

# UMW HOLDINGS BERHAD

(COMPANY NO : 198201010554 (90278-P))

(INCORPORATED IN MALAYSIA)

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

	3 Months Ended 31.03.2022 RM'000 (Unaudited)	3 Months Ended 31.03.2021 RM'000 (Unaudited)	3 Months Ended 31.03.2022 RM'000 (Unaudited)	3 Months Ended 31.03.2021 RM'000 (Unaudited)
Revenue	3,650,756	2,954,231	3,650,756	2,954,231
Operating expenses	(3,535,942)	(2,888,095)	(3,535,942)	(2,888,095)
Other operating income	31,019	23,698	31,019	23,698
<b>Profit from operations</b>	<b>145,833</b>	<b>89,834</b>	<b>145,833</b>	<b>89,834</b>
Share of results of associates and joint ventures	96,520	87,485	96,520	87,485
Investment income	12,965	12,774	12,965	12,774
<b>Profit before interest</b>	<b>255,318</b>	<b>190,093</b>	<b>255,318</b>	<b>190,093</b>
Finance costs	(39,029)	(27,395)	(39,029)	(27,395)
<b>Profit before taxation and zakat</b>	<b>216,289</b>	<b>162,698</b>	<b>216,289</b>	<b>162,698</b>
Taxation and zakat	(43,484)	(39,343)	(43,484)	(39,343)
<b>Profit for the period</b>	<b>172,805</b>	<b>123,355</b>	<b>172,805</b>	<b>123,355</b>
<b><u>Other comprehensive income/(loss):</u></b>				
Translation of foreign operations	6,789	(1,118)	6,789	(1,118)
Share of other comprehensive income/(loss) of associates	100	(21)	100	(21)
Cash flow hedge	-	(586)	-	(586)
Other comprehensive income/(loss) net of tax	6,889	(1,725)	6,889	(1,725)
<b>Total comprehensive income for the period</b>	<b>179,694</b>	<b>121,630</b>	<b>179,694</b>	<b>121,630</b>
<b><u>Profit for the period attributable to:</u></b>				
Owners of the Company	101,206	79,802	101,206	79,802
Holders of perpetual sukuk	17,463	17,463	17,463	17,463
Non-controlling interests	54,136	26,090	54,136	26,090
	<b>172,805</b>	<b>123,355</b>	<b>172,805</b>	<b>123,355</b>
<b><u>Total comprehensive income attributable to:</u></b>				
Owners of the Company	107,885	82,577	107,885	82,577
Holders of perpetual sukuk	17,463	17,463	17,463	17,463
Non-controlling interests	54,346	21,590	54,346	21,590
	<b>179,694</b>	<b>121,630</b>	<b>179,694</b>	<b>121,630</b>
<b>Earnings per share for the period (sen):</b>				
Basic/diluted	8.66	6.83	8.66	6.83

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 MARCH 2022**

	As At 31.03.2022 RM'000 (Unaudited)	As At 31.12.2021 RM'000 (Audited)
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	2,550,406	2,545,020
Investment properties	256,101	270,218
Leased assets	364,645	373,457
Right-of-use assets	124,156	128,182
Investments in joint ventures	80,331	77,850
Investments in associates	2,263,281	2,170,600
Deferred tax assets	208,641	222,174
Other investments	5,241	5,220
	<u>5,852,802</u>	<u>5,792,721</u>
<b>Current assets</b>		
Other investments	155,899	603,198
Derivative assets	2,157	5,598
Inventories	1,664,177	1,752,160
Trade receivables	831,383	904,185
Other receivables	111,219	147,476
Tax recoverable	18,117	19,413
Deposits, cash and bank balances	3,531,956	2,941,385
	<u>6,314,908</u>	<u>6,373,415</u>
Assets held for sale	5,763	6,553
	<u>6,320,671</u>	<u>6,379,968</u>
<b>Total assets</b>	<u>12,173,473</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	5,230	5,130
Foreign currency translation reserve	(12,762)	(19,135)
Retained earnings	3,535,358	3,434,152
	<u>4,112,369</u>	<u>4,004,690</u>
Perpetual sukuk	1,115,323	1,097,860
Non-controlling interests	1,714,345	1,659,999
<b>Total equity</b>	<u>6,942,037</u>	<u>6,762,549</u>
<b>Non-current liabilities</b>		
Deferred tax liabilities	48,726	48,396
Provision for warranties	209,641	208,786
Lease liabilities	34,980	38,180
Borrowings	2,070,566	2,094,993
	<u>2,363,913</u>	<u>2,390,355</u>
<b>Current liabilities</b>		
Derivative liabilities	7,648	3,094
Provision for warranties	83,583	84,981
Provision for taxation	21,649	7,699
Borrowings	577,283	638,082
Trade payables	678,824	648,064
Other payables	1,462,426	1,600,726
Lease liabilities	16,794	16,608
Liabilities associated with assets held for sale	19,316	20,531
	<u>2,867,523</u>	<u>3,019,785</u>
<b>Total liabilities</b>	<u>5,231,436</u>	<u>5,410,140</u>
<b>Total equity and liabilities</b>	<u>12,173,473</u>	<u>12,172,689</u>
<b>Net assets per share (RM)</b>	<u>3.52</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 MARCH 2022

(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
<b>3 MONTHS ENDED 31 MARCH 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:										
Liquidation of a subsidiary	-	-	-	-	(206)	-	(206)	-	-	(206)
Total comprehensive income	-	-	-	100	6,579	101,206	107,885	17,463	54,346	179,694
At 31 March 2022	584,147	396	-	5,230	(12,762)	3,535,358	4,112,369	1,115,323	1,714,345	6,942,037

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 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>3 MONTHS ENDED 31 MARCH 2021 (UNAUDITED)</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
Total comprehensive (loss)/income	-	-	(586)	(21)	3,382	79,802	82,577	17,463	21,590	121,630
At 31 March 2021	584,147	396	(657)	5,079	(44,253)	3,405,996	3,950,708	1,115,323	1,472,768	6,538,799

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))  
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## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 MARCH 2022 (THE FIGURES HAVE NOT BEEN AUDITED)

	3 Months Ended 31.03.2022 RM'000 (Unaudited)	3 Months Ended 31.03.2021 RM'000 (Unaudited)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation and zakat	216,289	162,698
Adjustments for:		
Depreciation and amortisation	81,637	81,792
Net provision for/(reversal of) impairment on:		
- receivables	990	(9,678)
- other investments	2,038	1,295
Property, plant and equipment and leased assets written off	71	271
Net reversal of inventories written down	(201)	(1,146)
Interest expense	39,029	27,395
Share of results of associates and joint ventures	(96,520)	(87,485)
Net gain on disposal of property, plant and equipment, leased assets and right-of-use assets	(9,476)	(6,995)
Net loss on disposal of investments in subsidiaries	6,613	-
Net fair value loss on derivatives	7,960	21,525
Net unrealised foreign exchange loss	4,085	6,326
Net fair value gain on financial assets held for trading	(1,334)	(100)
Net loss on disposal of other investments	215	198
Interest and other investments income	(13,564)	(13,827)
Net provision for warranties	9,662	20,363
Operating profit before working capital changes	247,494	202,632
Changes in receivables	124,897	2,759
Changes in inventories	88,129	(129,185)
Warranties paid	(10,222)	(5,931)
Changes in payables	(121,938)	(182,498)
Cash generated from/(used in) operating activities	328,360	(112,223)
Interest paid	(39,517)	(27,577)
Taxes and zakat paid	(12,545)	(23,486)
Net cash generated from/(used in) operating activities	276,298	(163,286)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Dividends received	1,949	361
Purchase of property, plant and equipment, investment properties and leased assets	(74,856)	(85,128)
Proceeds from disposal of property, plant and equipment, and leased assets	19,380	14,170
Interest received	13,326	13,465
Proceeds from disposal of other investments	587,767	355,190
Purchase of other investments	(139,250)	(339,985)
Movement in fixed deposits placement with maturity of more than 3 months	(133,399)	(39,097)
Movement in deposits placement restricted by banks	769	(16)
Movement in assets held for sale	(4,326)	-
Net cash generated from/(used in) investing activities	271,360	(81,040)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Lease payment	(6,286)	(7,345)
Net repayment of loans and borrowings	(85,227)	(206,061)
Net cash used in financing activities	(91,513)	(213,406)
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	456,145	(457,732)
<b>EFFECTS OF EXCHANGE RATE CHANGES</b>	1,797	6,071
<b>CASH AND CASH EQUIVALENTS AS AT 1 JANUARY</b>	2,700,280	2,006,476
<b>CASH AND CASH EQUIVALENTS AS AT 31 MARCH</b>	3,158,222	1,554,815
Add: Deposits with maturity of more than 3 months	368,259	82,315
Deposits restricted by bank	5,475	1,216
<b>DEPOSITS, CASH AND BANK BALANCES AS AT 31 MARCH</b>	3,531,956	1,638,346

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.

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 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 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 periods 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**

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 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 101 Presentation of Financial Statements (Disclosure of Accounting Policies)

**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 (cont’d.)**

- 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)

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

**NOTE 3 - Unusual items due to their nature, size or incidence**

There were no unusual items affecting assets, liabilities, equity, net income or cashflows during the current quarter and financial period ended 31 March 2022.

**NOTE 4 - Accounting estimates**

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

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

The facility agent to the Company’s RM2.0 billion Islamic Medium Notes (“IMTN”) programme, had on 14 March 2022, issued an announcement in Bank Negara Malaysia’s FAST website, as a notification of an Extraordinary General Meeting (“EGM”) of sukukholders to be held on 4 April 2022 for a proposed buyback of the following outstanding IMTNs:

<b>Maturity Date</b>	<b>Periodic Distribution Rate (p.a.)</b>	<b>Nominal Value (RM'000)</b>
22 June 2022	4.83%	400,000
13 September 2023	4.65%	200,000
4 October 2023	5.12%	150,000
	<b>Total</b>	<b>750,000</b>

**NOTE 5 - Issuance, repurchase or repayment of debt and equity securities (cont'd.)**

On 4 April 2022, the Company has obtained the required approval from the sukukholders during the EGM to fully redeem the IMTNs.

On 12 April 2022, the Company has redeemed the IMTNs in cash and the respective 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 period ended 31 March 2022.

**NOTE 6 - Dividends paid**

There was no dividend paid during the financial period ended 31 March 2022.

**NOTE 7 - Segmental reporting**

	Financial Period Ended 31 March 2022		
	Revenue RM'000	Profit/(Loss) Before Taxation and Zakat RM'000	Profit/(Loss) Attributable to Owners of the Company RM'000
<b>Business Segment</b>			
Automotive	3,070,171	205,837	125,896
Equipment	371,777	31,764	21,253
Manufacturing & Engineering	227,080	10,627	3,680
Others	(18,272)	(31,939)	(32,160)
<b>Subtotal</b>	<b>3,650,756</b>	<b>216,289</b>	<b>118,669</b>
Less : Profit attributable to holders of perpetual sukuk	-	-	(17,463)
<b>CONSOLIDATED TOTAL</b>	<b>3,650,756</b>	<b>216,289</b>	<b>101,206</b>

	Financial Period Ended 31 March 2021		
	Revenue RM'000	Profit/(Loss) Before Taxation and Zakat RM'000	Profit/(Loss) Attributable to Owners of the Company RM'000
<b>Business Segment</b>			
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)
<b>Subtotal</b>	<b>2,954,231</b>	<b>162,698</b>	<b>97,265</b>
Less : Profit attributable to holders of perpetual sukuk	-	-	(17,463)
<b>CONSOLIDATED TOTAL</b>	<b>2,954,231</b>	<b>162,698</b>	<b>79,802</b>

## 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 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:

Date	Company
4 March 2022	UMW SG Power Systems Sdn Bhd
29 March 2022	UMW Middle East Ventures Holding W.L.L

## NOTE 10 - Capital commitments

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

	RM'000	RM'000
<u>Approved and contracted for:</u>		
Land and buildings	12,945	
Equipment, plant and machinery	49,028	
Others*	25,466	87,439
	<hr/>	
<u>Approved but not contracted for:</u>		
Land and buildings	11,471	
Equipment, plant and machinery	395,287	
Others*	71,848	478,606
	<hr/>	<hr/>
Total		<u>566,045</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/period ended 31 March 2022.

Save for the recurrent related party transactions ("RPTs") with parties outside the Group as mandated by the shareholders at the 39<sup>th</sup> 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 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 31.03.2022 RM'000</b>	<b>As at 31.12.2021 RM'000</b>
Performance bonds in favour of third parties	12,280	11,580

## NOTE 14 - Review of performance

### Quarter 1, 2022 vs Quarter 1, 2021

	Revenue			Profit/(Loss) Before Taxation and Zakat		
	3 Months Ended 31.03.2022 RM'000	3 Months Ended 31.03.2021 RM'000	Variance %	3 Months Ended 31.03.2022 RM'000	3 Months Ended 31.03.2021 RM'000	Variance %
<b>CONSOLIDATED TOTAL</b>	<b>3,650,756</b>	<b>2,954,231</b>	<b>23.6%</b>	<b>216,289</b>	<b>162,698</b>	<b>32.9%</b>
<b>Business Segment:</b>						
Automotive	3,070,171	2,395,977	28.1%	205,837	145,528	41.4%
Equipment	371,777	332,453	11.8%	31,764	21,938	44.8%
Manufacturing & Engineering	227,080	230,265	(1.4)%	10,627	8,374	26.9%
Others	(18,272)	(4,464)	>(100%)	(31,939)	(13,142)	>(100%)

### Group

The Group revenue of RM3,650.8 million in the current quarter was higher than the RM2,954.2 million reported in the quarter ended 31 March 2021 ("corresponding quarter"), mainly attributable to the higher sales in all core segments, save for the Manufacturing & Engineering segment following the disposal of a subsidiary in the prior year. The improved revenue was driven by continued strong sales momentum following the economic recovery under the National Recovery Plan ("NRP") as opposed to the economic environment during the Recovery Movement Control Order ("RMCO") in the corresponding quarter from 1 January to 31 March 2021.

Correspondingly, the Group reported a higher profit before taxation and zakat ("PBTZ") of RM216.3 million in the current quarter compared with RM162.7 million in the corresponding quarter.

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

The segment revenue of RM3,070.2 million was 28.1% higher than the RM2,396.0 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 RM205.8 million compared with RM145.5 million in the corresponding quarter.

**NOTE 14 - Review of performance (cont'd.)****Quarter 1, 2022 vs Quarter 1, 2021 (cont'd.)****ii. Equipment Segment**

The segment revenue of RM371.8 million was 11.8% higher than the RM332.5 million in the corresponding quarter, mainly due to the higher demand for the segment's products and services in the local and overseas markets in the current quarter as businesses are gaining momentum due to the expected transition to the endemic phase.

In tandem with the higher revenue, the segment's PBTZ of RM31.8 million was 44.8% higher than the RM21.9 million reported in the corresponding quarter.

**iii. Manufacturing & Engineering Segment**

The segment revenue of RM227.1 million was slightly lower than the RM230.3 million reported in the corresponding quarter, due to the lower contribution from the Auto Components sub-segment following the disposal of a subsidiary in the prior year as well as lower demand for the Lubricant sub-segment. Excluding the revenue contribution from the disposed subsidiary in the corresponding quarter, the current quarter's revenue would have been higher by 9.9%.

Nonetheless, the segment reported a higher PBTZ of RM10.6 million in the current quarter compared with RM8.4 million in the corresponding quarter due to lower operating costs.

**NOTE 15 - Comparison with immediate preceding quarter****Quarter 1, 2022 vs Quarter 4, 2021**

	Revenue			Profit/(Loss) Before Taxation and Zakat		
	3 Months Ended 31.03.2022 RM'000	3 Months Ended 31.12.2021 RM'000	Variance %	3 Months Ended 31.03.2022 RM'000	3 Months Ended 31.12.2021 RM'000	Variance %
<b>CONSOLIDATED TOTAL</b>	<b>3,650,756</b>	<b>3,645,110</b>	<b>0.2%</b>	<b>216,289</b>	<b>270,995</b>	<b>(20.2)%</b>
<b>Business Segment:</b>						
Automotive	3,070,171	3,061,624	0.3%	205,837	269,160	(23.5)%
Equipment	371,777	365,135	1.8%	31,764	28,937	9.8%
Manufacturing & Engineering	227,080	225,878	0.5%	10,627	11,677	(9.0)%
Others	(18,272)	(7,527)	>(100%)	(31,939)	(38,779)	17.6%

**Group**

The Group revenue of RM3,650.8 million was marginally higher than the RM3,645.1 million reported in the preceding quarter ended 31 December 2021 ("preceding quarter"), primarily due to the consistent sales momentum in all core businesses as the economy transitions to the endemic phase.

On the other hand, the Group reported a lower PBTZ of RM216.3 million in the current quarter compared with the RM271.0 million in the preceding quarter predominantly due to the lower share of profit from an associated company following the lower number of vehicles sold.

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

### **Quarter 1, 2022 vs Quarter 4, 2021 (cont'd.)**

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

The segment revenue of RM3,070.2 million was slightly higher than the RM3,061.6 million in the preceding quarter, primarily due to the higher sale of parts.

Despite the increase in revenue, the segment's PBTZ of RM205.8 million was lower than the RM269.2 million in the preceding quarter due to the lower share of profit from an associated company following the lower number of vehicles sold.

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

The segment revenue of RM371.8 million was higher than the RM365.1 million reported in the preceding quarter, mainly due to the higher contribution from the Heavy Equipment sub-segment following the increase in demand in the current quarter.

Correspondingly, the segment's PBTZ of RM31.8 million was higher than the RM28.9 million in the preceding quarter.

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

The segment revenue of RM227.1 million was slightly higher than the RM225.9 million reported in the preceding quarter due to the higher contribution from all sub-segments following the business recovery under the NRP with the consistent sales momentum since the end of the Movement Control Order ("MCO") in the third quarter of 2021.

However, the segment reported a 9.0% lower PBTZ of RM10.6 million compared with RM11.7 million in the preceding quarter due to higher operating costs.

## **NOTE 16 - Prospects**

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

As Malaysia transitions to the endemic phase of Covid-19, the Group is optimistic that its production and business will no longer be disrupted by potential lockdowns owing to the country's high vaccination rate and strong administrative capacity to contain the pandemic. With the high level of outstanding bookings recorded by the industry, the Malaysian Automotive Association ("MAA") has appealed to the Ministry of Finance to further extend the sales tax exemption to 31 December 2022 from its current expiry date of 30 June 2022. Should the sales tax exemption be further extended, the MAA has indicated that it will revise upwards its current Total Industry Volume ("TIV") projection of 600,000 units for 2022.

With the introduction of all-new and facelift models in 2022, coupled with sales promotion campaigns, the Group is positive that the Automotive segment's gradual shift towards sustainable mobility will drive automotive sales and fuel the Group's performance.

The Group expects to remain resilient in facing the ongoing global shortage of semiconductor chips, which was further exacerbated by the Russia-Ukraine war, 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.

## **NOTE 16 - Prospects (cont'd.)**

### **ii. Equipment Segment**

The Equipment segment expects business activities to gradually recover in line with the projected economic growth in 2022. The Heavy Equipment sub-segment stands to benefit from the increase in construction activities, as infrastructure spending picks up. The high commodity prices could also potentially increase the demand for heavy equipment. However, the political uncertainty in Myanmar will continue to affect the sub-segment's performance.

Meanwhile, the Industrial Equipment sub-segment will continue to focus on growth sectors, while it continues to expand its forklift refurbishment business. While the global supply chain issues, which are mainly caused by the lockdown in Shanghai as well as the Russia-Ukraine war, may pose a challenge, the segment however continues to record a healthy order intake which augurs well for the segment. Furthermore, the segment will continue to work closely with its principals as well as undertake cost optimisation activities while improving operational efficiency to remain resilient.

### **iii. Manufacturing & Engineering and Aerospace Segments**

The Manufacturing & Engineering segment is expected to benefit from the rebound of the original equipment ("OE") and replacement equipment ("RE") markets to pre-Covid-19 levels. The projected strong growth in TIV and a higher global demand for vehicles will stimulate the growth in the Auto Components sub-segment for the year. The Lubricants sub-segment will be increasing its production capacity to expand its footprint in the industrial lubricant sector both locally and regionally.

The Aerospace sub-segment expects demand for fan cases to improve with the resumption of international air travel. It is also continuously exploring opportunities to improve its plant utilisation and diversify its manufacturing capabilities in line with its products and customer diversification strategy.

### **Group**

The transition to the endemic phase of Covid-19 on 1 April 2022 will intensify economic activities locally and globally, in line with the further easing of restrictions and reopening of international borders. Nonetheless, the Group will continue to remain vigilant on the potential challenges arising from the external environment including the lingering threat of Covid-19, the persistent and prolonged supply chain disruptions, as well as the impact of further escalation of geopolitical conflicts. The Group will continue to improve its resiliency through cost optimisation activities and improvement in operational efficiency.

Barring any unforeseen circumstances, the Group expects its performance for the year 2022 to be satisfactory.

## **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 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	Others RM'000	Revenue from contracts with customers RM'000	Lease rental income RM'000	Consolidated revenue RM'000
<b>3 Months Ended 31 March 2022</b>										
<b>Business Segment</b>										
Automotive	2,455,962	380,327	233,882	-	-	-	-	3,070,171	-	3,070,171
Equipment	-	71,073	11,045	14,980	214,498	-	-	311,596	60,181	371,777
Manufacturing & Engineering	-	98,522	80,760	-	-	47,798	-	227,080	-	227,080
Others/(Inter-segments sales)	-	(16,201)	(1,067)	354	(270)	(1,772)	2,610	(16,346)	(1,926)	(18,272)
<b>Total</b>	<b>2,455,962</b>	<b>533,721</b>	<b>324,620</b>	<b>15,334</b>	<b>214,228</b>	<b>46,026</b>	<b>2,610</b>	<b>3,592,501</b>	<b>58,255</b>	<b>3,650,756</b>

	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	Others RM'000	Revenue from contracts with customers RM'000	Lease rental income RM'000	Consolidated revenue RM'000
<b>3 Months Ended 31 March 2021</b>										
<b>Business Segment</b>										
Automotive	1,923,384	302,733	169,653	207	-	-	-	2,395,977	-	2,395,977
Equipment	-	62,576	26,541	11,076	175,052	-	-	275,245	57,208	332,453
Manufacturing & Engineering	-	103,698	75,334	-	-	51,233	-	230,265	-	230,265
Others/(Inter-segments sales)	-	(2,062)	(572)	(107)	(87)	(1,837)	2,202	(2,463)	(2,001)	(4,464)
<b>Total</b>	<b>1,923,384</b>	<b>466,945</b>	<b>270,956</b>	<b>11,176</b>	<b>174,965</b>	<b>49,396</b>	<b>2,202</b>	<b>2,899,024</b>	<b>55,207</b>	<b>2,954,231</b>

**NOTE 19 - Taxation and Zakat**

	<b>3 Months Ended 31.03.2022 RM'000</b>	<b>3 Months Ended 31.03.2021 RM'000</b>
Current period provision	(28,516)	(18,318)
Overprovision in prior period	404	1,102
	(28,112)	(17,216)
Deferred taxation	(13,773)	(22,127)
Taxation	(41,885)	(39,343)
Zakat	(1,599)	-
<b>Total taxation and zakat</b>	<b>(43,484)</b>	<b>(39,343)</b>

The effective tax rate for the financial period ended 31 March 2022 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.

**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 31.03.2022				
	Long term	Short term		Total borrowings	
	RM denomination	Foreign denomination	RM denomination	Foreign denomination	RM denomination
<b>Secured</b>	RM'000	RM'000	RM'000	RM'000	RM'000
Term loans and trade facilities	88,300	-	-	-	88,300
	88,300	-	-	-	88,300
<b>Unsecured</b>					
Term loans and trade facilities	2,467,980	-	91,569	-	2,559,549
Long term loans payable within 12 months	(485,714)	-	485,714	-	-
	1,982,266	-	577,283	-	2,559,549
<b>Total</b>	2,070,566	-	577,283	-	2,647,849

	As at 31.12.2021				
	Long term	Short term		Total borrowings	
	RM denomination	Foreign denomination	RM denomination	Foreign denomination	RM denomination
<b>Secured</b>	RM'000	RM'000	RM'000	RM'000	RM'000
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 March 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	172,149	634
- Embedded derivatives	Less than 1 year	687,499	1,523
		859,648	2,157
<b>Derivative Liabilities</b>			
- Forward currency contracts	Less than 1 year	209,612	(7,648)

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 period ended 31 March 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 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 - Dividends declared**

No interim dividend has been recommended for the quarter ended 31 March 2022 (31 March 2021: Nil).

On 25 February 2022, the Board 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 and was paid on 29 April 2022.

**NOTE 25 - Earnings per share**

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

	<b>3 Months Ended 31.03.2022</b>	<b>3 Months Ended 31.03.2021</b>
Profit for the period attributable to the owners of the Company (RM'000)	101,206	79,802
Weighted average number of ordinary shares	1,168,293,932	1,168,293,932
Earnings per share (sen) - Basic/diluted	8.66	6.83

**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 31.03.2022 RM'000</b>	<b>3 Months Ended 31.03.2021 RM'000</b>
a. Interest income	12,521	7,755
b. Other investment income	1,043	6,072
c. Depreciation and amortisation	(81,637)	(81,792)
d. Net (provision for)/reversal of impairment on receivables	(990)	9,678
e. Net loss on disposal of investments	(6,828)	(198)
f. Net gain on disposal of property, plant and equipment, leased assets and right-of-use assets	9,476	6,995
g. Net reversal of inventories written down	201	1,146
h. Net realised and unrealised foreign exchange loss	(2,205)	(3,720)
i. Net fair value loss on derivatives	(7,960)	(21,525)
j. Property, plant and equipment written off	(71)	(271)

**By Order Of The Board**

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

Kuala Lumpur  
 24 May 2022