

UMW HOLDINGS BERHAD

(COMPANY NO : 198201010554 (90278-P))

(INCORPORATED IN MALAYSIA)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 30 JUNE 2022

| | 3 Months Ended 30.06.2022 RM'000 (Unaudited) | 3 Months Ended 30.06.2021 RM'000 (Unaudited) | 6 Months Ended 30.06.2022 RM'000 (Unaudited) | 6 Months Ended 30.06.2021 RM'000 (Unaudited) |
|---|--|--|--|--|
| Revenue | 3,730,842 | 2,445,112 | 7,381,598 | 5,399,343 |
| Operating expenses | (3,621,099) | (2,442,678) | (7,157,041) | (5,330,773) |
| Other operating income | 31,066 | 18,226 | 62,085 | 41,924 |
| Profit from operations | 140,809 | 20,660 | 286,642 | 110,494 |
| Share of results of associates and joint ventures | 97,817 | 25,241 | 194,337 | 112,726 |
| Investment income | 16,832 | 12,407 | 29,797 | 25,181 |
| Profit before interest | 255,458 | 58,308 | 510,776 | 248,401 |
| Finance costs | (25,411) | (25,721) | (64,440) | (53,116) |
| Profit before taxation and zakat | 230,047 | 32,587 | 446,336 | 195,285 |
| Taxation and zakat | (56,519) | (11,065) | (100,003) | (50,408) |
| Profit for the period | 173,528 | 21,522 | 346,333 | 144,877 |
| <u>Other comprehensive income:</u> | | | | |
| Translation of foreign operations | 26,698 | 8,029 | 33,487 | 6,911 |
| Share of other comprehensive income of associates | 448 | 142 | 548 | 121 |
| Cash flow hedge | - | 657 | - | 71 |
| Other comprehensive income net of tax | 27,146 | 8,828 | 34,035 | 7,103 |
| Total comprehensive income for the period | 200,674 | 30,350 | 380,368 | 151,980 |
| <u>Profit/(loss) for the period attributable to:</u> | | | | |
| Owners of the Company | 107,189 | (3,638) | 208,395 | 76,164 |
| Holders of perpetual sukuk | 17,366 | 17,366 | 34,829 | 34,829 |
| Non-controlling interests | 48,973 | 7,794 | 103,109 | 33,884 |
| | 173,528 | 21,522 | 346,333 | 144,877 |
| <u>Total comprehensive income attributable to:</u> | | | | |
| Owners of the Company | 131,567 | 5,199 | 239,452 | 87,776 |
| Holders of perpetual sukuk | 17,366 | 17,366 | 34,829 | 34,829 |
| Non-controlling interests | 51,741 | 7,785 | 106,087 | 29,375 |
| | 200,674 | 30,350 | 380,368 | 151,980 |
| Earnings/(loss) per share for the period (sen): | | | | |
| Basic/diluted | 9.17 | (0.31) | 17.84 | 6.52 |

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 30 JUNE 2022

| | As At 30.06.2022 RM'000 (Unaudited) | As At 31.12.2021 RM'000 (Audited) |
|--|--|--|
| Assets | | |
| Non-current assets | | |
| Property, plant and equipment | 2,666,526 | 2,545,020 |
| Investment properties | 256,071 | 270,218 |
| Leased assets | 363,945 | 373,457 |
| Right-of-use assets | 121,306 | 128,182 |
| Investments in joint ventures | 81,591 | 77,850 |
| Investments in associates | 2,359,307 | 2,170,600 |
| Deferred tax assets | 206,038 | 222,174 |
| Other investments | 5,442 | 5,220 |
| | <u>6,060,226</u> | <u>5,792,721</u> |
| Current assets | | |
| Other investments | 169,625 | 603,198 |
| Derivative assets | 693 | 5,598 |
| Inventories | 1,630,216 | 1,752,160 |
| Trade receivables | 834,392 | 904,185 |
| Other receivables | 125,929 | 147,476 |
| Tax recoverable | 17,467 | 19,413 |
| Deposits, cash and bank balances | 2,806,760 | 2,941,385 |
| | <u>5,585,082</u> | <u>6,373,415</u> |
| Assets held for sale | 5,823 | 6,553 |
| | <u>5,590,905</u> | <u>6,379,968</u> |
| Total assets | <u>11,651,131</u> | <u>12,172,689</u> |
| Equity and liabilities | | |
| Equity attributable to equity holders of the Company | | |
| Share capital | 584,147 | 584,147 |
| Capital reserve | 396 | 396 |
| Fair value reserve | 5,678 | 5,130 |
| Foreign currency translation reserve | 11,168 | (19,135) |
| Retained earnings | 3,574,786 | 3,434,152 |
| | <u>4,176,175</u> | <u>4,004,690</u> |
| Perpetual sukuk | 1,097,860 | 1,097,860 |
| Non-controlling interests | 1,691,713 | 1,659,999 |
| Total equity | <u>6,965,748</u> | <u>6,762,549</u> |
| Non-current liabilities | | |
| Deferred tax liabilities | 43,260 | 48,396 |
| Provision for warranties | 209,809 | 208,786 |
| Lease liabilities | 36,235 | 38,180 |
| Borrowings | 1,696,146 | 2,094,993 |
| | <u>1,985,450</u> | <u>2,390,355</u> |
| Current liabilities | | |
| Derivative liabilities | 14,359 | 3,094 |
| Provision for warranties | 98,925 | 84,981 |
| Provision for taxation | 66,558 | 7,699 |
| Borrowings | 186,078 | 638,082 |
| Trade payables | 728,531 | 648,064 |
| Other payables | 1,569,700 | 1,600,726 |
| Lease liabilities | 13,443 | 16,608 |
| Liabilities associated with assets held for sale | 22,339 | 20,531 |
| | <u>2,699,933</u> | <u>3,019,785</u> |
| Total liabilities | <u>4,685,383</u> | <u>5,410,140</u> |
| Total equity and liabilities | <u>11,651,131</u> | <u>12,172,689</u> |
| Net assets per share attributable to owners of the Company (RM) | <u>3.57</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 30 JUNE 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 |
| 6 MONTHS ENDED 30 JUNE 2022 (UNAUDITED) | | | | | | | | | | |
| At 1 January 2022 | 584,147 | 396 | - | 5,130 | (19,135) | 3,434,152 | 4,004,690 | 1,097,860 | 1,659,999 | 6,762,549 |
| Transactions with owners: | | | | | | | | | | |
| Dividends distributed to equity holders | - | - | - | - | - | (67,761) | (67,761) | - | (74,373) | (142,134) |
| Liquidation of a subsidiary | - | - | - | - | (206) | - | (206) | - | - | (206) |
| Distribution to holders of perpetual sukuk | - | - | - | - | - | - | - | (34,829) | - | (34,829) |
| Total comprehensive income | - | - | - | 548 | 30,509 | 208,395 | 239,452 | 34,829 | 106,087 | 380,368 |
| At 30 June 2022 | 584,147 | 396 | - | 5,678 | 11,168 | 3,574,786 | 4,176,175 | 1,097,860 | 1,691,713 | 6,965,748 |

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: | | | | | | | | | | |
| Dividend 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 |

The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2021 and accompanying explanatory notes attached to the Interim Condensed Consolidated Financial Statements.

UMW HOLDINGS BERHAD

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2022 (THE FIGURES HAVE NOT BEEN AUDITED)

| | 6 Months Ended 30.06.2022 RM'000 (Unaudited) | 6 Months Ended 30.06.2021 RM'000 (Unaudited) |
|--|--|--|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before taxation and zakat | 446,336 | 195,285 |
| Adjustments for: | | |
| Depreciation and amortisation | 165,213 | 167,490 |
| Net impairment losses/(reversal of impairment) on: | | |
| - receivables | 856 | (10,496) |
| - other investments | (1,248) | 1,827 |
| Property, plant and equipment and leased assets written off | 90 | 562 |
| Net reversal of inventories written down | (2,231) | (4,368) |
| Interest expense | 64,440 | 53,116 |
| Share of results of associates and joint ventures | (194,337) | (112,726) |
| Net gain on disposal of property, plant and equipment, leased assets and right-of-use assets | (16,629) | (13,439) |
| Net loss on liquidation/disposal of investments in subsidiaries | 6,610 | - |
| Net fair value loss on derivatives | 16,115 | 12,804 |
| Net unrealised foreign exchange (gain)/loss | (950) | 8,009 |
| Net fair value gain on financial assets held for trading | (1,583) | (126) |
| Net loss on disposal of other investments | 133 | 1,095 |
| Interest and other investments income | (30,853) | (26,861) |
| Net provision for warranties | 35,843 | 32,075 |
| Operating profit before working capital changes | 487,805 | 304,247 |
| Changes in receivables | 116,703 | 391,344 |
| Changes in inventories | 124,362 | (183,154) |
| Warranties paid | (20,966) | (17,967) |
| Changes in payables | 50,970 | (706,953) |
| Cash generated from/(used in) operating activities | 758,874 | (212,483) |
| Interest paid | (64,380) | (53,459) |
| Taxes and zakat paid | (26,587) | (40,757) |
| Net cash generated from/(used in) operating activities | 667,907 | (306,699) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Dividends received | 2,086 | 474 |
| Purchase of property, plant and equipment, investment properties and leased assets | (270,742) | (216,585) |
| Proceeds from disposal of property, plant and equipment, and leased assets | 35,659 | 27,017 |
| Interest received | 29,959 | 26,387 |
| Proceeds from disposal of other investments | 621,338 | 542,962 |
| Purchase of other investments | (186,181) | (375,035) |
| Movement in fixed deposits placement with maturity of more than 3 months | (161,898) | (68,915) |
| Movement in deposits placement restricted by banks | 6,244 | (15) |
| Movement in assets held for sale | (4,807) | - |
| Net cash generated from/(used in) investing activities | 71,658 | (63,710) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Dividends paid to equity holders of the Company | (67,761) | (46,732) |
| Dividends paid to non-controlling interests | (74,373) | (11,292) |
| Dividends paid to perpetual sukuk holders | (34,829) | (34,829) |
| Lease payment | (12,384) | (14,648) |
| Net repayment of borrowings | (850,861) | (219,299) |
| Net cash used in financing activities | (1,040,208) | (326,800) |
| NET DECREASE IN CASH AND CASH EQUIVALENTS | (300,643) | (697,209) |
| EFFECTS OF EXCHANGE RATE CHANGES | 10,365 | 7,345 |
| CASH AND CASH EQUIVALENTS AS AT 1 JANUARY | 2,700,280 | 2,050,893 |
| CASH AND CASH EQUIVALENTS AS AT 30 JUNE | 2,410,002 | 1,361,029 |
| Add: Deposits with maturity of more than 3 months | 396,758 | 112,132 |
| Deposits restricted by bank | - | 1,216 |
| DEPOSITS, CASH AND BANK BALANCES AS AT 30 JUNE | 2,806,760 | 1,474,377 |

The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2021 and accompanying explanatory notes attached to the Interim Condensed Consolidated Financial Statements.

NOTE 1 - Significant accounting policies and application of Malaysian Financial Reporting Standards (“MFRS”)

Basis of preparation

The interim financial statements have been prepared in accordance with the requirements of MFRS 134 *Interim Financial Reporting*, the requirements of the Companies Act 2016 in Malaysia, where applicable and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements have been prepared using historical cost basis except for certain financial assets and financial liabilities that are stated at fair value in accordance with MFRS 9 *Financial Instruments* and the retirement benefit obligations, including actuarial gains and losses are recognised in accordance with MFRS 119 *Employee Benefits*.

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2021. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2021.

The accounting standards adopted in the preparation of the interim financial statements are consistent with those adopted in the preparation of the Group’s audited financial statements for the financial year ended 31 December 2021, except for the newly-issued MFRS and amendments to standards to be applied by all Entities Other Than Private Entities as described below.

Adoption of amendments and annual improvements to Standards

The Group has adopted the following amendments to MFRS for annual financial 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

As at the date of authorisation of the interim financial statements, the following Standards and amendments to Standards have been issued by the Malaysian Accounting Standards Board (“MASB”) but are not yet effective and have not been adopted by the Group:

Effective for financial 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 30 June 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

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

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

Other than the above, there were no issuance and repayment of debt securities, share buybacks, share cancellations, shares held as treasury shares and resale of treasury shares for the financial period ended 30 June 2022.

NOTE 6 - Dividends paid

| | 30.06.2022 | 30.06.2021 |
|--|-------------------|-------------------|
| | RM'000 | RM'000 |
| <u>In respect of the financial year ended 31 December 2021:</u> | | |
| Final dividend of 5.8 sen per ordinary shares, paid on 29 April 2022. | 67,761 | - |
| <u>In respect of the financial year ended 31 December 2020:</u> | | |
| Final dividend of 4.0 sen per ordinary shares, paid on 30 April 2021. | - | 46,732 |
| | <u>67,761</u> | <u>46,732</u> |

NOTE 7 - Segmental reporting

| | 6 Months Ended 30 June 2022 | | |
|---|------------------------------------|---|---|
| | Revenue RM'000 | Profit/(Loss) Before Taxation and Zakat RM'000 | Profit/(Loss) Attributable to Owners of the Company RM'000 |
| Business Segment | | | |
| Automotive | 6,187,543 | 408,721 | 244,037 |
| Equipment | 738,367 | 67,203 | 45,992 |
| Manufacturing & Engineering | 453,523 | 23,677 | 8,755 |
| Others | 42,922 | (53,265) | (55,560) |
| Inter-segment eliminations | (40,757) | - | - |
| Subtotal | 7,381,598 | 446,336 | 243,224 |
| Less : Profit attributable to holders of perpetual sukuk | - | - | (34,829) |
| CONSOLIDATED TOTAL | 7,381,598 | 446,336 | 208,395 |

| | 6 Months Ended 30 June 2021 | | |
|---|------------------------------------|---|---|
| | Revenue RM'000 | Profit/(Loss) Before Taxation and Zakat 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 | 10,530 | (40,948) | (42,896) |
| Inter-segment eliminations | (11,644) | - | - |
| 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 |

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 2022.

NOTE 9 - Changes in the composition of the Group

a. 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 |

b. On 14 June 2022, the Group announced that its dormant subsidiary, UMW Autocorp Sdn Bhd, will be duly dissolved on 14 September 2022, being the expiry of the three months from the lodgement date of the Return by the Group's appointed liquidator.

NOTE 10 - Capital commitments

The Group's capital commitments not provided for in the interim financial statements as at 30 June 2022 were as follows:

| | RM'000 | RM'000 |
|---|-------------------|----------------|
| <u>Approved and contracted for:</u> | | |
| Land and buildings | 5,559 | |
| Equipment, plant and machinery | 79,237 | |
| Others* | 25,322 | 110,118 |
| | <u> </u> | |
| <u>Approved but not contracted for:</u> | | |
| Land and buildings | 28,737 | |
| Equipment, plant and machinery | 586,130 | |
| Others* | 85,165 | 700,032 |
| Total | <u> </u> | <u>810,150</u> |

*Others consist of furniture and fittings, office equipment, computer equipment and software, motor vehicles and leasehold improvements.

NOTE 11 - Significant related party transactions

All related party transactions and balances within the Group had been entered into in the normal course of business and were carried out on normal commercial terms during the current quarter and six months ended 30 June 2022.

Save for the recurrent related party transactions ("RPTs") with parties outside the Group as mandated by the shareholders at the 40th Annual General Meeting on 26 May 2022, there were no significant transactions with other related parties outside the Group.

NOTE 12 - Classification of financial assets

There were no changes to the classification of financial assets for the financial 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:

| | As at 30.06.2022 RM'000 | As at 31.12.2021 RM'000 |
|--|--|--|
| Performance bonds in favour of third parties | 11,680 | 11,580 |

NOTE 14 - Review of performance**Quarter 2, 2022 vs Quarter 2, 2021**

| | Revenue | | | Profit/(Loss) Before Taxation and Zakat | | |
|-----------------------------|--|--|---------------|---|--|-----------------|
| | 3 Months Ended 30.06.2022 RM'000 | 3 Months Ended 30.06.2021 RM'000 | Variance % | 3 Months Ended 30.06.2022 RM'000 | 3 Months Ended 30.06.2021 RM'000 | Variance % |
| CONSOLIDATED TOTAL | 3,730,842 | 2,445,112 | 52.6% | 230,047 | 32,587 | >100% |
| Business Segment: | | | | | | |
| Automotive | 3,117,372 | 1,981,926 | 57.3% | 202,884 | 34,634 | >100% |
| Equipment | 366,590 | 299,910 | 22.2% | 35,439 | 31,817 | 11.4% |
| Manufacturing & Engineering | 226,443 | 159,926 | 41.6% | 13,050 | (6,058) | >100% |
| Others | 39,850 | 8,292 | >100% | (21,326) | (27,806) | 23.3% |
| Inter-segment eliminations | (19,413) | (4,942) | >(100%) | - | - | - |

Group

The Group revenue of RM3,730.8 million in the current quarter was higher than the RM2,445.1 million reported in the quarter ended 30 June 2021 ("corresponding quarter"), mainly attributable to the higher sales in all segments. The improved revenue was driven by the strong sales momentum following the economic recovery under the National Recovery Plan ("NRP") as opposed to the Full Movement Control Order ("FMCO") implemented from 1 June 2021 to 15 August 2021.

Correspondingly, the Group reported a noticeably higher profit before taxation and zakat ("PBTZ") of RM230.0 million in the current quarter compared with RM32.6 million in the corresponding quarter.

i. Automotive Segment

The segment revenue of RM3,117.4 million was significantly higher by 57.3% than the RM1,981.9 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 share of profit from an associated company, the segment recorded a higher PBTZ of RM202.9 million compared with RM34.6 million in the corresponding quarter.

NOTE 14 - Review of performance (cont'd.)**Quarter 2, 2022 vs Quarter 2, 2021****ii. Equipment Segment**

The segment revenue of RM366.6 million was 22.2% higher than the RM299.9 million in the corresponding quarter. The increase in revenue was in line with the overall improvement in the market as well as growing demand on the segment's products and services in the local and overseas markets.

In tandem with the higher revenue, the segment's PBTZ of RM35.4 million was 11.4% higher than the RM31.8 million reported in the corresponding quarter.

iii. Manufacturing & Engineering Segment

The segment revenue of RM226.4 million was 41.6% higher than the RM159.9 million reported in the corresponding quarter, due to the higher contribution from all sub-segments.

In tandem with the higher revenue, the segment reported a higher PBTZ of RM13.1 million in the current quarter compared with a loss of RM6.1 million in the corresponding quarter.

iv. Others

The Others segment which do not generate significant external revenue are mainly involved in the activities such as support services in travel, information technology, property development, management and corporate services, various professional services and research and development.

The segment revenue of RM39.9 million was higher than the RM8.3 million in the corresponding quarter due mainly to revenue recognition relating to sale of industrial plots in Serendah in the current quarter.

Consistent with the higher revenue, the segment reported a lower loss of RM21.3 million compared with RM27.8 million in the corresponding quarter.

First Half Year, 2022 vs First Half Year, 2021

| | Revenue | | | Profit/(Loss) Before Taxation and Zakat | | |
|-----------------------------|--|--|---------------|---|--|-----------------|
| | 6 Months Ended 30.06.2022 RM'000 | 6 Months Ended 30.06.2021 RM'000 | Variance % | 6 Months Ended 30.06.2022 RM'000 | 6 Months Ended 30.06.2021 RM'000 | Variance % |
| CONSOLIDATED TOTAL | 7,381,598 | 5,399,343 | 36.7% | 446,336 | 195,285 | >100% |
| Business Segment: | | | | | | |
| Automotive | 6,187,543 | 4,377,903 | 41.3% | 408,721 | 180,162 | >100% |
| Equipment | 738,367 | 632,363 | 16.8% | 67,203 | 53,755 | 25.0% |
| Manufacturing & Engineering | 453,523 | 390,191 | 16.2% | 23,677 | 2,316 | >100% |
| Others | 42,922 | 10,530 | >100% | (53,265) | (40,948) | (30.1)% |
| Inter-segment eliminations | (40,757) | (11,644) | >(100%) | - | - | - |

Group

The Group revenue for the period ended 30 June 2022 of RM7,381.6 million was higher than the RM5,399.3 million recorded in the first half of the financial year ended 30 June 2021 ("corresponding period"), which was attributable to the higher revenue in all segments following the reopening of the economy under the NRP.

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

First Half Year, 2022 vs First Half Year, 2021 (cont'd.)

Group (cont'd.)

In line with the increase in revenue, the Group PBTZ of RM446.3 million was significantly higher than the RM195.3 million profit in the corresponding period.

i. Automotive Segment

The Automotive segment's revenue of RM6,187.5 million was 41.3% higher than the RM4,377.9 million recorded in the corresponding period, mainly due to the continued strong sales momentum.

Consequently, the segment's PBTZ of RM408.7 million was also considerably higher than the RM180.2 million profit reported in the corresponding period.

ii. Equipment segment

Revenue of RM738.4 million was 16.8% higher than the RM632.4 million in the corresponding period, mainly due to the stronger demand for the segment's products and services during the current period.

Accordingly, the segment's PBTZ of RM67.2 million was 25.0% higher than the RM53.8 million profit reported in the corresponding period.

iii. Manufacturing & Engineering Segment

The segment revenue of RM453.5 million was 16.2% higher than the RM390.2 million reported in the corresponding period due to higher contribution from all sub-segments, most notably from the Auto-Components and Lubricants sub-segments despite the absence of the contribution from a subsidiary which was disposed in the prior year.

In line with the increase in revenue, the segment's PBTZ of RM23.7 million was substantially higher than the RM2.3 million in the corresponding period.

iv. Others

The Others segment revenue of RM42.9 million was higher than the RM10.5 million in the corresponding period due mainly to revenue recognition relating to sale of industrial plots in Serendah in the current period.

Nonetheless, the segment reported a higher loss of RM53.3 million compared with RM40.9 million in the corresponding period due to higher operating expenses.

NOTE 15 - Comparison with immediate preceding quarter**Quarter 2, 2022 vs Quarter 1, 2022**

| | Revenue | | | Profit/(Loss) Before Taxation and Zakat | | |
|-----------------------------|--|--|---------------|---|--|---------------|
| | 3 Months Ended 30.06.2022 RM'000 | 3 Months Ended 31.03.2022 RM'000 | Variance % | 3 Months Ended 30.06.2022 RM'000 | 3 Months Ended 31.03.2022 RM'000 | Variance % |
| CONSOLIDATED TOTAL | 3,730,842 | 3,650,756 | 2.2% | 230,047 | 216,289 | 6.4% |
| Business Segment: | | | | | | |
| Automotive | 3,117,372 | 3,070,171 | 1.5% | 202,884 | 205,837 | (1.4)% |
| Equipment | 366,590 | 371,777 | (1.4)% | 35,439 | 31,764 | 11.6% |
| Manufacturing & Engineering | 226,443 | 227,080 | (0.3)% | 13,050 | 10,627 | 22.8% |
| Others | 39,850 | 3,072 | >100% | (21,326) | (31,939) | 33.2% |
| Inter-segment eliminations | (19,413) | (21,344) | 9.0% | - | - | - |

Group

The Group revenue of RM3,730.8 million was marginally higher than the RM3,650.8 million reported in the preceding quarter ended 31 March 2022 (“preceding quarter”), primarily due to the higher contribution from the Automotive segment as well as higher revenue in the non-core sub-segment categorised as “Others” due to higher revenue recognition relating to sale of industrial plots in Serendah.

Consequently, the Group reported a higher PBTZ of RM230.0 million in the current quarter compared with the RM216.3 million in the preceding quarter.

i. Automotive Segment

The revenue of RM3,117.4 million was higher than the preceding quarter’s revenue of RM3,070.2 million due to the higher sale of parts in the current quarter.

Albeit the increase in revenue, the segment reported a marginally lower PBTZ of RM202.9 million than the RM205.8 million in the preceding quarter, due mainly to the lower share of profit from an associated company.

ii. Equipment Segment

The revenue of RM366.6 million was marginally lower than the RM371.8 million reported in the preceding quarter, due mainly to the lower contribution from the Industrial Equipment sub-segment.

Nonetheless, the segment’s PBTZ of RM35.4 million was higher than the RM31.8 million reported in the preceding quarter which was mainly attributed to various cost saving initiatives.

iii. Manufacturing & Engineering Segment

The segment revenue of RM226.4 million was marginally lower than the RM227.1 million reported in the preceding quarter due mainly to the lower contribution from the Aerospace sub-segment following the lower delivery of fan cases in the current quarter.

Nevertheless, the segment reported a higher PBTZ of RM13.1 million compared with RM10.6 million in the preceding quarter due mainly to various cost saving initiatives.

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

Quarter 2, 2022 vs Quarter 1, 2022 (cont'd.)

iv. Others

The Others segment revenue of RM39.9 million was higher than the RM3.1 million in the preceding quarter due mainly to revenue recognition relating to sale of industrial plots in Serendah in the current quarter.

Correspondingly, the segment reported a lower loss of RM21.3 million compared with RM31.9 million in the preceding quarter.

NOTE 16 - Prospects

i. Automotive Segment

The reopening of the economy and recovery in private consumption are expected to contribute significantly to the projected gross domestic product ("GDP") growth of between 5.3% and 6.3% for 2022. Supported by the strong sales in the first half of the year and the high backlog of orders, the Malaysian Automotive Association ("MAA") has recently revised upwards its Total Industry Volume ("TIV") forecast for 2022 to 630,000 units from 600,000 units previously. In addition, the government has further extended the sales tax exemption for outstanding bookings made by 30 June 2022 as long as these vehicles are registered by 31 March 2023.

The Group anticipates that the Automotive segment will continue to perform well for the remainder of the year driven by the high backlog of orders as well as introduction of new and facelifted models. As the ongoing global semiconductor chip shortage continues to ease together with improvements made in the supply chain, the Group is confident of achieving its sales targets for the year.

ii. Equipment Segment

The Equipment segment's performance is anticipated to improve in line with the economic recovery post pandemic.

The demand for heavy equipment remains strong in countries that it operates in, except for Myanmar due to the ongoing political uncertainties. The strong commodity prices and the increase in construction activities are expected to contribute positively to the sub-segment.

The industrial equipment sub-segment continues to strengthen its automation and forklift refurbishment businesses for future growth. The improving demand in the manufacturing, food and beverage, and logistics sectors are expected to increase demand for the sub-segment's products and services.

The segment will continue to work closely with its principals to introduce new products and services to enhance its operations. It will also continue to focus on cost optimisation and operational efficiencies to remain resilient.

NOTE 16 – Prospects (cont’d.)**iii. Manufacturing & Engineering and Aerospace Segments**

The Manufacturing & Engineering segment is expected to benefit from the robust original equipment (“OE”) and replacement equipment (“RE”) markets due to the higher demand for vehicles in the second half of 2022. The projected growth in TIV and a higher global demand for components will catalyse the growth in the Auto Components sub-segment for the year.

The Aerospace sub-segment is continuously exploring opportunities to improve its plant utilisation and diversify its manufacturing capabilities in line with its products and customer diversification strategy. The steady growth in the air passenger and cargo traffic in 2022, provides an important impetus to the growth in the orders for new widebody planes in the future. Together with the clearing of the backlog orders for planes by the aircraft manufacturers, the future for the aeroplane fan cases business is improving.

Group

The Group remains cautious in view of the challenges arising from the environment of rising interest rates and high inflation. Further, the prolonged military conflict in Ukraine and rising geo-political tensions have added to the increased uncertainty in the general business environment and confidence which in turn continues to strengthen the US dollars against other currencies including Ringgit Malaysia.

Against this backdrop, the Group will continue to improve its resiliency through continued focus cost optimization and operational efficiency as well as engaging closely with its principals, suppliers and its stakeholders to mitigate the impact to the Group. Overall, the Group expects its performance for the financial year 2022 to be better than the previous year.

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 | Property Development RM'000 | Others RM'000 | Revenue from contracts with customers RM'000 | Lease rental income RM'000 | Consolidated revenue RM'000 |
|------------------------------------|----------------------------|-------------------------|------------------------|-----------------------------|-----------------------------|---|--------------------------------|------------------|---|-------------------------------|--------------------------------|
| 6 Months Ended 30 June 2022 | | | | | | | | | | | |
| Business Segment | | | | | | | | | | | |
| Automotive | 4,934,073 | 815,471 | 437,999 | - | - | - | - | - | 6,187,543 | - | 6,187,543 |
| Equipment | - | 155,445 | 16,625 | 29,355 | 414,981 | - | - | - | 616,406 | 121,961 | 738,367 |
| Manufacturing & Engineering | - | 203,130 | 144,007 | - | - | 106,386 | - | - | 453,523 | - | 453,523 |
| Others | - | - | - | 704 | - | - | 35,690 | 6,528 | 42,922 | - | 42,922 |
| Inter-segment eliminations | - | (30,832) | (1,613) | (186) | (551) | (3,687) | - | - | (36,869) | (3,888) | (40,757) |
| Total | 4,934,073 | 1,143,214 | 597,018 | 29,873 | 414,430 | 102,699 | 35,690 | 6,528 | 7,263,525 | 118,073 | 7,381,598 |

| | 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 |
|------------------------------------|----------------------------|-------------------------|------------------------|-----------------------------|-----------------------------|---|--------------------------------|------------------|---|-------------------------------|--------------------------------|
| 6 Months Ended 30 June 2021 | | | | | | | | | | | |
| Business Segment | | | | | | | | | | | |
| Automotive | 3,492,064 | 535,182 | 350,338 | 319 | - | - | - | - | 4,377,903 | - | 4,377,903 |
| Equipment | - | 130,912 | 39,431 | 47,363 | 299,687 | - | - | - | 517,393 | 114,970 | 632,363 |
| Manufacturing & Engineering | - | 175,996 | 121,485 | 272 | - | 92,438 | - | - | 390,191 | - | 390,191 |
| Others | - | - | - | - | - | - | 5,423 | 5,107 | 10,530 | - | 10,530 |
| Inter-segment eliminations | - | (2,495) | (1,146) | (218) | (243) | (3,546) | - | - | (7,648) | (3,996) | (11,644) |
| Total | 3,492,064 | 839,595 | 510,108 | 47,736 | 299,444 | 88,892 | 5,423 | 5,107 | 5,288,369 | 110,974 | 5,399,343 |

NOTE 19 - Taxation and Zakat

| | 3 Months Ended 30.06.2022 RM'000 | 3 Months Ended 30.06.2021 RM'000 | 6 Months Ended 30.06.2022 RM'000 | 6 Months Ended 30.06.2021 RM'000 |
|---|---|---|---|---|
| Current period provision | (56,213) | (16,251) | (84,729) | (34,569) |
| (Under)/over provision in prior periods | (1,923) | 194 | (1,519) | 1,296 |
| Deferred taxation | (58,136) | (16,057) | (86,248) | (33,273) |
| Taxation | 3,216 | 4,992 | (10,557) | (17,135) |
| Zakat | (54,920) | (11,065) | (96,805) | (50,408) |
| Total taxation and zakat | (1,599) | - | (3,198) | - |
| | (56,519) | (11,065) | (100,003) | (50,408) |

The effective tax rate for the six months ended 30 June 2022 was lower than the statutory tax rate, primarily due to the various tax incentives and benefits, lower tax rate in certain jurisdictions and certain income not being subjected to tax. Included in the current period provision was prosperity tax on aggregate income that exceeds RM100 million for a subsidiary.

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 30.06.2022 | | | | |
|--|-------------------------|-------------------------|--------------------|-------------------------|--------------------|
| | Long term | Short term | | Total borrowings | |
| | RM denomination | Foreign denomination | RM denomination | Foreign denomination | RM denomination |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| Secured | | | | | |
| Term loans and trade facilities | 88,300 | - | - | - | 88,300 |
| | 88,300 | - | - | - | 88,300 |
| Unsecured | | | | | |
| Term loans and trade facilities | 1,693,560 | - | 100,364 | - | 1,793,924 |
| Long term loans payable within 12 months | (85,714) | - | 85,714 | - | - |
| | 1,607,846 | - | 186,078 | - | 1,793,924 |
| Total | 1,696,146 | - | 186,078 | - | 1,882,224 |

| | As at 31.12.2021 | | | | |
|--|-------------------------|-------------------------|--------------------|-------------------------|--------------------|
| | Long term | Short term | | Total borrowings | |
| | RM denomination | Foreign denomination | RM denomination | Foreign denomination | RM denomination |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| Secured | | | | | |
| Term loans and trade facilities | 88,300 | - | - | - | 88,300 |
| | 88,300 | - | - | - | 88,300 |
| Unsecured | | | | | |
| 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 |
| Total | 2,094,993 | 30,857 | 607,225 | 30,857 | 2,702,218 |

NOTE 22 - Financial instruments**Derivatives**

As at 30 June 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 |
|------------------------------|------------------|--------------------------|---|
| Derivative Assets | | | |
| - Forward currency contracts | Less than 1 year | 293,836 | 693 |
| Derivative Liabilities | | | |
| - Forward currency contracts | Less than 1 year | 306,875 | (12,249) |
| - Embedded derivatives | Less than 1 year | 886,201 | (2,110) |
| | | 1,193,076 | (14,359) |

The Group uses forward currency contracts to hedge the current and future sales and purchases denominated in foreign currencies for which firm commitments existed at the end of reporting date. Derivatives are placed with or entered into with reputable financial institution with high credit ratings and no history of default. The Group does not participate in any speculative investment activities.

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 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 30 June 2022 (30 June 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 which 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.

| | 3 Months Ended 30.06.2022 | 3 Months Ended 30.06.2021 | 6 Months Ended 30.06.2022 | 6 Months Ended 30.06.2021 |
|---|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| Profit/(loss) for the period attributable to the owners of the Company (RM'000) | 107,189 | (3,638) | 208,395 | 76,164 |
| Weighted average number of ordinary shares | 1,168,293,932 | 1,168,293,932 | 1,168,293,932 | 1,168,293,932 |
| Earnings/(loss) per share (sen) - Basic/diluted | 9.17 | (0.31) | 17.84 | 6.52 |

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

| | 3 Months Ended 30.06.2022 RM'000 | 3 Months Ended 30.06.2021 RM'000 | 6 Months Ended 30.06.2022 RM'000 | 6 Months Ended 30.06.2021 RM'000 |
|---|---|---|---|---|
| a. Interest income | 16,085 | 7,430 | 28,606 | 15,185 |
| b. Other investment income | 1,204 | 5,604 | 2,247 | 11,676 |
| c. Depreciation and amortisation | (83,576) | (85,698) | (165,213) | (167,490) |
| d. Net reversal/(provision) of impairment on receivables | 134 | 818 | (856) | 10,496 |
| e. Net gain/(loss) on liquidation/disposal of investments | 85 | (897) | (6,743) | (1,095) |
| f. Net gain on disposal of property, plant and equipment, leased assets and right-of-use assets | 7,153 | 6,444 | 16,629 | 13,439 |
| g. Net reversal of inventories written down | 2,030 | 3,222 | 2,231 | 4,368 |
| h. Net realised and unrealised foreign exchange gain/(loss) | 4,040 | (454) | 1,835 | (4,174) |
| i. Net fair value (loss)/gain on derivatives | (8,155) | 8,721 | (16,115) | (12,804) |
| j. Property, plant and equipment written off | (19) | (291) | (90) | (562) |

By Order Of The Board

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

Kuala Lumpur
 26 August 2022