

UMW HOLDINGS BERHAD

(COMPANY NO. 090278-P)
(INCORPORATED IN MALAYSIA)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE
THIRD QUARTER ENDED 30TH SEPTEMBER 2014
(THE FIGURES HAVE NOT BEEN AUDITED)**

	CURRENT QUARTER ENDED 30/09/2014 RM'000	COMPARATIVE QUARTER ENDED 30/09/2013 RM'000	9 MONTHS CUMULATIVE TO DATE 30/09/2014 RM'000	COMPARATIVE 9 MONTHS CUMULATIVE TO DATE 30/09/2013 RM'000
<u>Continuing Operations</u>				
Revenue	3,702,528	3,456,643	11,252,761	10,315,120
Operating Expenses	(3,344,174)	(3,354,516)	(10,212,485)	(9,527,657)
Other Operating Income	25,594	84,164	159,954	209,537
Profit From Operations	383,948	186,291	1,200,230	997,000
Finance Costs	(12,798)	(21,468)	(58,106)	(69,919)
Share Of Profits Of Associated/Jointly- Controlled Entities	25,612	62,223	90,135	140,123
Investment Income	33,509	18,595	99,446	54,329
Profit Before Taxation	430,271	245,641	1,331,705	1,121,533
Taxation	(100,578)	(66,673)	(315,951)	(265,409)
Profit For The Period	329,693	178,968	1,015,754	856,124
<u>Other Comprehensive Income:</u>				
Translation Of Foreign Operations	40,539	(15,201)	3,547	4,365
Cash Flow Hedge	(679)	(5)	(288)	3,028
Other Comprehensive Income Net Of Tax	39,860	(15,206)	3,259	7,393
Total Comprehensive Income For The Period	369,553	163,762	1,019,013	863,517
<u>Profit For The Period Attributable To:</u>				
Equity Holders Of The Company	196,996	101,452	574,501	572,103
Non-Controlling Interests	132,697	77,516	441,253	284,021
	329,693	178,968	1,015,754	856,124
<u>Total Comprehensive Income Attributable To:</u>				
Equity Holders Of The Company	218,660	91,696	575,594	585,951
Non-Controlling Interests	150,893	72,066	443,419	277,566
	369,553	163,762	1,019,013	863,517
<u>EPS Attributable To Equity Holders Of The Company:</u>				
Basic EPS For The Period (Sen)	16.86	8.68	49.17	48.97
Diluted EPS For The Period (Sen)	16.86	8.68	49.17	48.97

(These Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying explanatory notes attached to these interim Financial Statements)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	(UNAUDITED) AS AT 30/09/2014 RM'000	(AUDITED) AS AT 31/12/2013 RM'000
<u>ASSETS</u>		
Non-Current Assets		
Property, Plant & Equipment	5,236,540	3,898,853
Investment Properties	3,623	4,553
Intangible Assets	37,856	37,856
Land Use Rights	6,575	6,697
Leased Assets	265,034	259,163
Investments In Associates	1,735,477	1,696,035
Investments In Jointly-Controlled Entities	56,849	57,909
Deferred Tax Assets	71,158	57,576
Other Investments	47,637	41,928
Derivative Assets	-	7,232
	7,460,749	6,067,802
Current Assets		
Inventories	1,784,180	1,754,167
Trade Receivables	1,126,069	1,209,602
Other Receivables	661,778	671,599
Other Investments	1,319,233	2,331,470
Derivative Assets	14,814	371
Deposits, Cash & Bank Balances	3,161,996	2,557,694
	8,068,070	8,524,903
Non-Current Assets Held For Sale	201,642	2,442
	8,269,712	8,527,345
TOTAL ASSETS	15,730,461	14,595,147

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONT'D)

	(UNAUDITED) AS AT 30/09/2014 RM'000	(AUDITED) AS AT 31/12/2013 RM'000
<u>EQUITY AND LIABILITIES</u>		
Equity Attributable To Equity Holders Of The Company		
Share Capital	584,147	584,147
Share Premium	794,482	794,482
Capital Reserve	396	396
Foreign Currency Translation Reserve	28,403	27,022
Hedging Reserve	(647)	(359)
Retained Profits	5,237,204	4,884,679
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	6,643,985	6,290,367
Non-Controlling Interests	2,664,069	2,642,165
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TOTAL EQUITY	9,308,054	8,932,532
Non-Current Liabilities		
Provision For Liabilities	42,984	44,680
Deferred Tax Liabilities	31,732	30,111
Long Term Borrowings	1,889,087	1,524,177
Derivative Liabilities	36,686	77,669
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	2,000,489	1,676,637
Current Liabilities		
Provision For Liabilities	38,227	56,071
Taxation	133,308	86,300
Short Term Borrowings	2,047,611	1,389,198
Bank Overdrafts	81,703	75,127
Trade Payables	1,037,758	1,352,314
Other Payables	773,198	717,808
Derivative Liabilities	17,975	17,087
Dividend Payable	116,829	292,073
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	4,246,609	3,985,978
Non-Current Liabilities Held For Sale	175,309	-
	<hr/>	<hr/>
	4,421,918	3,985,978
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TOTAL LIABILITIES	6,422,407	5,662,615
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TOTAL EQUITY AND LIABILITIES	15,730,461	14,595,147
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Net Assets Per Share (RM)	5.6869	5.3842

(These Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying explanatory notes attached to these interim Financial Statements)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30TH SEPTEMBER 2014

←----- NON-DISTRIBUTABLE -----> DISTRIBUTABLE

	SHARE CAPITAL RM'000	SHARE PREMIUM RM'000	CAPITAL RESERVE RM'000	FOREIGN CURRENCY TRANSLATION RESERVE RM'000	HEDGING RESERVE RM'000	RETAINED PROFITS RM'000	TOTAL RM'000	NON- CONTROLLING INTERESTS RM'000	TOTAL EQUITY RM'000
9 MONTHS ENDED 30TH SEPTEMBER 2014									
At 1 st January 2014	584,147	794,482	396	27,022	(359)	4,884,679	6,290,367	2,642,165	8,932,532
Transactions with owners									
Dividends distributed to equity holders	-	-	-	-	-	(221,976)	(221,976)	(421,515)	(643,491)
Total comprehensive income	-	-	-	1,381	(288)	574,501	575,594	443,419	1,019,013
At 30 th September 2014	584,147	794,482	396	28,403	(647)	5,237,204	6,643,985	2,664,069	9,308,054

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30TH SEPTEMBER 2013

←----- NON-DISTRIBUTABLE -----> DISTRIBUTABLE

	SHARE CAPITAL RM'000	SHARE PREMIUM RM'000	CAPITAL RESERVE RM'000	FOREIGN CURRENCY TRANSLATION RESERVE RM'000	HEDGING RESERVE RM'000	RETAINED PROFITS RM'000	TOTAL RM'000	NON- CONTROLLING INTERESTS RM'000	TOTAL EQUITY RM'000
9 MONTHS ENDED 30TH SEPTEMBER 2013									
At 1 st January 2013	584,147	794,482	396	(37,278)	(2,063)	3,511,084	4,850,768	1,426,831	6,277,599
Effects of applying MFRS	-	-	-	(2,518)	-	-	(2,518)	23,336	20,818
At 1 st January 2013 (Restated)	584,147	794,482	396	(39,796)	(2,063)	3,511,084	4,848,250	1,450,167	6,298,417
Transactions with owners									
Issue of ordinary shares by subsidiaries	-	-	-	-	-	-	-	(25)	(25)
Disposal of a subsidiary	-	-	-	-	-	-	-	(1,583)	(1,583)
Dividends distributed to equity holders	-	-	-	-	-	(408,903)	(408,903)	(462,996)	(871,899)
Total comprehensive income	-	-	-	10,820	3,028	572,103	585,951	277,566	863,517
At 30 th September 2013	584,147	794,482	396	(28,976)	965	3,674,284	5,025,298	1,263,129	6,288,427

(These Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the accompanying explanatory notes attached to these interim Financial Statements)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30TH SEPTEMBER 2014

	9 MONTHS ENDED 30/09/2014 RM'000	9 MONTHS ENDED 30/09/2013 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit Before Taxation	1,331,705	1,121,533
Adjustments For:		
Depreciation & Amortisation	267,475	223,750
Provision Of Impairment Losses On Investments	7,584	59,277
Provision For Expected Losses On The Disposal Of Investment	93,000	-
Net Inventories Written Down	11,618	7,734
Interest Expense	58,106	69,919
Share of Results Of Associates/Jointly-Controlled Entities	(90,135)	(140,123)
Reversal Of Impairment On Receivables	(5,640)	(396)
Net Foreign Exchange/Fair Value (Gain)/Loss	(39,115)	48,536
Interest & Dividend Income	(99,446)	(54,329)
Others	(23,042)	(44,966)
Operating Profit Before Working Capital Changes	1,512,110	1,290,935
Decrease/(Increase) In Receivables	58,736	(319,239)
(Increase)/Decrease In Inventories	(57,931)	94,200
Decrease In Payables	(306,315)	(296,467)
Cash Generated From Operating Activities	1,206,600	769,429
Interest Paid	(50,280)	(46,763)
Taxation Paid	(281,267)	(286,919)
Net Cash Generated From Operating Activities	875,053	435,747
CASH FLOWS FROM INVESTING ACTIVITIES		
Net Cash Outflow Arising From Equity Investments	(38,102)	(219,597)
Dividends Received	88,806	81,432
Purchase Of Property, Plant & Equipment	(1,793,721)	(827,132)
Proceeds From Disposal Of Property, Plant & Equipment	85,153	78,488
Interest & Dividend Income	99,446	54,329
Other Investments (Net)	1,014,089	178,671
Net Cash Used In Investing Activities	(544,329)	(653,809)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds From Issuance Of Shares	-	25
Dividend Paid To Equity Holders Of The Company	(397,219)	(467,318)
Dividend Paid To Non-Controlling Interests	(421,515)	(462,996)
Net Drawdown Of Loans & Borrowings	1,085,795	791,482
Net Cash Generated From/(Used In) Financing Activities	267,061	(138,807)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	597,785	(356,869)
CASH AND CASH EQUIVALENTS AS AT 1ST JANUARY	2,482,567	2,435,561
CASH AND CASH EQUIVALENTS CLASSIFIED AS HELD FOR SALE	(556)	-
EFFECTS OF EXCHANGE RATE CHANGES	497	4,817
CASH AND CASH EQUIVALENTS AS AT 30TH SEPTEMBER	3,080,293	2,083,509

(These Condensed Consolidated Statement of Cash Flows should be read in conjunction with the accompanying explanatory notes attached to these interim Financial Statements)

Note 1 - Significant Accounting Policies and Application of Malaysian Financial Reporting Standards (“ MFRS 1”)

Basis of Preparation

The interim financial statements have been prepared in accordance with the requirements of International Accounting Standards (“IAS”) 34, *Interim Financial Reporting* and Malaysian Financial Reporting Standards (“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 year ended 31st December 2013. 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 year ended 31st December 2013.

The financial information presented herein has been prepared in accordance with the accounting policies to be used in preparing the annual consolidated financial statements for 31st December 2014 under the MFRS framework. These policies do not differ significantly from those used in the audited consolidated financial statements for 31st December 2013 except as described below.

As of 1st January 2014, the Group has adopted the following new and revised MFRSs, amendments and IC Interpretations (collectively referred to as “pronouncements”) which are effective for annual periods beginning on or after 1st January 2014.

Description

Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities
Amendments to MFRS 10, MFRS 12 and MFRS 127: Investment Entities
Amendments to MFRS 136: Recoverable Amount Disclosures for Non-Financial Assets
Amendments to MFRS 139: Novation of Derivatives and Continuation of Hedge Accounting
IC Interpretation 21 Levies
Amendments to MFRS 119: Defined Benefit Plans: Employee Contributions
Annual Improvements to MFRSs 2010–2012 Cycle
Annual Improvements to MFRSs 2011–2013 Cycle
MFRS 9 Financial Instruments (IFRS 9 issued by IASB in November 2009)
MFRS 9 Financial Instruments (IFRS 9 issued by IASB in October 2010)
MFRS 9 Financial Instruments: Hedge Accounting and amendments to MFRS 9, MFRS 7 and MFRS 139

The Directors expect that the adoption of the above standards and IC Interpretations will have no material impact on the financial statements in the period of initial application except as disclosed below -

MFRS 9 Financial Instruments

MFRS 9 reflects the first phase of work on the replacement of MFRS 139 and applies to classification and measurement of financial assets and financial liabilities as defined in MFRS 139. The standard was initially effective for annual periods beginning on or after 1st January 2013, but Amendments to MFRS 9: Mandatory Effective Date of MFRS 9 and Transition Disclosures, issued in March 2012, moved the mandatory effective date to 1st January 2015. Subsequently, on 14th February 2014, it was announced that the new effective date will be decided when the project is closer to completion.

The adoption of the first phase of MFRS 9 will have an impact on the classification and measurement of the Group’s financial assets, but will not have an impact on the classification and measurement of the Group’s financial liabilities. The Group will quantify the effect in conjunction with the other phases, when the final standard including all phases is issued.

The adoption of the above pronouncements does not have a material impact on the financial statements of the Group.

Note 2 - Seasonal or Cyclical Factors

The Group is principally engaged in the -

- a) import, assembly and marketing of passenger and commercial vehicles and related spares and manufacturing of original/replacement automotive parts;
- b) trading and manufacturing of a wide range of light and heavy equipment including related spares for use in the industrial, construction, agricultural and mining sectors; and
- c) manufacturing and trading of oil pipes and providing various oil and gas services including drilling and pipe-coating.

The Group's products and services are generally dependent on the Malaysian and global economies, consumer demand and market sentiment.

Note 3 - Exceptional Items

There were no material unusual items affecting assets, liabilities, equity, net income, or cash flows except as disclosed in Note 1 above.

Note 4 - Accounting Estimates

There were no changes in estimates of amounts reported in prior interim periods of the current financial year or changes in estimates of amounts reported in prior years that have a material effect in the current interim period.

Note 5 - Issuance or Repayment of Debt and Equity Securities

There were no issuances and repayment of debt securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the period ended 30th September 2014.

Note 6 - Dividends Paid

Dividend for the financial year ended 31st December 2013 -

- (i) A second interim single-tier dividend of 30% or 15.0 sen (2013 - 30% or 15.0 sen) per share of RM0.50 each, amounting to a net dividend of RM175.2 million (2013 - RM175.2 million) and;
- (ii) A special interim single-tier dividend of 20% or 10.0 sen (2013 - nil) per share of RM0.50 each, amounting to a net dividend of RM116.8 million (2013 - nil)

were paid on 20th January 2014.

- (iii) A third interim single-tier dividend of 18% or 9.0 sen (2013 - nil) per share of RM0.50 each, amounting to a net dividend of RM105.1 million (2013 - nil) was paid on 25th April 2014.

Note 7 - Segmental Reporting

Business Segment	Financial Period Ended 30 th September 2014		
	Revenue RM'000	Profit Before Taxation RM'000	Profit Attributable to Owners of the Company RM'000
Automotive	8,204,226	1,159,057	529,252
Equipment	1,323,449	138,577	119,787
Oil & Gas	688,670	200,386	99,297
Manufacturing & Engineering	551,007	20,063	8,545
Others	544,719	(186,378)	(182,380)
Sub-Total	11,312,071	1,331,705	574,501
Elimination of Inter-Segment Sales	(59,310)	-	
Consolidated Total	11,252,761	1,331,705	

Total assets increased in tandem with higher levels of revenue and profitability. There has been no material change in total assets compared to the last annual financial statements.

Note 8 - Subsequent Material Events

In the opinion of the Directors, there has been no material event or transaction during the period from 30th September 2014 to the date of this announcement, which affects substantially the results of the Group for the period ended 30th September 2014.

Note 9 - Changes in Composition/Group

There were no changes in the composition of the Group during the quarter ended 30th September 2014.

Note 10 - Commitments for the Purchase of Property, Plant and Equipment

These are in respect of capital commitments -

	RM'000	RM'000
Approved and contracted for:		
Land and buildings	109,199	
Equipment, plant and machinery	1,486,436	
Others	10,364	1,605,999
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Approved but not contracted for:		
Land and buildings	93,166	
Equipment, plant and machinery	426,856	
Others	39,500	559,522
Total	<hr/>	<hr/>
		2,165,521

Note 11 - Significant Related Party Transactions

On 10th July 2014, UMW fully subscribed to the Rights Issue of e-Lock Corporation Sdn Bhd (“e-Lock”) and was allotted 1,950,000 ordinary shares of RM1.00 each. Consequent to the Rights Issue, UMW’s equity holding in e-Lock increased to 20.1%.

Other than the above, there were no other significant related party transactions (“RPTs”) entered into in the third quarter of 2014 which were material other than the recurrent RPTs disclosed in the shareholders’ mandate.

Note 12 - Classification of Financial Assets

There were no changes in the classification of financial assets as a result of a change in the purpose or use of the asset.

Note 13 - Changes in Contingent Liabilities and Contingent Assets

Contingent liabilities of the Group increased to RM1,342.5 million as at 30th September 2014 from RM1,011.3 million as at 31st December 2013.

Note 14 - Review of Performance

Current Quarter Ended 30th September 2014

	Revenue		Profit Before Tax	
	Quarter Ended 30/09/2014 RM'000	Quarter Ended 30/09/2013 RM'000	Quarter Ended 30/09/2014 RM'000	Quarter Ended 30/09/2013 RM'000
Consolidated Total	3,702,528	3,456,643	430,271	245,641
Business Segment :				
Automotive	2,643,372	2,433,336	343,943	294,891
Equipment	434,750	410,754	44,390	55,601
Oil & Gas	254,321	205,342	75,846	54,452
Manufacturing & Engineering	180,206	188,938	(1,484)	(31,104)

Group

Group revenue improved from RM3,456.6 million recorded in the third quarter ended 30th September 2013 to RM3,702.5 million recorded in the same period of 2014, an increase of RM245.9 million or 7.1%. The improved revenue was mainly contributed by the Automotive and Oil & Gas segments.

In tandem with the higher revenue, profit before taxation increased to RM430.3 million for the third quarter ended 30th September 2014 from RM245.6 million recorded in the same period of 2013.

In line with the increased profit before taxation, net profit attributable to equity holders of the Company for the third quarter ended 30th September 2014 also increased to RM197.0 million from RM101.5 million registered in the previous year’s corresponding quarter.

Automotive Segment

Automotive segment recorded a revenue of RM2,643.4 million in the third quarter of 2014, an increase of RM210.1 million or 8.6% higher than RM2,433.3 million registered in the third quarter of 2013. Toyota vehicle sales for the quarter increased by 19.3% compared to the same quarter of 2013, mainly contributed by the better sales of Vios and Altis.

In line with the higher revenue, profit before taxation increased to RM343.9 million from RM294.9 million recorded in the corresponding quarter of 2013.

Equipment Segment

The Equipment segment contributed a revenue of RM434.8 million during the third quarter of 2014, a marginal increase of RM24.0 million or 5.8% compared to RM410.8 million recorded in the same period of 2013. Higher revenue during the quarter was mainly contributed by the industrial equipment segment.

Profit before taxation in the third quarter of 2014 of RM44.4 million was lower compared to RM55.6 million recorded in the previous corresponding quarter. The increase in profitability of the industrial equipment segment was not sufficient to cover the drop in the heavy equipment segment's profitability that resulted from the continued suspension of mining activities in Myanmar and continued drop in commodity prices in Papua New Guinea.

Oil & Gas Segment

The Oil & Gas segment recorded a revenue of RM254.3 million for the third quarter of 2014, an increase of RM49.0 million or 23.9% compared to the RM205.3 million registered in the same quarter of 2013. Higher revenue contribution mainly from the Drilling Services segment, resulted in the revenue improvement in the third quarter of 2014. Overseas operations contributed approximately 64.0% of the segment's revenue in the third quarter of 2014.

The segment achieved a profit before taxation of RM75.9 million in the third quarter of 2014 compared to the RM54.5 million recorded in the corresponding quarter of 2013, an improvement of RM21.4 million or 39.3%. Higher profit contribution from the Drilling Services segment contributed to the profit improvement in the third quarter of 2014.

Manufacturing & Engineering Segment

The Manufacturing & Engineering segment's revenue for the third quarter of 2014 of RM180.2 million was marginally lower than RM188.9 million recorded in the same quarter of 2013, mainly caused by lower contributions from the local automotive component manufacturers.

The segment recorded a lower loss of RM1.5 million for the current quarter compared to a loss of RM31.1 million in the previous year's corresponding quarter. Higher losses in the same quarter of 2013 was mainly due to impairment of assets made during the period.

Nine Months Ended 30th September 2014

	Revenue		Profit Before Tax	
	Nine Months Ended 30/09/2014 RM'000	Nine Months Ended 30/09/2013 RM'000	Nine Months Ended 30/09/2014 RM'000	Nine Months Ended 30/09/2013 RM'000
Consolidated Total	11,252,761	10,315,120	1,331,705	1,121,533
Business Segment :				
Automotive	8,204,226	7,396,787	1,159,057	1,021,056
Equipment	1,323,449	1,334,374	138,577	166,601
Oil & Gas	688,670	530,622	200,386	150,855
Manufacturing & Engineering	551,007	553,932	20,063	(24,252)

Group

The Group recorded a total revenue of RM11,252.8 million for the nine months ended 30th September 2014, 9.1% higher than the RM10,315.1 million recorded in the corresponding period of 2013. The improved revenue was mainly contributed by the Automotive and Oil & Gas segments.

In line with the increase in revenue, Group profit before taxation for the nine months ended 30th September 2014 increased to RM1,331.7 million, RM210.2 million or 18.7% higher than RM1,121.5 million registered in the same period of 2013.

Consequently, net profit attributable to equity holders of the Company increased to RM574.5 million from the RM572.1 million registered in 2013. After taking into account the RM93.0 million provision for expected losses on the proposed disposal of investment in the automotive component companies in India, net profit attributable to equity holders of the Company registered a marginal increase of RM2.4 million.

Automotive Segment

The Automotive segment contributed a revenue of RM8,204.2 million, an increase of RM807.4 million or 10.9% from the RM7,396.8 million registered in the same period of 2013. Overall, Toyota vehicles sales improved by 17.9%, mainly driven by Vios and Altis full model change.

Market share for Toyota vehicles increased marginally to 15.7% in 2014 compared to 13.4% in the same period of 2013.

Consequently, profit before taxation increased from RM1,021.1 million to RM1,159.1 million, 13.5% or RM138.0 million higher than the same period of 2013.

Equipment Segment

Equipment segment revenue of RM1,323.4 million for the nine months of 2014 was marginally lower than the RM1,334.4 million registered in the same period of 2013.

The lower revenue resulted from lesser contributions from the overseas operations of the heavy equipment segment, due to -

- the continued drop in commodity prices in Papua New Guinea; and
- the continued suspension of mining activities in Myanmar up to end of August 2014.

The drop in revenue of the heavy equipment segment was moderated by higher demand for Toyota forklifts in the industrial equipment segment.

In line with the Equipment segment's lower revenue, profit before taxation reduced to RM138.6 million from RM166.6 million recorded in the same period of 2013.

Oil & Gas Segment

Revenue for the nine months period ended 30th September 2014 recorded a growth of RM158.1 million or 29.8% from RM530.6 million in 2013 to RM688.7 million in the current period.

The following positive factors have contributed to revenue improvement -

- Higher rig utilisation and time charter rate for NAGA 2;
- Higher utilisation rate for NAGA 3;
- Full contribution from NAGA 4 which commenced operations on 5th April 2013;
- Additional contribution from NAGA 5, which commenced operations in May 2014; and
- Improved utilisation rate for GAIT 3.

In tandem with the increase in revenue, profit before taxation increased to RM200.4 million in 2014 from RM150.9 million registered in the same period of 2013. Generally, improved margins from higher rig utilisation and efficiency rates of most of the offshore drilling rigs contributed to the higher profit.

Manufacturing & Engineering Segment

The Manufacturing & Engineering segment's revenue for the period ended 30th September 2014 of RM551.0 million was marginally lower than that of RM553.9 million generated in the same period of 2013. The lower revenue was due to stiff competition in the lubricant business and lower contributions from the local automotive component manufacturers.

Despite the lower revenue, the segment reported a profit before taxation of RM20.1 million for the period compared to a loss of RM24.2 million in the previous year's corresponding period. Higher profit before taxation was due to -

- Higher gains from re-translation of USD term loans;
- Improved operating margin contribution from the lubricant business in China; and
- No impairment of assets provided during the current period compared to the previous year.

Note 15 - Comparison with Preceding Quarter's Results

	Revenue		Profit Before Tax	
	3 rd Quarter Ended 30/09/2014 RM'000	2 nd Quarter Ended 30/06/2014 RM'000	3 rd Quarter Ended 30/09/2014 RM'000	2 nd Quarter Ended 30/06/2014 RM'000
Consolidated Total	3,702,528	3,966,828	430,271	422,055
Business Segment :				
Automotive	2,643,372	2,904,419	343,943	408,547
Equipment	434,750	453,758	44,390	55,089
Oil & Gas	254,321	238,776	75,846	66,237
Manufacturing & Engineering	180,206	188,886	(1,484)	11,926

The Group recorded a revenue of RM3,702.5 million in the third quarter of 2014, RM264.3 million or 6.7% lower than the revenue recorded in the second quarter of 2014. This was due to the lower revenue of RM261.0 million recorded by the Automotive segment. Order-taking momentum slowed down in anticipation of the 2015 National Budget announcement in October 2014. The market was also affected by speculation on a possible reduction in vehicle prices with the implementation of Goods & Service Tax ("GST") in 2015.

Nevertheless, the Group registered a higher profit before taxation of RM430.3 million for the third quarter of 2014 against the RM422.1 million recorded in the previous quarter. The lower profit in the previous quarter was due to the provision for expected loss on the proposed disposal of investment in the automotive component companies in India, estimated to be approximately RM93.0 million.

Note 16 - Current Prospect

Automotive Segment

The Malaysian Automotive Association has revised the total industry volume (“TIV”) forecast for 2014 to 680,000 units in line with the strong response to new launches of various makes. TIV for 2015 is expected to be around 693,500 units (*Source: MAA Press Conference - 22nd July 2014*).

Perodua, which was awarded the Energy Efficient Vehicle (“EEV”) licence, has introduced its first EEV, Axia in September 2014. Demand for fuel efficient vehicles is expected to increase.

Aggressive campaigns and promotions are expected to continue in the fourth quarter of 2014. Nevertheless, the Automotive segment is expected to sustain its performance.

Equipment Segment

The Myanmar Government has uplifted the sanction on jade mining activities effective 1st September 2014. The resumption of mining activities in the resource rich Kachin State will offer growth potential to the Equipment segment. With the contract recently secured to supply Komatsu equipment in Myanmar, the segment is expected to perform better in the coming months.

Oil & Gas Segment

Two new jack-up drilling rigs are to be delivered, one each in December 2014 and September 2015. The segment is expected to continue to generate satisfactory financial performance with additional new rigs in operation.

Manufacturing & Engineering Segment

The Manufacturing & Engineering segment is expected to sustain its performance in the fourth quarter of 2014.

Group

The Group’s overall performance is expected to remain satisfactory in 2014.

Note 17 - Statement on Headline Key Performance Indicators (“KPIs”)

The Headline KPIs of the Group for the financial year ended 31st December 2014 are -

- a) Minimum annual return on shareholders’ funds of 10%; and
- b) Annual dividend payout ratio of at least 50% of net profit attributable to shareholders after excluding unrealised profits.

Note 18 - Variance from Profit Forecast and Profit Guarantee

This is not applicable to the Group.

Note 19 - Taxation

	Quarter Ended 30/09/2014 RM'000	Nine Months Ended 30/09/2014 RM'000
Current period's provision	101,694	329,193
Over provision in prior periods	(305)	(305)
	101,389	328,888
Deferred taxation	(811)	(12,937)
Total	100,578	315,951

The effective tax rate for the current quarter of 24.9%, was slightly lower than the statutory tax rate of 25% primarily due to lower effective tax rates applicable to income from the operations in Labuan and certain overseas subsidiaries.

The effective tax rate for the period ended 30th September 2014 of 25.5%, was slightly higher than the statutory tax rate of 25% as certain expenses are not allowable for tax purposes.

Note 20 - Corporate Proposal

On 16th May 2013, an announcement was made by UMW Holdings Berhad ("UMWH") in relation to its proposal to list its wholly-owned subsidiary.

On 1st November 2013, the listing of UMW Oil & Gas Corporation Berhad ("UMW-OG") on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities") was completed following the listing of and quotation for the entire issued and paid-up share capital of UMW-OG of 2,162,000,000 ordinary shares of RM0.50 each, on Bursa Securities.

UMWH raised total proceeds of approximately RM1,002.0 million via offer for sale and exercise of the over-allotment options in conjunction with the listing. The proceeds from the exercise of over-allotment options will be utilised for working capital purposes whilst the proceeds from the offer for sale will be utilised as per the table below.

The status of utilisation of proceeds from the offer for sale as at 20th November 2014 is as follows -

Purpose	Proposed Utilisation RM'million	Actual Utilisation To Date RM'million	Intended Timeframe for Utilisation Month	Deviation in Amount & %	Explanation
Repayment of borrowings	203.0	203.0	24	nil	-
Working capital	193.4	102.7	24	n/a	-
Capital expenditure	200.0	39.2	24	n/a	-
Estimated fees and expenses for the IPO and the Listing	51.5	24.3	6	27.2 or 52.8%	Actual was lower than the budget
Total gross proceeds	647.9	369.2			

Other than the above, there were no corporate proposals announced but not completed at the date of this announcement.

Note 21 - Group Borrowings and Debt Securities

	RM'000	RM'000	'000
(a) Short term borrowings			
- Unsecured			
Short term loans and trade facilities	1,801,590	(USD481,686 SGD7,220
Finance lease payable	62		
Portion of long term loans payable within 12 months	205,744	(USD62,400
	<hr/>	2,007,396	
- Secured			
Short term loans and trade facilities	39,397	(AUD2,851 INR22,751 USD9,103
Finance lease payable	818	(SGD122
		40,215	
	<hr/>	2,047,611	(
			USD553,189 SGD7,342 AUD2,851 INR22,751
		<hr/>	<hr/>
(b) Long term borrowings			
- Unsecured			
Long term loans	2,034,430	(USD392,325
Finance lease payable	77		
Portion of long term loans payable within 12 months	(205,744)	((USD62,400)
	<hr/>	1,828,763	
- Secured			
Long term loans	59,660	(USD18,194
Finance lease payable	664		
	<hr/>	60,324	
		1,889,087	(
		<hr/>	USD348,119
		<hr/>	<hr/>

Note 22 - Material Litigation

There was no material litigation pending on the date of this announcement.

Note 23 - Dividend

The Board is pleased to declare a second interim single-tier dividend of 30% or 15.0 sen (2013 - 30% or 15.0 sen) per share of RM0.50 each, amounting to a net dividend payable of approximately RM175.2 million (2013 - RM175.2 million) for the year ending 31st December 2014, to be paid on 20th January 2015.

Note 24 - Earnings Per Share

Basic earnings per share for the quarter and financial period ended 30th September 2014 is calculated by dividing the net profit attributable to shareholders of RM197.0 million and RM574.5 million, respectively, by the weighted average number of ordinary shares in issue as at 30th September 2014 of 1,168,293,932 shares of RM0.50 each.

Note 25 - Realised and Unrealised Profits/Losses

The breakdown of retained profits of the Group as at 30th June 2014 and 30th September 2014, pursuant to the format prescribed by Bursa Securities, is as follows -

	As at 30/06/2014 RM'000	As at 30/09/2014 RM'000
Total retained profits/(accumulated losses) of the Company and its subsidiaries:		
- Realised	3,915,321	3,868,458
- Unrealised	(74,481)	(84,313)
	3,840,840	3,784,145
Total share of retained profits/(accumulated losses) from associated companies:		
- Realised	1,170,734	1,174,967
- Unrealised	(12,623)	10,542
Total share of retained profits/(accumulated losses) from jointly-controlled entities:		
- Realised	(225,169)	(190,003)
- Unrealised	7,412	951
	4,781,194	4,780,602
Less: Consolidation adjustments	375,844	456,602
Total Group retained profits as per consolidated accounts	5,157,038	5,237,204

Note 26 - Audit Qualification

The audit report in respect of the annual financial statements for the financial year ended 31st December 2013 was not qualified.

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

	3rd Quarter Ended 30/09/2014 RM'000	Nine Months Ended 30/09/2014 RM'000
a) Interest income	23,381	66,533
b) Other investment income	10,128	32,913
c) Depreciation and amortization	113,615	267,475
d) Write back of allowance for impairment of receivables (net)	983	5,640
e) Provision for write down of inventories	(14,322)	(11,618)
f) Provision for expected gain/(loss) on disposal of quoted or unquoted investment	2,460	(89,588)
g) Gain on disposal of properties	55	30,551
h) Impairment of assets/investments (net)	435	7,584
i) Net foreign exchange loss	16,407	7,094
j) Gain on derivatives (net)	5,850	48,693
k) Exceptional item	-	-

By Order Of The Board

FADZILAH BINTI SAMION
Secretary
(MACS 01262)

Shah Alam
26th November 2014