

UMW HOLDINGS BERHAD

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

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE
FOURTH QUARTER ENDED 31ST DECEMBER 2014
(THE FIGURES HAVE NOT BEEN AUDITED)**

	CURRENT QUARTER ENDED 31/12/2014 RM'000	COMPARATIVE QUARTER ENDED 31/12/2013 RM'000	12 MONTHS CUMULATIVE TO DATE 31/12/2014 RM'000	AUDITED COMPARATIVE 12 MONTHS CUMULATIVE TO DATE 31/12/2013 RM'000
<u>Continuing Operations</u>				
Revenue	3,706,145	3,636,340	14,958,906	13,951,460
Operating Expenses	(3,511,151)	(3,466,861)	(13,723,636)	(12,994,518)
Other Operating Income	31,552	129,976	191,506	339,513
Profit From Operations	226,546	299,455	1,426,776	1,296,455
Finance Costs	(23,928)	(29,242)	(82,034)	(99,161)
Share Of Profits Of Associated/Jointly- Controlled Entities	49,387	17,415	139,522	157,538
Investment Income	37,123	26,512	136,569	80,841
Profit Before Taxation	289,128	314,140	1,620,833	1,435,673
Taxation	(93,143)	(86,052)	(409,094)	(351,461)
Profit For The Period	195,985	228,088	1,211,739	1,084,212
<u>Other Comprehensive Income:</u>				
Translation Of Foreign Operations	125,050	60,569	128,596	64,934
Cash Flow Hedge	473	(1,324)	185	1,704
Other Comprehensive Income Net Of Tax	125,523	59,245	128,781	66,638
Total Comprehensive Income For The Period	321,508	287,333	1,340,520	1,150,850
<u>Profit For The Period Attributable To:</u>				
Equity Holders Of The Company	83,169	80,823	657,670	652,926
Non-Controlling Interests	112,816	147,265	554,069	431,286
	195,985	228,088	1,211,739	1,084,212
<u>Total Comprehensive Income Attributable To:</u>				
Equity Holders Of The Company	150,155	140,704	725,749	726,655
Non-Controlling Interests	171,353	146,629	614,771	424,195
	321,508	287,333	1,340,520	1,150,850
<u>EPS Attributable To Equity Holders Of The Company:</u>				
Basic EPS For The Period (Sen)	7.12	6.92	56.29	55.89
Diluted EPS For The Period (Sen)	7.12	6.92	56.29	55.89

(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 31/12/2014 RM'000	(AUDITED) AS AT 31/12/2013 RM'000
<u>ASSETS</u>		
Non-Current Assets		
Property, Plant & Equipment	5,646,040	3,898,853
Investment Properties	3,313	4,553
Intangible Assets	37,856	37,856
Land Use Rights	6,535	6,697
Leased Assets	267,789	259,163
Investments In Associates	1,796,589	1,696,035
Investments In Jointly-Controlled Entities	56,545	57,909
Deferred Tax Assets	69,475	57,576
Other Investments	21,175	41,928
Derivative Assets	-	7,232
	<u>7,905,317</u>	<u>6,067,802</u>
Current Assets		
Inventories	1,834,641	1,754,167
Trade Receivables	1,326,042	1,209,602
Other Receivables	598,790	671,599
Other Investments	1,181,698	2,331,470
Derivative Assets	6,013	371
Deposits, Cash & Bank Balances	<u>3,376,418</u>	<u>2,557,694</u>
	8,323,602	8,524,903
Non-Current Assets Held For Sale	<u>210,376</u>	<u>2,442</u>
	<u>8,533,978</u>	<u>8,527,345</u>
TOTAL ASSETS	<u><u>16,439,295</u></u>	<u><u>14,595,147</u></u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONT'D)

	(UNAUDITED) AS AT 31/12/2014 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	94,916	27,022
Hedging Reserve	(174)	(359)
Retained Profits	5,116,362	4,884,679
	<hr/>	<hr/>
Non-Controlling Interests	6,590,129	6,290,367
	2,852,587	2,642,165
TOTAL EQUITY	<hr/> 9,442,716 <hr/>	<hr/> 8,932,532 <hr/>
Non-Current Liabilities		
Provision For Liabilities	42,898	44,680
Deferred Tax Liabilities	30,979	30,111
Long Term Borrowings	1,914,160	1,524,177
Derivative Liabilities	122,086	77,669
	<hr/>	<hr/>
Current Liabilities	<hr/> 2,110,123 <hr/>	<hr/> 1,676,637 <hr/>
Provision For Liabilities	46,961	56,071
Taxation	87,600	86,300
Short Term Borrowings	2,177,492	1,389,198
Bank Overdrafts	91,760	75,127
Trade Payables	1,172,844	1,352,314
Other Payables	945,892	717,808
Derivative Liabilities	14,488	17,087
Dividend Payable	175,244	292,073
	<hr/>	<hr/>
Non-Current Liabilities Held For Sale	4,712,281	3,985,978
	174,175	-
	<hr/>	<hr/>
TOTAL LIABILITIES	<hr/> 4,886,456 <hr/>	<hr/> 3,985,978 <hr/>
	<hr/>	<hr/>
TOTAL EQUITY AND LIABILITIES	<hr/> 16,439,295 <hr/>	<hr/> 14,595,147 <hr/>
Net Assets Per Share (RM)	5.6408	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 YEAR ENDED 31ST DECEMBER 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
12 MONTHS ENDED 31ST DECEMBER 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									
Dilution of non-controlling interest in a subsidiary	-	-	-	-	-	(28,766)	(28,766)	28,766	-
Dividends distributed to equity holders	-	-	-	-	-	(397,221)	(397,221)	(433,115)	(830,336)
Total comprehensive income	-	-	-	67,894	185	657,670	725,749	614,771	1,340,520
At 31 st December 2014	584,147	794,482	396	94,916	(174)	5,116,362	6,590,129	2,852,587	9,442,716

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST DECEMBER 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
12 MONTHS ENDED 31ST DECEMBER 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	-	-	-	(2,519)	-	-	(2,519)	23,336	20,817
At 1 st January 2013 (Restated)	584,147	794,482	396	(39,797)	(2,063)	3,511,084	4,848,249	1,450,167	6,298,416
Transactions with owners									
Issue of ordinary shares by subsidiaries	-	-	-	-	-	-	-	560	560
Dilution of interest in a subsidiary	-	-	-	(5,206)	-	1,413,830	1,408,624	1,251,406	2,660,030
Acquisition of non-controlling interest	-	-	-	-	-	7,815	7,815	(17,989)	(10,174)
Dividends distributed to equity holders	-	-	-	-	-	(700,976)	(700,976)	(466,174)	(1,167,150)
Total comprehensive income	-	-	-	72,025	1,704	652,926	726,655	424,195	1,150,850
At 31 st December 2013	584,147	794,482	396	27,022	(359)	4,884,679	6,290,367	2,642,165	8,932,532

(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 YEAR ENDED
31ST DECEMBER 2014**

	12 MONTHS ENDED 31/12/2014 RM'000	AUDITED 12 MONTHS ENDED 31/12/2013 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit Before Taxation	1,620,833	1,435,673
Adjustments For:		
Depreciation & Amortisation	379,379	325,286
Provision Of Impairment On Investments/Goodwill	50,855	105,316
Provision For Expected Losses On The Disposal Of Investment	93,000	-
Net Inventories Written Down/(Write Back)	3,088	(6,631)
Interest Expense	82,034	99,161
Share of Results Of Associates/Jointly-Controlled Entities	(139,522)	(157,538)
Provision Of Impairment On Receivables	16,859	79,080
Net Foreign Exchange/Fair Value Loss	21,075	117,551
Interest & Dividend Income	(136,569)	(80,841)
Others	(2,724)	(78,628)
Operating Profit Before Working Capital Changes	1,988,308	1,838,429
Increase In Receivables	(84,878)	(399,245)
(Increase)/Decrease In Inventories	(94,528)	14,771
Decrease In Payables	(25,704)	(39,251)
Cash Generated From Operating Activities	1,783,198	1,414,704
Interest Paid	(89,904)	(92,769)
Taxation Paid	(409,289)	(374,377)
Net Cash Generated From Operating Activities	1,284,005	947,558
CASH FLOWS FROM INVESTING ACTIVITIES		
Net Cash Outflow Arising From Equity Investments	(43,817)	(216,875)
Dividends Received	117,656	124,843
Purchase Of Property, Plant & Equipment	(2,176,132)	(999,937)
Proceeds From Disposal Of Property, Plant & Equipment	96,544	166,642
Interest Income	136,569	72,992
Other Investments (Net)	1,145,878	756,992
Net Cash Used In Investing Activities	(723,302)	(95,343)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend Paid To Equity Holders Of The Company	(514,048)	(584,147)
Dividend Paid To Non-Controlling Interests	(433,116)	(466,174)
Net Drawdown Of Loans & Borrowings	1,182,811	239,366
Net Cash Generated From/(Used In) Financing Activities	235,647	(810,955)
NET INCREASE IN CASH AND CASH EQUIVALENTS	796,350	41,260
CASH AND CASH EQUIVALENTS AS AT 1ST JANUARY	2,482,567	2,434,380
CASH AND CASH EQUIVALENTS CLASSIFIED AS HELD FOR SALE	(489)	-
EFFECTS OF EXCHANGE RATE CHANGES	6,230	6,927
CASH AND CASH EQUIVALENTS AS AT 31ST DECEMBER	3,284,658	2,482,567

(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 31st December 2014.

Note 6 - Dividends Paid

Dividend for the financial year ended 31st December 2013 -

- 1.1 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
- 1.2 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.

- 2.0 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.

Dividend for the financial year ended 31st December 2014 -

- 1.0 A first interim single-tier dividend of 20% or 10.0 sen (2013 - 20% or 10.0 sen) per share of RM0.50 each, amounting to a net dividend of RM116.8 million (2013 - RM116.8 million) for the financial year ended 31st December 2014 was paid on 8th October 2014.

Note 7 - Segmental Reporting

Business Segment	Financial Year Ended 31 st December 2014		
	Revenue RM'000	Profit Before Taxation RM'000	Profit Attributable to Owners of the Company RM'000
Automotive	10,777,731	1,472,184	682,022
Equipment	1,769,077	217,266	189,213
Oil & Gas	1,016,330	286,184	138,596
Manufacturing & Engineering	724,291	15,661	10,029
Others	751,681	(370,462)	(362,190)
Sub-Total	15,039,110	1,620,833	657,670
Elimination of Inter-Segment Sales	(80,204)	-	
Consolidated Total	14,958,906	1,620,833	

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

We refer to our announcement dated 25th July 2014 in respect of the Sale & Purchase Agreement (“SPA”) for the proposed disposal of 61.08% equity interest in MK Autocomponents Ltd and 55% equity interest in MK Automotive Industries Ltd, by our wholly-owned subsidiary UMW Corporation Sdn Bhd (“UMWC”), to Dato’ Muthukumar a/l Ayarpadde.

On 19th December 2014, UMWC had agreed to extend the completion date of the SPA to 31st March 2015 to allow for completion of certain conditions precedent in the SPA.

In the opinion of the Directors, there has been no other material event or transaction during the period from 31st December 2014 to the date of this announcement, which affects substantially the results of the Group for the year ended 31st December 2014.

Note 9 - Changes in Composition/Group

On 24th November 2014, UMW Holdings Berhad had announced that its wholly-owned subsidiary, UMW M&E Sdn Bhd, had acquired UMW Grantt International Sdn Bhd (“UMW Grantt”) for a total cash consideration of RM2.00. The principal activities of UMW Grantt are manufacturing, distributing, selling and trading of lubricants, greases and speciality products. UMW Grantt was incorporated on 31st July 2014 with an authorised capital of RM400,000 divided into 400,000 ordinary shares of RM1.00 each, and an initial paid-up capital of RM2.00 divided into 2 ordinary shares of RM1.00 each.

On 28th November 2014, UMW Holdings Berhad had announced that Coldfusion Engineering Sdn Bhd, a dormant subsidiary in the UMW Group, had commenced a 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 17th December 2014, UMW Holdings Berhad had announced that its wholly-owned subsidiary, UMW Corporation Sdn Bhd, had acquired UMW Technology Sdn Bhd ("UMW Technology"), for a total consideration of RM2.00. UMW Technology is an investment holding company. Its intended principal activity is venturing into advanced technology, related to the internet of things platform, and investment in innovative technology companies involved in security solutions to interactive cloud-based services that enhances productivity, security and the online experience for market needs. UMW Technology was incorporated on 5th December 2014 with an authorised capital of RM400,000 divided into 400,000 ordinary shares of RM1.00 each and an initial paid-up capital of RM2.00 divided into 2 ordinary shares of RM1.00 each.

Other than the above, there were no changes in the composition of the Group during the quarter ended 31st December 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	116,369	
Equipment, plant and machinery	1,549,727	
Others	14,722	1,680,818
	<hr/>	
Approved but not contracted for:		
Land and buildings	154,969	
Equipment, plant and machinery	649,006	
Others	77,469	881,144
Total	<hr/>	<hr/> <hr/>
		2,561,962

Note 11 - Significant Related Party Transactions

There have been no disclosures of significant related party transactions ("RPTs") as no material RPT was entered into other than those in 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 assets.

Note 13 - Changes in Contingent Liabilities and Contingent Assets

Contingent liabilities of the Group had increased to RM1,421.8 million as at 31st December 2014 from RM1,011.3 million as at 31st December 2013.

Note 14 - Review of Performance

Current Quarter Ended 31st December 2014

	Revenue		Profit Before Tax	
	Quarter ended 31/12/2014 RM'000	Quarter ended 31/12/2013 RM'000	Quarter ended 31/12/2014 RM'000	Quarter ended 31/12/2013 RM'000
Consolidated Total	3,706,145	3,636,340	289,128	314,140
Business Segment				
Automotive	2,573,505	2,626,197	313,127	392,418
Equipment	445,628	371,084	78,689	29,237
Oil & Gas	327,660	207,130	85,798	55,994
Manufacturing & Engineering	173,284	181,566	(4,402)	(14,912)

Group

The Group revenue for the fourth quarter ended 31st December 2014 improved from RM3,636.3 million to RM3,706.1 million, an increase of RM69.8 million or 1.9%. The improved revenue was mainly contributed by the Oil & Gas and Equipment Segments.

Profit before taxation for the current quarter was RM289.1 million compared to RM314.1 million registered in the corresponding period of 2013. The decrease was mainly attributed by the lower profit contribution from the Automotive Segment. However, this was mitigated by higher contribution from the Equipment and Oil & Gas Segments.

The better performance of the Equipment Segment contributed to marginally higher net profit attributable to equity holders of the Company for the fourth quarter ended 31st December 2014 of RM83.2 million compared to RM80.8 million registered in the previous year's corresponding quarter.

Automotive Segment

Automotive Segment recorded a revenue of RM2,573.5 million in the fourth quarter of 2014, marginally lower than the revenue generated in the previous year's corresponding period. Lower sales volume and unfavourable model mix contributed to the lower revenue for the quarter.

In line with the lower revenue, profit before taxation decreased to RM313.1 million from RM392.4 million recorded in the corresponding quarter of 2013.

Equipment Segment

The Equipment Segment contributed a higher revenue of RM445.6 million for the fourth quarter of 2014, an increase of RM74.5 million or 20.1% compared to RM371.1 million in the corresponding period of 2013. Higher revenue for the quarter was contributed by the Industrial and Heavy Equipment segments, especially for Myanmar, following uplift of the suspension of mining activities in September 2014.

Consequently, profit before taxation increased to RM78.7 million from RM29.2 million registered in the corresponding period of 2013.

Oil & Gas Segment

Revenue contribution from the Oil & Gas Segment in the fourth quarter of 2014 increased by RM120.6 million or 58.2%, i.e., from RM207.1 million to RM327.7 million. The increase was mainly from the Drilling Services segment which saw additional contribution especially from the new NAGA 5 and NAGA 6.

The profit before taxation of RM85.8 million in the fourth quarter of 2014 was RM29.8 million or 53.2% higher than the RM56.0 million registered in the corresponding quarter of 2013. The higher profit contribution was in line with the higher revenue from the Drilling Services segment.

Manufacturing & Engineering Segment

The Manufacturing & Engineering Segment recorded a lower revenue of RM173.3 million for the current quarter against RM181.6 million recorded in the corresponding quarter of 2013. The lower revenue was mainly attributed by lower contribution from the local automotive component manufacturers in the Group.

The segment recorded a lower loss of RM4.4 million for the current quarter compared to a loss of RM14.9 million in the previous year's corresponding quarter. Higher losses in the corresponding quarter of 2013 was mainly due to the impairment of assets made during that period.

Twelve Months Ended 31st December 2014

	Revenue		Profit Before Tax	
	Twelve Months ended 31/12/2014 RM'000	Twelve Months ended 31/12/2013 RM'000	Twelve Months ended 31/12/2014 RM'000	Twelve Months ended 31/12/2013 RM'000
Consolidated Total	14,958,906	13,951,460	1,620,833	1,435,673
Business Segment :				
Automotive	10,777,731	10,022,984	1,472,184	1,413,474
Equipment	1,769,077	1,705,458	217,266	195,838
Oil & Gas	1,016,330	737,752	286,184	206,849
Manufacturing & Engineering	724,291	735,498	15,661	(39,164)

Group

The Group recorded a total revenue of RM14,958.9 million for the year ended 31st December 2014, 7.2% higher than the RM13,951.5 million recorded in the year 2013. The improved revenue was mainly contributed by the Automotive and Oil & Gas Segments.

In line with the increase in revenue, the Group profit before taxation for the year ended 31st December 2014 increased to RM1,620.8 million from RM1,435.7 million registered in 2013, an increase of RM185.1 million or 12.9%.

Consequently, the net profit attributable to equity holders of the Company increased to RM657.7 million from the RM652.9 million registered in 2013.

Automotive Segment

The Automotive Segment contributed a higher revenue of RM10,777.7 million, an increase of RM754.7 million or 7.5% from the RM10,023.0 million registered in 2013. The improved revenue for the year was attributed by higher Toyota vehicle sales of 12.0% compared to the previous year.

Market share for Toyota vehicles increased marginally to 15.5% in 2014 compared to 14.1% in 2013.

In line with the higher revenue, the profit before taxation increased to RM1,472.2 million, an increase of RM58.7 million or 4.2% compared to RM1,413.5 million recorded in the previous year.

Equipment Segment

The Equipment Segment recorded a revenue of RM1,769.1 million for the year ended 31st December 2014, an increase of RM63.6 million or 3.7% higher than RM1,705.5 million recorded in 2013.

The higher revenue was attributed mainly to improved sales in the industrial equipment segment especially in the overseas operations. The uplift of suspension of the mining activities in Myanmar further contributed to the higher revenue.

In line with the increase in revenue, profit before taxation for the segment increased by RM21.5 million or 11.0%, from RM195.8 million to RM217.3 million.

Oil & Gas Segment

The Oil & Gas Segment registered a higher revenue of RM1,016.3 million for the year ended 31st December 2014, a growth of RM278.5 million or 37.7% from RM737.8 million in 2013.

The revenue improvement was attributed by the following:

- Higher daily operating rates for NAGA 2 and NAGA 3;
- Full year contribution from NAGA 4 which commenced operations in April 2013;
- Additional contribution from NAGA 5 and NAGA 6, which commenced operations in May and October 2014, respectively;
- Higher barge sales; and
- Improved utilisation rate of GAIT 3.

Consequently, profit before taxation increased to RM286.2 million in 2014 from RM206.8 million registered in 2013.

Manufacturing & Engineering Segment

The Manufacturing & Engineering Segment's revenue for the year 2014 of RM724.3 million was marginally lower than RM735.5 million registered in 2013. This was due to stiff competition in the lubricant business and lower contributions from our local automotive component manufacturers in the Group.

The segment reported a profit before taxation of RM15.7 million compared to a loss of RM39.2 million in the previous year. The improvement was due to:

- Improved operating margin contribution from our lubricant business in China; and
- No impairment of assets provided during the current year compared to the previous year.

Note 15 - Comparison with Preceding Quarter's Results

	Revenue		Profit Before Tax	
	4 th Quarter ended 31/12/2014 RM'000	3 rd Quarter ended 30/09/2014 RM'000	4 th Quarter ended 31/12/2014 RM'000	3 rd Quarter ended 30/09/2014 RM'000
Consolidated Total	3,706,145	3,702,528	289,128	430,271
Business Segment :				
Automotive	2,573,505	2,643,372	313,127	343,943
Equipment	445,628	434,750	78,689	44,390
Oil & Gas	327,660	254,321	85,798	75,846
Manufacturing & Engineering	173,284	180,206	(4,402)	(1,484)

The Group recorded a revenue of RM3,706.1 million in the fourth quarter of 2014, a marginal increase compared to RM3,702.5 million recorded in the third quarter of 2014. The increase was contributed by the Oil & Gas and Equipment Segments.

Profit before taxation of RM289.1 million for the fourth quarter of 2014 was lower than the RM430.3 million recorded in the previous quarter. The lower profit was mainly contributed by the Automotive Segment. Higher fair value loss arising from the strengthening of United States Dollar against Ringgit Malaysia had significantly affected the Group profit for the quarter.

Note 16 - Current Prospect

Automotive Segment

The Malaysian Automotive Association in its Press Conference on 21st January 2015, forecasted a total industry volume of 680,000 units for year 2015, 2% higher than 666,465 units recorded in 2014.

The Automotive Industry expects more intense competition with new model launches from other competitors in 2015.

Equipment Segment

Equipment segment is expected to remain challenging if commodity prices continue to be at the current low level. Plummeting commodity prices will deter the mining companies from buying new equipment thus affecting revenue contribution for this segment.

However, the resumption of mining activities in Myanmar following uplift of the sanction on the jade mining activities in September 2014, is expected to mitigate the impact of low commodity prices.

The 2015 performance for the segment is expected to be challenging.

Oil & Gas Segment

The recent slowdown in the Oil & Gas Industry will affect the level of activities in the exploration and production sectors in 2015. The Oil & Gas segment is expected to face challenges in securing high day rates for its drilling rigs and rig utilisation rates are expected to be lower than the high levels seen in 2014.

Nevertheless, revenue from our existing firm contracts and potential future contracts, albeit at lower day rates, together with various cost-cutting initiatives and available reserves, are expected to enable the Oil & Gas segment to sail through this challenging time.

Manufacturing & Engineering Segment

The Malaysian lubricant market is expected to remain competitive. Similarly, China's lubricant market is also forecasted to be intensely competitive. Major domestic competitors and local independent dealers in China are seeking to increase penetration in the premium automotive lubricants market which is currently dominated by foreign brands.

The segment is expected to face intense competition in 2015.

Group

Despite the challenging outlook in 2015, the Group will endeavour to achieve satisfactory performance.

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.

Based on the unaudited results for the financial year 2014, UMW has achieved its annual return on shareholders' funds of 10%.

Dividend of 25.0 sen or 46% of the net profit attributable to shareholders has been declared and paid to shareholders.

The Board is pleased to declare a third interim single-tier dividend of 16.0 sen per share or 29% of the net profit attributable to shareholders. The total dividend pay-out ratio for the year will be 75% of the net profit attributable to shareholders.

Based on the economic outlook and the Group's budget, the 2015 KPIs are maintained as 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

	4th Quarter Ended 31/12/2014 RM'000	Twelve Months Ended 31/12/2014 RM'000
Current period's provision	93,568	422,761
Under/(Over) provision in prior periods	-	(305)
Deferred taxation	93,568 (425)	422,456 (13,362)
Total	93,143	409,094

The effective tax rates for the quarter and period ended 31st December 2014 of 39.8% and 27.7%, respectively, was higher than the statutory tax rate of 25% due to certain expenses that 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 25th February 2015 is as follows -

Purpose	Proposed Utilisation RM'mill	Actual Utilisation To Date RM'mill	Intended Timeframe for Utilisation Month	Deviation in Amount & %	Explanation
Repayment of borrowings	203.0	203.0	24	nil	-
Working capital	193.4	164.1	24	n/a	-
Capital expenditure	200.0	47.8	24	n/a	-
Estimated fees and expenses for the IPO and the Listing	51.5	23.6	6	27.9 (54.2%)	Actual was lower than the budget
Total gross proceeds	647.9	438.5			

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	1,869,596	(USD481,020 SGD3,710
Finance lease payable	56	(
Portion of long term loans payable within 12 months	265,920	(USD71,235
	<hr/>		
			2,135,572
- Secured			
Short term loans and trade facilities	41,099	(AUD2,670 INR29,400
Finance lease payable	821	(USD8,807 SGD105
	<hr/>		
			41,920
			<hr/>
			2,177,492
		(USD561,062 SGD3,815 AUD2,670 INR29,400
			<hr/>
(b) Long term borrowings			
- Unsecured			
Long term loans	2,065,242	(USD361,213
Finance lease payable	60		
Portion of long term loans payable within 12 months	(265,920)	((USD71,235)
	<hr/>		
			1,799,382
- Secured			
Long term loans	114,573	(USD32,754
Finance lease payable	205		
	<hr/>		
			114,778
			<hr/>
			1,914,160
		(USD322,732
			<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 an interim single-tier dividend of 32% or 16.0 sen (2013 - 18% or 9.0 sen) per share of par value RM0.50 each, amounting to a net dividend payable of approximately RM186.9 million (2013 - RM105.1 million) for the year ended 31st December 2014, to be paid on 24th April 2015.

The total single-tier dividend for the financial year ended 31st December 2014 would be 82% or 41.0 sen per share of par value RM0.50 each, amounting to a net dividend of approximately RM479.0 million (2013 - 88% or 44.0 sen per share of RM0.50 each, amounting to a net dividend of RM514.0 million).

Note 24 - Earnings Per Share

Basic earnings per share for the quarter and financial year ended 31st December 2014 is calculated by dividing the net profit attributable to shareholders of RM83.2 million and RM657.7 million, respectively, by the weighted average number of ordinary shares in issue as at 31st December 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 September 2014 and 31st December 2014, pursuant to the format prescribed by Bursa Securities, is as follows -

	As at 30/09/2014 RM'000	As at 31/12/2014 RM'000
Total retained profits/(accumulated losses) of the Company and its subsidiaries:		
- Realised	3,868,458	3,812,646
- Unrealised	(84,313)	(54,568)
	3,784,145	3,758,078
Total share of retained profits/(accumulated losses) from associated companies:		
- Realised	1,174,967	1,130,847
- Unrealised	10,542	96,113
Total share of retained profits/(accumulated losses) from jointly-controlled entities:		
- Realised	(190,003)	(246,630)
- Unrealised	951	346
	4,780,602	4,738,754
Add: Consolidation adjustments	456,602	377,608
Total Group retained profits as per consolidated accounts	5,237,204	5,116,362

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

	4th Quarter Ended 31/12/2014 RM'000	Twelve Months Ended 31/12/2014 RM'000
a) Interest income	25,918	92,451
b) Other investment income	11,205	44,118
c) Depreciation and amortisation	111,904	379,379
d) Provision for impairment of receivables (net)	(22,499)	(16,859)
e) Reversal/(Provision) for write down of inventories	8,530	(3,088)
f) Provision for expected gain/(loss) on disposal of quoted or unquoted investment	(2,678)	(92,266)
g) Gain/(loss) on disposal of properties	(140)	30,411
h) Impairment of assets/investments (net)	(43,271)	(50,855)
i) Net foreign exchange gain/(loss)	47,046	39,952
j) Gain/(loss) on derivatives (net)	(89,829)	(41,136)
k) Exceptional item	-	-

By Order Of The Board

FADZILAH BINTI SAMION
Secretary
(MACS 01262)

Shah Alam
26th February 2015