

UMW HOLDINGS BERHAD

(COMPANY NO : 198201010554 (90278-P))

(INCORPORATED IN MALAYSIA)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 30 JUNE 2021

	3 Months Ended 30.06.2021 RM'000 (Unaudited)	3 Months Ended 30.06.2020 RM'000 (Unaudited)	6 Months Ended 30.06.2021 RM'000 (Unaudited)	6 Months Ended 30.06.2020 RM'000 (Unaudited)
Revenue	2,445,112	1,529,733	5,399,343	3,648,926
Operating expenses	(2,442,678)	(1,561,387)	(5,330,773)	(3,656,990)
Other operating income	18,226	17,703	41,924	39,773
Profit/(loss) from operations	20,660	(13,951)	110,494	31,709
Share of results of associates and joint ventures	25,241	(26,943)	112,726	2,242
Investment income	12,407	12,184	25,181	30,121
Profit/(loss) before interest	58,308	(28,710)	248,401	64,072
Finance costs	(25,721)	(30,115)	(53,116)	(59,851)
Profit/(loss) before taxation	32,587	(58,825)	195,285	4,221
Taxation	(11,065)	4,743	(50,408)	(9,498)
Profit/(loss) for the period	21,522	(54,082)	144,877	(5,277)
<u>Other comprehensive income:</u>				
Translation of foreign operations	8,029	10,135	6,911	24,925
Share of other comprehensive income of associates	142	(369)	121	(171)
Cash flow hedge	657	77	71	110
Other comprehensive income net of tax	8,828	9,843	7,103	24,864
Total comprehensive income/(loss) for the period	30,350	(44,239)	151,980	19,587
<u>Profit/(loss) for the period attributable to:</u>				
Owners of the Company	(21,101)	(78,439)	76,164	(34,122)
Holders of perpetual sukuk	34,829	34,829	34,829	34,829
Non-controlling interests	7,794	(10,472)	33,884	(5,984)
	21,522	(54,082)	144,877	(5,277)
<u>Total comprehensive income/(loss) attributable to:</u>				
Owners of the Company	(12,264)	(56,796)	87,776	19,548
Holders of perpetual sukuk	34,829	34,829	34,829	34,829
Non-controlling interests	7,785	(22,272)	29,375	(34,790)
	30,350	(44,239)	151,980	19,587
(Loss)/earnings per share for the period (sen):				
Basic/diluted	(1.81)	(6.71)	6.52	(2.92)

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 30 JUNE 2021

	As At 30.06.2021 RM'000 (Unaudited)	As At 31.12.2020 RM'000 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	2,514,905	2,463,020
Investment properties	270,907	284,383
Leased assets	367,818	350,438
Right-of-use assets	137,192	152,059
Investments in joint ventures	73,914	64,997
Investments in associates	2,123,754	2,015,856
Deferred tax assets	108,694	119,414
Other investments	5,099	5,165
	<u>5,602,283</u>	<u>5,455,332</u>
Current assets		
Other investments	1,118,222	1,286,086
Derivative assets	770	13,237
Inventories	1,626,994	1,439,279
Trade receivables	581,423	1,059,057
Other receivables	165,013	128,647
Tax recoverable	24,922	14,561
Deposits, cash and bank balances	1,474,377	2,050,893
	<u>4,991,721</u>	<u>5,991,760</u>
TOTAL ASSETS	<u>10,594,004</u>	<u>11,447,092</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	584,147	584,147
Capital reserve	396	396
Hedging reserve	-	(71)
Fair value reserve	5,221	5,100
Foreign currency translation reserve	(36,215)	(47,635)
Retained earnings	3,355,626	3,326,194
	<u>3,909,175</u>	<u>3,868,131</u>
Perpetual sukuk	1,097,860	1,097,860
Non-controlling interests	1,469,261	1,451,178
Total equity	<u>6,476,296</u>	<u>6,417,169</u>
Non-current liabilities		
Deferred tax liabilities	53,561	47,848
Provision for warranties	195,600	195,994
Lease liabilities	36,473	47,608
Borrowings	1,893,481	1,942,278
	<u>2,179,115</u>	<u>2,233,728</u>
Current liabilities		
Derivative liabilities	1,654	1,317
Provision for warranties	98,585	84,039
Provision for taxation	9,478	6,132
Borrowings	353,276	523,769
Trade payables	394,596	682,724
Other payables	1,056,878	1,473,487
Lease liabilities	24,126	24,727
	<u>1,938,593</u>	<u>2,796,195</u>
Total liabilities	<u>4,117,708</u>	<u>5,029,923</u>
TOTAL EQUITY AND LIABILITIES	<u>10,594,004</u>	<u>11,447,092</u>
Net assets per share (RM)	3.35	3.31

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 30 JUNE 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
6 MONTHS ENDED 30 JUNE 2021 (UNAUDITED)										
At 1 January 2021	584,147	396	(71)	5,100	(47,635)	3,326,194	3,868,131	1,097,860	1,451,178	6,417,169
Transactions with owners:										
Dividends distributed to equity holders	-	-	-	-	-	(46,732)	(46,732)	-	(11,292)	(58,024)
Distribution to holders of perpetual sukuk	-	-	-	-	-	-	-	(34,829)	-	(34,829)
Total comprehensive income	-	-	71	121	11,420	76,164	87,776	34,829	29,375	151,980
At 30 June 2021	584,147	396	-	5,221	(36,215)	3,355,626	3,909,175	1,097,860	1,469,261	6,476,296

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 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
6 MONTHS ENDED 30 JUNE 2020 (UNAUDITED)										
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)
Distribution to holders of perpetual sukuk	-	-	-	-	-	-	-	(34,829)	-	(34,829)
Total comprehensive income/(loss)	-	-	110	(171)	53,731	(34,122)	19,548	34,829	(34,790)	19,587
At 30 June 2020	584,147	396	77	4,425	9,807	3,087,472	3,686,324	1,097,860	1,269,038	6,053,222

The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2020 and accompanying explanatory notes attached to the Interim Condensed Consolidated Financial Statements.

UMW HOLDINGS BERHAD

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2021

	6 Months Ended 30.06.2021 RM'000 (Unaudited)	6 Months Ended 30.06.2020 RM'000 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	195,285	4,221
Adjustments for:		
Depreciation	167,490	187,163
Net (reversal of)/provision for impairment losses on:		
- investment in joint venture	-	(16,488)
- receivables	(10,496)	(25,680)
- other investment	1,827	-
Property, plant and equipment written off	562	-
Net (reversal of)/provision for inventories written down	(4,368)	6,489
Interest expense	53,116	59,851
Share of results of associates and joint ventures	(112,726)	(2,242)
Net gain on disposal of property, plant, equipment, leased assets and right-of-use assets	(13,439)	(11,413)
Net fair value loss on derivatives	12,804	643
Net unrealised foreign exchange loss/(gain)	8,009	(6,739)
Net fair value gain on financial assets held for trading	(126)	(2,887)
Net loss on disposal of investments	1,095	16,072
Interest and other investments income	(26,861)	(31,733)
Net provision for warranties	32,075	22,159
Operating profit before working capital changes	<u>304,247</u>	<u>199,416</u>
Changes in receivables	504,692	490,372
Changes in inventories	(183,154)	(79,043)
Warranties paid	(17,967)	(12,995)
Changes in payables	<u>(706,953)</u>	<u>(666,815)</u>
Cash used in operating activities	(99,135)	(69,065)
Interest paid	(53,459)	(60,717)
Tax paid	<u>(40,757)</u>	<u>(30,788)</u>
Net cash used in operating activities	<u>(193,351)</u>	<u>(160,570)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends received	474	829
Purchase of property, plant, equipment, investment properties and leased assets	(216,585)	(129,282)
Proceeds from disposal of property, plant, equipment, and leased assets	27,017	21,796
Interest received	26,387	30,905
Proceed from disposal of other investments	542,962	651,156
Purchase of other investments	(375,035)	(318,513)
Movement in fixed deposits placement with maturity of more than 3 months	(68,915)	15,353
Movement in deposits placement restricted by bank	(15)	(1,216)
Net cash (used in)/generated from investing activities	<u>(63,710)</u>	<u>271,028</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid to equity holders of the Company	(46,732)	(23,366)
Dividends paid to non-controlling interests	(11,292)	-
Dividends paid to perpetual sukuk holders	(34,829)	(34,829)
Lease payment	(14,648)	(14,850)
Net repayment of borrowings	<u>(219,299)</u>	<u>(350,211)</u>
Net cash used in financing activities	<u>(326,800)</u>	<u>(423,256)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(583,861)	(312,798)
CASH AND CASH EQUIVALENTS AS AT 1 JANUARY	2,050,893	1,411,487
EFFECTS OF EXCHANGE RATE CHANGES	7,345	(10,533)
CASH AND CASH EQUIVALENTS AS AT 30 JUNE	<u>1,474,377</u>	<u>1,088,156</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*, the requirements of the Companies Act 2016 in Malaysia, where applicable and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements have been prepared using historical cost basis except for certain financial assets and financial liabilities that are stated at fair value.

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2020.

The accounting policies adopted in the preparation of the 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 141 (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 (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 MFRS 101 (Disclosure of Accounting Policies)
- Amendment to MFRS 112 Income Taxes (Deferred Tax related to Assets and Liabilities arising from a Single Transaction)

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

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 30 June 2021 except for that as disclosed in Note 15, where only certain operations of the Group were allowed to operate under the Full Movement Control Order (“FMCO”) as declared by the Government of Malaysia starting 1 June 2021.

NOTE 4 - Accounting estimates

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

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 30 June 2021.

NOTE 6 - Dividends paid

	30.06.2021	30.06.2020
	RM'000	RM'000
<u>In respect of the financial year ended 31 December 2020:</u>		
Final dividend of 4.0 sen per ordinary shares, paid on 30 April 2021.	46,732	-
<u>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
	46,732	23,366
	46,732	23,366

NOTE 7 - Segmental reporting

	6 Months Ended 30 June 2021		
	Revenue RM'000	Profit/(Loss) Before Taxation RM'000	Profit/(Loss) Attributable to Owners of the Company RM'000
Business Segment			
Automotive	4,377,903	180,162	122,029
Equipment	632,363	53,755	38,832
Manufacturing & Engineering	390,191	2,316	(6,972)
Others	(1,114)	(40,948)	(42,896)
Subtotal	5,399,343	195,285	110,993
Less : Profit Attributable to Holders of Perpetual Sukuk	-	-	(34,829)
CONSOLIDATED TOTAL	5,399,343	195,285	76,164

	6 Months Ended 30 June 2020		
	Revenue RM'000	Profit/(Loss) Before Taxation RM'000	Profit/(Loss) Attributable to Owners of the Company RM'000
Business Segment			
Automotive	2,687,930	11,990	33,104
Equipment	522,397	50,406	36,679
Manufacturing & Engineering	431,857	18,507	14,349
Others	6,742	(76,682)	(83,425)
Sub-total	3,648,926	4,221	707
Less : Profit Attributable to Holders of Perpetual Sukuk	-	-	(34,829)
CONSOLIDATED TOTAL	3,648,926	4,221	(34,122)

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 30 June 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 30 June 2021 is as follows:

	RM'000	RM'000
<u>Approved and contracted for:</u>		
Land and buildings	11,116	
Equipment, plant and machinery	39,293	
Others	27,244	77,653
	<hr/>	
<u>Approved but not contracted for:</u>		
Land and buildings	29,995	
Equipment, plant and machinery	196,491	
Others	130,599	357,085
	<hr/>	<hr/>
Total		434,738
		<hr/>

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 30.06.2021 RM'000	As at 31.12.2020 RM'000
	<hr/>	<hr/>
Performance bonds in favour of third parties	11,550	20,340
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NOTE 14 - Review of performance**Quarter 2, 2021 vs Quarter 2, 2020**

	Revenue			Profit/(Loss) Before Taxation		
	3 Months Ended 30.06.2021 RM'000	3 Months Ended 30.06.2020 RM'000	Variance %	3 Months Ended 30.06.2021 RM'000	3 Months Ended 30.06.2020 RM'000	Variance %
CONSOLIDATED TOTAL	2,445,112	1,529,733	59.8%	32,587	(58,825)	>100%
Business Segment:						
Automotive	1,981,926	1,102,045	79.8%	34,634	(41,711)	>100%
Equipment	299,910	233,243	28.6%	31,817	24,639	29.1%
Manufacturing & Engineering	159,926	183,323	(12.8)%	(6,058)	8,027	>(100%)
Others	3,350	11,122	(69.9)%	(27,806)	(49,780)	44.1%

Group

The Group revenue of RM2,445.1 million in the current quarter was higher than the RM1,529.7 million reported in the quarter ended 30 June 2020 ("corresponding quarter"), mainly due to the higher sales in the Automotive and Equipment segments in the current quarter.

In line with the increase in revenue, the Group reported a higher profit before tax ("PBT") of RM32.6 million in the current quarter compared with the loss before tax ("LBT") of RM58.8 million in the corresponding quarter.

i. Automotive segment

Revenue of RM1,981.9 million was 79.8% higher than the RM1,102.0 million reported in the corresponding quarter, mainly due to a higher volume of vehicles sold in the current quarter following the extension of the sales tax exemption until 31 December 2021.

In line with the higher revenue and higher share of profit from an associated company, the segment recorded a PBT of RM34.6 million compared with the LBT of RM41.7 million in the corresponding quarter.

ii. Equipment segment

Revenue of RM299.9 million was higher than the RM233.2 million in the corresponding quarter, mainly due to improved demand for the segment's products and services in its local and overseas markets following the relaxation of the Movement Control Order ("MCO") in the current quarter. However, the ongoing political unrest in Myanmar continues to dampen the overall segment's performance.

In line with the higher revenue recorded, the segment's PBT of RM31.8 million was higher than the RM24.6 million reported in the corresponding quarter.

iii. Manufacturing & Engineering segment

Revenue of RM159.9 million was lower than the RM183.3 million reported in the corresponding quarter, mainly due to the lower contribution from the Aerospace sub-segment following lower fan cases delivered in the current quarter.

Consequently, the segment reported LBT of RM6.0 million in the current quarter compared with PBT of RM8.0 million in the corresponding quarter.

NOTE 14 - Review of performance (cont'd.)

First Half Year, 2021 vs First Half Year, 2020

	Revenue			Profit/(Loss) Before Taxation		
	6 Months Ended 30.06.2021 RM'000	6 Months Ended 30.06.2020 RM'000	Variance %	6 Months Ended 30.06.2021 RM'000	6 Months Ended 30.06.2020 RM'000	Variance %
CONSOLIDATED TOTAL	5,399,343	3,648,926	48.0%	195,285	4,221	>100%
Business Segment:						
Automotive	4,377,903	2,687,930	62.9%	180,162	11,990	>100%
Equipment	632,363	522,397	21.1%	53,755	50,406	6.6%
Manufacturing & Engineering	390,191	431,857	(9.6)%	2,316	18,507	(87.5)%
Others	(1,114)	6,742	>(100%)	(40,948)	(76,682)	46.6%

Group

The Group revenue for the financial period ended 30 June 2021 of RM5,399.3 million was higher than the RM3,648.9 million recorded in the half year ended 30 June 2020 (“corresponding period”), primarily attributed to the higher revenue from the Automotive and Equipment segments following the relaxation of the MCO.

Correspondingly, the Group PBT of RM195.3 million was significantly higher than the RM4.2 million profit reported in the corresponding period.

i. Automotive Segment

The Automotive segment’s revenue of RM4,377.9 million was 62.9% higher than the RM2,687.9 million recorded in the corresponding period, mainly due to the stringent MCO implemented last year from 18 March 2020 to 3 May 2020.

Accordingly, the segment’s PBT of RM180.2 million was also significantly higher than the RM12.0 million profit reported in the corresponding period.

ii. Equipment segment

Revenue of RM632.4 million was higher than the RM522.4 million in the corresponding period, mainly due to improved demand for the segment’s products and services in its local and overseas markets following the relaxation of the MCO in the current period. On the contrary, the ongoing political turmoil in Myanmar continues to dampen the overall segment’s performance.

Consequently, the segment’s PBT of RM53.8 million was slightly higher than the RM50.4 million reported in the corresponding period as a result of higher revenue recorded.

iii. Manufacturing & Engineering Segment

Revenue of RM390.2 million was lower than the RM431.9 million reported in the corresponding period, mainly due to the lower contribution from the Aerospace sub-segment following lower fan cases delivered in the current period.

In line with the decrease in revenue, the segment’s PBT of RM2.3 million was lower than the RM18.5 million in the corresponding period.

NOTE 15 - Comparison with immediate preceding quarter**Quarter 2, 2021 vs Quarter 1, 2021**

	Revenue			Profit/(Loss) Before Taxation		
	3 Months Ended 30.06.2021 RM'000	3 Months Ended 31.03.2021 RM'000	Variance %	3 Months Ended 30.06.2021 RM'000	3 Months Ended 31.03.2021 RM'000	Variance %
CONSOLIDATED TOTAL	2,445,112	2,954,231	(17.2)%	32,587	162,698	(80.0)%
Business Segment:						
Automotive	1,981,926	2,395,977	(17.3)%	34,634	145,528	(76.2)%
Equipment	299,910	332,453	(9.8)%	31,817	21,938	45.0%
Manufacturing & Engineering	159,926	230,265	(30.5)%	(6,058)	8,374	>(100%)
Others	3,350	(4,464)	>100%	(27,806)	(13,142)	>(100%)

Group

The Group revenue of RM2,445.1 million was lower than RM2,954.2 million reported in the preceding quarter ended 31 March 2021 (“preceding quarter”), mainly due to a decrease in revenue in all of its main businesses, following the implementation of the FMCO from 1 June 2021. Meanwhile, the higher revenue in the non-core property sub-segment contributed to the increase in revenue for the segment categorised as “Others” in the current quarter mainly from the completion of sale of land held for property development.

Consequently, the Group reported a significantly lower PBT of RM32.6 million in the current quarter compared with RM162.7 million in the preceding quarter.

i. Automotive segment

Revenue of RM1,981.9 million was 17.3% lower than the preceding quarter’s revenue of RM2,396.0 million, mainly due to the limited business operations under the FMCO in the month of June.

In tandem with the decline in revenue and a lower share of profit from an associated company, the segment’s PBT of RM34.6 million was lower than the RM145.5 million reported in the preceding quarter.

ii. Equipment segment

Revenue of RM299.9 million was lower than the RM332.5 million reported in the preceding quarter, mainly caused by lower sales from the Heavy Equipment sub-segment due to the disruption in the delivery of equipment in the local and overseas market following the implementation of the FMCO in the current quarter.

Nonetheless, the segment’s PBT of RM31.8 million was higher than the RM21.9 million recorded in the preceding quarter, mainly contributed by better performance from the Industrial Equipment sub-segment.

iii. Manufacturing & Engineering segment

Revenue of RM159.9 million was lower than the RM230.3 million reported in the preceding quarter due to the lower contribution from all sub-segments, following the implementation of the FMCO in the month of June.

The segment reported LBT of RM6.1 million from PBT of RM8.4 million in the preceding quarter, mainly due to the lower revenue.

NOTE 16 - Current prospects

i. Automotive segment

The Malaysian Automotive Association (“MAA”), due to the prolonged lockdown, has revised downwards its forecast for the 2021 Total Industry Volume (“TIV”) to 500,000 units from 570,000 units announced early this year, representing a reduction of 12.3%.

Notwithstanding the challenges confronting the automotive industry, the Group will take the necessary measures to increase production and delivery of vehicles to work towards achieving its annual sales targets taking into consideration the encouraging orderbook, the introduction of new models as well as the extension of the sales tax exemption until 31 December 2021.

ii. Equipment segment

The Covid-19 pandemic continues to impact the performance of our Equipment Segment. The lockdowns imposed in the respective countries have resulted in curtailed operations.

Furthermore, for the Heavy Equipment sub-segment, the political situation in Myanmar is also expected to adversely impact its performance. However, the higher gold prices and positive outlook for the construction sector may soften the impact on the sub-segment.

The Industrial Equipment sub-segment is expected to sustain its performance as it continues to focus on expanding its equipment rental business while extending recovery packages to its customers in the essential services sectors such as food and beverages, medical/pharmaceutical, logistics and warehousing.

The prospect for the Equipment Segment is likely to remain challenging until the Covid-19 pandemic has been satisfactorily arrested.

iii. Manufacturing & Engineering segment

The prospects for both auto components and lubricants sub-segments remain challenging for the second half of 2021, amid the prolonged lockdown that has adversely impacted the entire supply chain and disrupted production. However, the encouraging orderbook especially for the Replacement Equipment (“RE”) market is expected to cushion the impact.

The Aerospace sub-segment also continues to be impacted by the travel restrictions brought about by the Covid-19 pandemic. However, with the gradual opening up of international travel, the aviation industry is expected to gradually recover with increased delivery of fan cases in the second half of 2021.

Group

The Group expects overall performance to remain challenging for the second half of the year and will continue to strive to minimise the impact of the Covid-19 pandemic on its businesses and to intensify efforts to improve its resilience through operational efficiencies and effective cost management.

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:

6 Months Ended 30 June 2021	Sale of vehicles RM'000	Sale of parts RM'000	Export sales RM'000	Services rendered RM'000	Sale of equipment RM'000	Sale of lubricants & related products RM'000	Property Development RM'000	Others RM'000	Revenue from contracts with customers RM'000	Lease rental income RM'000	Consolidated revenue RM'000
Business Segment											
Automotive	3,492,064	535,182	350,338	319	-	-	-	-	4,377,903	-	4,377,903
Equipment	-	130,912	39,431	18,856	299,687	-	-	28,507	517,393	114,970	632,363
Manufacturing & Engineering	-	175,996	121,485	272	-	92,438	-	-	390,191	-	390,191
Others	-	(2,495)	(1,146)	(1,191)	(243)	(3,546)	5,423	6,080	2,882	(3,996)	(1,114)
Total	3,492,064	839,595	510,108	18,256	299,444	88,892	5,423	34,587	5,288,369	110,974	5,399,343

6 Months Ended 30 June 2020	Sale of vehicles RM'000	Sale of parts RM'000	Export sales RM'000	Services rendered RM'000	Sale of equipment RM'000	Sale of lubricants & related products RM'000	Property Development RM'000	Others RM'000	Revenue from contracts with customers RM'000	Lease rental income RM'000	Consolidated revenue RM'000
Business Segment											
Automotive	2,024,871	387,917	227,166	47,976	-	-	-	-	2,687,930	-	2,687,930
Equipment	-	114,715	35,205	25,953	235,008	-	-	-	410,881	111,516	522,397
Manufacturing & Engineering	-	132,858	229,912	-	-	68,910	-	-	431,680	177	431,857
Others	(525)	(6,550)	(1,110)	1,632	(210)	(2,167)	8,773	11,183	11,026	(4,284)	6,742
Total	2,024,346	628,940	491,173	75,561	234,798	66,743	8,773	11,183	3,541,517	107,409	3,648,926

NOTE 19 - Taxation

	3 Months Ended 30.06.2021 RM'000	3 Months Ended 30.06.2020 RM'000	6 Months Ended 30.06.2021 RM'000	6 Months Ended 30.06.2020 RM'000
Current period provision	(16,251)	(2,367)	(34,569)	(18,743)
Over/(under) provision in prior periods	194	2	1,296	(86)
	(16,057)	(2,365)	(33,273)	(18,829)
Deferred taxation	4,992	7,108	(17,135)	9,331
Total taxation	(11,065)	4,743	(50,408)	(9,498)

The effective tax rates were higher than the statutory tax rate of 24.0%, primarily due to losses from certain subsidiary companies which cannot be set-off against profits of other companies and certain expenses which were not deductible for tax purpose.

NOTE 20 - Corporate proposals

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

NOTE 21 - Group borrowings and debt securities

	As at 30.06.2021		
	Long Term	Short Term	Total borrowings
	RM denomination	RM denomination	RM denomination
	RM'000	RM'000	RM'000
Secured			
Term loans and trade facilities	87,941	-	87,941
	87,941	-	87,941
Unsecured			
Term loans and trade facilities	2,091,252	67,564	2,158,816
Long term loans payable within 12 months	(285,712)	285,712	-
	1,805,540	353,276	2,158,816
Total	1,893,481	353,276	2,246,757

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

NOTE 22 - Financial instruments

Derivatives

As at 30 June 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	116,094	770
Derivative Liabilities			
- Forward currency contracts	Less than 1 year	235,061	(739)
- Embedded derivatives	Less than 1 year	362,939	(915)
		598,000	(1,654)

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 30 June 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 – Dividends declared

No interim dividend has been recommended for the half year ended 30 June 2021 (30 June 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

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.

	3 Months Ended 30.06.2021	3 Months Ended 30.06.2020	6 Months Ended 30.06.2021	6 Months Ended 30.06.2020
(Loss)/profit for the period attributable to the owners of the Company (RM'000)	(21,101)	(78,439)	76,164	(34,122)
Weighted average number of ordinary shares	1,168,293,932	1,168,293,932	1,168,293,932	1,168,293,932
(Loss)/earnings per share (sen) - Basic/diluted	(1.81)	(6.71)	6.52	(2.92)

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 30.06.2021 RM'000	3 Months Ended 30.06.2020 RM'000	6 Months Ended 30.06.2021 RM'000	6 Months Ended 30.06.2020 RM'000
a. Interest income	7,430	4,663	15,185	13,564
b. Other investment income	5,604	8,208	11,676	18,169
c. Depreciation	(85,698)	(95,132)	(167,490)	(187,163)
d. Net reversal of/(provision for) impairment on receivables	818	(874)	10,496	25,680
e. Net loss on disposal of investments	(897)	(87)	(1,095)	(16,072)
f. Net gain on disposal of property, plant, equipment, leased assets and right-of-use assets	6,444	3,108	13,439	11,413
g. Net reversal of/(provision for) inventories written down	3,222	(6,489)	4,368	(6,489)
h. Net foreign exchange (loss)/gain	(454)	4,089	(4,174)	13,144
i. Net fair value gain/(loss) on derivatives	8,721	2,281	(12,804)	(643)
j. Property, plant and equipment written off	(291)	-	(562)	-

By Order Of The Board

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

Kuala Lumpur
 26 August 2021