

UMW HOLDINGS BERHAD

(COMPANY NO. 090278-P)

(INCORPORATED IN MALAYSIA)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE
THIRD QUARTER ENDED 30TH SEPTEMBER 2013
(THE FIGURES HAVE NOT BEEN AUDITED)**

	CURRENT QUARTER ENDED 30/09/2013 RM'000	RESTATED COMPARATIVE QUARTER ENDED 30/09/2012 RM'000	9 MONTHS CUMULATIVE TO DATE 30/09/2013 RM'000	RESTATED COMPARATIVE 9 MONTHS CUMULATIVE TO DATE 30/09/2012 RM'000
<u>Continuing Operations</u>				
Revenue	3,456,643	3,957,519	10,315,120	11,766,473
Operating Expenses	(3,354,516)	(3,496,916)	(9,527,657)	(10,447,824)
Other Operating Income	84,164	77,157	209,537	139,253
Profit From Operations	186,291	537,760	997,000	1,457,902
Finance Costs	(21,468)	(20,762)	(69,919)	(61,646)
Share Of Profits Of Associated/Jointly- Controlled Entities	62,223	56,936	140,123	94,294
Investment Income	18,595	21,846	54,329	58,726
Profit Before Taxation	245,641	595,780	1,121,533	1,549,276
Taxation	(66,673)	(122,434)	(265,409)	(345,353)
Profit For The Period	178,968	473,346	856,124	1,203,923
<u>Other Comprehensive Income:</u>				
Translation Of Foreign Operations	(15,201)	(11,835)	4,365	(14,642)
Cash Flow Hedge	(5)	41	3,028	22
Other Comprehensive Income Net Of Tax	(15,206)	(11,794)	7,393	(14,620)
Total Comprehensive Income For The Period	163,762	461,552	863,517	1,189,303
<u>Profit For The Period Attributable To:</u>				
Equity Holders Of The Company	101,452	299,125	572,103	743,404
Non-Controlling Interests	77,516	174,221	284,021	460,519
	178,968	473,346	856,124	1,203,923
<u>Total Comprehensive Income Attributable To:</u>				
Equity Holders Of The Company	91,696	285,632	585,951	728,005
Non-Controlling Interests	72,066	175,920	277,566	461,298
	163,762	461,552	863,517	1,189,303
<u>EPS Attributable To Equity Holders Of The Company:</u>				
Basic EPS For The Period (Sen)	8.68	25.60	48.97	63.63
Diluted EPS For The Period (Sen)	8.68	25.60	48.97	63.63

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	(UNAUDITED) AS AT 30/09/2013 RM'000	(RESTATED AUDITED) AS AT 31/12/2012 RM'000	(RESTATED AUDITED) AS AT 01/01/2012 RM'000
ASSETS			
Non-Current Assets			
Property, Plant And Equipment	3,846,817	2,997,268	2,863,474
Investment Properties	8,844	9,774	77,574
Intangible Assets	103,329	138,334	169,245
Land Use Rights	4,487	4,609	4,771
Leased Assets	249,237	244,788	226,936
Investments In Associates	1,691,204	1,554,729	1,414,018
Investments In Jointly-Controlled Entity	79,489	76,179	59,752
Deferred Tax Assets	55,186	50,631	56,521
Other Investments	16,488	44,800	54,730
Derivative Assets	561	66,252	43,829
	6,055,642	5,187,364	4,970,850
Current Assets			
Inventories	1,666,885	1,768,818	1,466,779
Trade Receivables	1,071,162	1,078,963	869,505
Other Receivables	794,949	463,697	336,974
Other Investments	266,432	489,881	391,271
Derivative Assets	14,900	1,596	5,171
Deposits, Cash And Bank Balances	2,128,033	2,492,582	2,214,825
	5,942,361	6,295,537	5,284,525
Non-Current Assets Held For Sale	900	12,502	4,548
	5,943,261	6,308,039	5,289,073
TOTAL ASSETS	11,998,903	11,495,403	10,259,923
EQUITY AND LIABILITIES			
Equity Attributable To Equity Holders Of The Company			
Share Capital	584,147	584,147	584,147
Share Premium	794,482	794,482	794,482
Capital Reserve	396	396	396
Foreign Currency Translation Reserve	(28,976)	(39,796)	(23,120)
Hedging Reserve	965	(2,063)	-
Retained Profits	3,674,284	3,511,084	2,890,577
	5,025,298	4,848,250	4,246,482
Non-Controlling Interests	1,263,129	1,450,167	1,347,590
TOTAL EQUITY	6,288,427	6,298,417	5,594,072
Non-Current Liabilities			
Provision For Liabilities	56,236	57,982	69,132
Deferred Tax Liabilities	34,047	28,759	34,040
Long Term Borrowings	2,085,011	1,633,939	1,638,699
Derivative Liabilities	47,680	17,647	11,354
	2,222,974	1,738,327	1,753,225
Current Liabilities			
Provision For Liabilities	50,052	71,001	79,213
Taxation	72,862	85,921	82,992
Short Term Borrowings	1,354,351	1,013,930	670,951
Bank Overdrafts	44,524	59,744	73,821
Trade Payables	816,400	750,169	746,764
Other Payables	1,031,097	1,295,604	1,099,902
Derivative Liabilities	1,387	7,046	1,263
Dividend Payable	116,829	175,244	157,720
	3,487,502	3,458,659	2,912,626
TOTAL LIABILITIES	5,710,476	5,196,986	4,665,851
TOTAL EQUITY AND LIABILITIES	11,998,903	11,495,403	10,259,923
Net Assets Per Share (RM)	4.3014	4.1499	3.6348

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

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30TH SEPTEMBER 2012

←----- 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 2012									
At 1 st January 2012	584,147	794,482	396	(26,344)	-	2,896,483	4,249,164	1,328,904	5,578,068
Effects of Applying MFRS	-	-	-	(2,682)	-	-	(2,682)	18,686	16,004
At 1 st January 2012 (Restated)	584,147	794,482	396	(29,026)	-	2,896,483	4,246,482	1,347,590	5,594,072
Transactions with owners									
Issue of ordinary shares by subsidiaries	-	-	-	-	-	-	-	22,012	22,012
Reduction of minority interest in subsidiaries	-	-	-	-	-	-	-	(438)	(438)
Liquidation of a subsidiary	-	-	-	-	-	-	-	(19)	(19)
Dividends distributed to equity holders	-	-	-	-	-	(204,452)	(204,452)	(498,250)	(702,702)
Total comprehensive income	-	-	-	(15,421)	22	743,404	728,005	461,298	1,189,303
At 30 th September 2012	584,147	794,482	396	(44,447)	22	3,435,435	4,770,035	1,332,193	6,102,228

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30TH SEPTEMBER 2013

	9 MONTHS ENDED 30/09/2013 RM'000	RESTATED 9 MONTHS ENDED 30/09/2012 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit Before Taxation	1,121,533	1,549,276
Adjustments For:		
Depreciation & Amortisation	223,750	214,449
Reversal of Impairment Losses On Investments	59,277	23,869
Net Inventories Written Down/(Write Back)	7,734	(3,242)
Interest Expense	69,919	61,646
Share of Results Of Associates/Jointly-Controlled Entities	(140,123)	(94,294)
Reversal Of Impairment Losses On Receivables	(396)	(2,864)
Net Foreign Exchange/Fair Value (Gain)/Loss	48,536	(2,063)
Interest & Dividend Income	(54,329)	(58,726)
Others	(44,966)	(41,667)
Operating Profit Before Working Capital Changes	1,290,935	1,646,384
Increase In Receivables	(319,239)	(477,508)
Decrease/(Increase) In Inventories	94,200	(371,716)
(Decrease)/Increase In Payables	(296,467)	356,167
Cash Generated From Operating Activities	769,429	1,153,327
Interest Paid	(46,763)	(57,416)
Taxation Paid	(286,919)	(310,260)
Net Cash Generated From Operating Activities	435,747	785,651
CASH FLOWS FROM INVESTING ACTIVITIES		
Net Cash Outflow Arising From Equity Investments	(219,597)	(10,909)
Dividends Received	81,432	54,301
Purchase Of Properties, Plant & Equipment	(827,132)	(196,816)
Proceeds From Disposal Of Properties, Plant & Equipment	78,488	78,344
Interest & Dividend Income	54,329	58,733
Other Investments (Net)	178,671	(231,667)
Net Cash Used In Investing Activities	(653,809)	(248,014)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds From Issuance Of Shares	25	22,012
Dividend Paid To Equity Holders Of The Company	(467,318)	(245,342)
Dividend Paid To Non-controlling Interests	(462,996)	(498,249)
Drawdown Of Loans & Borrowings	791,482	171,028
Net Cash Used In Financing Activities	(138,807)	(550,551)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(356,869)	(12,914)
CASH AND CASH EQUIVALENTS AS AT 1ST JANUARY	2,435,561	2,141,004
EFFECTS OF EXCHANGE RATE CHANGES	4,817	(3,666)
CASH AND CASH EQUIVALENTS AS AT 30TH SEPTEMBER	2,083,509	2,124,424

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

Note 1 - Significant Accounting Policies and Application of MFRS 1

Basis of preparation

The interim financial statements have been prepared in accordance with the requirements of IAS 34, *Interim Financial Reporting* and 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 2012. 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 2012.

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 2013 under the Malaysian Financial Reporting Standards (MFRS) framework. These policies do not differ significantly from those used in the audited consolidated financial statements for 31st December 2012 except as described below.

As of 1st January 2013, 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 2013.

MFRS 10, *Consolidated Financial Statements*
MFRS 11, *Joint Arrangements*
MFRS 12, *Disclosure of Interests in Other Entities*
MFRS 13, *Fair Value Measurement*
MFRS 119, *Employee Benefits (revised)*
MFRS 127, *Separate Financial Statements*
MFRS 128, *Investments in Associates and Joint Ventures*
Amendments to MFRS 7, *Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities*
Amendments to MFRS 10, *Consolidated Financial Statements: Transition Guidance*
Amendments to MFRS 11, *Joint Arrangements: Transition Guidance*
Amendments to MFRS 12, *Disclosure of Interests in Other Entities: Transition Guidance*
Amendments to MFRS 116, *Property, Plant and Equipment (Annual Improvements 2009-2011 Cycle)*
Amendments to MFRS 132, *Financial Instruments: Presentation (Annual Improvements 2009-2011 Cycle)*
Amendments to MFRS 134, *Interim Financial Reporting (Annual Improvements 2009-2011 Cycle)*

The adoption of the above pronouncements except for MFRS 11 does not have material impact on the financial statements of the Group. The impact of the adoption of MFRS 11 is disclosed below:

EFFECT OF ADOPTION OF MFRS 11, *Joint Arrangements*

MFRS 11 replaces MFRS 131 *Interests in Joint Ventures* and IC Interpretation 113 *Jointly-Controlled Entities - Non-monetary Contributions by Venturers*.

The classification of joint arrangements under MFRS 11 is determined based on the rights and obligations of the parties to the joint arrangements by considering the structure, the legal form, the contractual terms agreed by the parties to the arrangement and when relevant, other facts and circumstances. Under MFRS 11, joint arrangements are classified as either joint operations or joint ventures.

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

MFRS 11 removes the option to account for jointly-controlled entities ("JCE") using proportionate consolidation. Instead, JCE that meet the definition of a joint venture must be accounted for using the equity method.

The application of this new standard will affect the financial position of the Group due to the cessation of proportionate consolidation of United Seamless Tubular Private Limited ("USTPL"), Lubritech International Holdings Limited ("LIHL"), Sichuan Haihua Petroleum Steel Pipe Co. Ltd ("SHPS") and Tubulars International Pte. Ltd. ("TIPL"). Under MFRS 11, USTPL, LIHL, SHPS and TIPL are treated as joint ventures and are accounted for using the equity method.

MFRS 11 will be applied in accordance with the relevant transitional provisions set out in MFRS 11. The initial investment as at 1st January 2012 for the purpose of applying the equity method will be measured as the aggregate of the carrying amounts of the assets and liabilities that the Group had previously proportionately consolidated.

The effect of the adoption of MFRS 11 on the Group's reported income and net assets are as summarised below:

Statement of Financial Position

RM'000	At 31/12/2012	At 1/01/2012
Decrease in Property, Plant & Equipment	(198,353)	(213,721)
Increase in Investment	29,045	49,326
Decrease in Cash & Cash Equivalents	(2,723)	(4,605)
Decrease in Goodwill	(28,791)	(30,170)
Decrease in Other Assets	(100,081)	(112,441)
Decrease in Foreign Exchange Reserve	(2,518)	(2,682)
Decrease in Borrowings	(173,750)	(210,533)
Decrease in Other Liabilities	(147,971)	(117,081)
Increase in Non-Controlling Interests	23,336	18,686

Statement of Profit or Loss and Other Comprehensive Income

RM'000	9 months ended 30th September 2012
Decrease in Revenue	(33,409)
Increase in Share of Loss after Tax of Equity-accounted Jointly-Controlled Entities	(39,618)
Increase in Profit Before Taxation	8,141
Decrease in Taxation	(202)
Increase in Non-Controlling Interests	8,343

The transition from FRS to MFRS has not had a material impact on the statement of cash flows 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 & 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 2013.

Note 6 - Dividends Paid

A second interim single-tier dividend of 30% or 15.0 sen (2012 - 27% or 13.5 sen) per share of RM0.50 each amounting to a net dividend of RM175.2 million (2012 - RM157.7 million) for the financial year ended 31st December 2012, was paid on 8th February 2013.

A final single-tier dividend of 50% or 25.0 sen (2012 – 15% or 7.5 sen) per share of RM0.50 each amounting to a net dividend of RM292.1 million (2012 – RM87.6 million) for the financial year ended 31st December 2012, was paid on 15th August 2013.

Note 7 - Segmental Reporting

	Nine Months Ended 30th September 2013		
Business Segment	Revenue RM'000	Profit Before Taxation RM'000	Profit Attributable to Owners of the Company RM'000
Automotive	7,396,787	1,021,056	493,102
Equipment	1,334,374	166,601	132,292
Oil & Gas	530,622	150,855	139,370
Manufacturing & Engineering	553,932	(24,252)	(29,950)
Others	563,797	(192,727)	(162,711)
Sub-Total	10,379,512	1,121,533	572,103
Elimination of Inter-Segment Sales	(64,392)	-	
Consolidated Total	10,315,120	1,121,533	

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

During the financial period, the Group has reclassified certain business unit within the Oil & Gas segment into Others segment to facilitate more efficient management monitoring of the business operations. Certain comparative numbers had been restated to reflect the reclassification.

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 2013 to the date of this announcement, which affects substantially the results of the Group for the period ended 30th September 2013.

Note 9 - Changes in Composition / Group

On 4th July 2013, UMW Holdings Berhad had announced that its wholly-owned subsidiary, UMW Oil & Gas Corporation Berhad ("UMW-OG"), had on 12th June 2013, established two (2) wholly-owned subsidiaries in the Federal Territory of Labuan, Malaysia, i.e UMW Drilling 5 (L) Ltd and UMW Drilling 6 (L) Ltd. The initial paid-up capital of each company is USD1.00 divided into 1 ordinary share. The principal activities of the newly-incorporated subsidiaries are that of investment holding and provision of management services. The companies have yet to commence operations.

On 11th July 2013, Seat Industries (Malaysia) Sdn Bhd, a dormant 51%-owned subsidiary of UMW has received confirmation that the winding up of the dormant subsidiary has been fully completed.

On 31st July 2013, UMW Petropipe (L) Ltd ("UMW Petropipe") and UMW M&E Sdn Bhd (formerly known as UMW Auto Parts Sdn Bhd)("UMW M&E"), wholly-owned subsidiaries in the UMW Group, have jointly established a joint venture company known as PT UMW International in Indonesia. The Group had received the Endorsement Decision issued by the Ministry of Law and Human Rights, Indonesia, confirming the establishment of PT UMW International, effective 25th July 2013. The intended principal activity of PT UMW International is investment holding and general trading. The initial paid-up share capital of PT UMW International will be USD1,000,000

(or any equivalent amount in Rupiah) divided into 1,000,000 ordinary shares of USD1.00 each (or any equivalent amount in Rupiah), in the proportion of 80% UMW M&E and 20% UMW Petropipe.

On 5th August 2013, UMW Pressure Control Sdn Bhd, a dormant subsidiary company incorporated in Malaysia, is being placed under members' voluntary winding up as part of UMW's initiative to reduce the number of dormant companies in the Group and to eliminate unnecessary administrative costs in maintaining the said subsidiary further.

On 2nd September 2013, UMW Petrodril Siam Co, Ltd ("UPD-S"), a wholly-owned dormant subsidiary of UMW-OG, which in turn is a wholly-owned subsidiary of UMW, has received confirmation that the winding up of UPD-S has been fully completed on 30th August 2013.

Other than the above, there were no changes in the composition of the Group during the quarter ended 30th September 2013.

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	128,923	
Equipment, plant and machinery	577,778	
Others	<u>6,218</u>	712,919
Approved but not contracted for:		
Land and buildings	57,195	
Equipment, plant and machinery	1,590,569	
Others	<u>25,471</u>	1,673,235
Total		<u><u>2,386,154</u></u>

Note 11 - Significant Related Party Transactions

There were no disclosures of significant related party transactions (RPT) as no material RPT were entered into which is outside the recurrent RPT 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 had increased to RM705.6 million as at 30th September 2013 from RM603.9 million as at 31st December 2012.

Note 14 - Review of Performance

Current Quarter Ended 30th September 2013

	Revenue		Profit Before Tax	
	Quarter ended 30/09/2013 RM'000	Quarter ended 30/09/2012 RM'000 Restated	Quarter ended 30/09/2013 RM'000	Quarter ended 30/09/2012 RM'000 Restated
Consolidated Total	3,456,643	3,957,519	245,641	595,780
Business Segment :				
Automotive	2,433,336	2,934,892	294,891	511,184
Equipment	410,754	527,697	55,601	53,420
Oil & Gas	205,342	167,623	54,452	13,917
Manufacturing & Engineering	188,938	176,957	(31,104)	857

- Restated to take into account the MFRS impact

Group

The Group recorded lower revenue of RM3,456.6 million for the third quarter ended 30th September 2013 compared to RM3,957.5 million in the same period of last year. The lower revenue was mainly contributed by the lower sales of Automotive and Equipment segments.

Consequently, the Group recorded a lower profit before taxation of RM245.6 million for the third quarter ended 30th September 2013 compared to RM595.8 million of the same period last year. This was mainly due to lower contributions from the Automotive and Manufacturing & Engineering segments but offset by higher contributions from the Equipment and Oil & Gas segments.

The net profit attributable to equity holders of the Company in the third quarter of 2013 was RM101.5 million compared to RM299.1 million registered in the same quarter of 2012.

Automotive Segment

Revenue of RM2,433.3 million for the current quarter ended 30th September 2013 was lower than RM2,934.9 million recorded in the same quarter last year. Intense competition from the new models launched by competitors had resulted in lower demand for Toyota vehicles thus a 22.0% reduction in the number of vehicles sold. Vios model run-out during the quarter pending the new model launch in October 2013 also contributed to the lower revenue. Perodua on the other hand, recorded an increase in vehicle sales of 5.8% in the third quarter of 2013 compared to the corresponding quarter in 2012, contributed by higher sales of the new MyVi.

In line with the lower revenue, the profit before taxation recorded in the third quarter of 2013 of RM294.9 million was lower than the RM511.2 million recorded in the same quarter of 2012.

Equipment Segment

Revenue of the Equipment segment was RM410.8 million, lower than that of the same period last year of RM527.7 million. Lower demand for parts and equipment resulting from the weaker construction sector, drop in commodity prices as well as the drop in mining activities at our overseas operating companies, led to the reduction in the revenue.

Notwithstanding the above, the profit before taxation of the Equipment segment increased to RM55.6 million from RM53.4 million recorded in the previous year's corresponding quarter. The improvement was contributed by better margin and derivative fair value gain.

Oil & Gas Segment

Revenue of the Oil & Gas segment of RM205.3 million for the current quarter was higher compared to the same quarter of 2012 of RM167.6 million, mainly due to the higher exploration income especially from the new NAGA 4.

In line with the increase in revenue, profit before taxation increased to RM54.5 million in the current quarter from RM13.9 million registered in the preceding year's corresponding quarter.

Manufacturing & Engineering Segment

Revenue for the Manufacturing & Engineering segment for the current quarter of RM188.9 million was higher than the RM177.0 million recorded in the same quarter of 2012. However, this segment registered a loss before taxation of RM31.1 million for the quarter. The loss was mainly contributed by the impairment of assets and weakening of the Indian Rupee which resulted in an unrealised forex loss on the USD loans.

Nine Months Ended 30th September 2013

	Revenue		Profit Before Tax	
	9 Months ended 30/09/2013 RM'000	9 Months ended 30/09/2012 RM'000 Restated	9 Months ended 30/09/2013 RM'000	9 Months ended 30/09/2012 RM'000 Restated
Consolidated Total	10,315,120	11,766,473	1,121,533	1,549,276
Business Segment				
Automotive	7,396,787	8,468,888	1,021,056	1,372,228
Equipment	1,334,374	1,702,674	166,601	164,211
Oil & Gas	530,622	596,159	150,855	71,020
Manufacturing & Engineering	553,932	512,379	(24,252)	5,032

- Restated to take into account the MFRS impact

Group

The Group recorded lower revenue of RM10,315.1 million for the nine months ended 30th September 2013 than the RM11,766.5 million recorded in the corresponding period of 2012. The lower revenue was contributed by the lower sales of Automotive, Oil & Gas and Equipment segments.

Similarly, the Group recorded profit before taxation of RM1,121.5 million for the nine months ended 30th September 2013 which was lower than the RM1,549.3 million registered in the same period of 2012.

As a result, the net profit attributable to equity holders of the Company for the nine months ended 30th September 2013 reduced to RM572.1 million from the RM743.4 million registered in the same period of 2012.

Automotive Segment

The Automotive Segment revenue of RM7,396.8 million for the nine months ended 30th September 2013 was 12.7% lower than the RM8,468.9 million recorded in the corresponding period of 2012. The revenue reduction was contributed by lower Toyota vehicle sales of 17.0%, resulted from stiff competition from other car makers with new model launches and Vios model run-out during the period pending the new model launch in October 2013.

Despite the stiff competition, Perodua recorded higher vehicle sales by 4.3% for the nine months ended 30th September 2013, arising from higher demand for Alza and MyVi.

In line with the lower sales, the profit before taxation reduced by 25.6%, from RM1,372.2 million registered in the corresponding period of 2012 to RM1,021.1 million in the current period. The reduction was attributable to higher selling and distribution expenses resulting from increase in promotional and advertising activities.

Equipment Segment

The Equipment segment revenue of RM1,334.4 million for the period ended 30th September 2013 was 21.6% lower than the RM1,702.7 million registered in the same period of 2012. Lower sales were due to:

- a) Softer construction sector for the period; and
- b) Drop in commodity prices that dampened equipment demand in the palm oil, iron ore and mining sectors.

Nevertheless, profit before taxation for the nine months ended 30th September 2013 of RM166.6 million was higher as compared to RM164.2 million recorded in the same period of 2012, contributed by better margin and higher fair value gain on derivatives.

Oil & Gas Segment

The revenue for the nine months ended 30th September 2013 of RM530.6 million was 11.0% lower than the RM596.2 million recorded in the same period of 2012. The lower revenue was primarily due to the expiration of a semi-submersible rig contract for Hakuryu 5 in January 2013 and lower trading income during the period.

Nevertheless, the profit before taxation of RM150.9 million was higher than RM71.0 million recorded in the same period of last year. The higher profit was mainly due to:

- a) New contribution from NAGA 4;
- b) Higher contribution from NAGA 1; and
- c) Recognition of gain upon completion of a sale of property by one of the subsidiaries.

Manufacturing & Engineering Segment

Revenue for the Manufacturing & Engineering segment for the nine months ended 30th September 2013 of RM553.9 million was higher than the RM512.4 million recorded in the same period of 2012 mainly due to the higher demand for our lubricant products.

However, the segment recorded a loss before taxation of RM24.3 million, mainly caused by the impairment of assets provided in the current period.

Note 15 - Comparison with Preceding Quarter's Results

	Revenue		Profit Before Tax	
	3 rd Quarter ended 30/09/2013 RM'000	2 nd Quarter ended 30/06/2013 RM'000	3 rd Quarter ended 30/09/2013 RM'000	2 nd Quarter ended 30/06/2013 RM'000
Consolidated Total	3,456,643	3,499,181	245,641	443,189
Business Segment :				
Automotive	2,433,336	2,571,362	294,891	358,110
Equipment	410,754	444,233	55,601	51,920
Oil & Gas	205,342	167,756	54,451	75,781
Manufacturing & Engineering	188,938	187,863	(31,104)	(2,536)

The Group revenue of RM3,456.6 million for the third quarter of 2013 was lower than the RM3,499.2 million recorded in the second quarter of 2013 by 1.2%. The lower revenue was principally due to the lower sales of Toyota vehicle and heavy equipment.

In line with lower revenue, the Group registered a lower profit before taxation of RM245.6 million for the third quarter of 2013 against the RM443.2 million for the second quarter of 2013.

Note 16 - Current Prospect

Automotive Segment

Continuous promotions as well as the introduction of the new Vios and Lexus models should continue to generate buying interest for Toyota vehicle. In addition, good demand for Perodua MyVi is expected to continue in the next quarter. Therefore, the Automotive segment is expected to improve in the fourth quarter.

Equipment Segment

The Equipment segment is expected to sustain its performance despite uncertain external factors which may affect the demand for parts and heavy equipment.

Oil & Gas Segment

The performance of the Oil & Gas segment is expected to continue to improve for the remaining of 2013 following full contributions from all the jack-up rigs.

Manufacturing & Engineering Segment

The operational performance of the Manufacturing & Engineering segment is expected to improve in 2013 with the increasing demand for Repsol and Pennzoil lubricant products.

Group

UMW-OG listing will further improve the cashflow of the Group, thus will result in a lower gearing ratio.

Barring unforeseen circumstances, the Board is of the view that the Group's performance for 2013 will remain satisfactory.

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

Based on the most recent internal key financial indicators and the current economic outlook for the remaining period to 31st December 2013, the Board of Directors is of the view that barring unforeseen circumstances, the Group is on track to achieve its 2013 Headline Key Performance Indicators as reproduced below:

- 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 30/09/2013 RM'000	9 Months Ended 30/09/2013 RM'000
Current period's provision	64,852	264,422
Under/(Over) provision in prior periods	-	-
	64,852	264,222
Deferred taxation	1,821	987
Total	66,673	265,409

The effective tax rate for the current quarter and period ended 30th September 2013 of 36.35% and 27.04%, respectively, were higher than the statutory tax rate of 25% primarily due to -

- a) impairment losses and certain expenses are not allowable for tax purposes; and
- b) higher tax rates for certain overseas subsidiaries

Note 20 - Corporate Proposals

On 16th May 2013, an announcement was made by UMW Holdings Berhad ("UMWH") in relation to its proposal to list its wholly-owned subsidiary, UMW-OG on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing").

The Listing was completed on 1st November 2013 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 the Main Market of Bursa Securities.

UMWH raised a total proceeds of approximately RM647.9 million (excluding any exercise of the over-allotment option in relation to the Listing) via offer for sale in conjunction with the Listing ("Offer for Sale").

The status of utilisation of proceeds from the Offer for Sale as at 21st November 2013 are as follows:

Purpose	Propose Utilisation RM'mill	Actual utilisation to date RM'mill	Intended timeframe for utilisation Month	Deviation in amount & %	Explanation
Repayment of borrowings	203.0	-	24	n/a	-
Working capital	193.4	-	24	n/a	-
Capital expenditure	200.0	-	24	n/a	-
Estimated fees and expenses for the IPO and the Listing	51.5	18.2	6	n/a	-
Total gross proceeds	<u>647.9</u>	<u>18.2</u>			

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	1,081,403	(USD161,647 SGD8,600
Finance lease payable	885		
Portion of long term loans payable within 12 months	189,562	1,271,850	(USD57,839
- Secured			
Short term loans and trade facilities	39,127	(AUD2,527 INR596,745
Finance lease payable	594	(KINA68 SGD193
Portion of long term loans payable within 12 months	42,780	(USD13,117
		82,501	
		(USD232,603
		1,354,351	(SGD8,793
			(AUD2,527
			(INR596,745
			(KINA68
(b) Long term borrowings			
- Unsecured			
Long term loans	2,121,887	(USD267,747 INR12,933
Finance lease payable	1,347		
Portion of long term loans payable within 12 months	(189,562)	1,933,672	((USD57,839)
- Secured			
Long term loans	193,973	(USD59,461
Finance lease payable	146		
Portion of long term loans payable within 12 months	(42,780)	((USD13,117)
		151,339	
		(USD256,252
		2,085,011	(INR12,933

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 (2012 - 30% or 15.0 sen) and a special interim single-tier dividend of 20% or 10.0 sen per share of RM0.50 each, amounting to a net dividend payable of approximately RM175.2 million (2012 - RM175.2 million) and RM116.8 million, respectively, for the year ending 31st December 2013, to be paid on 20th January 2014.

Note 24 - Earnings Per Share

Basic earnings per share for the quarter and financial year ended 30th September 2013 is calculated by dividing the net profit attributable to shareholders of RM101.5 million and RM572.1 million, respectively, by the weighted average number of ordinary shares in issue as at 30th September 2013 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 2013 and 30th September 2013, pursuant to the format prescribed by Bursa Securities, is as follows:

	As at 30th June 2013 RM'000	As at 30th September 2013 RM'000
Total retained profits/(accumulated losses) of the Company and its subsidiaries:		
-Realised	2,558,291	2,318,655
-Unrealised	(60,927)	(50,499)
	2,497,364	2,268,156
Total share of retained profits/(accumulated losses) from associated companies:		
-Realised	1,143,400	1,229,429
-Unrealised	(25,859)	(49,785)
Total share of retained profits/(accumulated losses) from jointly-controlled entities:		
-Realised	112,948	79,489
-Unrealised	(7,516)	(12,022)
	3,720,337	3,515,267
Less: Consolidation adjustments	(30,676)	159,017
Total Group retained profits as per consolidated accounts	3,689,661	3,674,284

Note 26 - Audit Qualification

The audit report in respect of the annual financial statements for the financial year ended 31st December 2012 was not qualified.

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

	3rd Quarter Ended 30/09/2013 RM'000	9 Months Ended 30/09/2013 RM'000
a) Interest income	15,283	47,428
b) Other investment income	3,312	6,901
c) Depreciation and amortisation	(82,503)	(223,750)
d) Write back of allowance for impairment of receivables (net)	924	396
e) (Provision for)/write back of inventories	(4,901)	(7,734)
f) (Loss)/gain on disposal of quoted or unquoted investment	2,282	1,001
g) (Loss)/gain on disposal of properties	(1,041)	28,999
h) Reversal/(Impairment) of assets/investments (net)	(52,338)	(60,399)
i) Net foreign exchange gain/(loss)	6,648	28,225
j) (Loss)/gain on derivatives (net)	(42,153)	(76,761)
k) Exceptional item	-	-

By Order Of The Board

FADZILAH BINTI SAMION
Secretary
(MACS 01262)

Shah Alam
21st November 2013