

UMW HOLDINGS BERHAD

(COMPANY NO : 198201010554 (90278-P))

(INCORPORATED IN MALAYSIA)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD/YEAR ENDED 31 DECEMBER 2020

	Current Quarter Ended 31/12/2020 RM'000 (Unaudited)	Comparative Quarter Ended 31/12/2019 RM'000 (Unaudited)	12 Months Cumulative Ended 31/12/2020 RM'000 (Unaudited)	Comparative 12 Months Cumulative Ended 31/12/2019 RM'000 (Audited)
Revenue	3,242,313	3,123,924	9,554,565	11,760,204
Operating Expenses	(3,127,974)	(3,102,465)	(9,389,249)	(11,560,219)
Other Operating Income	30,112	41,373	92,347	138,969
Profit From Operations	144,451	62,832	257,663	338,954
Share Of Results Of Associates And Joint Ventures	107,615	64,590	204,108	275,735
Investment Income	13,949	16,883	54,407	68,916
Other Gains	-	188,144	-	188,144
Profit Before Interest	266,015	332,449	516,178	871,749
Finance Costs	(29,114)	(34,614)	(115,513)	(130,522)
Profit Before Zakat And Taxation	236,901	297,835	400,665	741,227
Zakat And Taxation	(26,322)	(24,914)	(77,742)	(112,490)
Profit For The Period/Year	210,579	272,921	322,923	628,737
<u>Other Comprehensive (Loss)/Income:</u>				
Translation Of Foreign Operations	(62,487)	11,672	(17,485)	(6,020)
Share Of Other Comprehensive Income of Associates	351	(701)	504	(33)
Cash Flow Hedge	(119)	973	(38)	978
Other Comprehensive (Loss)/Income Net Of Tax	(62,255)	11,944	(17,019)	(5,075)
Total Comprehensive Income For The Period/Year	148,324	284,865	305,904	623,662
<u>Profit For The Period/Year Attributable To:</u>				
Owners Of The Company	137,440	200,461	204,600	454,445
Holder of Perpetual Sukuk	35,021	34,830	69,850	69,659
Non-Controlling Interests	38,118	37,630	48,473	104,633
	210,579	272,921	322,923	628,737
<u>Total Comprehensive Income Attributable To:</u>				
Owners Of The Company	59,833	206,461	189,680	448,226
Holder of Perpetual Sukuk	35,021	34,830	69,850	69,659
Non-Controlling Interests	53,470	43,574	46,374	105,777
	148,324	284,865	305,904	623,662
Earnings Per Share For The Period/Year (Sen)	11.76	17.16	17.51	38.90

(The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2019 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 31/12/2020 RM'000 (Unaudited)	As At 31/12/2019 RM'000 (Audited)
ASSETS		
Non-Current Assets		
Property, Plant And Equipment	2,463,020	2,701,692
Investment Properties	284,383	170,768
Leased Assets	350,438	357,947
Right-Of-Use Assets	152,059	195,260
Investments In Joint Ventures	64,997	54,870
Investments In Associates	2,015,856	1,866,512
Deferred Tax Assets	119,414	135,160
Other Investments	5,165	5,991
	<u>5,455,332</u>	<u>5,488,200</u>
Current Assets		
Other Investments	1,286,086	1,071,881
Derivative Assets	13,237	5,598
Inventories	1,439,279	1,589,567
Trade Receivables	1,059,057	1,242,966
Other Receivables	143,208	211,110
Deposits, Cash And Bank Balances	2,050,893	1,472,111
	<u>5,991,760</u>	<u>5,593,233</u>
Non-Current Assets Held For Sale	-	53,240
	<u>5,991,760</u>	<u>5,646,473</u>
TOTAL ASSETS	<u>11,447,092</u>	<u>11,134,673</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	(71)	(33)
Fair Value Reserve	5,100	4,596
Foreign Currency Translation Reserve	(47,635)	(32,634)
Retained Profits	3,326,194	3,139,925
	<u>3,868,131</u>	<u>3,696,397</u>
Perpetual Sukuk	1,097,860	1,097,860
Non-Controlling Interests	1,451,178	1,303,828
Total Equity	<u>6,417,169</u>	<u>6,098,085</u>
Non-Current Liabilities		
Deferred Tax Liabilities	47,848	39,094
Provision For Warranties	195,994	216,647
Lease Liabilities	47,608	56,408
Long Term Borrowings	1,942,278	2,123,422
	<u>2,233,728</u>	<u>2,435,571</u>
Current Liabilities		
Derivative Liabilities	1,317	2,901
Provision For Warranties	84,039	61,138
Provision For Taxation	6,132	31,400
Short Term Borrowings	523,769	386,361
Trade Payables	682,724	562,139
Other Payables	1,473,487	1,514,422
Lease Liabilities	24,727	37,607
Liabilities Associated With Assets Held For Sale	-	5,049
	<u>2,796,195</u>	<u>2,601,017</u>
Total Liabilities	<u>5,029,923</u>	<u>5,036,588</u>
TOTAL EQUITY AND LIABILITIES	<u>11,447,092</u>	<u>11,134,673</u>
Net Assets Per Share (RM)	3.3109	3.1639

(The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2019 and accompanying explanatory notes attached to the Interim Condensed Consolidated Financial Statements.)

UMW HOLDINGS BERHAD

(COMPANY NO : 198201010554 (90278-P))

(INCORPORATED IN MALAYSIA)

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

	Non - Distributable					Distributable		Perpetual Sukuk RM'000	Non - Controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Fair Value Reserve RM'000	Capital Reserve RM'000	Foreign Currency Translation Reserve RM'000	Hedging Reserve RM'000	Retained Profits RM'000	Total RM'000			
At 1 January 2020	584,147	4,596	396	(32,634)	(33)	3,139,925	3,696,397	1,097,860	1,303,828	6,098,085
Transactions with owners										
Dividends distributed to equity holders	-	-	-	-	-	(23,366)	(23,366)	-	(70,325)	(93,691)
Effect of dilution of interest in a subsidiaries, joint venture and associates	-	-	-	385	-	5,035	5,420	-	171,301	176,721
Distribution to holders of Perpetual Sukuk	-	-	-	-	-	-	-	(69,850)	-	(69,850)
Total comprehensive income/(loss)	-	504	-	(15,386)	(38)	204,600	189,680	69,850	46,374	305,904
At 31 December 2020 (Unaudited)	584,147	5,100	396	(47,635)	(71)	3,326,194	3,868,131	1,097,860	1,451,178	6,417,169

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2019

	Non - Distributable					Distributable		Perpetual Sukuk RM'000	Non - Controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Fair Value Reserve RM'000	Capital Reserve RM'000	Foreign Currency Translation Reserve RM'000	Hedging Reserve RM'000	Retained Profits RM'000	Total RM'000			
At 1 January 2019	584,147	3,618	396	(16,793)	-	2,773,269	3,344,637	1,097,860	1,271,946	5,714,443
Transactions with owners										
Dividend distributed to equity holders	-	-	-	-	-	(75,939)	(75,939)	-	(96,237)	(172,176)
Effect of loss of control in a subsidiary	-	-	-	-	-	(11,849)	(11,849)	-	13,664	1,815
Distribution to holders of Perpetual Sukuk	-	-	-	-	-	-	-	(69,659)	-	(69,659)
Total comprehensive income/(loss)	-	978	-	(15,841)	(33)	454,444	439,548	69,659	114,455	623,662
At 31 December 2019 (Audited)	584,147	4,596	396	(32,634)	(33)	3,139,925	3,696,397	1,097,860	1,303,828	6,098,085

(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 2019 and accompanying explanatory notes attached to the Interim Condensed Consolidated Financial Statements.)

UMW HOLDINGS BERHAD

(COMPANY NO : 198201010554 (90278-P))

(INCORPORATED IN MALAYSIA)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2020

	12 Months Ended 31/12/2020 RM'000 (Unaudited)	12 Months Ended 31/12/2019 RM'000 (Audited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit Before Zakat And Taxation	400,665	741,227
Adjustments for:		
Depreciation and amortisation	374,074	346,168
Net impairment losses/(reversal of impairment) on:		
- property, plant and equipment	-	860
- leased assets	66	178
- receivables	(54,953)	(3,059)
- investments in associates	-	(11,055)
- asset held for sale	-	11,400
Net (reversal)/provision of inventories written down	(4,365)	21,301
Interest expense	115,513	130,522
Share of results of associates and joint ventures	(204,108)	(275,735)
Gain on disposal of property, plant, equipment, leased assets and right-of-use assets	(23,940)	(26,715)
Gain on disposal of assets held for sale	-	(219,956)
Gain on favourable rental rates	(561)	(11,319)
Net unrealised foreign exchange/fair value gain	(12,993)	(6,936)
Net fair value (gain)/loss on financial assets held for trading	(3,788)	2,853
Net loss on disposal of investments	108,621	20,318
Interest and dividend income from other investments	(57,812)	(74,143)
Property, plant and equipment written off	511	508
Net provision for warranties	38,329	16,023
Operating Profit Before Working Capital Changes	675,259	662,440
Changes in receivables	227,561	(231,939)
Changes in inventories	156,953	(41,507)
Changes in provision for warranties	(36,055)	(1,438)
Changes in payables	101,218	191,197
Cash Generated From Operating Activities	1,124,936	578,753
Interest paid	(116,531)	(133,475)
Zakat and taxes paid	(88,443)	(129,630)
Net Cash Generated From Operating Activities	919,962	315,648
CASH FLOWS FROM INVESTING ACTIVITIES		
Net cash inflow/(outflow) arising from disposal of a subsidiaries	27,918	(9,216)
Dividends received	50,075	195,830
Purchase of property, plant and equipment, investment properties and leased assets	(237,256)	(345,495)
Proceeds from disposal of property, plant, equipment and leased assets	73,860	63,294
Proceeds from disposal of asset held for sale	-	442,993
Interest received	56,790	73,077
Proceeds from disposal of other investments	997,700	1,321,232
Purchase of other investments	(1,099,274)	(1,251,181)
Movement in fixed deposits placement with maturity of more than 3 months	29,815	(63,831)
Movement in deposits placement pledged with banks	-	2,960
Net Cash (Used in)/Generated From Investing Activities	(100,372)	429,663
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid to equity holders of the Company	(23,366)	(75,939)
Dividend paid to non-controlling interests	(70,325)	(96,237)
Perpetual sukuk distribution paid	(69,850)	(69,659)
Lease payment	(30,940)	(19,375)
Net repayment of loans and borrowings	(43,061)	(322,975)
Net Cash Used In Financing Activities	(237,542)	(584,185)
NET INCREASE IN CASH AND CASH EQUIVALENTS	582,048	161,126
CASH AND CASH EQUIVALENTS AS AT 1 JANUARY	1,472,111	1,315,235
EFFECTS OF EXCHANGE RATE CHANGES	(3,266)	(4,250)
CASH AND CASH EQUIVALENTS AS AT 31 DECEMBER	2,050,893	1,472,111

(The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2019 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 2019. 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 2019.

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 2019, 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 2020.

The Condensed Report for the financial year ended 31 December 2020 has been reviewed by the independent auditors, Ernst & Young PLT in accordance with the International Standard on Review Engagement 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*.

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 2020:

- Amendments to MFRS 3 Business Combinations (Definition of a Business)
- Amendments to MFRS 101 Presentation of Financial Statements (Definition of Material)
- Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors

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 2021

- MFRS 17 Insurance Contracts
- Amendments to MFRS 16 Leases (Covid-19 - Related Rent Concessions)
- Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16 (Interest Rate Benchmark Reform - Phase 2)

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 2022

- 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)
- Annual Improvements to MFRS Standards 2018–2020

Effective for financial periods beginning on or after 1 January 2023

- Amendments to MFRS 101 Presentation of Financial Statements (Classification of Liabilities as Current or Non-current)
- Amendments to MFRS 17 Insurance Contracts

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

NOTE 3 - Exceptional Items

The COVID-19 outbreak is a global crisis that is having a material impact on the global economy. Malaysia’s GDP declined by 3.4% in the fourth quarter compared to a decline of 2.7% in third quarter, as the recovery of the economy was impacted by the tightening of movement restrictions. This brings full-year GDP performance in 2020 to a contraction of 5.6%, the biggest decline since 7.4% in 1998.

To face the challenges ahead, the Group will remain vigilant and continue to enhance its operational efficiencies as it navigates its way in this unprecedented and fast-changing global situation. The Group is also actively enhancing and redeploying its resources to build capabilities, accelerate recovery and prepare the business for a new, post COVID-19 world.

NOTE 4 - Accounting Estimates

There were no changes in estimates of amounts reported in prior interim periods of the current financial year 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 22 June 2020, the Company fully redeemed an amount of RM300 million of Islamic Medium Term Notes ("IMTN"). The RM300 million IMTN was issued on 22 June 2017.

On 5 November 2020, the Company completed the issuance of IMTN with a nominal value of RM400 million under the IMTN programme with a maturity period of five (5) years.

Other than the above, there were no issuance and repayment of debt securities, share buybacks, share cancellations, shares held as treasury shares and resale of treasury shares for the year ended 31 December 2020.

NOTE 6 - Dividends Paid

Dividend for the financial year ended:

	31/12/2020	31/12/2019
	RM'000	RM'000
<u>In respect of the financial year ended 31 December 2019:</u>		
Special dividend of 4.0 sen per ordinary shares paid on 23 December 2019.	-	46,732
Final dividend of 2.0 sen per ordinary shares, paid on 31 March 2020.	23,366	-
<u>In respect of the financial year ended 31 December 2018:</u>		
Final dividend of 2.5 sen per ordinary shares, paid on 16 May 2019.	-	29,207
	23,366	75,939

NOTE 7 - Segmental Reporting

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

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 year to the date of this announcement which substantially affects the results of the Group for the financial year ended 31 December 2020.

NOTE 9 - Changes in Composition of the Group

- a. The Company had, on 10 February 2020, announced the completion of the winding up of Kelang Pembena Kereta2 Sendirian Berhad, a dormant subsidiary of the Group. Kelang Pembena Kereta2 Sendirian Berhad henceforth ceased to be a subsidiary of the Group.
- b. On 2 July 2020, UMW Holdings Berhad, had incorporated a new wholly owned subsidiary known as UMW Automotive Sdn. Bhd. ("UMW Automotive") under the Companies Act 2016. The principal activity of UMW Automotive is investment holding.
- c. On 16 October 2020, the Group announced that it had received a copy of the Certificate of Dissolution (authorised on 27 August 2020) from the Secretary of State of the State of Delaware, United States of America, on the dissolution of UTech Americas, Inc., a wholly owned dormant subsidiary in the Group, which was officially filed on 2 October 2020.
- d. On 9 December 2020, the Group announced that the liquidation of UMW Coating Technologies (Tianjin) Co. Ltd, a dormant subsidiary in the UMW Group, has been completed.

NOTE 10 - Capital Commitments

The Group's capital commitments as at 31 December 2020 is as follows:

	RM'000	RM'000
<u>Approved and contracted for:</u>		
Land and buildings	14,478	
Equipment, plant and machinery	82,447	
Others	12,339	109,264
	<hr/>	
<u>Approved but not contracted for:</u>		
Land and buildings	22,762	
Equipment, plant and machinery	266,042	
Others	29,462	318,266
	<hr/>	
Total		<u><u>427,530</u></u>

NOTE 11 - Significant Related Party Transactions

Save for recurrent related party transactions ("RRPTs") mandated by shareholders at the 38th Annual General Meeting on 25 June 2020, there were no other significant RRPTs.

NOTE 12 - Classification of Financial Assets

There were no changes to the classification of financial assets for the year 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 31/12/2020 RM'000	As at 31/12/2019 RM'000
Performance bonds in favour of third parties	20,340	12,320

NOTE 14 - Review of Performance**Current Quarter Ended 31 December 2020**

	Revenue			Profit/(Loss) Before Taxation		
	Quarter ended 31/12/2020 RM'000	Quarter ended 31/12/2019 RM'000	Variance %	Quarter ended 31/12/2020 RM'000	Quarter ended 31/12/2019 RM'000	Variance %
CONSOLIDATED TOTAL	3,242,313	3,123,924	3.8%	236,901	297,835	(20.5)%
Business Segment:						
Automotive	2,668,248	2,449,969	8.9%	191,025	114,869	66.3%
Equipment	317,943	328,031	(3.1)%	18,503	27,274	(32.2)%
Manufacturing & Engineering	244,167	328,543	(25.7)%	22,743	30,001	(24.2)%
Others	11,955	17,381	(31.2)%	4,630	(62,453)	>100%
Other Gains	-	-	-	-	188,144	(100.0)%

Group

Group revenue of RM3,242.3 million was marginally higher than the RM3,123.9 million reported in the quarter ended 31 December 2019 ("corresponding quarter"). The increase in revenue was mainly due to higher sales in the Automotive segment, following the Recovery Movement Control Order ("RMCO") due to the COVID-19 pandemic in the current quarter.

Despite the increase in revenue, the Group reported lower profit before tax ("PBT") of RM236.9 million in the current quarter compared to the PBT in the corresponding quarter. This is due to the fact that there was a one-off gain on property disposal of RM188.1 million in the corresponding quarter. Excluding the one-off gain, the current quarter's PBT of RM236.9 million was higher than the RM109.7 million in the corresponding quarter.

i. Automotive Segment

Revenue of RM2,668.2 million was 8.9% higher than the RM2,450.0 million reported in the corresponding quarter, mainly due to a higher number of vehicles sold in the current quarter following the sales tax exemption effective from 15 June 2020 until 31 December 2020 and subsequently extended to 30 June 2021.

In line with higher revenue and higher share of profit from an associated company, the segment recorded PBT of RM191.0 million as compared to RM114.9 million in the corresponding quarter.

NOTE 14 - Review of Performance (Cont'd)

Current Quarter Ended 31 December 2020 (Cont'd)

ii. Equipment Segment

Revenue of RM317.9 million was lower than the RM328.0 million in the corresponding quarter, mainly due to the impact of the COVID-19 pandemic on the segment.

In line with the lower revenue, the segment's PBT of RM18.5 million was lower than the corresponding quarter.

iii. Manufacturing & Engineering Segment

Revenue of RM244.2 million was lower than the RM328.5 million reported in the corresponding quarter, mainly due to the lower contribution from the Aerospace and Lubricants sub-segments.

Accordingly, PBT dropped from RM30.0 million in the corresponding quarter to RM22.7 million in the current quarter.

Twelve Months Ended 31 December 2020

	Revenue			Profit/(Loss) Before Taxation		
	Twelve Months Ended 31/12/2020 RM'000	Twelve Months Ended 31/12/2019 RM'000	Variance %	Twelve Months Ended 31/12/2020 RM'000	Twelve Months Ended 31/12/2019 RM'000	Variance %
CONSOLIDATED TOTAL	9,554,565	11,760,204	(18.8)%	400,665	741,227	(45.9)%
Business Segment:						
Automotive	7,483,703	9,295,874	(19.5)%	334,588	530,302	(36.9)%
Equipment	1,137,332	1,408,164	(19.2)%	102,932	135,677	(24.1)%
Manufacturing & Engineering	918,276	1,062,549	(13.6)%	61,590	60,922	1.1%
Others	15,254	(6,383)	>100%	(98,445)	(173,818)	43.4%
Other Gains	-	-	-	-	188,144	(100.0)%

Group

Group revenue for the year ended 31 December 2020 of RM9,554.6 million was lower than the RM11,760.2 million recorded in the corresponding year ended 31 December 2019, mainly due to lower revenue in all of its main business segments due to the impact of the COVID-19 pandemic on the Group's operations.

Consequently, Group PBT of RM400.7 million was also significantly lower than the RM741.2 million in the corresponding year. Higher Group PBT in the corresponding year was attributed to a one-off gain on property disposal of RM188.1 million.

NOTE 14 - Review of Performance (Cont'd)

Twelve Months Ended 31 December 2020 (Cont'd)

i. Automotive Segment

The Automotive segment's revenue for the year of RM7,483.7 million was 19.5% lower than the corresponding year's revenue of RM9,295.9 million mainly due to a lower number of vehicles sold during the MCO period.

In tandem with the decline in revenue and a lower share of profit from an associated company, the segment's PBT of RM334.6 million was significantly lower than the RM530.3 million reported in the corresponding year.

ii. Equipment Segment

Revenue of RM1,137.3 million was lower than the RM1,408.2 million recorded in the corresponding year, mainly due to a slow down in construction, manufacturing, mining and logging activities following the impact of the COVID-19 pandemic in countries that the segment operates in.

In line with the decrease in revenue, PBT of RM102.9 million was lower than the RM135.7 million recorded in the corresponding year.

iii. Manufacturing & Engineering Segment

Revenue of RM918.3 million was lower than the RM1,062.5 million reported in the corresponding year, mainly due to lower contribution from all sub-segments which was impacted by the COVID-19 pandemic.

Despite the decrease in revenue, the segment's PBT of RM61.6 million was marginally higher than the PBT of RM60.9 million in the corresponding year due to cost saving initiatives.

NOTE 15 - Comparison with Preceding Quarter's Results

	Revenue			Variance %	Profit/(Loss) Before Taxation		
	4th Quarter Ended 31/12/2020 RM'000	3rd Quarter Ended 30/09/2020 RM'000			4th Quarter Ended 31/12/2020 RM'000	3rd Quarter Ended 30/09/2020 RM'000	Variance %
CONSOLIDATED TOTAL	3,242,313	2,663,326		21.7%	236,901	159,543	48.5%
Business Segment:							
Automotive	2,668,248	2,127,525		25.4%	191,025	131,572	45.2%
Equipment	317,943	296,992		7.1%	18,503	34,024	(45.6)%
Manufacturing & Engineering	244,167	242,253		0.8%	22,743	20,340	11.8%
Others	11,955	(3,444)		>100%	4,630	(26,393)	>100%

Group

Group revenue of RM3,242.3 million was significantly higher than RM2,663.3 million reported in the preceding quarter ended 30 September 2020 mainly due to improved performance from all its main segments during the Recovery Movement Control Order ("RMCO") period. The segment categorised as Others also reported higher revenue in the current quarter mainly contributed by the non-core property sub-segment.

In line with the increase in revenue, the Group reported a PBT of RM236.9 million in the current quarter compared with RM159.5 million in the preceding quarter.

NOTE 15 - Comparison with Preceding Quarter's Results (Cont'd)

i. Automotive Segment

Revenue of RM2,668.2 million was higher than the RM2,127.5 million reported in the preceding quarter, mainly due to a higher number of vehicles sold in the current quarter.

In line with the increase in revenue and higher share of profit from an associated company, the segment reported a PBT of RM191.0 million compared with RM131.6 million in the preceding quarter.

ii. Equipment Segment

Revenue of RM317.9 million was higher than the RM297.0 million reported in the preceding quarter, mainly due to increase in demand for the segment's products and services following the relaxation in the MCO in the current quarter.

Nonetheless, the PBT of RM18.5 million was lower than the RM34.0 million recorded in the preceding quarter mainly due to higher operating expenses incurred in the current quarter.

iii. Manufacturing & Engineering Segment

Revenue of RM244.2 million was slightly higher than the RM242.3 million reported in the preceding quarter due to higher contribution from the Aerospace sub-segment.

In line with the increase in revenue, the segment's PBT of RM22.7 million was higher than the RM20.3 million reported in the preceding quarter aided by cost savings initiatives undertaken.

NOTE 16 – Current Prospects

i. Automotive Segment

Consistent with the expected strong rebound in the economy in 2021 with a GDP forecast between 6.5% and 7.5%, the Malaysian Automotive Association has projected the Total Industry Volume ("TIV") to increase to 570,000 units driven mainly by the extension of sales tax exemption until 30 June 2021 as well as the low interest rate environment.

The Group remains positive that its new and improved product offerings as well as its focused sales and marketing initiatives will continue to drive sales in the coming months.

ii. Equipment Segment

The outlook for the Heavy Equipment sub-segment is projected to remain challenging due to the prolonged MCO which could delay various projects, resulting in lower demand. The sub-segment could be further impacted by uncertainties surrounding global trade, regulatory, political and commodity flux. Nevertheless, encouraging demand in the mining and construction sectors in its overseas operations could help to cushion the impact.

The Industrial Equipment sub-segment will continue to focus on extending various recovery packages to its customers, especially those in the growth sectors to cushion any impact to their operations arising from the COVID-19 pandemic.

NOTE 16 – Current Prospects (Cont'd)

iii. Manufacturing & Engineering Segment

The domestic sales of auto components is expected to improve in 2021 supported by the sales tax exemption extension for a further six months until 30 June 2021 and the projected 8% growth in TIV. The lubricants sub-segment will continue to leverage on its OEM partners and strengthen its domestic and overseas sales.

Meanwhile, 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.

Group

Despite the roll-out of vaccines for COVID-19, the Group expects the recovery of businesses domestically and globally to be gradual and the environment will continue to remain challenging. Nonetheless, the Group will constantly assess its strategies and initiatives as well as continue to intensify cost optimisation across the Group to improve its 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	Property Development RM'000	Oil & Gas (Unlisted) RM'000	Revenue from contracts with customers RM'000	Lease rental income RM'000	Consolidated revenue RM'000
FYE 31 Dec 2020											
Business Segment											
Automotive	5,768,615	-	1,073,034	579,713	62,341	-	-	-	7,483,703	-	7,483,703
Equipment	-	527,047	242,930	84,401	59,303	-	-	-	913,681	223,651	1,137,332
Manufacturing & Engineering	-	-	380,370	365,358	-	172,548	-	-	918,276	-	918,276
Others	(525)	(1,642)	(18,024)	(2,003)	3,240	(5,431)	26,639	21,276	23,530	(8,276)	15,254
Total	5,768,090	525,405	1,678,310	1,027,469	124,884	167,117	26,639	21,276	9,339,190	215,375	9,554,565

	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	Property Development RM'000	Oil & Gas (Unlisted) RM'000	Revenue from contracts with customers RM'000	Lease rental income RM'000	Consolidated revenue RM'000
FYE 31 Dec 2019											
Business Segment											
Automotive	7,263,992	-	1,220,991	666,911	143,980	-	-	-	9,295,874	-	9,295,874
Equipment	-	697,284	364,801	108,348	63,773	-	-	-	1,234,206	173,958	1,408,164
Manufacturing & Engineering	-	-	383,861	464,187	-	214,501	-	-	1,062,549	-	1,062,549
Others	(4,069)	(18,047)	(21,889)	(3,321)	14,026	(6,355)	20,922	21,059	2,326	(8,709)	(6,383)
Total	7,259,923	679,237	1,947,764	1,236,125	221,779	208,146	20,922	21,059	11,594,955	165,249	11,760,204

NOTE 19 - Taxation

	4th Quarter Ended 31/12/2020 RM'000	Twelve Months Ended 31/12/2020 RM'000
Current period provision	(20,227)	(60,229)
Under provision in prior periods	12,232	14,918
	(7,995)	(45,311)
Deferred taxation	(18,327)	(24,136)
Taxation	(26,322)	(69,447)
Zakat	-	(8,295)
Total taxation and zakat	(26,322)	(77,742)

The effective tax rate for the financial year ended 31 December 2020 is lower than the statutory tax rate, primarily due to the lower tax rate in certain jurisdictions and certain income not being subjected to tax.

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 31/12/2020					
	Long Term		Short Term		Total borrowings	
	Foreign denomination RM'000	RM denomination RM'000	Foreign denomination RM'000	RM denomination RM'000	Foreign 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	-	2,254,384	-	123,775	-	2,378,159
Long term loans payable within 12 months	-	(399,994)	-	399,994	-	-
	-	1,854,390	-	523,769	-	2,378,159
	-	1,942,278	-	523,769	-	2,466,047

	As at 31/12/2019					
	Long Term		Short Term		Total borrowings	
	Foreign denomination RM'000	RM denomination RM'000	Foreign denomination RM'000	RM denomination RM'000	Foreign denomination RM'000	RM denomination RM'000
Secured						
Term loans and trade facilities	-	87,790	-	-	-	87,790
	-	87,790	-	-	-	87,790
Unsecured						
Term loans and trade facilities	-	2,294,924	-	86,364	-	2,381,288
- United States Dollar @ 4.091	40,705	-	-	-	40,705	-
Long term loans payable within 12 months	-	(299,997)	-	299,997	-	-
	40,705	1,994,927	-	386,361	40,705	2,381,288
	40,705	2,082,717	-	386,361	40,705	2,469,078

NOTE 22 – Financial Instruments**Derivatives**

As at 31 December 2020, 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	89,360	568
- Embedded derivatives	Less than 1 year	591,884	12,669
		681,244	13,237
Derivative Liabilities			
- Forward currency contracts	Less than 1 year	199,931	(1,317)

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.

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 year ended 31 December 2020 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

On 26 June 2020, the Group announced material litigation related to a Writ of Summons ("Suit") filed by Deepak Jaikishan A/L Jaikishan Rewanchand (Plaintiff) against UMW Toyota Motor Sdn Bhd ("UMWT") (a 51% subsidiary of UMW Holdings Berhad) and others. UMWT was named as the 5th Defendant along with Boustead Holdings Berhad (1st Defendant), Bakti Wira Development Sdn Bhd (2nd Defendant), Cebur Megah Development Sdn Bhd (3rd Defendant), Pesuruhjaya Tanah Persekutuan (4th Defendant) and Suntrack Development Sdn Bhd (6th Defendant).

The Plaintiff had alleged that the Defendants sought to wrongfully deprive the Plaintiff of three parcels of land ("Lands"), one of which is the land currently owned by UMWT where UMWT's second manufacturing plant is operating ("Bukit Raja land").

In the Suit, UMWT was alleged to have failed to conduct due diligence before purchasing the Bukit Raja land, and therefore colluding in the tort of conspiracy and/or conspiracy to defraud and/or tort of conversion and/or undue influence carried out by the 1st and 2nd Defendant.

NOTE 23 - Material Litigation (Cont'd)

The Plaintiff sought, amongst others:

- 1) general, exemplary and aggravated damages;
- 2) an injunction against the 3rd, 4th, 5th and 6th Defendants from conducting any dealings on the Lands; and
- 3) specific performance against the 3rd, 4th, 5th and 6th Defendants to return the Lands to the Plaintiff through Astacanggih Sdn Bhd.

The Plaintiff had on 19 June 2020, obtained an ex-parte interim injunction order against the Defendants to restrain them from conducting any dealings with respect to the said Lands.

The Kuala Lumpur High Court fixed 1 July 2020 as the date of the inter-parte hearing of the Plaintiff's injunction application for a further order to restrain the Defendants from engaging in any dealings with the Lands until the conclusion of the Suit.

On 1 July 2020 the hearing for the inter-parte application for injunction was adjourned to 8 July 2020, following which the Kuala Lumpur High Court had issued the decision on 9 July 2020 to dismiss the Plaintiff's application for the ad interim/inter-parte injunction against UMWT.

With this dismissal of the Plaintiff's application for the ad interim/inter-parte injunction, and the expiry of the ex-parte interim injunction order on 9 July 2020, there is no longer an injunction in place against UMWT.

UMWT's application to strike out the Suit was heard at the Kuala Lumpur High Court on 26 August 2020 and the Kuala Lumpur High Court had on 23 September 2020, granted UMWT's application to strike out the Plaintiff's claim with costs payable by the Plaintiff to UMWT.

Other than the above, there was no other material litigation involving the Group at the date of this announcement.

NOTE 24 - Dividend

The Board has 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. The dividend is proposed to be paid on 30 April 2021 to shareholders whose name appears in the Record of Depositors as at close of business on 16 April 2021 (2019: a special dividend of 4.0 sen per share and a final dividend of 2.0 sen per share amounting to RM46.7 million and RM23.4 million. The dividends were paid on 23 December 2019 and 31 March 2020 respectively).

NOTE 25 – Earnings Per Share

Earnings per share for the current quarter and financial year ended 31 December 2020 is calculated by dividing the profit for the period/year attributable to the owners of the Company by the weighted average number of ordinary shares in issue as at 31 December 2020.

	4th Quarter Ended 31/12/2020 RM'000	Twelve Months Ended 31/12/2020 RM'000
Profit for the period/year attributable to the owners of the Company (RM'000)	137,440	204,600
Weighted average number of ordinary shares	1,168,293,932	1,168,293,932
Earnings per share (sen)	11.76	17.51

NOTE 26 - Audit Qualification

The audit report in respect of the annual financial statements for the financial year ended 31 December 2019 was not qualified.

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

	4th Quarter Ended 31/12/2020 RM'000	Twelve Months Ended 31/12/2020 RM'000
a. Interest income	8,515	28,368
b. Other investment income	6,168	29,444
c. Depreciation and amortisation	(97,200)	(374,074)
d. Reversal of impairment on receivables (net)	23,285	54,953
e. Impairment loss on property, plant and equipment (net)	(20)	-
f. Loss on sale on investment (net)	(80,694)	(108,621)
g. Gain on disposal of property, plant and equipment (net)	6,582	23,940
h. Reversal of inventories written down (net)	6,176	4,365
i. Foreign exchange (loss)/gain (net)	(7,068)	6,227
j. Gain on derivatives (net)	10,261	11,728
k. Property, plant and equipment written off	(511)	(511)

By Order Of The Board

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

Kuala Lumpur
25 February 2021