



MWE HOLDINGS BERHAD (5713-D)

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2014

	<u>30.06.2014</u>	<u>31.12.2013</u>
	Unaudited	Audited
	RM'000	RM'000
Assets		
<u>Non-Current Assets</u>		
Property, plant & equipment	68,488	69,471
Investment properties	60,745	60,745
Investment in associates	181,466	175,853
Other investments	294,932	285,821
Other non-current assets	42,542	43,684
	<u>648,173</u>	<u>635,574</u>
<u>Current Assets</u>		
Inventories	42,443	40,907
Property development costs	10,874	8,049
Trade and other receivables	47,995	66,332
Current tax receivable	2,398	2,758
Cash and bank balances	77,417	84,321
Other current assets	2,538	1,967
	<u>183,665</u>	<u>204,334</u>
Total assets	<u><u>831,838</u></u>	<u><u>839,908</u></u>



MWE HOLDINGS BERHAD (5713-D)

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2014 (Cont'd)

	<u>31.03.2014</u> Unaudited RM'000	<u>31.12.2013</u> Audited RM'000
Equity and liabilities		
<u>Current Liabilities</u>		
Trade and other payables	43,423	45,203
Loans and borrowings	53,588	91,008
Current tax payable	1,217	1,621
	<u>98,228</u>	<u>137,832</u>
<u>Non-Current Liabilities</u>		
Loans and borrowings	55,782	47,174
Deferred tax liabilities	1,934	1,889
Deferred income	12,208	13,403
	<u>69,924</u>	<u>62,466</u>
Total liabilities	168,152	200,298
<u>Equity</u>		
Share capital	231,559	231,559
Reserves	421,930	398,713
Treasury shares	(1,931)	(1,931)
	<u>651,558</u>	<u>628,341</u>
Non-controlling interests	12,128	11,269
Total equity	<u>663,686</u>	<u>639,610</u>
Total equity and liabilities	<u>831,838</u>	<u>839,908</u>
Net assets per share (RM)	2.83	2.73

(The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Annual Audited Accounts for the year ended 31 December 2013)



MWE HOLDINGS BERHAD (5713-D)

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2014

	Current quarter <u>30.06.2014</u> RM'000	Comparative quarter <u>30.06.2013</u> RM'000	Cumulative 6 months <u>30.06.2014</u> RM'000	Comparative 6 months <u>30.06.2013</u> RM'000
Revenue	78,731	70,904	154,319	147,971
Cost of sales	<u>(65,605)</u>	<u>(55,472)</u>	<u>(125,271)</u>	<u>(118,718)</u>
Gross profit	13,126	15,432	29,048	29,253
Interest income	283	847	966	1,782
Other income	(3,186)	4,708	1,403	5,227
Other operating expenses	<u>(7,928)</u>	<u>(9,018)</u>	<u>(15,469)</u>	<u>(16,974)</u>
Operating profit	2,295	11,969	15,948	19,288
Finance costs	(1,901)	(1,022)	(3,931)	(2,319)
Share of results of associates	9,714	(52)	5,475	195
Profit before tax from continuing operations	10,108	10,895	17,492	17,164
Income tax expense	<u>(581)</u>	<u>(921)</u>	<u>(2,314)</u>	<u>(2,329)</u>
Profit from continuing operations, net of tax	9,527	9,974	15,178	14,835
Discontinued operation	<u>-</u>	<u>(230)</u>	<u>-</u>	<u>(778)</u>
Profit for the period	<u>9,527</u>	<u>9,744</u>	<u>15,178</u>	<u>14,057</u>
Other comprehensive income:				
Fair value gain on available- for-sale financial assets	17,552	12,410	9,109	21,005
Foreign currency translation	(890)	1,503	(1,073)	1,691
Share of other comprehensive income of associate	<u>(3)</u>	<u>-</u>	<u>41</u>	<u>-</u>
	<u>16,659</u>	<u>13,913</u>	<u>8,077</u>	<u>22,696</u>
Total comprehensive income	<u>26,186</u>	<u>23,657</u>	<u>23,255</u>	<u>36,753</u>
Profit attributable to:				
Owners of the parent	9,432	9,230	14,991	13,890
Non-controlling interest	<u>95</u>	<u>514</u>	<u>187</u>	<u>167</u>
	<u>9,527</u>	<u>9,744</u>	<u>15,178</u>	<u>14,057</u>
Total comprehensive income attributable to:				
Owners of the parent	26,215	22,955	23,217	36,349
Non-controlling interest	<u>(29)</u>	<u>702</u>	<u>38</u>	<u>404</u>
	<u>26,186</u>	<u>23,657</u>	<u>23,255</u>	<u>36,753</u>
Basic earnings per share (sen)	4.10	4.01	6.51	6.03

(The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Annual Audited Accounts for the year ended 31 December 2013)



MWE HOLDINGS BERHAD (5713-D)

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2014

	< ----- Attributable to owners of the parent ----- >						Total Equity RM'000
	Share Capital RM'000	Non-distributable Treasury Shares RM'000	Other Reserves RM'000	Distributable Retained Earnings RM'000	Total RM'000	Non-controlling Interests RM'000	
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>
At 1.1.2014	231,559	(1,931)	176,175	222,538	628,341	11,269	639,610
Total comprehensive income	-	-	8,226	14,991	23,217	38	23,255
Disposal of shares in subsidiary	-	-	-	-	-	821	821
At 30.6.2014	<u>231,559</u>	<u>(1,931)</u>	<u>184,401</u>	<u>237,529</u>	<u>651,558</u>	<u>12,128</u>	<u>663,686</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 2013)



MWE HOLDINGS BERHAD (5713-D)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2014

	6 months ended	
	30.06.2014	30.06.2013
	Unaudited RM'000	Unaudited RM'000
Cash flows from operating activities		
Profit before tax from continuing operations	17,492	17,164
Loss before tax from discontinued operations	-	(730)
Profit before tax, total	17,492	16,434
Adjustment for :		
Amortisation of biological assets	307	307
Amortisation of land use rights	250	250
Depreciation of property, plant and equipment	1,805	2,176
Gain on disposal of associate	(443)	-
Gain on disposal of investment property	-	(320)
Gain on disposal of property, plant and equipment	(5)	(67)
Gain on disposal of shares in subsidiary	(4)	-
Net fair value loss on derivatives assets	3	-
Net unrealised foreign exchange gain	(1)	-
Property, plant and equipment written off	96	7
Reversal of impairment loss on investment in associates	(126)	-
Share of results of associates	(5,475)	(195)
Dividend income	(3,324)	(3,322)
Interest income	(966)	(1,791)
Interest expenses	3,931	2,324
Operating profit before working capital changes	13,540	15,803
Changes in inventories	(1,831)	(7,275)
Changes in property development activities	(842)	7,426
Changes in receivables	17,476	(3,649)
Changes in payables	(2,614)	3,534
Changes in trade line borrowings	-	(806)
Cash generated from operations	25,729	15,033
Interest received	966	1,791
Interest paid	(3,931)	(2,324)
Net income tax paid	(2,292)	(2,984)
Net cash from operating activities	20,472	11,516



MWE HOLDINGS BERHAD (5713-D)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2014 (Cont'd)

	6 months ended	
	30.06.2014	30.06.2013
	Unaudited	Unaudited
	RM'000	RM'000
Cash flows from investing activities		
Capital return from other investments	-	5,200
Dividends received	3,324	2,496
Proceeds from disposal of associate	472	-
Proceeds from disposal of investment properties	-	950
Proceeds from disposal of property, plant and equipment	13	75
Proceeds from disposal of shares in subsidiary	825	-
Purchase of biological assets	(1)	-
Purchase of land use rights	(1,400)	-
Purchase of other investments	(2)	(37,813)
Purchase of property, plant and equipment	(1,041)	(1,434)
Net cash generated from/(used in) investing activities	<u>2,190</u>	<u>(30,526)</u>
Cash flows from financing activities		
Bank borrowings raised	53,000	-
Dividends paid to shareholders	-	(20,721)
Repayment of bank borrowings	(76,390)	(59,956)
Repayment of hire purchase and finance lease instalments	(266)	(263)
Net cash used in financing activities	<u>(23,656)</u>	<u>(80,940)</u>
Net decrease in cash & bank balances	(994)	(99,950)
Effects of foreign exchange rate changes	78	(58)
	(916)	(100,008)
Cash & bank balances at beginning of period	79,079	216,990
Effects of foreign exchange rate changes	(831)	1,238
	78,248	218,228
Cash & bank balances at end of period	<u>77,332</u>	<u>118,220</u>



MWE HOLDINGS BERHAD (5713-D)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2014 (Cont'd)

	6 months ended	
	<u>30.06.2014</u>	<u>30.06.2013</u>
	Unaudited	Unaudited
	RM'000	RM'000
<i>Represented by :</i>		
Cash & bank balances	77,417	118,300
Bank Overdrafts	(85)	(80)
	<u>77,332</u>	<u>118,220</u>
<i>Note:</i>		
Cash & bank balances as per Cash Flow	77,332	118,300
Less: Reclassified to disposal group classified as held for sale	-	(1,352)
As per Balance Sheet	<u>77,332</u>	<u>116,948</u>

(The Condensed Consolidated Statements of Cash Flow should be read in conjunction with the Annual Audited Accounts for the year ended 31 December 2013)



MWE HOLDINGS BERHAD (5713-D)

EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2014

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 2013 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 2014 :-

Amendments to FRS 132	Offsetting Financial Assets and Financial Liabilities
Amendments to FRS 10, 12 & 127	Investment Entities
Amendments to FRS 136	Recoverable Amount Disclosures for Non-Financial Assets
Amendments to FRS 139	Novation of Derivatives and Continuation of Hedge Accounting
IC Interpretation 21	Levies
Amendments to FRS 119	Defined Benefit Plans: Employee Contribution
Annual Improvements to FRSs 2010-2012 Cycle	
Annual Improvements to FRSs 2011-2013 Cycle	
FRS 9	Financial Instruments

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 9 Financial Instruments

FRS 9 reflects the first phase of work on the replacement of FRS 139 and applies to classification and measurement of financial assets and financial liabilities as defined in FRS 139. The standard was initially effective for annual periods beginning on or after 1 January 2013, but Amendments to FRS 9: Mandatory Effective Date of FRS 9 and Transition Disclosures, issued in March 2012, moved the mandatory effective date to 1 January 2015. Subsequently, on 14 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 FRS 9 will have an effect on the classification and measurement of the Group’s financial assets, but will not have an impact on classification and measurements 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.



2. ACCOUNTING POLICIES (cont'd)

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 two years. On 7 August 2013, MASB has further deferred the adoption of the new MFRS Framework to another year. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2015.

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 2015. 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 reporting quarter, the Company disposed its 30% shareholding in its subsidiary, representing 4,800,000 ordinary shares of RM1.00 each in Prime Achiever Sdn Bhd (PASB) for a total cash consideration of RM825,473. PASB remains as a 70% owned subsidiary of the Company.

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

The Company did not pay any dividend during the reporting period.

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 period are as follows:

	<u>Secured</u>	<u>Unsecured</u>	<u>Total</u>
	RM '000	RM '000	RM '000
Short term			
Obligations under finance lease	509	-	509
Bankers' acceptances and trust receipts	-	-	-
Bank overdrafts		85	85
Revolving credit	51,400	1,300	52,700
Term loans	294	-	294
	<u>52,203</u>	<u>1,385</u>	<u>53,588</u>
Long term			
Obligations under finance lease	738	-	738
Term loans	55,044	-	55,044
	<u>55,782</u>	<u>-</u>	<u>55,782</u>
	<u>107,985</u>	<u>1,385</u>	<u>109,370</u>

There were no foreign borrowings as at 30 June 2014.

**14. DERIVATIVE FINANCIAL INSTRUMENTS**

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

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	Tele- communication RM'000	Properties RM'000	Plantation RM'000	Trading & Others RM'000	Total RM'000
<u>30 June 2014</u>						
Revenue						
External sales	97,306	34,828	1,870	1,839	18,476	154,319
Inter-segment sales	-	-	190	-	595	785
Total revenue	<u>97,306</u>	<u>34,828</u>	<u>2,060</u>	<u>1,839</u>	<u>19,071</u>	<u>155,104</u>
Results						
Segment profit/(loss)	9,098	2,526	(206)	(477)	5,007	15,948
Finance costs						(3,931)
Share of results of associates	-	-	(11)	-	5,486	5,475
Profit before tax						<u>17,492</u>
<u>30 June 2013</u>						
Revenue						
External sales	86,213	30,924	11,231	3,215	16,388	147,971
Inter-segment sales	-	-	180	-	630	810
Total revenue	<u>86,213</u>	<u>30,924</u>	<u>11,411</u>	<u>3,215</u>	<u>17,018</u>	<u>148,781</u>
Results						
Segment profit	9,508	2,228	947	728	5,877	19,288
Finance costs						(2,319)
Share of results of associates	-	(1)	196	-	-	195
Profit before tax						<u>17,164</u>

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

	30.06.2014	30.06.2013	Variance	
	RM'000	RM'000	RM'000	%
Revenue	154,319	147,971	6,348	4.3
Profit before tax	17,492	17,164	328	1.9

During the reporting period, the Group posted total revenue of RM154.3 million, 4% higher than RM148.0 million recorded in preceding year corresponding period. Profit before tax remained stable at RM17 million for both periods.

Textile division

	30.06.2014	30.06.2013	Variance	
	RM'000	RM'000	RM'000	%
Revenue	97,306	86,213	11,093	12.9
Profit before tax	8,012	8,835	(823)	(9.3)

Textile division registered RM97.3 million in revenue during the reporting period, contributing 63% of the revenue of the Group.

Revenue increased to RM97.3 million as compared to RM86.2 million in 2013, mainly derived from strengthening of Ringgit against USD which translated into higher sale. However, pre-tax profit reduced by 9% mainly attributed to lower gross profit margins.

Telecommunications division

	30.06.2014	30.06.2013	Variance	
	RM'000	RM'000	RM'000	%
Revenue	34,828	30,924	3,904	12.6
Profit before tax	2,409	2,224	185	8.3

For the first half of the year, Telecommunications division reported higher revenue at RM34.8 million as compared to RM30.9 million in 2013, mainly derived from stronger sales in tracking devices. With the increase in revenue, the division managed to record higher pre-tax profit at RM2.4 million as compared to RM2.2 million in the first half of 2013.

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

	30.06.2014	30.06.2013	Variance	
	RM'000	RM'000	RM'000	%
Revenue	2,060	11,411	(9,351)	(81.9)
Profit before tax	(305)	880	(1,185)	(134.7)

During the reporting period, Properties division reported RM2.1 million in revenue, RM9.4 million lower as compared to RM11.4 million in 2013. Higher revenue reported in 2013 mainly attributed to sales of development land during the preceding year first quarter.

Plantation division

	30.06.2014	30.06.2013	Variance	
	RM'000	RM'000	RM'000	%
Revenue	1,839	3,215	(1,376)	(42.8)
Profit before tax	(482)	713	(1,195)	(167.6)

Plantation division reported lower revenue for current period mainly due to lower crop yields. As a result, the division recorded RM0.5 million in pre-tax loss.

Trading and others division

	30.06.2014	30.06.2013	Variance	
	RM'000	RM'000	RM'000	%
Revenue	18,286	16,208	2,078	12.8
Profit before tax	7,858	4,512	3,346	74.2

Industrial division reported RM8.0 million in revenue, RM1.6 million lower as compared to RM9.6 million in 2013, mainly attributed to lower sales from the Dongfeng heavy commercial vehicle.

For current reporting period, pre-tax profit reported higher at RM7.9 million, mainly attributed to share of profit of associates as well as dividends received from quoted investments.

17. COMMENT ON MATERIAL CHANGE IN PROFIT BEFORE TAX

For current quarter, the Group registered RM78.7 million in revenue, slightly higher than RM75.6 million reported in the preceding Q1 of 2014. Pre-tax profit reported higher at RM10.1 million for current reporting quarter as compared to RM7.4 million in preceding quarter, mainly due to profit from share of results in associates.

**18. PROSPECTS FOR FINANCIAL YEAR 2014**

The Group's revenue and profitability for current financial year will be mainly driven by both Textile and Telecommunications divisions as well as contribution from an associate company. The global economy remained uncertain and challenging for the remaining quarters of 2014.

19. PROFIT BEFORE TAX

Included in the profit before tax are the following items:

	Current Quarter <u>30.06.2014</u> RM'000	Comparative Quarter <u>30.06.2013</u> RM'000	Cumulative 6 months <u>30.06.2014</u> RM'000	Cumulative 6 months <u>30.06.2013</u> RM'000
Amortisation of biological assets	153	154	307	307
Amortisation of land use rights	125	125	250	250
Depreciation of property, plant and equipment				
- continuing operations	875	1,052	1,805	2,051
- discontinued operation	-	67	-	125
Fair value adjustment on investment properties	-	(320)	-	(320)
Interest expenses				
- continuing operations	1,901	1,022	3,931	2,319
- discontinued operation	-	3	-	5
Interest income				
- continuing operations	(283)	(847)	(966)	(1,782)
- discontinued operation	-	(8)	-	(9)
Gain on disposal of property, plant and equipment				
- continuing operations	(5)	(4)	(5)	(4)
- discontinued operation	-	-	-	(63)
Net fair value loss on derivatives	-	-	3	-
Net unrealised foreign exchange loss/(gain)	8	(68)	(1)	-
Property, plant and equipment written off	-	-	96	7
Reversal of impairment loss on investment in associates	4,051	-	(126)	-

**20. INCOME TAX EXPENSE**

The tax expense consists of:

	Current quarter <u>30.06.2014</u> RM'000	Comparative quarter <u>30.06.2013</u> RM'000	Cumulative 6 months <u>30.06.2014</u> RM'000	Comparative 6 months <u>30.06.2013</u> RM'000
Current income tax				
- current period	996	961	2,670	2,314
- (over)/under provision in prior years	(402)	15	(402)	18
Deferred tax				
- current period	(13)	(55)	46	(38)
- under provision in prior years	-	-	-	35
Income tax attributable to continuing operations	581	921	2,314	2,329
Income tax attributable to discontinued operations	-	36	-	48
Income tax expense	<u>581</u>	<u>957</u>	<u>2,314</u>	<u>2,377</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>30.06.2014</u> RM'000	Comparative quarter <u>30.06.2013</u> RM'000	Cumulative 6 months <u>30.06.2014</u> RM'000	Comparative 6 months <u>30.06.2013</u> RM'000
Profit before tax from continuing operations	10,108	10,895	17,492	17,164
Loss before tax from discontinued operations	-	(194)	-	(730)
Profit before tax, total	<u>10,108</u>	<u>10,701</u>	<u>17,492</u>	<u>16,434</u>
Taxation at 25%	2,527	2,676	4,373	4,109
Expenses not deductible	1,671	49	2,771	886
Deferred tax assets not recognised	26	23	142	157
Income not subject to tax	(642)	(1,011)	(2,582)	(1,027)
Utilisation of previously unrecognised deductible temporary differences	(13)	(31)	(17)	(44)
Tax effect of differences in tax rate	(157)	(777)	(602)	(1,708)
Over / (Under) provision of tax in prior years	(402)	15	(402)	53
Share of results of associates	(2,429)	13	(1,369)	(49)
	<u>581</u>	<u>957</u>	<u>2,314</u>	<u>2,377</u>

**21. SUBSEQUENT EVENT**

On 19 August 2014, the Company subscribed for its full entitlement of 106,050,000 shares in Kumpulan Europlus Berhad (KEB) at the Rights Issue price of RM1.08 pursuant to KEB Rights Issue exercise amounting to RM114,534,000.

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>30.06.2014</u> RM'000	Comparative Quarter <u>30.06.2013</u> RM'000	Cumulative 6 months <u>30.06.2014</u> RM'000	Cumulative 6 months <u>30.06.2013</u> RM'000
Profit for the period	<u>9,432</u>	<u>9,230</u>	<u>14,991</u>	<u>13,890</u>
No. of ordinary shares after deducting treasury shares	<u>230,235</u>	<u>230,235</u>	<u>230,235</u>	<u>230,235</u>
Basic EPS (sen)	<u>4.10</u>	<u>4.01</u>	<u>6.51</u>	<u>6.03</u>

24. BREAKDOWN OF RETAINED PROFITS INTO REALISED AND UNREALISED

	Current Quarter <u>30.06.2014</u> RM'000	Comparative Quarter <u>30.06.2013</u> RM'000
Total retained profits of the Company and its subsidiaries:		
- Realised profit	215,718	210,803
- Unrealised profit/(loss)	<u>4,731</u>	<u>(1,222)</u>
	220,449	209,581
Total share of retained profits from associates:		
- Realised loss	(12,548)	(16,995)
Add: Consol adjustments	29,628	29,303
Retained profits as per financial statements	<u>237,529</u>	<u>221,889</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
29 August 2014**