



## MWE HOLDINGS BERHAD (5713-D)

### CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2013

	<u>30.06.2013</u>	<u>31.12.2012</u>
	Unaudited	Audited
	RM'000	RM'000
<b>Assets</b>		
<u>Non-Current Assets</u>		
Property, plant & equipment	72,498	72,713
Investment properties	55,226	55,856
Land held for property development	18,464	25,905
Other investments	304,989	251,371
Other non-current assets	5,777	5,580
	<u>456,954</u>	<u>411,425</u>
<u>Current Assets</u>		
Inventories	45,008	37,419
Trade and other receivables	88,048	85,161
Current tax receivable	6,271	5,206
Cash and bank balances	116,948	216,418
Other current assets	3,512	2,259
	<u>259,787</u>	<u>346,463</u>
Disposal group classified as held for sale	36,833	36,535
	<u>296,620</u>	<u>382,998</u>
Total assets	<u><u>753,574</u></u>	<u><u>794,423</u></u>



## MWE HOLDINGS BERHAD (5713-D)

### CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2013 (Cont'd)

	<u>30.06.2013</u> Unaudited RM'000	<u>31.12.2012</u> Audited RM'000
<b>Equity and liabilities</b>		
<u>Current Liabilities</u>		
Trade and other payables	50,488	45,188
Loans and borrowings	15,484	65,694
Current tax payable	1,637	1,964
	<hr/> 67,609	<hr/> 112,846
Disposal group classified as held for sale	396	580
	<hr/> 68,005	<hr/> 113,426
<u>Non-Current Liabilities</u>		
Loans and borrowings	45,281	55,858
Deferred tax liabilities	1,730	1,732
Deferred income	12,641	13,522
	<hr/> 59,652	<hr/> 71,112
Total liabilities	127,657	184,538
<u>Equity</u>		
Share capital	231,559	231,559
Reserves	383,452	367,824
Treasury shares	(1,931)	(1,931)
	<hr/> 613,080	<hr/> 597,452
Non-controlling interests	12,837	12,433
Total equity	<hr/> 625,917	<hr/> 609,885
Total equity and liabilities	<hr/> <hr/> 753,574	<hr/> <hr/> 794,423
Net assets per share (RM)	2.66	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 SIX-MONTH PERIOD ENDED 30 JUNE 2013

	Current quarter <u>30.6.2013</u> RM'000	Comparative quarter <u>30.06.2012</u> RM'000	Cumulative 6 months <u>30.6.2013</u> RM'000	Comparative 6 months <u>30.06.2012</u> RM'000
Revenue	81,337	131,839	168,246	252,964
Cost of sales	<u>(64,509)</u>	<u>(101,030)</u>	<u>(136,582)</u>	<u>(187,834)</u>
Gross profit	16,828	30,809	31,664	65,130
Interest income	855	884	1,791	1,836
Other income	4,655	4,023	5,253	6,219
Other operating expenses	<u>(10,560)</u>	<u>(18,357)</u>	<u>(20,145)</u>	<u>(37,384)</u>
Operating profit	11,778	17,359	18,563	35,801
Finance costs	<u>(1,025)</u>	<u>(2,140)</u>	<u>(2,324)</u>	<u>(4,235)</u>
Share of results of associates	<u>(52)</u>	<u>8</u>	<u>195</u>	<u>(5)</u>
Profit before tax	10,701	15,227	16,434	31,561
Income tax expense	<u>(957)</u>	<u>(3,231)</u>	<u>(2,377)</u>	<u>(7,471)</u>
Profit for the period	<u>9,744</u>	<u>11,996</u>	<u>14,057</u>	<u>24,090</u>
Other comprehensive income:				
Fair value gain on available- for-sale financial assets	12,410	35,696	21,005	41,640
Foreign currency translation	1,503	2,129	1,691	621
	<u>13,913</u>	<u>37,825</u>	<u>22,696</u>	<u>42,261</u>
Total comprehensive income	<u>23,657</u>	<u>49,821</u>	<u>36,753</u>	<u>66,351</u>
Profit attributable to:				
Owners of the parent	9,230	11,781	13,890	23,501
Non-controlling interest	514	215	167	589
	<u>9,744</u>	<u>11,996</u>	<u>14,057</u>	<u>24,090</u>
Total comprehensive income attributable to:				
Owners of the parent	22,955	49,358	36,349	65,699
Non-controlling interest	702	463	404	652
	<u>23,657</u>	<u>49,821</u>	<u>36,753</u>	<u>66,351</u>
Basic earnings per share (sen)	4.01	5.10	6.03	10.16

(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 SIX-MONTH PERIOD ENDED 30 JUNE 2013

	< ----- Attributable to owners of the parent ----- >						Total Equity RM'000
	< ----- Non-distributable ----- >			Distributable		Non-controlling Interests RM'000	
	Share Capital RM'000	Treasury Shares RM'000	Reserves RM'000	Retained Earnings RM'000	Total RM'000		
At 1.1.2012	231,559	(235)	88,869	114,429	434,622	19,212	453,834
Total comprehensive income	-	-	42,198	23,501	65,699	652	66,351
Liquidation of subsidiary	-	-	-	-	-	(407)	(407)
Dividend paid	-	-	-	(11,560)	(11,560)	(1,121)	(12,681)
At 30.6.2012	<u>231,559</u>	<u>(235)</u>	<u>131,067</u>	<u>126,370</u>	<u>488,761</u>	<u>18,336</u>	<u>507,097</u>
At 1.1.2013	231,559	(1,931)	139,104	228,720	597,452	12,433	609,885
Total comprehensive income	-	-	22,459	13,890	36,349	404	36,753
Dividend paid	-	-	-	(20,721)	(20,721)	-	(20,721)
At 30.6.2013	<u>231,559</u>	<u>(1,931)</u>	<u>161,563</u>	<u>221,889</u>	<u>613,080</u>	<u>12,837</u>	<u>625,917</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 SIX-MONTH PERIOD ENDED 30 JUNE 2013

	6 months ended	
	<u>30.6.2013</u>	<u>30.6.2012</u>
	Unaudited	Unaudited
	RM'000	RM'000
<b>Cash flows from operating activities</b>		
Profit before tax	16,434	31,561
Adjustment for :		
Impairment loss on receivables	-	275
Bad debts written off	-	2
Reversal of impairment loss on receivables	-	(1,547)
Depreciation of property, plant and equipment	2,176	3,711
Gain on disposal of property, plant and equipment	(67)	(219)
Property, plant and equipment written off	7	11
Amortisation of land use rights	250	244
Amortisation of biological assets	307	307
(Gain)/Loss on disposal of investment property	(320)	18
Net fair value loss on derivatives assets	-	75
Net unrealised foreign exchange gain	-	(295)
Share of results of associates	(195)	5
Gross dividend income	(3,321)	(3,318)
Interest income	(1,791)	(1,836)
Interest expenses	2,324	4,235
Operating profit before working capital changes	15,804	33,229
Changes in inventories	(7,275)	(1,533)
Changes in property development costs	7,426	3,533
Changes in receivables	(3,650)	(436)
Changes in payables	3,534	553
Changes in trade line borrowings	(806)	(2,194)
Cash generated from operations	15,033	33,152
Interest received	1,791	1,836
Interest paid	(2,324)	(4,235)
Net income tax paid	(2,984)	(5,703)
Net cash from operating activities	11,516	25,050



## MWE HOLDINGS BERHAD (5713-D)

### CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2013 (Cont'd)

	6 months ended	
	30.6.2013 Unaudited RM'000	30.6.2012 Unaudited RM'000
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(1,434)	(560)
Purchase of investment properties	-	(480)
Purchase of other investments	(37,813)	-
Proceeds from disposal of property, plant and equipment	75	228
Proceeds from disposal of investment properties	950	420
Redemption of preference shares	5,200	-
Dividends received from other investments	2,496	2,493
Net cash (used in)/generated from investing activities	<u>(30,526)</u>	<u>2,101</u>
<b>Cash flows from financing activities</b>		
Repayment of bank borrowings	(59,956)	(28,398)
Repayment of hire purchase and finance lease instalments	(263)	(481)
Dividend paid to shareholders	(20,721)	(11,560)
Dividend paid to non-controlling interests	-	(1,121)
Net cash used in financing activities	<u>(80,940)</u>	<u>(41,560)</u>
Net changes in cash & bank balances	<u>(99,950)</u>	<u>(14,409)</u>
Effects of foreign exchange rate changes	(58)	(68)
	(100,008)	(14,477)
Cash & bank balances at beginning of period	<u>216,990</u>	<u>117,472</u>
Effects of foreign exchange rate changes	1,238	350
	218,228	117,822
Cash & bank balances at end of period	<u>118,220</u>	<u>103,345</u>
<i>Represented by :</i>		
Cash & bank balances	118,300	103,386
Bank Overdrafts	(80)	(41)
	<u>118,220</u>	<u>103,345</u>



## MWE HOLDINGS BERHAD (5713-D)

### CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2013 *(Cont'd)*

	6 months ended	
	<u>30.6.2013</u>	<u>30.6.2012</u>
	Unaudited	Unaudited
	RM'000	RM'000
<i>Note:</i>		
Cash & bank balances as per Cash Flow	118,300	103,386
Less: Reclassified to disposal group classified as held for sale	(1,352)	-
As per Balance Sheet	<u>116,948</u>	<u>103,386</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 SIX-MONTH PERIOD ENDED 30 JUNE 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

In the first 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. Subsequent to the reporting quarter, the company had entered into a Rescission Agreement with the Purchaser as disclosed in Note 21.

## 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 period.

## 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 period.

**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**

On 12 July 2013, the Company had via RHB Investment Bank Berhad, the adviser of the Company, announced the following proposals:

- i) Proposed acquisition of 20.14% shareholding in Kumpulan Europlus Berhad, representing 115,400,000 ordinary shares of RM1.00 each for a total cash consideration of RM155,790,000; and
- ii) Proposed diversification of the existing businesses of MWE Holdings Berhad and its subsidiaries.

There were no other corporate proposals announced or pending as at the date of making 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
<b>Short term</b>			
Obligations under finance lease	508	-	508
Bankers' acceptances and trust receipts	500	1,096	1,596
Bank overdrafts	71	9	80
Revolving credit	-	1,300	1,300
Term loans	12,000	-	12,000
	<u>13,079</u>	<u>2,405</u>	<u>15,484</u>
<b>Long term</b>			
Obligations under finance lease	1,281	-	1,281
Term loans	44,000	-	44,000
	<u>45,281</u>	<u>-</u>	<u>45,281</u>
	<u>58,360</u>	<u>2,405</u>	<u>60,765</u>

There were no foreign borrowings as at 30 June 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	Lighting & Tele- communication	Properties	Plantation	Trading & Others	Total
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
<b>30 June 2013</b>						
<b>Revenue</b>						
External sales	86,213	30,924	11,231	3,215	36,663	168,246
Inter-segment sales	-	-	180	-	794	974
Total revenue	<u>86,213</u>	<u>30,924</u>	<u>11,411</u>	<u>3,215</u>	<u>37,457</u>	<u>169,220</u>



## 15. SEGMENT INFORMATION (cont'd)

	Textile RM'000	Lighting & Tele- communication RM'000	Properties RM'000	Plantation RM'000	Trading & Others RM'000	Total RM'000
<b>30 June 2013</b>						
<b>Results</b>						
Segment profit	9,508	2,228	947	728	5,152	18,563
Finance costs						(2,324)
Share of results of associates	-	-	195	-	-	195
Profit before tax						16,434
Income tax expense						(2,377)
Profit for the period						14,057
<b>30 June 2012</b>						
<b>Revenue</b>						
External sales	89,150	112,597	9,133	2,988	39,096	252,964
Inter-segment sales	-	-	-	-	16,334	16,334
Total revenue	89,150	112,597	9,133	2,988	55,430	269,298
<b>Results</b>						
Segment profit/(loss)	11,629	16,462	4,217	(1,700)	5,193	35,801
Finance costs						(4,235)
Share of results of associates	(1)	-	(4)	-	-	(5)
Profit before tax						31,561
Income tax expense						(7,471)
Profit for the period						24,090

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

	30.6.2013	30.06.2012	Variance	
	RM'000	RM'000	RM'000	%
Revenue	168,246	252,964	(84,718)	(33.5)
Profit before tax	16,434	31,561	(15,127)	(47.9)

During the reporting period, the Group posted total revenue of RM168.2 million, RM84.7 million lower as compared to RM253.0 million in preceding year corresponding period, mainly due to disposal of Lighting division which contributed RM88.1 million revenue in the first half of 2012. Profit before tax also reported lower at RM16.4 million as compared to RM31.6 million in 2012.

**Textile division**

	30.6.2013	30.06.2012	Variance	
	RM'000	RM'000	RM'000	%
Revenue	86,213	89,150	(2,937)	(3.3)
Profit before tax	8,835	10,994	(2,159)	(19.6)

Textile division registered RM86.2 million in revenue during the reporting period, contributing 51.2% of the revenue of the Group.

Revenue dropped from RM89.1 million in 2012 to RM86.2 million, mainly due to weakening demands from both USA and Europe markets.

**Lighting and telecommunications division**

	30.6.2013	30.06.2012	Variance	
	RM'000	RM'000	RM'000	%
Revenue	30,924	112,597	(81,673)	(72.5)
Profit before tax	2,224	16,176	(13,952)	(86.3)

The Group completed the disposal of its Lighting division in the last quarter of 2012, as a result, the division revenue dropped from RM112.6 million in 2012 to RM30.9 million in 2013.

Telecommunications division reported higher revenue of RM30.9 million as compared to RM24.5 million in 2012, mainly derived from the sales of GPRS and tracking devices. With the increase in revenue, the division managed to increase its pre-tax profit from RM0.4 million to RM2.2 million in 2013.

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

	30.6.2013	30.06.2012	Variance	
	RM'000	RM'000	RM'000	%
Revenue	11,231	9,133	2,098	23.0
Profit before tax	880	4,044	(3,164)	(78.2)

Properties division reported RM11.2 million in revenue, RM2.1 million higher as compared to 2012. However, pre-tax profit reported lower at RM0.9 million as compared to RM4.0 million in 2012. Higher pre-tax profit recorded in 2012 mainly derived from development profit.

**Plantation division**

	30.6.2013	30.06.2012	Variance	
	RM'000	RM'000	RM'000	%
Revenue	3,215	2,988	227	7.6
Profit before tax	713	(1,719)	2,432	(141.5)

Plantation division reported higher revenue for current reporting period mainly due to higher crop yields. As a result, the division recorded RM0.7 million in pre-tax profit.

**Trading and others division**

	30.6.2013	30.06.2012	Variance	
	RM'000	RM'000	RM'000	%
Revenue	36,663	39,096	(2,433)	(6.2)
Profit before tax	3,782	2,066	1,716	83.1

Industrial division reported RM9.6 million in revenue, 3.5% lower as compared to RM9.9 million in 2012, mainly attributed to lower sales from the Dongfeng heavy commercial vehicle.

Freight division revenue stood at RM20.4 million, reduced by RM2.0 million, mainly due to 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 RM81.3 million in revenue, RM5.6 million lower as compared to RM86.9 million reported in the preceding Q1 of 2013, mainly due to lower revenue contribution from Textile division. However, pre-tax profit reported higher at RM10.7 million for current reporting quarter as compared to RM5.7 million reported in preceding quarter, mainly attributed to dividend income from quoted investments.



**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. Slow recovery and weakening demand in US and European markets are expected to continue till end of 2013. Also, the implementation of minimum wage in Malaysia, the increased labour costs will have impact on 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>30.6.2013</u> RM'000	Comparative Quarter <u>30.6.2012</u> RM'000	Cumulative 6 months <u>30.6.2013</u> RM'000	Cumulative 6 months <u>30.6.2012</u> RM'000
Amortisation of biological assets	154	154	307	307
Amortisation of land use rights	125	121	250	244
Bad debts written off	-	-	-	2
Depreciation of property, plant and equipment	1,119	1,847	2,176	3,711
Gain on disposal of property, plant and equipment	(4)	(204)	(67)	(219)
Impairment loss on receivables	-	143	-	275
Interest expenses	1,025	2,140	2,324	4,235
Interest income	(1,155)	(884)	(1,791)	(1,836)
(Gain)/Loss on disposal of investment property	(320)	18	(320)	18
Net fair value loss on derivatives	-	150	-	75
Property, plant and equipment written off	-	-	7	11
Reversal of impairment loss on receivables	-	(1,197)	-	(1,547)
Unrealised foreign exchange gain	(68)	(387)	-	(295)

**20. INCOME TAX EXPENSE**

The income tax expense consists of:

	Current quarter <u>30.6.2013</u> RM'000	Comparative quarter <u>30.06.2012</u> RM'000	Cumulative 6 months <u>30.6.2013</u> RM'000	Comparative 6 months <u>30.06.2012</u> RM'000
Current income tax				
- current period	996	3,313	2,361	7,493
- under/(over) provision in prior years	16	(89)	19	(67)
Deferred tax				
- current period	(55)	(3)	(38)	35
- underprovision in prior years	-	10	35	10
	<u>957</u>	<u>3,231</u>	<u>2,377</u>	<u>7,471</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>30.6.2013</u> RM'000	Comparative quarter <u>30.06.2012</u> RM'000	Cumulative 6 months <u>30.6.2013</u> RM'000	Comparative 6 months <u>30.06.2012</u> RM'000
Profit before tax (excluding share share of results of associates)	<u>10,753</u>	<u>15,219</u>	<u>16,239</u>	<u>31,566</u>
Taxation at 25%	2,688	3,805	4,060	7,892
Expenses not deductible	48	750	885	1,442
Deferred tax assets not recognised	23	357	157	742
Income not subject to tax	(1,010)	(896)	(1,027)	(1,222)
Utilisation of previously unrecognised deductible temporary differences	(31)	(140)	(44)	(272)
Tax effect of differences in tax rate	(777)	(566)	(1,708)	(1,054)
Over / (Under) provision of tax in prior years	16	(79)	54	(57)
	<u>957</u>	<u>3,231</u>	<u>2,377</u>	<u>7,471</u>



## 21. SUBSEQUENT EVENTS

On 12 July 2013, the Company proposed to acquire 20.14% shareholding in Kumpulan Europlus Berhad, representing 115,400,000 ordinary shares of RM1.00 each for a total cash consideration of RM155,790,000.

On 19 July 2013, the Company entered into a Rescission Agreement with the Purchaser to mutually terminate the Sale and Purchase Agreement for the disposal of 100% equity interest in Fauzi-Lim Plantation Sdn Bhd, Etika Gangsa Sdn Bhd and Taka Worldwide Trading Sdn Bhd.

There are no other 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>30.6.2013</u> RM'000	Comparative Quarter <u>30.6.2012</u> RM'000	Cumulative 6 months <u>30.6.2013</u> RM'000	Cumulative 6 months <u>30.6.2012</u> RM'000
Profit for the period	<u>9,230</u>	<u>11,781</u>	<u>13,890</u>	<u>23,501</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>4.01</u>	<u>5.10</u>	<u>6.03</u>	<u>10.16</u>



**24. BREAKDOWN OF RETAINED PROFITS INTO REALISED AND UNREALISED**

	<u>30.6.2013</u>	<u>30.6.2012</u>
	RM'000	RM'000
Total retained profits of the Company and its subsidiaries:		
- Realised profit	210,803	137,757
- Unrealised loss	<u>(1,222)</u>	<u>(612)</u>
	209,581	137,145
Total share of retained profits from associates:		
- Realised loss	(16,995)	(17,546)
Less: Consol adjustments	29,303	6,771
Retained profits as per financial statements	<u><u>221,889</u></u>	<u><u>126,370</u></u>

**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 August 2013**