



MWE HOLDINGS BERHAD (5713-D)

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2012

	<u>31.12.2012</u> Unaudited RM'000	<u>31.12.2011</u> Audited RM'000
Assets		
<u>Non-Current Assets</u>		
Property, plant & equipment	72,010	104,549
Investment properties	55,867	56,445
Biological assets	9,182	9,697
Land use rights	26,076	26,561
Land held for property development	17,265	27,631
Other investments	251,371	187,652
Other non-current assets	5,213	20,471
	<u>436,984</u>	<u>433,006</u>
<u>Current Assets</u>		
Inventories	38,846	74,371
Property development costs	6,715	6,701
Trade and other receivables	81,280	89,505
Current tax receivable	5,314	4,023
Cash and bank balances	217,347	121,290
Other current assets	2,431	6,307
Derivatives	-	6
	<u>351,933</u>	<u>302,203</u>
Total assets	<u><u>788,917</u></u>	<u><u>735,209</u></u>



MWE HOLDINGS BERHAD (5713-D)

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2012 (Cont'd)

	<u>31.12.2012</u> Unaudited RM'000	<u>31.12.2011</u> Audited RM'000
Equity and liabilities		
<u>Equity</u>		
Share capital	231,559	231,559
Reserves	362,541	203,298
Treasury shares	(1,931)	(235)
	<u>592,169</u>	<u>434,622</u>
Non-controlling interests	12,682	19,212
Total equity	<u>604,851</u>	<u>453,834</u>
<u>Non-Current Liabilities</u>		
Loans and borrowings	61,552	80,734
Deferred tax liabilities	1,788	2,008
Deferred income	12,684	14,142
	<u>76,024</u>	<u>96,884</u>
<u>Current Liabilities</u>		
Trade and other payables	45,721	90,042
Loans and borrowings	60,185	89,299
Current tax payable	2,136	5,143
Other current liabilities	-	7
	<u>108,042</u>	<u>184,491</u>
Total liabilities	184,066	281,375
Total equity and liabilities	<u>788,917</u>	<u>735,209</u>
Net assets per share (RM)	2.56	1.88

(The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Annual Audited Accounts for the year ended 31 December 2011)



MWE HOLDINGS BERHAD (5713-D)

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2012

	Current quarter <u>31.12.2012</u> RM'000	Comparative quarter <u>31.12.2011</u> RM'000	Cumulative 12 months <u>31.12.2012</u> RM'000	Comparative 12 months <u>31.12.2011</u> RM'000
Revenue	125,924	136,324	497,625	501,350
Cost of sales	<u>(101,002)</u>	<u>(107,598)</u>	<u>(377,190)</u>	<u>(378,226)</u>
Gross profit	24,922	28,726	120,435	123,124
Interest income	943	1,798	3,588	2,817
Net gain/(loss) from investments	112,060	(235)	112,060	16,085
Other income	6,731	862	12,380	5,388
Other operating expenses	<u>(41,106)</u>	<u>(15,009)</u>	<u>(92,307)</u>	<u>(79,740)</u>
Operating profit	103,550	16,142	156,156	67,674
Finance costs	<u>(1,889)</u>	<u>(1,700)</u>	<u>(7,789)</u>	<u>(6,710)</u>
Share of results of associates	<u>323</u>	<u>(94)</u>	<u>324</u>	<u>(232)</u>
Profit before tax	101,984	14,348	148,691	60,732
Income tax expense	<u>(1,522)</u>	<u>(2,899)</u>	<u>(11,809)</u>	<u>(12,437)</u>
Profit for the period	<u>100,462</u>	<u>11,449</u>	<u>136,882</u>	<u>48,295</u>
Other comprehensive income:				
Fair value gain on available- for-sale financial assets	(581)	19,271	54,258	26,290
Realisation of capital reserve	-	-	-	(450)
Foreign currency translation	<u>(348)</u>	<u>150</u>	<u>(1,272)</u>	<u>(289)</u>
	<u>(929)</u>	<u>19,421</u>	<u>52,986</u>	<u>25,551</u>
Total comprehensive income	<u>99,533</u>	<u>30,870</u>	<u>189,868</u>	<u>73,846</u>
Profit attributable to:				
Owners of the parent	99,690	10,964	134,444	47,290
Non-controlling interest	<u>772</u>	<u>485</u>	<u>2,438</u>	<u>1,005</u>
	<u>100,462</u>	<u>11,449</u>	<u>136,882</u>	<u>48,295</u>
Total comprehensive income attributable to:				
Owners of the parent	98,797	30,383	187,594	72,671
Non-controlling interest	<u>736</u>	<u>487</u>	<u>2,274</u>	<u>1,175</u>
	<u>99,533</u>	<u>30,870</u>	<u>189,868</u>	<u>73,846</u>
Basic earnings per share (sen)	43.30	4.74	58.39	20.45

(The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Annual Audited Accounts for the year ended 31 December 2011)



MWE HOLDINGS BERHAD (5713-D)

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2012

	< ----- Attributable to owners of the parent ----- >							Non-controlling Interests	Total Equity
	< ----- Non-distributable ----- >				Distributable		Total		
	Share Capital	Share Premium	Treasury Shares	Other Reserves	Retained Earnings	RM'000			
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
At 1.1.2011	231,559	23,586	(235)	39,902	101,820	396,632	19,537	416,169	
Total comprehensive income	-	-	-	25,381	47,290	72,671	1,175	73,846	
Liquidation of subsidiary	-	-	-	-	-	-	(26)	(26)	
Disposal of subsidiary	-	-	-	-	-	-	(427)	(427)	
Dividends paid	-	-	-	-	(34,681)	(34,681)	(1,047)	(35,728)	
At 31.12.2011	<u>231,559</u>	<u>23,586</u>	<u>(235)</u>	<u>65,283</u>	<u>114,429</u>	<u>434,622</u>	<u>19,212</u>	<u>453,834</u>	
At 1.1.2012	231,559	23,586	(235)	65,283	114,429	434,622	19,212	453,834	
Total comprehensive income	-	-	-	53,150	134,444	187,594	2,274	189,868	
Purchase of treasury shares	-	-	(1,696)	-	-	(1,696)	-	(1,696)	
Liquidation of subsidiaries	-	-	-	-	-	-	(407)	(407)	
Disposal of subsidiaries	-	-	-	(2,919)	-	(2,919)	(3,894)	(6,813)	
Dividends paid	-	-	-	-	(25,432)	(25,432)	(4,503)	(29,935)	
At 31.12.2012	<u>231,559</u>	<u>23,586</u>	<u>(1,931)</u>	<u>115,514</u>	<u>223,441</u>	<u>592,169</u>	<u>12,682</u>	<u>604,851</u>	

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with with the Annual Audited Accounts for the year ended 31 December 2011)



MWE HOLDINGS BERHAD (5713-D)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2012

	<u>31.12.2012</u>	<u>31.12.2011</u>
	Unaudited	Unaudited
	RM'000	RM'000
Cash flows from operating activities		
Profit before tax	148,691	60,732
Adjustment for :		
Impairment loss on receivables	6,624	6,332
Impairment of goodwill	13,285	-
Bad debts written off	4,730	224
Reversal of impairment loss on receivables	(1,785)	(259)
Depreciation of property, plant and equipment	7,081	8,522
Gain on disposal of property, plant and equipment	(7,327)	(659)
Property, plant and equipment written off	12	4
Amortisation of land use rights	485	500
Amortisation of biological assets	614	614
Loss/(Gain) on disposal of investment property	18	(41)
Fair value adjustment on investment properties	660	(491)
Write down of inventories	-	391
Fair value gain on derivatives assets	(35)	(1,009)
Unrealised foreign exchange gain	(195)	(2,194)
Realisation of capital reserve	-	(450)
Net gain from investments	(112,060)	(16,085)
Share of results of associates	(324)	232
Gross dividend income	(10,596)	(7,951)
Interest income	(3,588)	(2,817)
Interest expenses	7,789	6,710
Operating profit before working capital changes	54,079	52,305
Changes in inventories	2,153	3,336
Changes in property development costs	10,352	11,132
Changes in receivables	(45,857)	4,830
Changes in payables	9,863	3,759
Changes in trade line borrowings	(21)	(5,565)
Cash generated from operations	30,569	69,797
Interest received	3,588	2,817
Interest paid	(7,789)	(6,710)
Net income tax paid	(9,777)	(14,329)
Net cash from operating activities	16,591	51,575



MWE HOLDINGS BERHAD (5713-D)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2012 (Cont'd)

	12 months ended	
	31.12.2012	31.12.2011
	Unaudited	Unaudited
	RM'000	RM'000
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,534)	(12,435)
Purchase of investment properties	(520)	(3,719)
Purchase of other investments	(12,294)	(94,009)
Addition of biological assets	(99)	-
Purchase of associates	-	(76)
Proceeds from disposal of property, plant and equipment	16,237	2,023
Proceeds from disposal of investment properties	420	14,000
Proceeds from disposal of other investment	-	2,416
Proceeds from disposal of associate	-	27,279
Redemption of preference shares	-	3,250
Disposal of subsidiaries, net of cash	150,902	(1,127)
Dividends received from associates	-	5,896
Dividends received from other investments	7,955	7,951
Net cash generated from/(used in) investing activities	<u>160,067</u>	<u>(48,551)</u>
Cash flows from financing activities		
Purchases of treasury shares	(1,696)	-
Bank borrowings raised	-	104,670
Repayment of bank borrowings	(43,553)	(11,667)
Repayment of hire purchase and finance lease instalments	(1,012)	(1,647)
Dividend paid to shareholders	(25,432)	(34,681)
Dividend paid to non-controlling interests	(4,503)	(1,047)
Net cash (used in)/generated from financing activities	<u>(76,196)</u>	<u>55,628</u>
Net increase in cash & bank balances	100,462	58,652
Effects of foreign exchange rate changes	102	110
	100,564	58,762
Cash & bank balances at beginning of year	117,472	58,034
Effects of foreign exchange rate changes	(908)	676
	116,564	58,710
Cash & bank balances at end of year	<u>217,128</u>	<u>117,472</u>



MWE HOLDINGS BERHAD (5713-D)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2012 (Cont'd)

	12 months ended	
	<u>31.12.2012</u>	<u>31.12.2011</u>
	Unaudited	Unaudited
	RM'000	RM'000
<i>Represented by :</i>		
Cash & bank balances	217,347	121,290
Bank Overdrafts	(219)	(3,818)
	<u>217,128</u>	<u>117,472</u>

(The Condensed Consolidated Statements of Cash Flow should be read in conjunction with the Annual Audited Accounts for the year ended 31 December 2011)



MWE HOLDINGS BERHAD (5713-D)

EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

1. CORPORATE INFORMATION

The Company is a public limited liability company incorporated and domiciled in Malaysia, and is listed on Bursa Malaysia Securities Berhad.

2. ACCOUNTING POLICIES

The unaudited interim financial report has been prepared in accordance with Financial Reporting Standard 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. The significant accounting policies and methods of computation applied to the financial statements are consistent with those applied to the annual audited accounts for the year ended 31 December 2011 except for the adoption of the following new and revised Financial Reporting Standards (“FRSs”) issued by the Malaysian Accounting Standards Board that are effective for the Group for the financial period beginning on or after 1 January 2012 :-

IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments
Amendments to IC Interpretation 14	Prepayments of a Minimum Funding Requirement
Amendments to FRS 1	Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters
Amendments to FRS 7	Transfer of Financial Assets
Amendments to FRS 112	Deferred Tax: Recovery of Underlying Assets
FRS 124	Related Party Disclosures

The adoption of the above standards and interpretations will have no material impact on the financial statements of the Group except as discussed below:

Amendments to FRS 7 Transfer of Financial Assets

The amendments require additional disclosure about financial assets that have been transferred but not derecognised to enable the user of the Group’s financial statements to understand the relationship with those assets that have not been derecognised and their associated liabilities. In addition, the amendments requires disclosures about continuing involvement in derecognised assets to enable the user to evaluate the nature of, and risks associated with, the entity’s continuing involvement in those derecognised assets. The amendment affects disclosure only and has no impact on the Group’s financial position or performance.



2. ACCOUNTING POLICIES (cont'd)

Amendments to FRS 112 Deferred Tax: Recovery of Underlying Assets

The amendments clarified the determination of deferred tax on investment property measured at fair value. The amendment introduces a rebuttable presumption that deferred tax on investment property measured using the fair value model in FRS 140 should be determined on the basis that its carrying amount will be recovered through sale. Furthermore, it introduces the requirement that deferred tax on non-depreciable assets that are measured using the revaluation model in FRS 116 to be always measured on a sale basis of that asset.

Malaysian Financial Reporting Standards (MFRS Framework)

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (MFRS Framework).

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venturer (herein called 'Transitioning Entities').

Transitioning Entities will be allowed to defer adoption of the new MFRS Framework for an additional one year. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2013.

The Group falls within the scope definition of Transitioning Entities and accordingly, will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 December 2013.

3. AUDIT OPINION ON THE PRECEDING FINANCIAL STATEMENTS

The preceding annual audited financial statements were not qualified by the Auditors.

4. EFFECT OF CHANGES IN COMPOSITION OF GROUP

In the first quarter, the subsidiaries of the Company, MWE Development Sdn Bhd and Lup Ching Holdings Sdn Bhd were dissolved pursuant to Section 272 (5) of the Companies Act, 1965.

During the quarter, the Company disposed its 93.06% shareholding in its subsidiary, representing 5,014,000 ordinary shares of RM1.00 each in Davex (Malaysia) Sdn Bhd for a total cash consideration of RM170,297,327.



5. SEASONALITY OR CYCLICALITY OF INTERIM OPERATIONS

Textiles division is involved in manufacturing and sale of garments for export markets and thus mainly depends on US purchasing power and economy as a whole. As for Electronics division of Lighting and Pager segment which manufacture and assemble electrical lightings and telecommunication products, faces a more volatile market that depends on global market conditions.

6. UNUSUAL ITEMS

There were no unusual items which affect assets, liabilities, equity, income or cash flows during the year.

7. MATERIAL CHANGES IN ESTIMATES OF AMOUNTS PREVIOUSLY REPORTED

There was no material changes in estimates of amounts previously reported.

8. DEBT AND EQUITY SECURITIES

During the quarter, the Company repurchased 969,000 ordinary shares at a total consideration of RM1.70 million from the open market at prices ranging from RM1.71 to RM1.79 per share.

There were no other issuances, cancellations, resale or repayments of debt and equity securities undertaken by the Company during the year.

9. DIVIDENDS PAID

On 30 March 2012, the Company paid a second interim single tier dividend of 5% which amounted to RM11.56 million in respect of the financial year ended 31 December 2011.

On 24 September 2012, the Company paid a first interim single tier dividend of 6% which amounted to RM13.87 million in respect of the financial year ending 31 December 2012.

10. VARIANCE IN PROFIT FORECAST

There was no profit forecast issued for the financial year.

**11. STATUS OF CORPORATE PROPOSALS**

On 20 September 2012, the Company had via Inter-Pacific Securities Sdn Bhd, the adviser of the Company, announced a proposed disposal of its 93.06% shareholding in its subsidiary, representing 5,014,000 ordinary shares of RM1.00 each in Davex (Malaysia) Sdn Bhd for a total cash consideration of RM170,297,327.

The Company had obtained approval from the shareholders for the above disposal in the Extraordinary General Meeting held on 6 December 2012. The conditions precedent set out in the Circular have been satisfied by the Closing Date and the proposed disposal was deemed completed on 31 December 2012.

There were no other corporate proposals announced or pending as at the date of making this report except as disclosed in Note 21 - Subsequent Event.

12. VALUATION OF PROPERTY, PLANT AND EQUIPMENT

The values of property, plant and equipment of the Group have been brought forward without amendment from the previous annual audited accounts.

13. GROUP BORROWINGS

Particulars of Group borrowings at the end of the year are as follows:

	<u>Secured</u>	<u>Unsecured</u>	<u>Total</u>
	RM '000	RM '000	RM '000
Short term			
Obligations under finance lease	856	-	856
Bankers' acceptances and trust receipts	-	2,402	2,402
Bank overdrafts	219	-	219
Revolving credit	50,350	1,800	52,150
Term loans	4,558	-	4,558
	<u>55,983</u>	<u>4,202</u>	<u>60,185</u>
Long term			
Obligations under finance lease	993	-	993
Term loans	60,559	-	60,559
	<u>61,552</u>	<u>-</u>	<u>61,552</u>
	<u>117,535</u>	<u>4,202</u>	<u>121,737</u>

14. DERIVATIVE FINANCIAL INSTRUMENTS

There were no material derivative financial instruments as at the reporting date.

**15. SEGMENT INFORMATION**

The Group is organized into business units based on their products and services, and has five reportable operating segments as follows:

	Textile <u>RM'000</u>	Lighting & Pagers <u>RM'000</u>	Properties <u>RM'000</u>	Plantation <u>RM'000</u>	Trading & Others <u>RM'000</u>	Total <u>RM'000</u>
2012						
Revenue						
External sales	163,730	230,465	13,037	8,705	81,688	497,625
Inter-segment sales	-	-	357	-	43,181	43,538
Total revenue	<u>163,730</u>	<u>230,465</u>	<u>13,394</u>	<u>8,705</u>	<u>124,869</u>	<u>541,163</u>
Results						
Segment profit/(loss)	<u>13,687</u>	<u>33,734</u>	<u>5,382</u>	<u>(910)</u>	<u>104,263</u>	156,156
Finance costs						(7,789)
Share of results of associates	<u>13</u>	<u>-</u>	<u>311</u>	<u>-</u>	<u>-</u>	324
Profit before tax						148,691
Income tax expense						<u>(11,809)</u>
Profit for the period						<u>136,882</u>
2011						
Revenue						
External sales	184,851	213,975	14,129	11,470	76,925	501,350
Inter-segment sales	-	1	286	-	75,241	75,528
Total revenue	<u>184,851</u>	<u>213,976</u>	<u>14,415</u>	<u>11,470</u>	<u>152,166</u>	<u>576,878</u>
Results						
Segment profit/(loss)	<u>22,878</u>	<u>33,184</u>	<u>(66)</u>	<u>1,364</u>	<u>10,314</u>	67,674
Finance costs						(6,710)
Share of results of associates	<u>(60)</u>	<u>-</u>	<u>154</u>	<u>-</u>	<u>(326)</u>	(232)
Profit before tax						60,732
Income tax expense						<u>(12,437)</u>
Profit for the period						<u>48,295</u>

**16. PERFORMANCE REVIEW****Group performance**

	31.12.2012	31.12.2011	Variance	
	RM'000	RM'000	RM'000	%
Revenue	497,625	501,350	(3,725)	(0.7)
Profit before tax	148,691	60,732	87,959	144.8

During the reporting quarter, the Group posted total revenue of RM125.9 million, RM10.4 million lower as compared to RM136.3 million in preceding year corresponding quarter. However, profit before tax reported higher at RM102.0 million as compared to RM14.3 million in 2011, mainly attributed to the disposal of subsidiaries in the Lighting division during the quarter.

For the financial year, the Group registered RM497.6 million in revenue, 0.7% lower as compared to RM501.3 million reported in the preceding financial year. Profit before tax increased from RM60.7 million to RM148.7 million, mainly attributed to the disposal gain of subsidiaries in the Lighting division.

Textile division

	31.12.2012	31.12.2011	Variance	
	RM'000	RM'000	RM'000	%
Revenue	163,730	184,851	(21,121)	(11.4)
Profit before tax	12,766	21,278	(8,512)	(40.0)

Textile division registered RM163.7 million in revenue during the financial year, contributing 32.9% of the revenue of the Group and 8.4% of the pre-tax profit of the Group.

Revenue dropped to RM163.7 million as compared to RM184.9 million in 2011, mainly due to weakening demands from both USA and European markets. Both the uncertainties of US economy recovery and the volatile EU markets have adversely impacted the performance of the division.

Lighting and pagers division

	31.12.2012	31.12.2011	Variance	
	RM'000	RM'000	RM'000	%
Revenue	230,465	213,975	16,490	7.7
Profit before tax	33,170	33,074	96	0.3

The lighting and pagers segment contributed 46.3% of the revenue of the Group and 21.9% of the pre-tax profit of the Group.

Lighting division reported higher revenue of 3.8% as compared to 2011, mainly derived from the Singapore housing projects. However, the increase in revenue was partly offsetted by the lower sales from both local and Australia markets as the demand slowdown from commercial building industry which were affected by the global economic uncertainties.

**16. PERFORMANCE REVIEW (cont'd)****Lighting and pagers division (cont'd)**

For pager division, revenue increased from RM50.0 million in 2011 to RM60.3 million in 2012. The increase in revenue primarily due to improved materials delivery situation which enabled the division to fulfill more backlogged orders, coupled with the higher sales and new projects received during the last two quarters.

Properties division

	31.12.2012	31.12.2011	Variance	
	RM'000	RM'000	RM'000	%
Revenue	13,037	14,129	(1,092)	(7.7)
Profit before tax	5,043	(968)	6,011	(621.0)

Properties division reported RM13.0 million in revenue, RM1.1 million lower as compared to 2011. However, pre-tax profit reported higher at RM5.0 million mainly attributed to sales in development land during the financial year.

Plantation division

	31.12.2012	31.12.2011	Variance	
	RM'000	RM'000	RM'000	%
Revenue	8,705	11,470	(2,765)	(24.1)
Profit before tax	(948)	698	(1,646)	(235.8)

Plantation division reported lower revenue for current financial year mainly due to lower crop yields as well as lower FFB price. As such, the division recorded RM0.9 million in pre-tax loss.

Trading and others division

	31.12.2012	31.12.2011	Variance	
	RM'000	RM'000	RM'000	%
Revenue	81,688	76,925	4,763	6.2
Profit before tax	98,660	6,650	92,010	1,383.6

Industrial division reported RM19.7 million in revenue, 62.8% higher as compared to RM12.1 million in 2011, mainly attributed to better sales from the Dongfeng heavy commercial vehicle.

Freight division revenue stood at RM43.3 million, reduced by 5.2%, mainly due to the loss of one of its major customers. With the reduction in sales, pre-tax profit of the division also reduced as compared to 2011.

Profit before tax reported higher at RM98.7 million as compared to RM6.6 million in 2011, mainly attributed to gain on disposal of subsidiaries in the Lighting division during the quarter.

**17. COMMENT ON MATERIAL CHANGE IN PROFIT BEFORE TAX**

For current quarter, the Group registered RM125.9 million in revenue, 6.1% higher as compared to RM118.7 million reported in the preceding third quarter of 2012, mainly contributed by Textile and Properties divisions. Pre-tax profit increased from RM15.1 million to RM102.0 million mainly due to disposal gain of subsidiaries in the Lighting division during the quarter.

18. PROSPECTS FOR FINANCIAL YEAR 2013

The Group's revenue and profitability for financial year 2013 will be mainly driven by Textile business after the disposal of Lighting division. The recovery of both US and Europe economy remained uncertain and the continuous weak demand in US and European markets is expected to continue in 2013. With the implementation of minimum wage in Malaysia from January 2013, the labour costs will increase and will affect the Textile division's profitability. In view of this, the Group expects the performance for 2013 to be challenging.

Moving forward without contribution from the Lighting division, the Group will be looking for viable investment opportunities to enhance the Group's profitability.

19. PROFIT BEFORE TAX

Included in the profit before tax are the following items:

	Current Quarter <u>31.12.2012</u> RM'000	Comparative Quarter <u>31.12.2011</u> RM'000	Cumulative 12 months <u>31.12.2012</u> RM'000	Cumulative 12 months <u>31.12.2011</u> RM'000
Interest income	(943)	(1,798)	(3,588)	(2,817)
Other income including investment income	(118,791)	(627)	(124,440)	(21,473)
Interest expenses	1,889	1,700	7,789	6,710
Depreciation of property, plant and equipment	1,553	2,328	7,081	8,522
Amortisation of land use rights	121	(47)	485	500
Amortisation of biological assets	153	154	614	614
Impairment loss on receivables	6,205	(1,713)	6,624	6,332
Impairment of goodwill	13,285	-	13,285	-
Bad debts written off	4,666	224	4,730	224
Property, plant and equipment written off	1	1	12	4
Write down of inventories	-	391	-	391
Gain on disposal of property, plant and equipment	(6,994)	(537)	(7,327)	(659)
Loss/(Gain) on disposal of investment property	-	-	18	(41)

**19. PROFIT BEFORE TAX (cont'd)**

Included in the profit before tax are the following items:

Fair value adjustment on investment property	-	-	660	(491)
Reversal of impairment loss on receivables	(210)	(200)	(1,785)	(259)
Fair value gain on derivatives	(5)	(186)	(35)	(1,009)
Realisation of capital reserve	-	-	-	(450)
Unrealised foreign exchange loss/(gain)	100	(2,116)	(195)	(2,194)

20. INCOME TAX EXPENSE

The tax expense consists of:

	Current quarter <u>31.12.2012</u> RM'000	Comparative quarter <u>31.12.2011</u> RM'000	Cumulative 12 months <u>31.12.2012</u> RM'000	Comparative 12 months <u>31.12.2011</u> RM'000
Current income tax				
- current period	2,086	3,147	13,496	13,582
- (over)/under provision in prior years	(376)	667	(1,533)	(273)
Deferred tax				
- current period	(190)	(1,180)	(166)	(1,148)
- under provision in prior years	2	265	12	276
	<u>1,522</u>	<u>2,899</u>	<u>11,809</u>	<u>12,437</u>

**20. INCOME TAX EXPENSE (cont'd)**

A reconciliation of income tax expense applicable to profit before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Group is as follows:

	Current quarter <u>31.12.2012</u> RM'000	Comparative quarter <u>31.12.2011</u> RM'000	Cumulative 12 months <u>31.12.2012</u> RM'000	Comparative 12 months <u>31.12.2011</u> RM'000
Profit before tax (excluding share of results of associates)	<u>101,661</u>	<u>14,442</u>	<u>148,367</u>	<u>60,964</u>
Taxation at 25%	25,415	3,611	37,092	15,241
Expenses not deductible	7,027	2,558	9,433	5,328
Deferred tax assets not recognised	(646)	252	157	790
Income not subject to tax	(28,529)	(2,181)	(30,095)	(5,145)
Utilisation of previously unrecognised deductible temporary differences	(243)	(914)	(805)	(1,604)
Tax effect of differences in tax rate	(1,128)	(1,359)	(2,452)	(2,176)
(Over)/Under provision of tax in prior years	(374)	932	(1,521)	3
	<u>1,522</u>	<u>2,899</u>	<u>11,809</u>	<u>12,437</u>

21. SUBSEQUENT EVENT

On 8th February 2013, the Company announced the disposal of its 100% equity interest in Fauzi-Lim Plantation Sdn Bhd, Etika Gangsa Sdn Bhd and Taka Worldwide Trading Sdn Bhd for a total consideration of RM93,000,000.

22. CHANGES IN MATERIAL LITIGATION

There was no material litigation against the Group during the year.

**23. EARNINGS PER SHARE (“EPS”)**

Computation of the EPS is as follows:

	Current Quarter <u>31.12.2012</u> RM'000	Comparative Quarter <u>31.12.2011</u> RM'000	Cumulative 12 months <u>31.12.2012</u> RM'000	Cumulative 12 months <u>31.12.2011</u> RM'000
Profit for the period	<u>99,690</u>	<u>10,964</u>	<u>134,444</u>	<u>47,290</u>
No. of ordinary shares after deducting treasury shares	<u>230,235</u>	<u>231,204</u>	<u>230,235</u>	<u>231,204</u>
Basic EPS (sen)	<u>43.30</u>	<u>4.74</u>	<u>58.39</u>	<u>20.45</u>

24. BREAKDOWN OF RETAINED PROFITS INTO REALISED AND UNREALISED

	<u>31.12.2012</u> RM'000	<u>31.12.2011</u> RM'000
Total retained profits of the Company and its subsidiaries:		
- Realised profit	241,189	128,369
- Unrealised loss	<u>(1,414)</u>	<u>(3,694)</u>
	239,775	124,675
Share of realised loss of associates	(17,202)	(17,540)
Less: Consol adjustments	868	7,294
Retained profits as per financial statements	<u>223,441</u>	<u>114,429</u>



25. DIVIDEND

- (a) i) The Board of Directors declares a second interim dividend of 4% single tier and a special dividend of 5% single tier which amounted to RM9.21 million and RM11.51 million respectively for the financial year ended 31 December 2012.
- ii) The second interim dividend and special dividend for the financial year ended 31 December 2012 is 4 sen and 5 sen per ordinary share of RM1 each respectively.
- iii) The second interim dividend declared and paid for the previous year's corresponding period was 5 sen tax exempt per ordinary share of RM1 each.
- iv) The second interim and special dividends shall be payable on 2 April 2013.
- v) A depositor shall qualify for entitlement to the second interim dividend and special dividend only in respect of:
- Shares transferred into the Depositor's Securities Account before 4.00 pm on 18 March 2013 in respect of ordinary transfer; and
 - Shares bought on Bursa Securities on a cum entitlement basis according to the Rules of the Bursa Malaysia Securities Berhad.
- (b) The total dividends for the current financial year ended 31 December 2012 is 15 sen per ordinary share of RM1 each.

**By Order of the Board
LIM KONG YOW
Company Secretary
28 February 2013**