17,169)	3,747	36,166	22,676
<b>Total comprehensive income for the period/year</b>	<b>154,993</b>	<b>384,077</b>	<b>714,022</b>	<b>538,324</b>
<b><u>Profit for the period/year attributable to:</u></b>				
Owners of the Company	105,954	239,965	415,046	268,230
Holder of perpetual sukuk	17,606	17,606	69,850	69,850
Non-controlling interests	48,602	122,759	192,960	177,568
	<b>172,162</b>	<b>380,330</b>	<b>677,856</b>	<b>515,648</b>
<b><u>Total comprehensive income attributable to:</u></b>				
Owners of the Company	90,730	243,923	448,342	295,065
Holder of perpetual sukuk	17,606	17,606	69,850	69,850
Non-controlling interests	46,657	122,548	195,830	173,409
	<b>154,993</b>	<b>384,077</b>	<b>714,022</b>	<b>538,324</b>
<b>Earnings per share for the period/year (sen):</b>				
Basic/diluted	9.07	20.54	35.53	22.96

The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2021 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 2022**

	As At 31.12.2022 RM'000 (Unaudited)	As At 31.12.2021 RM'000 (Audited)
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	2,706,160	2,545,020
Investment properties	208,852	270,218
Intangible assets	801	-
Leased assets	389,830	373,457
Right-of-use assets	121,753	128,182
Investments in joint ventures	78,667	77,850
Investments in associates	2,362,313	2,170,600
Deferred tax assets	178,073	222,174
Other investments	5,261	5,220
	<u>6,051,710</u>	<u>5,792,721</u>
<b>Current assets</b>		
Other investments	196,223	603,198
Derivative assets	22,650	5,598
Inventories	2,045,729	1,752,160
Trade receivables	1,124,329	904,185
Other receivables	107,208	147,476
Tax recoverable	16,500	19,413
Deposits, cash and bank balances	2,808,126	2,941,385
	<u>6,320,765</u>	<u>6,373,415</u>
Assets held for sale	44,619	6,553
	<u>6,365,384</u>	<u>6,379,968</u>
<b>Total assets</b>	<u>12,417,094</u>	<u>12,172,689</u>
<b>Equity and liabilities</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	584,147	584,147
Capital reserve	396	396
Fair value reserve	6,330	5,130
Foreign currency translation reserve	12,755	(19,135)
Retained earnings	3,746,388	3,434,152
	<u>4,350,016</u>	<u>4,004,690</u>
Perpetual sukuk	1,097,860	1,097,860
Non-controlling interests	1,692,079	1,659,999
<b>Total equity</b>	<u>7,139,955</u>	<u>6,762,549</u>
<b>Non-current liabilities</b>		
Deferred tax liabilities	60,823	48,396
Provision for warranties	234,957	208,786
Lease liabilities	39,345	38,180
Borrowings	1,339,932	2,094,993
	<u>1,675,057</u>	<u>2,390,355</u>
<b>Current liabilities</b>		
Derivative liabilities	1,174	3,094
Provision for warranties	55,149	84,981
Provision for taxation	27,984	7,699
Borrowings	212,335	638,082
Trade payables	846,005	648,064
Other payables	2,446,812	1,600,726
Lease liabilities	12,623	16,608
Liabilities associated with assets held for sale	-	20,531
	<u>3,602,082</u>	<u>3,019,785</u>
<b>Total liabilities</b>	<u>5,277,139</u>	<u>5,410,140</u>
<b>Total equity and liabilities</b>	<u>12,417,094</u>	<u>12,172,689</u>
<b>Net assets per share attributable to owners of the Company (RM)</b>	<u>3.72</u>	<u>3.43</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 2021 and accompanying explanatory notes attached to the Interim Condensed Consolidated Financial Statements.

# UMW HOLDINGS BERHAD

(COMPANY NO : 198201010554 (90278-P))

(INCORPORATED IN MALAYSIA)

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2022

	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
<b>12 MONTHS ENDED 31 DECEMBER 2022 (UNAUDITED)</b>										
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:										
Dividends distributed to equity holders	-	-	-	-	-	(102,810)	(102,810)	-	(163,750)	(266,560)
Liquidation of a subsidiary	-	-	-	-	(206)	-	(206)	-	-	(206)
Distribution to holders of perpetual sukuk	-	-	-	-	-	-	-	(69,850)	-	(69,850)
Total comprehensive income	-	-	-	1,200	32,096	415,046	448,342	69,850	195,830	714,022
At 31 December 2022	584,147	396	-	6,330	12,755	3,746,388	4,350,016	1,097,860	1,692,079	7,139,955

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD 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
<b>12 MONTHS ENDED 31 DECEMBER 2021 (AUDITED)</b>										
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:										
Dividend distributed to equity holders	-	-	-	-	-	(46,732)	(46,732)	-	(76,362)	(123,094)
Effect of change in shareholding in a subsidiary	-	-	-	-	1,766	(113,540)	(111,774)	-	111,774	-
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	(19,135)	3,434,152	4,004,690	1,097,860	1,659,999	6,762,549

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 2021 and accompanying explanatory notes attached to the Interim Condensed Consolidated Financial Statements.

# UMW HOLDINGS BERHAD

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

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 DECEMBER 2022

	12 Months Ended 31.12.2022 RM'000 (Unaudited)	12 Months Ended 31.12.2021 RM'000 (Audited)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation and zakat	896,458	482,750
Adjustments for:		
Depreciation and amortisation	340,581	343,537
Net (reversal of impairment)/impairment losses on:		
- property, plant and equipment	(2,451)	-
- investment in joint venture	904	1,052
- receivables	(2,129)	2,198
- other investments	(10,718)	15,637
Property, plant and equipment written off	3,461	722
Net provision for inventories written down	4,281	3,210
Interest expense	114,128	108,162
Bad debt written off	30	5,691
Share of results of associates and joint ventures	(334,915)	(267,968)
Net gain on disposal of property, plant and equipment, leased assets and right-of-use assets	(30,224)	(43,204)
Net loss/(gain) on liquidations/disposals of investments in subsidiaries	6,364	(2,491)
Net fair value (gain)/loss on derivatives	(18,990)	9,416
Net unrealised foreign exchange (gain)/loss	(4,773)	10,277
Net fair value gain on financial assets held for trading	(2,248)	(686)
Net gain disposal of other investments	(347)	(149)
Interest and other investments income	(71,944)	(51,828)
Net provision for warranties	44,240	59,648
Operating profit before working capital changes	931,708	675,974
Changes in receivables	(163,837)	72,811
Changes in inventories	(297,899)	(316,898)
Warranties paid	(48,071)	(45,964)
Changes in payables	1,034,622	57,677
Cash generated from operating activities	1,456,523	443,600
Interest paid	(113,978)	(108,174)
Taxes and zakat paid	(139,104)	(74,028)
Net cash generated from operating activities	1,203,441	261,398
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Net cash inflow arising from disposal of subsidiaries	-	75,035
Dividends received	142,561	104,416
Purchase of property, plant and equipment, investment properties, leased assets and intangible assets	(509,933)	(406,179)
Proceeds from disposal of property, plant and equipment, and leased assets	62,170	75,585
Interest received	71,051	51,369
Proceeds from disposal of other investments	856,992	1,292,506
Purchase of other investments	(448,005)	(601,916)
Movement in fixed deposits placement with maturity of more than 3 months	(140,996)	(191,644)
Movement in deposits placement restricted by banks	6,244	(5,044)
Movement in assets held for sale	9,370	(9,370)
Net cash generated from investing activities	49,454	384,758
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividends paid to equity holders of the Company	(102,810)	(46,732)
Dividends paid to non-controlling interests	(154,005)	(76,362)
Dividends paid to perpetual sukuk holders	(69,850)	(69,850)
Lease payment	(25,131)	(34,623)
Net (repayment)/drawdown of borrowings	(1,180,820)	267,005
Net cash (used in)/generated from financing activities	(1,532,616)	39,438
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	(279,721)	685,594
<b>EFFECTS OF EXCHANGE RATE CHANGES</b>	11,710	8,210
<b>CASH AND CASH EQUIVALENTS AS AT 1 JANUARY</b>	2,700,280	2,006,476
<b>CASH AND CASH EQUIVALENTS AS AT 31 DECEMBER</b>	2,432,269	2,700,280
Add: Deposits with maturity of more than 3 months	375,857	234,861
Deposits restricted by bank	-	6,244
<b>DEPOSITS, CASH AND BANK BALANCES AS AT 31 DECEMBER</b>	2,808,126	2,941,385

The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2021 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 2021. 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 2021.

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 2021, 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 years beginning on or after 1 January 2022:

- Amendments to MFRS 1, MFRS 9 and MFRS 141 (Annual Improvements to MFRS Standards 2018 - 2020 Cycle)
- 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)

The adoption of the above amended standards are either not relevant or do 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 2023**

- MFRS 17 Insurance Contracts and Amendments to MFRS 17 Insurance Contracts
- Amendments to MFRS 101 Presentation of Financial Statements and MFRS Practice Statement 2 (Disclosure of Accounting Policies)
- 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)

**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 2024**

- Amendment to MFRS 16 Leases (Lease Liability in a Sale and Leaseback)
- Amendments to MFRS 101 Presentation of Financial Statements (Classification of Liabilities as Current or Non-current)

**Effective date of these amendments to Standards has been deferred, and 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 2022.

**NOTE 4 - Accounting estimates**

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

**NOTE 5 - Issuance, repurchase or repayment of debt and equity securities**

On 4 April 2022, the Company had obtained the required approval from the sukukholders during their Extraordinary General Meeting (“EGM”) to partially redeem the outstanding sukuk of RM750.0 million under the RM2.0 billion Islamic Medium Term Notes (“IMTN”) programme, that were issued on 4 October 2016, 22 June 2017 and 13 September 2018 respectively.

On 12 April 2022, subsequent to the approval, the Company had redeemed the IMTNs and the respective RM750.0 million tranches were then cancelled accordingly.

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 financial year ended 31 December 2022.

**NOTE 6 – Dividends paid**

	<b>31.12.2022</b>	<b>31.12.2021</b>
	<b>RM'000</b>	<b>RM'000</b>
<u>In respect of the financial year ended 31 December 2022:</u>		
Interim dividend of 3.0 sen per ordinary shares, paid on 15 December 2022.	35,049	-
<u>In respect of the financial year ended 31 December 2021:</u>		
Final dividend of 5.8 sen per ordinary shares, paid on 29 April 2022.	67,761	-
<u>In respect of the financial year ended 31 December 2020:</u>		
Final dividend of 4.0 sen per ordinary shares, paid on 30 April 2021.	-	46,732
	<u>102,810</u>	<u>46,732</u>

**NOTE 7 – Segmental reporting**

	<b>Financial Year Ended 31 December 2022</b>		
	<b>Revenue RM'000</b>	<b>Profit/(Loss) Before Taxation and Zakat RM'000</b>	<b>Profit/(Loss) Attributable to Owners of the Company RM'000</b>
<b>Business Segment</b>			
Automotive	13,309,950	774,914	453,343
Equipment	1,528,011	152,837	105,708
Manufacturing & Engineering	984,199	66,307	32,326
Others	80,392	(97,600)	(106,481)
Inter-segment eliminations	(88,121)	-	-
<b>Subtotal</b>	<b>15,814,431</b>	<b>896,458</b>	<b>484,896</b>
Less : Profit attributable to holders of perpetual sukuk	-	-	(69,850)
<b>CONSOLIDATED TOTAL</b>	<b>15,814,431</b>	<b>896,458</b>	<b>415,046</b>

**NOTE 7 – Segmental reporting (cont'd.)**

<b>Business Segment</b>	<b>Financial Year Ended 31 December 2021</b>		
	<b>Revenue RM'000</b>	<b>Profit/(Loss) Before Taxation and Zakat RM'000</b>	<b>Profit/(Loss) Attributable to Owners of the Company RM'000</b>
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	39,547	(123,156)	(126,510)
Inter-segment eliminations	(48,839)	-	-
<b>Subtotal</b>	<b>11,060,803</b>	<b>482,750</b>	<b>338,080</b>
Less : Profit attributable to Holders of Perpetual Sukuk	-	-	(69,850)
<b>CONSOLIDATED TOTAL</b>	<b>11,060,803</b>	<b>482,750</b>	<b>268,230</b>

**NOTE 8 – Subsequent material event**

In the opinion of the directors, there has been no material event or transaction since the end of the current financial year to the date of this announcement which substantially affects the results of the Group for the financial year ended 31 December 2022.

**NOTE 9 – Changes in the composition of the Group**

The liquidation of the following subsidiaries in the Group were completed on the following dates:

<b>Date</b>	<b>Company</b>
16 March 2022	UMW SG Power Systems Sdn Bhd
29 March 2022	UMW Middle East Ventures Holding W.L.L
19 September 2022	UMW Autocorp Sdn Bhd
18 January 2023	UMW Oil & Gas Berhad

## NOTE 10 - Capital commitments

The Group's capital commitments not provided for in the interim financial statements as at 31 December 2022 were as follows:

	<b>RM'000</b>	<b>RM'000</b>
<u>Approved and contracted for:</u>		
Land and buildings	36,085	
Equipment, plant and machinery	89,488	
Others*	<u>17,991</u>	143,564
<u>Approved but not contracted for:</u>		
Land and buildings	21,388	
Equipment, plant and machinery	598,855	
Others*	<u>86,712</u>	<u>706,955</u>
<b>Total</b>		<u><b>850,519</b></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 twelve months ended 31 December 2022.

Save for the recurrent related party transactions ("RPTs") with parties outside the Group as mandated by the shareholders at the 40<sup>th</sup> Annual General Meeting on 26 May 2022, 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 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:

	<b>As at 31.12.2022 RM'000</b>	<b>As at 31.12.2021 RM'000</b>
Performance bonds in favour of third parties	<u>10,550</u>	<u>11,580</u>

**NOTE 14 - Review of performance****Quarter 4 2022 vs Quarter 4 2021**

	Revenue			Profit/(Loss) Before Taxation and Zakat		
	3 Months Ended 31.12.2022 RM'000	3 Months Ended 31.12.2021 RM'000	Variance %	3 Months Ended 31.12.2022 RM'000	3 Months Ended 31.12.2021 RM'000	Variance %
<b>CONSOLIDATED TOTAL</b>	<b>4,375,368</b>	<b>3,645,110</b>	<b>20.0%</b>	<b>218,637</b>	<b>270,995</b>	<b>(19.3)%</b>
<b>Business Segment:</b>						
Automotive	3,694,852	3,061,624	20.7%	182,642	269,160	(32.1)%
Equipment	395,288	365,135	8.3%	35,655	28,937	23.2%
Manufacturing & Engineering	278,502	225,878	23.3%	29,211	11,677	>100%
Others	33,859	23,652	43.2%	(28,871)	(38,779)	25.5%
Inter-segment eliminations	(27,133)	(31,179)	13.0%	-	-	-

**Group**

The Group revenue of RM4,375.4 million in the current quarter was higher than the RM3,645.1 million reported in the quarter ended 31 December 2021 (“corresponding quarter”) attributed to the higher contribution from all segments, driven by continued strong growth momentum post-pandemic.

Nevertheless, the Group reported a lower profit before taxation and zakat (“PBTZ”) of RM218.6 million in the current quarter compared with RM271.0 million in the corresponding quarter, owing largely to the lower share of profit from an associated company.

**i. Automotive Segment**

The segment revenue of RM3,694.9 million was 20.7% higher than the RM3,061.6 million reported in the corresponding quarter, mainly due to the higher number of vehicles sold in the current quarter.

Conversely, the segment’s PBTZ of RM182.6 million was lower than the RM269.2 million in the corresponding quarter on the back of the lower share of profit from an associated company.

**ii. Equipment Segment**

The segment revenue of RM395.3 million was 8.3% higher than the RM365.1 million reported in the corresponding quarter, mainly due to the stronger demand for the segment’s products and services in the local and overseas markets.

Accordingly, the segment’s PBTZ of RM35.7 million was higher than the RM28.9 million in the corresponding quarter.

**iii. Manufacturing & Engineering Segment**

The segment’s revenue of RM278.5 million rose by 23.3% from RM225.9 million reported in the corresponding quarter. The improved performance is mainly attributable to the higher contribution from all sub-segments as the economic conditions improved both locally and regionally in 2022.

In line with the higher revenue, the segment PBTZ of RM29.2 million reported in the current quarter was more than double compared with RM11.7 million recorded in the corresponding quarter.

**NOTE 14 - Review of performance (cont'd.)****Quarter 4 2022 vs Quarter 4 2021 (cont'd.)****iv. Others**

The segment under Others which does not generate significant external revenue mainly relates to activities such as information technology, property development, management and corporate services, various professional services and research and development.

The segment revenue of RM33.9 million was higher than the RM23.7 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 lower loss of RM28.9 million compared with RM38.8 million loss reported in the corresponding quarter.

**Financial Year 2022 vs Financial Year 2021**

	Revenue			Profit/(Loss) Before Taxation and Zakat		
	12 Months Ended 31.12.2022 RM'000	12 Months Ended 31.12.2021 RM'000	Variance %	12 Months Ended 31.12.2022 RM'000	12 Months Ended 31.12.2021 RM'000	Variance %
<b>CONSOLIDATED TOTAL</b>	<b>15,814,431</b>	<b>11,060,803</b>	<b>43.0%</b>	<b>896,458</b>	<b>482,750</b>	<b>85.7%</b>
<b>Business Segment:</b>						
Automotive	13,309,950	9,030,313	47.4%	774,914	476,732	62.5%
Equipment	1,528,011	1,313,449	16.3%	152,837	107,011	42.8%
Manufacturing & Engineering	984,199	726,333	35.5%	66,307	22,163	>100%
Others	80,392	39,547	>100%	(97,600)	(123,156)	20.8%
Inter-segment eliminations	(88,121)	(48,839)	(80.4)%	-	-	-

**Group**

The Group revenue for the financial year ended 31 December 2022 of RM15,814.4 million grew by 43.0% compared with the RM11,060.8 million recorded in the corresponding year, which was attributable to the higher revenue in all segments following the strong recovery of the Malaysian and regional economies.

Accordingly, the Group PBTZ increased significantly to RM896.5 million from RM482.8 million reported in the corresponding year.

**i. Automotive Segment**

The Automotive segment's revenue of RM13,310.0 million was 47.4% higher than the RM9,030.3 million recorded in the corresponding year underpinned by the higher number of vehicles sold during the year following the continued strong sales momentum.

Correspondingly, the segment's PBTZ of RM774.9 million was also higher than the RM476.7 million profit reported in the corresponding year.

**ii. Equipment Segment**

Revenue of RM1,528.0 million was 16.3% higher than the RM1,313.4 million reported in the corresponding year, mainly due to the growing demand for the segment's products and services in its domestic and overseas markets during the year.

**NOTE 14 - Review of performance (cont'd.)****Financial Year 2022 vs Financial Year 2021 (cont'd.)****ii. Equipment Segment (cont'd.)**

In line with the higher revenue, the segment's PBTZ of RM152.8 million was 42.8% higher than the RM107.0 million profit reported in the corresponding year.

**iii. Manufacturing & Engineering Segment**

The segment's revenue of RM984.2 million was 35.5% higher than the RM726.3 million reported in the corresponding year due to higher contribution from all sub-segments especially the Auto Component following the higher demand for its products in the current year.

Consequently, the segment's PBTZ of RM66.3 million was higher compared with the RM22.2 million as reported in the corresponding year.

**iv. Others**

Revenue for segment under Others of RM80.4 million was higher compared with the RM39.5 million in the corresponding year primarily due to the revenue recognition relating to the sale of industrial plots in Serendah in the current year.

Correspondingly, the segment reported a lower loss of RM97.6 million compared with a loss of RM123.2 million in the corresponding year.

**NOTE 15 - Comparison with immediate preceding quarter****Quarter 4 2022 vs Quarter 3 2022**

	Revenue			Profit/(Loss) Before Taxation and Zakat		
	3 Months Ended 31.12.2022 RM'000	3 Months Ended 30.09.2022 RM'000	Variance %	3 Months Ended 31.12.2022 RM'000	3 Months Ended 30.09.2022 RM'000	Variance %
<b>CONSOLIDATED TOTAL</b>	<b>4,375,368</b>	<b>4,057,465</b>	<b>7.8%</b>	<b>218,637</b>	<b>231,485</b>	<b>(5.6)%</b>
<b>Business Segment:</b>						
Automotive	3,694,852	3,427,556	7.8%	182,642	183,551	(0.5)%
Equipment	395,288	394,357	0.2%	35,655	49,979	(28.7)%
Manufacturing & Engineering	278,502	252,174	10.4%	29,211	13,418	>100%
Others	33,859	3,609	>100%	(28,871)	(15,463)	(86.7)%
Inter-segment eliminations	(27,133)	(20,231)	(34.1)%	-	-	-

**Group**

The Group revenue of RM4,375.4 million was 7.8% higher than the RM4,057.5 million reported in the preceding quarter ended 30 September 2022 ("preceding quarter"), generally attributable to the improving sales momentum in all business segments as the economy recovers post-pandemic.

Despite the increase in revenue, the Group reported a lower PBTZ of RM218.6 million in the current quarter compared with RM231.5 million in the preceding quarter mainly due to the higher operating expenses.

## **NOTE 15 - Comparison with immediate preceding quarter (cont'd.)**

### **Quarter 4 2022 vs Quarter 3 2022 (cont'd.)**

#### **i. Automotive Segment**

The revenue of RM3,694.9 million was higher than the preceding quarter's revenue of RM3,427.6 million mainly due to the higher number of vehicles sold in the current quarter.

Notwithstanding the higher revenue, the segment reported a slightly lower PBTZ of RM182.6 million compared with RM183.6 million in the preceding quarter.

#### **ii. Equipment Segment**

The revenue of RM395.3 million was marginally higher than the RM394.4 million reported in the preceding quarter.

Despite the increase in revenue, the segment reported a lower PBTZ of RM35.7 million compared with the RM50.0 million reported in the preceding quarter due to the higher operating expenses.

#### **iii. Manufacturing & Engineering Segment**

The segment revenue of RM278.5 million was 10.4% higher than the RM252.2 million reported in the preceding quarter, primarily due to higher contribution from the Aerospace sub-segment following the increase in delivery of fan cases compared with the preceding quarter.

In line with the higher revenue, the segment's PBTZ of RM29.2 million reported was substantially higher compared with RM13.4 million reported in the preceding quarter.

#### **iv. Others**

Revenue for segment under Others of RM33.9 million was significantly higher than the RM3.6 million in the preceding quarter mainly due to the higher revenue recognition relating to sale of industrial plots in Serendah in the current quarter.

However, the segment reported a higher loss of RM28.9 million compared with RM15.5 million in the preceding quarter largely due to higher operating expenses.

## **NOTE 16 – Prospects**

The International Monetary Fund (“IMF”) in its latest World Economic Outlook (“WEO”) report stated that global growth is projected to decline from an estimated 3.4% in 2022 to 2.9% in 2023. The rise in central bank rates to control inflation and the Russia-Ukraine war will continue to weigh on economic activity. The recent reopening of China has paved the way for a faster-than-expected recovery that will improve the global economic outlook.

On the domestic front, Bank Negara Malaysia (“BNM”) had on 19 January 2023 kept its Overnight Policy Rate (“OPR”) unchanged at 2.75%, signalling worries about economic growth after four consecutive rate hikes last year on account of resilient domestic demand. Nevertheless, BNM warned that the weaker global growth, higher interest rates and inflation environment, further escalation of geopolitical conflicts and re-emergence of significant supply chain disruptions may pose downside risks to the domestic economy.

## **NOTE 16 – Prospects (cont’d.)**

### **i. Automotive Segment**

The Malaysian Automotive Association has projected the total industry volume (“TIV”) in 2023 to reduce to 650,000 units, 9.8% lower than the record 720,658 units registered last year. This is following the end of the sales tax exemption for those outstanding orders to be registered by 31 March 2023, coupled with the projected slowdown of the global economy and ongoing supply chain issues faced by the automotive industry.

The Group will continue to take the necessary measures to mitigate the projected slowdown through increased production to fulfil its outstanding bookings as well as with the introduction of exciting new and facelifted models to entice and sustain buying interest among consumers. The Group believes that the automotive industry will continue to perform well in 2023.

### **ii. Equipment Segment**

The segment will continue to grow marginally despite the challenges arising from the ongoing global geopolitical crisis, inflationary pressures and supply chain issues. However, the Group will continue to work closely with its principals to improve the competitiveness and delivery of its products and services.

The Industrial Equipment sub-segment will continue to strive for excellence and leverage its leading position to explore new opportunities in automation and other adjacencies. Concurrently, the Heavy Equipment sub-segment will continue to leverage on the improving construction industry and higher commodity prices, whilst continuing to monitor the ongoing political uncertainties in Myanmar.

### **iii. Manufacturing & Engineering Segment**

Both the Auto Components and Lubricants sub-segments will continue to leverage on the improving demand for vehicles which is underpinned by the robust demand from the original equipment (“OE”) market as well as the replacement equipment (“RE”) market to drive the growth for the segment in 2023.

The reopening of international borders and the increase in air travel which is expected to reach the pre-pandemic level by this year will bode well for the Aerospace sub-segment. As such, the additional orders for new aircraft from the airlines combined with the backlog orders will lead to a higher demand for fan cases in 2023.

The Group will continue to focus on strengthening its core businesses through operational efficiency and cost management initiatives to improve its business resilience amidst the challenging business environment in 2023. The Group expects to deliver satisfactory performance for 2023.

## **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 2022	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
<b>Business Segment</b>											
Automotive	10,526,595	1,852,316	928,239	-	-	2,800	-	-	13,309,950	-	13,309,950
Equipment	-	337,971	41,534	837,148	-	59,846	-	-	1,276,499	251,512	1,528,011
Manufacturing & Engineering	-	444,794	316,256	-	222,845	304	-	-	984,199	-	984,199
Others	-	-	-	-	-	873	63,352	16,167	80,392	-	80,392
Inter-segment eliminations	-	(66,366)	(2,224)	(1,754)	(9,204)	(583)	-	-	(80,131)	(7,990)	(88,121)
<b>Total</b>	<b>10,526,595</b>	<b>2,568,715</b>	<b>1,283,805</b>	<b>835,394</b>	<b>213,641</b>	<b>63,240</b>	<b>63,352</b>	<b>16,167</b>	<b>15,570,909</b>	<b>243,522</b>	<b>15,814,431</b>

12 Months Ended 31 December 2021	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
<b>Business Segment</b>											
Automotive	7,188,178	1,130,470	711,324	-	-	341	-	-	9,030,313	-	9,030,313
Equipment	-	264,333	39,725	731,453	-	45,807	-	-	1,081,318	232,131	1,313,449
Manufacturing & Engineering	-	340,208	222,851	-	163,002	272	-	-	726,333	-	726,333
Others	-	-	-	-	-	230	17,123	22,194	39,547	-	39,547
Inter-segment eliminations	-	(30,837)	(2,134)	(1,301)	(6,265)	(342)	-	-	(40,879)	(7,960)	(48,839)
<b>Total</b>	<b>7,188,178</b>	<b>1,704,174</b>	<b>971,766</b>	<b>730,152</b>	<b>156,737</b>	<b>46,308</b>	<b>17,123</b>	<b>22,194</b>	<b>10,836,632</b>	<b>224,171</b>	<b>11,060,803</b>

## NOTE 19 - Taxation and Zakat

	3 Months Ended 31.12.2022 RM'000	3 Months Ended 31.12.2021 RM'000	12 Months Ended 31.12.2022 RM'000	12 Months Ended 31.12.2021 RM'000
Current period provision	(26,603)	(27,800)	(151,222)	(77,965)
(Under)/over provision in prior period/year	(256)	14,260	(5,188)	16,306
Deferred taxation	(26,859)	(13,540)	(156,410)	(61,659)
Taxation	(18,017)	122,875	(55,796)	103,145
Zakat	(44,876)	109,335	(212,206)	41,486
Total taxation and zakat	(1,599)	-	(6,396)	(8,588)
	(46,475)	109,335	(218,602)	32,898

The effective tax rate for the financial year ended 31 December 2022 is 24%, which is consistent with the statutory tax rate. Included in the current year provision was a one-off special windfall tax known as “Cukai Makmur” or prosperity tax for a subsidiary which was introduced in the Malaysian Budget 2022, whereby companies with chargeable income above RM100 million will be taxed at a rate of 33% and for income below or equal to RM100 million will be taxed at the statutory tax rate of 24% for the year of assessment 2022.

Excluding the one-off special windfall tax, the effective tax rate is 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 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 31.12.2022				
	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
<b>Secured</b>					
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
<b>Unsecured</b>					
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
<b>Total</b>	1,339,932	-	212,335	-	1,552,267

	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
<b>Secured</b>					
Term loans and trade facilities	88,300	-	-	-	88,300
	88,300	-	-	-	88,300
<b>Unsecured</b>					
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
<b>Total</b>	2,094,993	30,857	607,225	30,857	2,702,218

**NOTE 22 - Financial instruments**
**Derivatives**

As at 31 December 2022, 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
<b>Derivative Assets</b>			
- Forward currency contracts	Less than 1 year	305,608	6,404
- Embedded derivatives	Less than 1 year	729,679	16,246
		1,035,287	22,650
<b>Derivative Liabilities</b>			
- Forward currency contracts	Less than 1 year	611,121	(1,174)

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. The Group does not participate in any speculative investment activities.

**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 2022 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 declared a final dividend of 11.2 sen per share amounting to RM130.8 million in respect of the financial year ended 31 December 2022. The final dividend is proposed to be paid on 12 May 2023 to shareholders whose names appear in the Record of Depositors as at the close of business on 18 April 2023.

**NOTE 25 - Earnings per share**

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

	<b>3 Months Ended 31.12.2022</b>	<b>3 Months Ended 31.12.2021</b>	<b>12 Months Ended 31.12.2022</b>	<b>12 Months Ended 31.12.2021</b>
Profit for the period attributable to the owners of the Company (RM'000)	105,954	239,965	415,046	268,230
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	9.07	20.54	35.53	22.96

**NOTE 26 - Audit qualification**

The audit report in respect of the annual financial statements for the financial year ended 31 December 2021 was not qualified.

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

	<b>3 Months Ended 31.12.2022 RM'000</b>	<b>3 Months Ended 31.12.2021 RM'000</b>	<b>12 Months Ended 31.12.2022 RM'000</b>	<b>12 Months Ended 31.12.2021 RM'000</b>
a. Interest income	23,729	11,226	68,661	31,291
b. Other investment income	401	3,829	3,283	20,537
c. Depreciation and amortisation	(86,308)	(92,216)	(340,581)	(343,537)
d. Net reversal of impairment/(impairment loss) on receivables	2,848	(13,407)	2,129	(2,198)
e. Net (impairment loss)/reversal of impairment on property, plant and equipment	(842)	-	2,451	-
f. Net gain/(loss) on disposal of investments	478	2,663	(6,017)	2,640
g. Net gain on disposal of property, plant and equipment, leased assets and right-of-use assets	8,179	4,923	30,224	43,204
h. Net provision of inventories written down	(8,405)	(10,315)	(4,281)	(3,210)
i. Net realised and unrealised foreign exchange gain/(loss)	10,703	7,663	4,777	(3,789)
j. Net fair value gain/(loss) on derivatives	53,248	(139)	18,990	(9,416)
k. Property, plant and equipment written off	(44)	(101)	(3,461)	(722)

**By Order Of The Board**

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

Kuala Lumpur  
 27 February 2023