



MWE HOLDINGS BERHAD (5713-D)

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2013

	<u>31.03.2013</u> Unaudited RM'000	<u>31.12.2012</u> Audited RM'000
Assets		
<u>Non-Current Assets</u>		
Property, plant & equipment	71,896	72,713
Investment properties	55,856	55,856
Land held for property development	18,464	25,905
Other investments	275,026	251,371
Other non-current assets	5,831	5,580
	<u>427,073</u>	<u>411,425</u>
<u>Current Assets</u>		
Inventories	44,329	37,419
Trade and other receivables	64,249	85,161
Current tax receivable	5,546	5,206
Cash and bank balances	171,208	216,418
Other current assets	2,412	2,259
	<u>287,744</u>	<u>346,463</u>
Disposal group classified as held for sale	36,448	36,535
	<u>324,192</u>	<u>382,998</u>
Total assets	<u>751,265</u>	<u>794,423</u>



MWE HOLDINGS BERHAD (5713-D)

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2013 (Cont'd)

	<u>31.12.2013</u>	<u>31.12.2012</u>
	Unaudited	Audited
	RM'000	RM'000
Equity and liabilities		
<u>Current Liabilities</u>		
Trade and other payables	48,701	45,188
Loans and borrowings	13,919	65,694
Current tax payable	2,394	1,964
	<u>65,014</u>	<u>112,846</u>
Disposal group classified as held for sale	589	580
	<u>65,603</u>	<u>113,426</u>
<u>Non-Current Liabilities</u>		
Loans and borrowings	48,214	55,858
Deferred tax liabilities	1,785	1,732
Deferred income	12,682	13,522
	<u>62,681</u>	<u>71,112</u>
Total liabilities	128,284	184,538
<u>Equity</u>		
Share capital	231,559	231,559
Reserves	381,218	367,824
Treasury shares	(1,931)	(1,931)
	<u>610,846</u>	<u>597,452</u>
Non-controlling interests	12,135	12,433
Total equity	<u>622,981</u>	<u>609,885</u>
Total equity and liabilities	<u>751,265</u>	<u>794,423</u>
Net assets per share (RM)	2.64	2.59

(The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Annual Audited Accounts for the year ended 31 December 2012)



MWE HOLDINGS BERHAD (5713-D)

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2013

	Current quarter <u>31.3.2013</u> RM'000	Comparative quarter <u>31.3.2012</u> RM'000
Revenue	86,909	121,125
Cost of sales	(72,073)	(86,804)
Gross profit	14,836	34,321
Interest income	936	952
Other income	598	2,196
Other operating expenses	(9,585)	(19,027)
Operating profit	6,785	18,442
Finance costs	(1,299)	(2,095)
Share of results of associates	247	(13)
Profit before tax	5,733	16,334
Income tax expense	(1,420)	(4,240)
Profit for the period	4,313	12,094
Other comprehensive income:		
Fair value gain on available-for-sale financial assets	8,595	5,944
Foreign currency translation	188	(1,508)
	8,783	4,436
Total comprehensive income	13,096	16,530
Profit attributable to:		
Owners of the parent	4,660	11,720
Non-controlling interest	(347)	374
	4,313	12,094
Total comprehensive income attributable to:		
Owners of the parent	13,394	16,341
Non-controlling interest	(298)	189
	13,096	16,530
Basic earnings per share (sen)	2.02	5.07

(The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Annual Audited Accounts for the year ended 31 December 2012)



MWE HOLDINGS BERHAD (5713-D)

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2013

	< ----- Attributable to owners of the parent ----- >						Total Equity <u>RM'000</u>
	Share Capital <u>RM'000</u>	Non-distributable		Distributable	Total <u>RM'000</u>	Non-controlling Interests <u>RM'000</u>	
		Treasury Shares <u>RM'000</u>	Other Reserves <u>RM'000</u>	Retained Earnings <u>RM'000</u>			
At 1.1.2012	231,559	(235)	88,869	114,429	434,622	19,212	453,834
Total comprehensive income	-	-	4,621	11,720	16,341	189	16,530
Liquidation of subsidiary	-	-	-	-	-	(407)	(407)
Dividends paid	-	-	-	(11,560)	(11,560)	-	(11,560)
At 31.3.2012	<u>231,559</u>	<u>(235)</u>	<u>93,490</u>	<u>114,589</u>	<u>439,403</u>	<u>18,994</u>	<u>458,397</u>
At 1.1.2013	231,559	(1,931)	139,104	228,720	597,452	12,433	609,885
Total comprehensive income	-	-	8,734	4,660	13,394	(298)	13,096
At 31.3.2013	<u>231,559</u>	<u>(1,931)</u>	<u>147,838</u>	<u>233,380</u>	<u>610,846</u>	<u>12,135</u>	<u>622,981</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 2012)



MWE HOLDINGS BERHAD (5713-D)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2013

	3 months ended	
	<u>31.3.2013</u>	<u>31.3.2012</u>
	Unaudited	Unaudited
	RM'000	RM'000
Cash flows from operating activities		
Profit before tax	5,733	16,334
Adjustment for :		
Amortisation of biological assets	153	153
Amortisation of land use rights	125	123
Bad debts written off	-	2
Depreciation of property, plant and equipment	1,057	1,864
Gain on disposal of property, plant and equipment	(63)	(15)
Impairment loss on receivables	-	132
Net fair value gain on derivatives assets	-	(75)
Net unrealised foreign exchange loss	68	92
Property, plant and equipment written off	7	11
Reversal of impairment loss on receivables	-	(350)
Share of results of associates	(247)	13
Gross dividend income	-	(3,316)
Interest income	(936)	(952)
Interest expenses	1,299	2,095
Operating profit before working capital changes	7,196	16,111
Changes in inventories	(6,807)	(4,641)
Changes in property development activities	7,427	541
Changes in receivables	21,003	(8,861)
Changes in payables	2,508	(15,033)
Changes in trade line borrowings	(1,514)	4,499
Cash generated from/(used in) operations	29,813	(7,384)
Interest received	936	952
Interest paid	(1,299)	(2,095)
Net income tax paid	(1,290)	(2,754)
Net cash from/(used in) operating activities	28,160	(11,281)



MWE HOLDINGS BERHAD (5713-D)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2013 (Cont'd)

	3 months ended	
	<u>31.3.2013</u>	<u>31.3.2012</u>
	Unaudited	Unaudited
	RM'000	RM'000
Cash flows from investing activities		
Dividends received	-	2,491
Proceeds from disposal of property, plant and equipment	63	20
Purchase of investment properties	-	(233)
Purchase of other investments	(20,260)	-
Purchase of property, plant and equipment	(136)	(522)
Return of capital in an investee company	5,199	-
Net cash (used in)/generated from investing activities	<u>(15,134)</u>	<u>1,756</u>
Cash flows from financing activities		
Bank borrowings raised	-	360
Dividends paid to shareholders	-	(11,560)
Repayment of bank borrowings	(57,955)	(12,328)
Repayment of hire purchase and finance lease instalments	(130)	(238)
Net cash used in financing activities	<u>(58,085)</u>	<u>(23,766)</u>
Net decrease in cash & bank balances	<u>(45,059)</u>	<u>(33,291)</u>
Effects of foreign exchange rate changes	(183)	(7)
	(45,242)	(33,298)
Cash & bank balances at beginning of period	<u>216,990</u>	<u>117,472</u>
Effects of foreign exchange rate changes	298	(1,128)
	217,288	116,344
Cash & bank balances at end of period	<u><u>172,046</u></u>	<u><u>83,046</u></u>



MWE HOLDINGS BERHAD (5713-D)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2013 (Cont'd)

	3 months ended	
	<u>31.3.2013</u>	<u>31.3.2012</u>
	Unaudited	Unaudited
	RM'000	RM'000
<i>Represented by :</i>		
Cash & bank balances	172,338	83,718
Bank Overdrafts	(292)	(672)
	<u>172,046</u>	<u>83,046</u>
 <i>Note:</i>		
Cash & bank balances as per Cash Flow	172,338	83,718
Less: Reclassified to disposal group classified as held for sale	(1,130)	-
As per Balance Sheet	<u>171,208</u>	<u>83,718</u>

(The Condensed Consolidated Statements of Cash Flow should be read in conjunction
with the Annual Audited Accounts for the year ended 31 December 2012)



MWE HOLDINGS BERHAD (5713-D)

EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2013

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 2012 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 2013 :-

FRS 101 (Amendments to FRS 101)	Presentation of Items of Other Comprehensive Income
Amendments to FRS 101	Presentation of Financial Statements
FRS 10	Consolidated Financial Statements
FRS 11	Joint Arrangements
FRS 12	Disclosure of Interests in Other Entities
FRS 13	Fair Value Measurement
FRS 119	Employee Benefits
FRS 127	Separate Financial Statements
FRS 128	Investment in Associate and Joint Ventures
Amendment to IC Interpretation 2	Members’ Shares in Co-operative Entities and Similar Instruments
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine
Amendments to FRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities
Amendments to FRS 1	First-time Adoption of Malaysian Financial Reporting Standards – Government Loans
Amendments to FRS 1	First-time Adoption of Malaysian Financial Reporting Standards
Amendments to FRS 116	Property, Plant and Equipment
Amendments to FRS 132	Financial Instrument: Presentation
Amendments to FRS 134	Interim Financial Reporting
Amendments to FRS 10	Consolidated Financial Statements
Amendments to FRS 11	Joint Arrangements
Amendments to FRS 12	Disclosure of Interests in Other Entities
Amendments to FRS 132	Offsetting Financial Assets and Financial Liabilities
Amendments to FRS 10, 12 and 127	Investment Entities
FRS 9	Financial Instruments



2. ACCOUNTING POLICIES (cont'd)

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

FRS 10 Consolidated Financial Statements

FRS 10 replaces part of FRS 127 Consolidated and Separate Financial Statements that deals with consolidated financial statements and IC Interpretation 112 Consolidation – Special Purpose Entities.

Under FRS 10, an investor controls an investee when (a) the investor has power over an investee, (b) the investor has exposure, or rights, to variable returns from its involvement with the investee, and (c) the investor has ability to use its power over the investee to affect the amount of the investor's returns. Under FRS 127 Consolidated and Separate Financial Statements, control was defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

FRS 10 includes detailed guidance to explain when an investor has control over the investee. FRS 10 requires the investor to take into account all relevant facts and circumstances.

FRS 11 Joint Arrangements

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

The classification of joint arrangements under FRS 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 FRS 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.

FRS 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.

FRS 12 Disclosures of Interests in Other Entities

FRS 12 includes all disclosure requirements for interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are required. This standard affects disclosures only and has no impact on the Group's financial position or performance.

FRS 127 Separate Financial Statements

As a consequence of the new FRS 10 and FRS 12, FRS 127 is limited to accounting for subsidiaries, jointly controlled entities and associates in separate financial statements.



2. ACCOUNTING POLICIES (cont'd)

FRS 128 Investments in Associates and Joint Ventures

As a consequence of the new FRS 11 and FRS 12, FRS 128 is renamed as FRS 128 Investments in Associates and Joint Ventures. This new standard describes the application of the equity method to investments in joint ventures in addition to associates.

FRS 13 Fair Value Measurement

FRS 13 establishes a single source of guidance under FRS for all fair value measurements. FRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under FRS when fair value is required or permitted.

Upon adoption of FRS 13, the Group will take into consideration the highest and best use of certain properties in measuring the fair value of such properties. The adoption of FRS 13 is expected to result in higher fair value of certain properties of the Group.

Amendments to FRS 101: Presentation of Financial Statements (Annual Improvements 2009-2011 Cycle)

The amendments to FRS 101 change the grouping of items presented in other comprehensive income. Items that could be reclassified (or recycled) to profit or loss at a future point in time (for example, exchange differences on translation of foreign operations and net loss or gain on available-for-sale financial assets) would be presented separately from items which will never be reclassified (for example, actuarial gains and losses on defined benefit plans and revaluation of land and buildings). The amendment affects presentation only and has no impact on the Group's financial position and performance.

FRS 9 Financial Instruments: Classification and Measurement

FRS 9 reflects the first phase of the work on the replacement of FRS 139 Financial Instruments: Recognition and Measurement and applies to classification and measurement of financial assets and financial liabilities as defined in FRS 139 Financial Instruments: Recognition and Measurement. The adoption of the first phase of FRS 9 will have an effect on the classification and measurement of the Group's financial assets. The Group will quantify the effect in conjunction with the other phases, when the final standard including all phases is issued.

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').



2. ACCOUNTING POLICIES (cont'd)

Malaysian Financial Reporting Standards (MFRS Framework) (cont'd)

Transitioning Entities will be allowed to defer adoption of the new MFRS Framework for an additional two years. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2014.

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 2014. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits.

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

During the quarter, 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. The said disposal is currently pending completion as at the date of this report.

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 Telecommunications segment which design and manufacture 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 reporting quarter.

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

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

9. DIVIDENDS PAID

On 2 April 2013, the Company paid a second interim single tier dividend of 4% and a special single tier dividend of 5% which amounted to a total of RM20.72 million in respect of the financial year ended 31 December 2012.

10. VARIANCE IN PROFIT FORECAST

There was no profit forecast issued for the financial year.

11. STATUS OF CORPORATE PROPOSALS

There were no corporate proposals announced or pending as at the date of this report.

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 reporting quarter are as follows:

	<u>Secured</u>	<u>Unsecured</u>	<u>Total</u>
	RM '000	RM '000	RM '000
Short term			
Obligations under finance lease	439	-	439
Bankers' acceptances and trust receipts	888	-	888
Bank overdrafts	7	285	292
Revolving credit	-	1,300	1,300
Term loans	11,000	-	11,000
	<u>12,334</u>	<u>1,585</u>	<u>13,919</u>
Long term			
Obligations under finance lease	1,214	-	1,214
Term loans	47,000	-	47,000
	<u>48,214</u>	<u>-</u>	<u>48,214</u>
	<u>60,548</u>	<u>1,585</u>	<u>62,133</u>

There were no foreign borrowings as at 31 March 2013.

**14. DERIVATIVE FINANCIAL INSTRUMENTS**

There were no outstanding forward contracts at the end of the reporting quarter.

15. SEGMENT INFORMATION

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

	Textile RM'000	Lighting & Tele- communication RM'000	Properties RM'000	Plantation RM'000	Trading & Others RM'000	Total RM'000
31 March 2013						
Revenue						
External sales	46,485	12,856	10,498	1,520	15,550	86,909
Inter-segment sales	-	-	90	-	341	431
Total revenue	46,485	12,856	10,588	1,520	15,891	87,340
Results						
Segment profit/(loss)	6,279	532	614	270	(910)	6,785
Finance costs						(1,299)
Share of results of associates	-	-	247	-	-	247
Profit before tax						5,733
Income tax expense						(1,420)
Profit for the period						4,313
31 March 2012						
Revenue						
External sales	41,390	53,449	3,536	1,374	21,376	121,125
Inter-segment sales	-	-	-	-	608	608
Total revenue	41,390	53,449	3,536	1,374	21,984	121,733
Results						
Segment profit/(loss)	5,403	7,986	3,293	(491)	2,251	18,442
Finance costs						(2,095)
Share of results of associates	(1)	-	(12)	-	-	(13)
Profit before tax						16,334
Income tax expense						(4,240)
Profit for the period						12,094

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

	31.3.2013	31.3.2012	Variance	
	RM'000	RM'000	RM'000	%
Revenue	86,909	121,125	(34,216)	(28.2)
Profit before tax	5,733	16,334	(10,601)	(64.9)

During the reporting quarter, the Group posted total revenue of RM86.9 million, RM34.2 million lower as compared to RM121.1 million in preceding year corresponding quarter, mainly due to disposal of Lighting division which contributed RM42.9 million revenue in the first quarter of 2012. Profit before tax also reported lower at RM5.7 million as compared to RM16.3 million in 2012.

Textile division

	31.3.2013	31.3.2012	Variance	
	RM'000	RM'000	RM'000	%
Revenue	46,485	41,390	5,095	12.3
Profit before tax	5,901	5,091	810	15.9

Textile division registered RM46.5 million in revenue during the reporting quarter, contributing 53.5% of the revenue of the Group.

Revenue increased to RM46.5 million as compared to RM41.4 million in 2012, mainly derived from strengthening of Ringgit against USD which translated into higher sale as well as higher profit.

Lighting and telecommunications division

	31.3.2013	31.3.2012	Variance	
	RM'000	RM'000	RM'000	%
Revenue	12,856	53,449	(40,593)	(75.9)
Profit before tax	493	7,865	(7,372)	(93.7)

The Group disposed its Lighting division in the last quarter of 2012, as a result, the division revenue dropped from RM53.4 million in 2012 to RM12.9 million in 2013.

Telecommunications division reported higher revenue of RM12.9 million as compared to RM10.6 million in 2012, mainly derived from the sales of GPRS and tracking devices. With the increase in revenue, the division managed to turn around from RM0.2 million pre-tax loss in 2012 to RM0.5 million pre-tax profit in 2013.

**16. PERFORMANCE REVIEW (cont'd)****Properties division**

	31.3.2013	31.3.2012	Variance	
	RM'000	RM'000	RM'000	%
Revenue	10,498	3,536	6,962	196.9
Profit before tax	568	3,207	(2,639)	(82.3)

Properties division reported RM10.5 million in revenue, RM7.0 million higher as compared to 2012, mainly attributed to sales in development land during the reporting quarter. However, pre-tax profit reported lower at RM0.6 million as compared to RM3.2 million in 2012. Higher pre-tax profit recorded in 2012 mainly derived from development profit in 2012.

Plantation division

	31.3.2013	31.3.2012	Variance	
	RM'000	RM'000	RM'000	%
Revenue	1,520	1,374	146	10.6
Profit before tax	262	(501)	763	152.3

Plantation division reported higher revenue for current reporting quarter mainly due to higher crop yields. As a result, the division recorded RM0.3 million in pre-tax profit.

Trading and others division

	31.3.2013	31.3.2012	Variance	
	RM'000	RM'000	RM'000	%
Revenue	15,550	21,376	(5,826)	(27.3)
Profit before tax	(1,491)	672	(2,163)	(321.9)

Industrial division reported RM3.9 million in revenue, 30% lower as compared to RM5.6 million in 2012, mainly attributed to lower sales from the Dongfeng heavy commercial vehicle.

Freight division revenue stood at RM9.9 million, reduced by 8%, mainly due lower demand of business. With the reduction in sales, the division reported higher losses as compared to 2012.

17. COMMENT ON MATERIAL CHANGE IN PROFIT BEFORE TAX

For current quarter, the Group registered RM86.9 million in revenue, RM40.1 million lower as compared to RM127.0 million reported in the preceding Q4 of 2012, mainly due to disposal of Lighting division which contributed RM31.6 million revenue in the fourth quarter of 2012. Pre-tax profit also reported lower at RM5.73 million for current reporting quarter as compared to RM106.9 million in preceding quarter, mainly due to disposal gain of subsidiaries in the Lighting division in the preceding quarter.



18. PROSPECTS FOR FINANCIAL YEAR 2013

The Group's revenue and profitability for current financial year will be mainly driven by Textile business after the disposal of Lighting division in 2012. The recovery of both US and Europe economy remained uncertain and the continuous weak demand in US and European markets is expected to continue till end of 2013. With the implementation of minimum wage in Malaysia, the increased labour costs have affected the Textile as well as other local subsidiaries' profitability. In view of this, the Group expects the performance for the remaining quarters to be challenging. The Group will continue to expand its current operations in Vietnam and look 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>31.3.2013</u> RM'000	Comparative Quarter <u>31.3.2012</u> RM'000
Amortisation of biological assets	153	153
Amortisation of land use rights	125	123
Bad debts written off	-	2
Depreciation of property, plant and equipment	1,057	1,864
(Gain)/Loss on disposal of investment property	-	-
Gain on disposal of property, plant and equipment	(63)	(15)
Impairment loss on receivables	-	132
Interest expenses	1,299	2,095
Interest income	(936)	(952)
Net fair value gain on derivatives	-	(75)
Net unrealised foreign exchange loss	68	92
Property, plant and equipment written off	7	11
Reversal of impairment loss on receivables	-	(350)

**20. INCOME TAX EXPENSE**

The tax expense consists of:

	Current quarter <u>31.3.2013</u> RM'000	Comparative quarter <u>31.3.2012</u> RM'000
Current income tax		
- current period	1,365	4,180
- under provision in prior years	3	22
Deferred tax		
- current period	17	38
- under provision in prior years	35	-
	<u>1,420</u>	<u>4,240</u>

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>31.3.2013</u> RM'000	Comparative quarter <u>31.3.2012</u> RM'000
Profit before tax (excluding share of results of associates)	<u>5,486</u>	<u>16,347</u>
Taxation at 25%	1,372	4,087
Expenses not deductible	837	692
Deferred tax assets not recognised	134	385
Income not subject to tax	(17)	(326)
Utilisation of previously unrecognised deductible temporary differences	(13)	(132)
Tax effect of differences in tax rate	(931)	(488)
Under provision of tax in prior years	38	22
	<u>1,420</u>	<u>4,240</u>



21. SUBSEQUENT EVENT

There are no material subsequent events at the date of this report.

22. CHANGES IN MATERIAL LITIGATION

There was no material litigation against the Group in the reporting period.

23. EARNINGS PER SHARE (“EPS”)

Computation of the EPS is as follows:

	Current Quarter <u>31.3.2013</u> RM'000	Comparative Quarter <u>31.3.2012</u> RM'000
Profit for the period	<u>4,660</u>	<u>11,720</u>
No. of ordinary shares after deducting treasury shares	<u>230,235</u>	<u>231,204</u>
Basic EPS (sen)	<u>2.02</u>	<u>5.07</u>

24. BREAKDOWN OF RETAINED PROFITS INTO REALISED AND UNREALISED

	Current Quarter <u>31.3.2013</u> RM'000	Comparative Quarter <u>31.3.2012</u> RM'000
Total retained profits of the Company and its subsidiaries:		
- Realised profit	221,808	124,164
- Unrealised loss	<u>(1,420)</u>	<u>(463)</u>
	220,388	123,701
Total share of retained profits from associates:		
- Realised loss	(16,943)	(17,553)
Less: Consol adjustments	29,935	8,441
Retained profits as per financial statements	<u>233,380</u>	<u>114,589</u>



MWE HOLDINGS BERHAD (5713-D)

25. DIVIDEND

The Board of Directors does not recommend any dividend payment during this reporting quarter.

**By Order of the Board
LIM KONG YOW
Company Secretary
23 May 2013**