

OUR VALUE CREATION BUSINESS MODEL

KEY INPUTS	VALUE CREATION PROCESS		INITIATIVES	OUTCOMES	TRADE-OFFS
<p>FINANCIAL CAPITAL</p> <ul style="list-style-type: none"> Revenue: RM9.6 billion Market Capitalisation: RM4.0 billion Total Shareholders Fund: RM3.9 billion Gearing Ratio: 38% <p>MANUFACTURED CAPITAL</p> <ul style="list-style-type: none"> High-Value Manufacturing (HVM) Park in Serendah Advanced automotive assembly plant in Bukit Raja Wide distribution/after-sales network Modernised Kayaba plant with greater capacity and efficiency <p>HUMAN CAPITAL</p> <ul style="list-style-type: none"> Total employees: 7,053 Reward structures linked to performance RM5.9 million invested in employee training and development Experienced and diverse management team and board of directors <p>INTELLECTUAL CAPITAL</p> <ul style="list-style-type: none"> Corporate policies that uphold integrity such as the UMW Integrity Framework and Integrity Plan Strong commitment to digitalisation initiatives Strong commitment to R&D <p>SOCIAL AND RELATIONSHIP CAPITAL</p> <ul style="list-style-type: none"> RM6.0 million invested in community investments Recorded 2,372.5 volunteer hours Active engagement with various stakeholders Contributed approximately RM1.5 million in cash and in kind to the communities in need to mitigate the impact of COVID-19 <p>NATURAL CAPITAL</p> <ul style="list-style-type: none"> Energy Usage: 389,604.11GJ Water Usage: 550,280.27m³ 	<p>VISION</p> <p>To be an innovative global conglomerate with sustainable core businesses.</p> <p>MISSION</p> <p>Committed to delivering excellence and sustained value creation for our stakeholders through products and services.</p> <p>OUR CORE VALUES</p> <p>WOW</p> <p>7 PILLARS OF PERDANA TRANSFORMATION STRATEGY</p> <ul style="list-style-type: none"> Rationalise Non-Strategic Assets Unlock Value of Non-Productive Assets Revenue Elevation Cost Optimisation & Synergy Innovation Platform Digitise & Digitalise Human Capital Strategic Support 	<p>AUTOMOTIVE</p>  <p>EQUIPMENT</p>  <p>MANUFACTURING & ENGINEERING</p> 	<p>FINANCIAL CAPITAL</p> <ul style="list-style-type: none"> Cost optimisation efforts led to savings of RM134 million in FY2020 Built strong relationships with our principals <p><i>Refer to President & Group Chief Executive Officer's Review on pages 16 to 21 and Financial Highlights on pages 22 to 27 for more details</i></p> <p>MANUFACTURED CAPITAL</p> <ul style="list-style-type: none"> Automotive: New model launches Automotive: Continued support for local parts manufacturers M&E: Cost reduction and operational improvements Equipment: Constructed our first prime combined heat and power (CHP) plant for the manufacturing sector <p><i>Refer to How We Have Performed on pages 40 to 59 for more details</i></p> <p>HUMAN CAPITAL</p> <ul style="list-style-type: none"> Launched TransWOWmation - culture change for the workforce Strong focus on HSSE areas - ensure our employees stay safe and healthy New Ways of Working through Flexible Working Arrangements Implemented the Learning Management System to roll out digitalised training and development programmes for employees in all categories across the Group Digitalisation of HR Processes <p><i>Refer to How We Have Performed on pages 60 to 61 and our Sustainability Report 2020 for more details</i></p> <p>INTELLECTUAL CAPITAL</p> <ul style="list-style-type: none"> Rolled out the Organisational Anti-Corruption Plan Formation of the UMW Innovation and R&D Centre Launched KINTO ONE, a car subscription-based program initiative Digitalised HSE monitoring system to improve daily management of health and safety in response to COVID-19 Launched LAPASAR, an online procurement system <p><i>Refer to our Sustainability Report 2020 for more details</i></p> <p>SOCIAL AND RELATIONSHIP CAPITAL</p> <ul style="list-style-type: none"> Responded to community and frontline needs with various contributions of equipment and personal protective equipment Provide excellent customer service <p><i>Refer to our Sustainability Report 2020 for more details</i></p> <p>NATURAL CAPITAL</p> <ul style="list-style-type: none"> Invested in large-scale solar panel installation at ASSB Bukit Raja Plant Toyota Environmental Challenge 2050 Various environmental conservation initiatives Obtained ISO 14001:2015 environmental management certificates for 10 UMW operational sites <p><i>Refer to our Sustainability Report 2020 for more details</i></p>	<ul style="list-style-type: none"> Return on Equity: 5.0% Dividend payout: 4 sen Earnings per share: 17.5 sen <ul style="list-style-type: none"> UMW Toyota and Perodua exceeded their revised sales target in 2020 Reduced complaints of defective products Increase in operating efficiency Delivered Trent 7000 fan cases to Rolls-Royce <ul style="list-style-type: none"> Achieved 40% women's representation on the Board Diversity: 79% male, 21% female Zero fatality cases 68% of 1,040 employees surveyed found to be more productive when working from home Employees received more than 50,000 hours of training <ul style="list-style-type: none"> SIAP application for lubricant dealers e-CARA app, an all-in-one application for forklift solutions and services Rolling out of the Battery Revive Unique Strategy System and Robotic Process Automation projects <ul style="list-style-type: none"> Benefitted 63 charity homes RM767,495 in scholarship value benefitted 69 recipients RM1.5 million subscription to Sukuk Prihatin RM1 million in funding to Yayasan Hasanah for the purchase of ventilators In support of our local vendors, the Group spent 33.56% of the procurement budget on local suppliers <ul style="list-style-type: none"> Produced 22% more solar energy compared with the previous year GHG emissions decreased by 28.91% (45,143.98 tCO₂e) compared with 2019 (63,239.38 tCO₂e) 23,755 trees planted since the start of our tree-planting initiative 	<p>We invest our Financial Capital to improve all our other Capitals, striking a balance between dividends for our shareholders and the redeployment of funds to improve the business. The optimal use of our Financial Capital will contribute to improving all aspects of the business.</p> <p>Investments in Manufactured Capital reduce our Financial Capital. However, this gives us greater capabilities and resources to generate long-term growth, thus growing our Financial Capital over the long term.</p> <p>Improving our Human Capital requires investments in training, development and engagement activities, which will reduce our Financial Capital. However, over the long term, this adds more value to our people, improving their capabilities and capacity and leading to better retention, which will help secure the sustainability of the business.</p> <p>We invest in our Intellectual Capital to create innovations and deliver better customer experiences. While investments of Financial Capital are required to fund these initiatives, they will lead to stronger business growth, customer retention and relevance and therefore support the growth of our other Capitals.</p> <p>Our commitment to adding value to our Social and Relationship Capital will help maintain our positive relationships with a range of stakeholders. These relationships are important to drive sustainable growth across all our Capitals.</p> <p>Our various business activities have an impact on our Natural Capital. As such, we are committed to investing in ways to mitigate the impact we have on the environment, which will reduce the loss of Natural Capital.</p>