

UMW HOLDINGS BERHAD

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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 MARCH 2021

	3 Months Ended 31.03.2021 RM'000 (Unaudited)	3 Months Ended 31.03.2020 RM'000 (Unaudited)	Period Ended 31.03.2021 RM'000 (Unaudited)	Period Ended 31.03.2020 RM'000 (Unaudited)
Revenue	2,954,231	2,119,193	2,954,231	2,119,193
Operating Expenses	(2,888,095)	(2,095,603)	(2,888,095)	(2,095,603)
Other Operating Income	23,698	22,070	23,698	22,070
Profit From Operations	89,834	45,660	89,834	45,660
Share Of Results Of Associates And Joint Ventures	87,485	29,185	87,485	29,185
Investment Income	12,774	17,937	12,774	17,937
Profit Before Interest	190,093	92,782	190,093	92,782
Finance Costs	(27,395)	(29,736)	(27,395)	(29,736)
Profit Before Zakat And Taxation	162,698	63,046	162,698	63,046
Zakat And Taxation	(39,343)	(14,241)	(39,343)	(14,241)
Profit For The Period	123,355	48,805	123,355	48,805
<u>Other Comprehensive (Loss)/Income:</u>				
Translation Of Foreign Operations	(1,118)	14,790	(1,118)	14,790
Share Of Other Comprehensive Income of Associates	(21)	198	(21)	198
Cash Flow Hedge	(586)	33	(586)	33
Other Comprehensive (Loss)/Income Net Of Tax	(1,725)	15,021	(1,725)	15,021
Total Comprehensive Income For The Period	121,630	63,826	121,630	63,826
<u>Profit For The Period Attributable To:</u>				
Owners Of The Company	97,265	44,317	97,265	44,317
Non-Controlling Interests	26,090	4,488	26,090	4,488
	123,355	48,805	123,355	48,805
<u>Total Comprehensive Income Attributable To:</u>				
Owners Of The Company	100,040	76,344	100,040	76,344
Non-Controlling Interests	21,590	(12,518)	21,590	(12,518)
	121,630	63,826	121,630	63,826
Earnings Per Share For The Period (Sen)	8.33	3.79	8.33	3.79

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 31.03.2021 RM'000 (Unaudited)	As At 31.12.2020 RM'000 (Audited)
ASSETS		
Non-Current Assets		
Property, Plant And Equipment	2,480,429	2,463,020
Investment Properties	278,811	284,383
Leased Assets	347,535	350,438
Right-Of-Use Assets	143,405	152,059
Investments In Joint Ventures	68,964	64,997
Investments In Associates	2,099,762	2,015,856
Deferred Tax Assets	109,894	119,414
Other Investments	5,152	5,165
	<u>5,533,952</u>	<u>5,455,332</u>
Current Assets		
Other Investments	1,270,796	1,286,086
Derivative Assets	864	13,237
Inventories	1,569,705	1,439,279
Trade Receivables	1,005,420	1,059,057
Other Receivables	170,329	128,647
Tax Recoverable	24,240	14,561
Deposits, Cash And Bank Balances	1,638,346	2,050,893
	<u>5,679,700</u>	<u>5,991,760</u>
TOTAL ASSETS	<u>11,213,652</u>	<u>11,447,092</u>
EQUITY AND LIABILITIES		
Equity Attributable To The Equity Holders Of The Company		
Share Capital	584,147	584,147
Capital Reserve	396	396
Hedging Reserve	(657)	(71)
Fair Value Reserve	5,079	5,100
Foreign Currency Translation Reserve	(44,253)	(47,635)
Retained Earnings	3,423,459	3,326,194
	<u>3,968,171</u>	<u>3,868,131</u>
Perpetual Sukuk	1,097,860	1,097,860
Non-Controlling Interests	1,472,768	1,451,178
Total Equity	<u>6,538,799</u>	<u>6,417,169</u>
Non-Current Liabilities		
Deferred Tax Liabilities	59,968	47,848
Provision For Warranties	195,402	195,994
Lease Liabilities	41,884	47,608
Borrowings	1,917,880	1,942,278
	<u>2,215,134</u>	<u>2,233,728</u>
Current Liabilities		
Derivative Liabilities	10,469	1,317
Provision For Warranties	99,103	84,039
Provision For Taxation	9,766	6,132
Borrowings	342,112	523,769
Trade Payables	713,502	682,724
Other Payables	1,261,260	1,473,487
Lease Liabilities	23,507	24,727
	<u>2,459,719</u>	<u>2,796,195</u>
Total Liabilities	<u>4,674,853</u>	<u>5,029,923</u>
TOTAL EQUITY AND LIABILITIES	<u>11,213,652</u>	<u>11,447,092</u>
Net Assets Per Share (RM)	3.3966	3.3109

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 PERIOD ENDED 31 MARCH 2021

(THE FIGURES HAVE NOT BEEN AUDITED)

	←----- 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
3 MONTHS ENDED 31 MARCH 2021										
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
Total comprehensive (loss)/income	-	-	(586)	(21)	3,382	97,265	100,040	-	21,590	121,630
At 31 March 2021	584,147	396	(657)	5,079	(44,253)	3,423,459	3,968,171	1,097,860	1,472,768	6,538,799

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 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
3 MONTHS ENDED 31 MARCH 2020										
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)	-	-	(23,366)
Effect of dilution of interest in a joint venture and an associate	-	-	-	-	(11,290)	5,035	(6,255)	-	-	(6,255)
Total comprehensive income/(loss)	-	-	33	198	31,796	44,317	76,344	-	(12,518)	63,826
At 31 March 2020	584,147	396	-	4,794	(12,128)	3,165,911	3,743,120	1,097,860	1,291,310	6,132,290

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))
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 MARCH 2021 (THE FIGURES HAVE NOT BEEN AUDITED)

	Period Ended 31.03.2021 RM'000	Period Ended 31.03.2020 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit Before Zakat And Taxation	162,698	63,046
Adjustments for:		
Depreciation	81,792	92,031
Net (reversal of impairment)/impairment losses on:		
- investment in joint venture	-	(16,488)
- receivables	(9,678)	(26,554)
- other investment	1,295	-
Property, plant and equipment written off	271	-
Net reversal of inventories written down	(1,146)	(4,255)
Interest expense	27,395	29,736
Share of results of associates and joint ventures	(87,485)	(29,185)
Net gain on disposal of property, plant, equipment, leased assets and right-of-use assets	(6,995)	(8,305)
Net fair value loss on derivatives	21,525	2,924
Net unrealised foreign exchange loss/(gain)	6,326	(8,258)
Net fair value gain on financial assets held for trading	(100)	-
Net loss on disposal of investments	198	15,985
Interest and other investments income	(13,827)	(18,862)
Net provision for warranties	20,363	1,118
Operating Profit Before Working Capital Changes	<u>202,632</u>	<u>92,933</u>
Changes in receivables	41,873	428,567
Changes in inventories	(129,185)	(47,790)
Warranties paid	(5,931)	(505)
Changes in payables	<u>(182,498)</u>	<u>(328,394)</u>
Cash (Used In)/Generated From Operating Activities	(73,109)	144,811
Interest paid	(27,577)	(29,835)
Zakat and taxes paid	<u>(23,486)</u>	<u>(22,218)</u>
Net Cash (Used In)/Generated From Operating Activities	<u>(124,172)</u>	<u>92,758</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends received	361	363
Purchase of property, plant, equipment, investment properties and leased assets	(85,128)	(74,609)
Proceeds from disposal of property, plant, equipment, and leased assets	14,170	13,742
Interest received	13,465	18,499
Proceed from disposal of other investments	355,190	154,488
Purchase of other investments	(339,985)	(190,092)
Movement in fixed deposits placement with maturity of more than 3 months	(39,097)	19,766
Movement in deposits placement restricted by bank	(16)	(1,216)
Net Cash Used In Investing Activities	<u>(81,040)</u>	<u>(59,059)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid to equity holders of the Company	-	(23,366)
Lease payment	(7,345)	(7,459)
Net repayment of loans and borrowings	<u>(206,061)</u>	<u>(46,093)</u>
Net Cash Used In Financing Activities	<u>(213,406)</u>	<u>(76,918)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(418,618)	(43,219)
CASH AND CASH EQUIVALENTS AS AT 1 JANUARY	2,050,893	1,411,487
EFFECTS OF EXCHANGE RATE CHANGES	6,071	3,034
CASH AND CASH EQUIVALENTS AS AT 31 MARCH	<u>1,638,346</u>	<u>1,371,302</u>

The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 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* 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 Condensed Report 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 for the financial periods beginning on or after 1 January 2021.

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 Condensed Report, 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 114 (Annual Improvements to MFRS 2018-2020 Cycle)
- Amendments to MFRS 3 Business Combinations (Reference to the Conceptual Framework)
- Amendments to MFRS 116 Property, Plant and Equipment (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 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)
- Amendment to to MFRS 101 (Disclosure of Accounting Policies)

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

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

There are no other new or revised MFRS and amendments to MFRS not yet effective that would likely have a material impact on the Group and the Company in the current or future reporting periods.

NOTE 2 - Seasonal or cyclical factors

During the financial period, the businesses of the Group were not affected by any significant seasonal or cyclical factors.

NOTE 3 - Exceptional items

There were no material items affecting assets, liabilities, equity, net income, or cash flows during the financial period under review that were unusual because of their nature, size or incidence.

NOTE 4 - Accounting estimates

There were no changes in estimates of amounts reported in prior interim periods or in prior years that have a material effect in the current interim period.

NOTE 5 - Issuance or repayment of debt and equity securities

On 15 February 2021, the Company fully redeemed an amount of RM200 million of Islamic Medium Term Notes (“IMTN”). The RM200 million IMTN was issued on 15 February 2016.

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 period ended 31 March 2021.

NOTE 6 - Dividends paid

Dividend for the financial year ended:

	31.03.2021	31.03.2020
	RM'000	RM'000
<u>In respect of the financial year ended 31 December 2019:</u>		
Final dividend of 2.0 sen per ordinary shares, paid on 31 March 2020.	-	23,366
	<u>-</u>	<u>23,366</u>

NOTE 7 - Segmental reporting

	Financial Period Ended 31 March 2021		
Business Segment	Revenue RM'000	Profit/(Loss) Before Taxation RM'000	Profit/(Loss) Attributable to Owners of the Company RM'000
Automotive	2,395,977	145,528	95,057
Equipment	332,453	21,938	15,295
Manufacturing & Engineering	230,265	8,374	741
Others	(4,464)	(13,142)	(13,828)
CONSOLIDATED TOTAL	2,954,231	162,698	97,265

	Financial Period Ended 31 March 2020		
Business Segment	Revenue RM'000	Profit/(Loss) Before Taxation RM'000	Profit/(Loss) Attributable to Owners of the Company RM'000
Automotive	1,585,885	53,701	50,462
Equipment	289,154	25,767	15,645
Manufacturing & Engineering	248,533	10,480	6,526
Others	(4,379)	(26,902)	(28,316)
CONSOLIDATED TOTAL	2,119,193	63,046	44,317

There has been no other material increase in total assets compared to the last annual financial statements.

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 period to the date of this announcement which substantially affects the results of the Group for the financial period ended 31 March 2021.

NOTE 9 - Changes in composition of the Group

On 15 March 2021, the Group announced that the liquidation of Arabian Drilling Services LLC, a subsidiary of the Group, had been completed.

NOTE 10 - Capital commitments

The Group's capital commitments as at 31 March 2021 is as follows:

	RM'000	RM'000
<u>Approved and contracted for:</u>		
Land and buildings	26,353	
Equipment, plant and machinery	67,993	
Others	3,517	97,863
<u>Approved but not contracted for:</u>		
Land and buildings	31,652	
Equipment, plant and machinery	225,865	
Others	24,792	282,309
Total		<u><u>380,172</u></u>

NOTE 11 - Significant related party transactions

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

NOTE 12 - Classification of financial assets

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

NOTE 13 - Changes in contingent liabilities and contingent assets

Contingent liabilities of the Group are as follows:

	As at 31.03.2021 RM'000	As at 31.12.2020 RM'000
Performance bonds in favour of third parties	14,710	20,340

NOTE 14 - Review of performance**Quarter 1, 2021 vs Quarter 1, 2020**

	Revenue			Profit/(Loss) Before Taxation		
	3 Months Ended 31.03.2021 RM'000	3 Months Ended 31.03.2020 RM'000	Variance %	3 Months Ended 31.03.2021 RM'000	3 Months Ended 31.03.2020 RM'000	Variance %
CONSOLIDATED TOTAL	2,954,231	2,119,193	39.4%	162,698	63,046	>100%
Business Segment:						
Automotive	2,395,977	1,585,885	51.1%	145,528	53,701	>100%
Equipment	332,453	289,154	15.0%	21,938	25,767	(14.9)%
Manufacturing & Engineering	230,265	248,533	(7.4)%	8,374	10,480	(20.1)%
Others	(4,464)	(4,379)	(1.9)%	(13,142)	(26,902)	51.1%

Group

Group revenue of RM2,954.2 million was higher than the RM2,119.2 million reported in the quarter ended 31 March 2020 (“corresponding quarter”), mainly due to the higher sales in the Automotive and Equipment segments in the current quarter following the relaxation of the Movement Control Order (“MCO”).

Consistent with the increase in revenue, the Group reported significantly higher profit before tax (“PBT”) of RM162.7 million in the current quarter compared with RM63.0 million in the corresponding quarter.

i. Automotive segment

Revenue of RM2,396.0 million was 51% higher than the RM1,585.9 million reported in the corresponding quarter, mainly due to the higher number of vehicles sold during the current quarter following the extension of the sales tax exemption to 30 June 2021.

In line with higher revenue and higher share of profit from an associated company, the segment recorded a profit before tax of RM145.5 million compared with RM53.7 million in the corresponding quarter.

ii. Equipment segment

Revenue of RM332.5 million was higher than the RM289.2 million in the corresponding quarter, mainly due to improved demand for the segment’s products and services in its local and overseas market following the relaxation of the MCO in the current quarter.

Nonetheless, the segment’s PBT of RM21.9 million was lower than the RM25.8 million reported in the corresponding quarter mainly due to higher operating expenses incurred in the current quarter.

iii. Manufacturing & Engineering segment

Revenue of RM230.3 million was lower than the RM248.5 million reported in the corresponding period, mainly due to lower contribution from the Aerospace sub-segment following lower fan cases delivered in the current quarter.

In line with the decrease in revenue, the segment’s PBT of RM8.4 million was lower than the RM10.5 million in the corresponding period due to losses incurred by the Aerospace sub-segment.

NOTE 15 - Comparison with immediate preceding quarter**Quarter 1, 2021 vs Quarter 4, 2020**

	Revenue			Profit/(Loss) Before Taxation		
	3 Months Ended 31.03.2021 RM'000	3 Months Ended 31.12.2020 RM'000	Variance %	3 Months Ended 31.03.2021 RM'000	3 Months Ended 31.12.2020 RM'000	Variance %
CONSOLIDATED TOTAL	2,954,231	3,242,314	(8.9)%	162,698	236,904	(31.3)%
Business Segment:						
Automotive	2,395,977	2,668,248	(10.2)%	145,528	191,025	(23.8)%
Equipment	332,453	317,943	4.6%	21,938	18,503	18.6%
Manufacturing & Engineering	230,265	244,167	(5.7)%	8,374	22,743	(63.2)%
Others	(4,464)	11,956	>(100%)	(13,142)	4,633	>(100%)

Group

Group revenue of RM2,954.2 million was lower than RM3,242.3 million reported in the preceding quarter ended 31 December 2020 mainly due to lower contribution from the Automotive and Manufacturing & Engineering segments in the current quarter. Furthermore, the segment categorised as "Others" reported higher revenue in the preceding quarter contributed by the non-core property sub-segment.

In line with the decrease in revenue, the Group reported a lower PBT of RM162.7 million in the current quarter compared with RM236.9 million in the preceding quarter.

i. Automotive segment

Revenue of RM2,396.0 million was 10% lower than the preceding period's revenue of RM2,668.2 million mainly arising from higher consumer spending in the preceding quarter due to the anticipation of the expiry of the sales tax exemption by 31 December 2020.

In tandem with the decline in revenue and a lower share of profit from an associated company, the segment's PBT of RM145.5 million was lower than the RM191.0 million reported in the preceding quarter.

ii. Equipment segment

Revenue of RM332.5 million was higher than the RM317.9 million reported in the preceding quarter, mainly due to improved demand for the segment's products and services following the relaxation of the MCO.

Correspondingly, the PBT of RM21.9 million was higher than the RM18.5 million recorded in the preceding quarter mainly due to lower operating expenses incurred in the current quarter.

iii. Manufacturing & Engineering segment

Revenue of RM230.3 million was lower than the RM244.2 million reported in the preceding quarter due to lower contribution from the Aerospace sub-segment.

In line with the lower revenue, the segment's PBT of RM8.4 million was lower than the RM22.7 million reported in the preceding quarter.

NOTE 16 - Current prospects

i. Automotive segment

The Automotive segment is expected to continue to benefit from the extension of the sales tax exemption until 30 June 2021. The introduction of new models as well as planned seasonal campaigns and a low interest rate environment are anticipated to contribute positively to the sales performance for the remainder of the year. Meanwhile, performance of an associated company is expected to remain strong due to the continuous strong demand for vehicles. To mitigate the impact of global shortage of semiconductor chips in production, the Group is exploring various avenues and working closely with its principals and suppliers.

ii. Equipment segment

The roll-out of the vaccination programme since February 2021 is expected to ease the strains on economic activities globally.

The performance of the Industrial Equipment sub-segment is expected to be sustainable as it focuses on growth sectors as well as extending various recovery packages to its customers to remain competitive in the emerging post-pandemic economy. With the rising e-commerce adoption spurred by the COVID-19 pandemic, the sub-segment could benefit from the improving demand for warehouse equipment.

The Heavy Equipment sub-segment's performance will be impacted by the political situation in Myanmar. Nevertheless, the anticipated recovery in the construction sector, anchored by the implementation of large-scale infrastructure projects in other markets is expected to mitigate the sub-segment's challenges.

iii. Manufacturing & Engineering segment

The prospect for the auto components sub-segment remains positive for 2021 supported by the extension of the sales tax exemption until 30 June 2021, coupled with improved Total Industry Volume ("TIV") and the Government's stimulus packages. The lubricants sub-segment will continue to leverage on its Original Equipment ("OE") and Replacement Equipment ("RE") partners and strengthen its domestic and overseas sales.

The Aerospace sub-segment is continuously exploring opportunities to improve its plant utilisation in line with its products and end-customer diversification strategy, to mitigate the impact of the COVID-19 pandemic on the aviation sector that is expected to gradually recover as the global Covid-19 vaccination programme progresses and the travel bubble is implemented globally.

Group

Overall, the Group expects the business recovery to be gradual, as such the business environment will continue to remain challenging whilst the COVID-19 pandemic still lingers on. Nonetheless, the Group will continue to assess its strategies and initiatives to mitigate the challenges as well as to intensify efforts to improve its cost effectiveness, competitiveness and resilience.

NOTE 17 - Variance from profit forecast and profit guarantee

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

NOTE 18 - Revenue

Disaggregation of revenue from contracts with customers:

	Sale of vehicle RM'000	Sale of equipment RM'000	Sale of parts RM'000	Export sales RM'000	Services rendered RM'000	Sale of lubricants & related products RM'000	Others RM'000	Revenue from contracts with customers RM'000	Lease rental income RM'000	Consolidated revenue RM'000
FPE 31 March 2021										
Business Segment										
Automotive	1,923,384	-	302,733	169,653	207	-	-	2,395,977	-	2,395,977
Equipment	-	175,052	62,576	26,541	11,076	-	-	275,245	57,208	332,453
Manufacturing & Engineering	-	-	103,698	75,334	-	51,233	-	230,265	-	230,265
Others	-	(87)	(2,062)	(572)	(107)	(1,837)	2,202	(2,463)	(2,001)	(4,464)
Total	1,923,384	174,965	466,945	270,956	11,176	49,396	2,202	2,899,024	55,207	2,954,231

	Sale of vehicle RM'000	Sale of equipment RM'000	Sale of parts RM'000	Export sales RM'000	Services rendered RM'000	Sale of lubricants & related products RM'000	Others RM'000	Revenue from contracts with customers RM'000	Lease rental income RM'000	Consolidated revenue RM'000
FPE 31 March 2020										
Business Segment										
Automotive	1,181,242	-	228,518	147,291	28,834	-	-	1,585,885	-	1,585,885
Equipment	-	140,116	67,203	21,072	14,038	-	-	242,429	46,725	289,154
Manufacturing & Engineering	-	-	82,561	125,692	-	40,280	-	248,533	-	248,533
Others	(111)	(357)	(4,070)	(523)	2,716	(1,501)	1,586	(2,260)	(2,119)	(4,379)
Total	1,181,131	139,759	374,212	293,532	45,588	38,779	1,586	2,074,587	44,606	2,119,193

NOTE 19 - Taxation

	3 Months Ended 31.03.2021 RM'000	3 Months Ended 31.03.2020 RM'000
Current period provision	(18,318)	(16,376)
Over/(under) provision in prior periods	1,102	(88)
Deferred taxation	(17,216)	(16,464)
Taxation	(22,127)	2,223
Zakat	(39,343)	(14,241)
Zakat	-	-
Total taxation and zakat	(39,343)	(14,241)

The effective tax rate for the financial period ended 31 March 2021 is 24.0%.

NOTE 20 - Corporate proposals

There is no corporate proposal announced or not completed by the Group as at the date of this report.

NOTE 21 - Group borrowings and debt securities

	As at 31.03.2021		
	Long Term	Short Term	Total borrowings
	RM denomination RM'000	RM denomination RM'000	RM denomination RM'000
Secured			
Term loans and trade facilities	87,915	-	87,915
	87,915	-	87,915
Unsecured			
Term loans and trade facilities	2,115,675	56,402	2,172,077
Long term loans payable within 12 months	(285,710)	285,710	-
	1,829,965	342,112	2,172,077
	1,917,880	342,112	2,259,992

	As at 31.12.2020		
	Long Term	Short Term	Total borrowings
	RM denomination RM'000	RM denomination RM'000	RM denomination 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
	1,942,278	523,769	2,466,047

NOTE 22 - Financial instruments**Derivatives**

As at 31 March 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	101,769	864
Derivative Liabilities			
- Forward currency contracts	Less than 1 year	181,264	(2,887)
- Embedded derivatives	Less than 1 year	498,174	(7,582)
		679,438	(10,469)

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

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

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

NOTE 23 - Material litigation

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

NOTE 24 - Dividend

No interim dividend has been recommended for the quarter ended 31 March 2021 (31 March 2020: Nil)

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

Earnings per share is calculated by dividing the profit for the period attributable to the owners of the Company by the weighted average number of ordinary shares in issue.

	3 Months Ended 31.03.2021	3 Months Ended 31.03.2020
Profit for the period attributable to the owners of the Company (RM'000)	97,265	44,317
Weighted average number of ordinary shares	1,168,293,932	1,168,293,932
Earnings per share (sen)	8.33	3.79

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 31.03.2021 RM'000	3 Months Ended 31.03.2020 RM'000
a. Interest income	7,755	8,901
b. Other investment income	6,072	9,961
c. Depreciation	(81,792)	(92,031)
d. Net reversal of impairment on receivables	9,678	26,554
e. Net loss on disposal of investments	(198)	(15,985)
f. Net gain on disposal of property, plant, equipment, leased assets and right-of-use assets	6,995	8,305
g. Net reversal of inventories written down	1,146	4,255
h. Net foreign exchange (loss)/gain	(3,720)	9,055
i. Net fair value loss on derivatives	(21,525)	(2,924)
j. Property, plant and equipment written off	(271)	-

By Order Of The Board

MOHD NOR AZAM MOHD SALLEH
Practising Certificate No. 201908002015
Group Secretary

Kuala Lumpur
 24 May 2021