



MWE HOLDINGS BERHAD (5713-D)

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2014

| | <u>30.09.2014</u> | <u>31.12.2013</u> |
|--|-----------------------|-----------------------|
| | Unaudited | Audited |
| | RM'000 | RM'000 |
| Assets | | |
| <u>Non-Current Assets</u> | | |
| Property, plant & equipment | 67,849 | 69,471 |
| Investment properties | 60,745 | 60,745 |
| Investment in associates | 289,868 | 175,853 |
| Other investments | 296,638 | 285,821 |
| Other non-current assets | 38,565 | 43,684 |
| | <u>753,665</u> | <u>635,574</u> |
| <u>Current Assets</u> | | |
| Inventories | 42,109 | 40,907 |
| Property development costs | 10,882 | 8,049 |
| Trade and other receivables | 43,055 | 66,332 |
| Current tax receivable | 275 | 2,758 |
| Cash and bank balances | 86,625 | 84,321 |
| Other current assets | 2,280 | 1,967 |
| | <u>185,226</u> | <u>204,334</u> |
| Disposal group classified as held for sale | 3,722 | - |
| | <u>188,948</u> | <u>204,334</u> |
| Total assets | <u><u>942,613</u></u> | <u><u>839,908</u></u> |



MWE HOLDINGS BERHAD (5713-D)

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

| | <u>30.09.2014</u> Unaudited RM'000 | <u>31.12.2013</u> Audited RM'000 |
|--|--|--|
| Equity and liabilities | | |
| <u>Current Liabilities</u> | | |
| Trade and other payables | 45,051 | 45,203 |
| Loans and borrowings | 161,507 | 91,008 |
| Current tax payable | 1,280 | 1,621 |
| | <hr/> 207,838 | <hr/> 137,832 |
| Disposal group classified as held for sale | 48 | - |
| | <hr/> 207,886 | <hr/> 137,832 |
| <u>Non-Current Liabilities</u> | | |
| Loans and borrowings | 55,483 | 47,174 |
| Deferred tax liabilities | 1,944 | 1,889 |
| Deferred income | 12,135 | 13,403 |
| | <hr/> 69,562 | <hr/> 62,466 |
| Total liabilities | 277,448 | 200,298 |
| <u>Equity</u> | | |
| Share capital | 231,559 | 231,559 |
| Reserves | 423,122 | 398,713 |
| Treasury shares | (1,931) | (1,931) |
| | <hr/> 652,750 | <hr/> 628,341 |
| Non-controlling interests | 12,415 | 11,269 |
| Total equity | <hr/> 665,165 | <hr/> 639,610 |
| Total equity and liabilities | <hr/> <hr/> 942,613 | <hr/> <hr/> 839,908 |
| Net assets per share (RM) | 2.84 | 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 NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2014

| | Current quarter <u>30.09.2014</u> RM'000 | Comparative quarter <u>30.09.2013</u> RM'000 | Cumulative 9 months <u>30.09.2014</u> RM'000 | Comparative 9 months <u>30.09.2013</u> RM'000 |
|--|---|---|---|--|
| Revenue | 62,721 | 77,542 | 217,040 | 225,513 |
| Cost of sales | (51,294) | (59,891) | (176,565) | (178,609) |
| Gross profit | 11,427 | 17,651 | 40,475 | 46,904 |
| Interest income | 267 | 1,216 | 1,233 | 2,998 |
| Other income | 6,635 | (1,014) | 8,038 | 4,213 |
| Other operating expenses | (18,868) | (28,779) | (34,337) | (45,753) |
| Operating (loss)/profit | (539) | (10,926) | 15,409 | 8,362 |
| Finance costs | (2,089) | (1,140) | (6,020) | (3,459) |
| Share of results of associates | 2,284 | 199 | 7,759 | 394 |
| (Loss)/Profit before tax from continuing operations | (344) | (11,867) | 17,148 | 5,297 |
| Income tax expense | (557) | (1,004) | (2,871) | (3,333) |
| (Loss)/Profit from continuing operations, net of tax | (901) | (12,871) | 14,277 | 1,964 |
| Discontinued operation | - | (149) | - | (927) |
| (Loss)/Profit for the period | (901) | (13,020) | 14,277 | 1,037 |
| Other comprehensive income: | | | | |
| Fair value gain on available-for-sale financial assets | 6,119 | 14,603 | 15,228 | 35,608 |
| Foreign currency translation | 863 | 534 | (210) | 2,225 |
| Share of other comprehensive income of associate | 3 | - | 44 | - |
| | <u>6,985</u> | <u>15,137</u> | <u>15,062</u> | <u>37,833</u> |
| Total comprehensive income | <u>6,084</u> | <u>2,117</u> | <u>29,339</u> | <u>38,870</u> |
| (Loss)/Profit attributable to: | | | | |
| Owners of the parent | (1,064) | (13,295) | 13,927 | 595 |
| Non-controlling interest | 163 | 275 | 350 | 442 |
| | <u>(901)</u> | <u>(13,020)</u> | <u>14,277</u> | <u>1,037</u> |
| Total comprehensive income attributable to: | | | | |
| Owners of the parent | 5,797 | 1,763 | 29,014 | 38,112 |
| Non-controlling interest | 287 | 354 | 325 | 758 |
| | <u>6,084</u> | <u>2,117</u> | <u>29,339</u> | <u>38,870</u> |
| Basic earnings per share (sen) | (0.46) | (5.77) | 6.05 | 0.26 |

(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 NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2014

| | < ----- Attributable to owners of the parent ----- > | | | | | | Total Equity RM'000 |
|----------------------------------|--|-----------------------------|--------------------------------|-----------------|----------------|--|---------------------------|
| | Share Capital RM'000 | Non-distributable | | Distributable | | Non-controlling Interests RM'000 | |
| | Treasury Shares RM'000 | Other Reserves RM'000 | Retained Earnings RM'000 | Total RM'000 | | | |
| At 1.1.2013 | 231,559 | (1,931) | 139,104 | 228,720 | 597,452 | 12,433 | 609,885 |
| Total comprehensive income | - | - | 37,517 | 595 | 38,112 | 758 | 38,870 |
| Dividend paid | - | - | - | (20,721) | (20,721) | (498) | (21,219) |
| At 30.9.2013 | <u>231,559</u> | <u>(1,931)</u> | <u>176,621</u> | <u>208,594</u> | <u>614,843</u> | <u>12,693</u> | <u>627,536</u> |
| At 1.1.2014 | 231,559 | (1,931) | 176,175 | 222,538 | 628,341 | 11,269 | 639,610 |
| Total comprehensive income | - | - | 15,087 | 13,927 | 29,014 | 325 | 29,339 |
| Dividend paid | - | - | - | (4,605) | (4,605) | - | (4,605) |
| Disposal of shares in subsidiary | - | - | - | - | - | 821 | 821 |
| At 30.9.2014 | <u>231,559</u> | <u>(1,931)</u> | <u>191,262</u> | <u>231,860</u> | <u>652,750</u> | <u>12,415</u> | <u>665,165</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 NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2014

| | 9 months ended | |
|---|-------------------|-------------------|
| | <u>30.09.2014</u> | <u>30.09.2013</u> |
| | Unaudited | Unaudited |
| | RM'000 | RM'000 |
| Cash flows from operating activities | | |
| Profit before tax from continuing operations | 17,148 | 5,297 |
| Loss before tax from discontinued operations | - | (865) |
| Profit before tax, total | <u>17,148</u> | <u>4,432</u> |
| Adjustment for : | | |
| Amortisation of biological assets | 461 | 461 |
| Amortisation of land use rights | 370 | 375 |
| Bad debts written off | - | 26 |
| Depreciation of property, plant and equipment | 2,718 | 3,321 |
| Gain on disposal of investment properties | - | (133) |
| Gain on disposal of associate | (443) | - |
| Gain on disposal of quoted investment | (6,029) | - |
| Gain on disposal of property, plant and equipment | (4) | (151) |
| Gain on disposal of shares in subsidiary | (4) | - |
| Impairment loss on investment in associates | 11,655 | 19,827 |
| Net fair value loss on derivatives assets | 3 | - |
| Net unrealised foreign exchange (gain)/loss | (58) | 68 |
| Property, plant and equipment written off | 96 | 7 |
| Reversal of impairment loss on receivables | - | (74) |
| Share of results of associates | (7,759) | (394) |
| Dividend income | (9,927) | (8,535) |
| Interest income | (1,233) | (3,013) |
| Interest expenses | <u>6,020</u> | <u>3,469</u> |
| Operating profit before working capital changes | 13,014 | 19,686 |
| Changes in inventories | (1,239) | (10,716) |
| Changes in property development activities | (851) | 8,442 |
| Changes in receivables | 22,956 | 24,078 |
| Changes in payables | (807) | 4,113 |
| Changes in trade line borrowings | - | (2,402) |
| Cash (used in)/generated from operations | 33,073 | 43,201 |
| Interest received | 1,233 | 3,013 |
| Interest paid | (6,020) | (3,469) |
| Net income tax paid | <u>(661)</u> | <u>(3,068)</u> |
| Net cash from operating activities | <u>27,625</u> | <u>39,677</u> |



MWE HOLDINGS BERHAD (5713-D)

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

| | 9 months ended | |
|--|--|--|
| | 30.09.2014 | 30.09.2013 |
| | Unaudited | Unaudited |
| | RM'000 | RM'000 |
| Cash flows from investing activities | | |
| Capital return from other investments | - | 32,221 |
| Disposal of a subsidiary, net of cash | 825 | - |
| Dividends received | 9,927 | 7,132 |
| Proceeds from disposal of an associate | 472 | - |
| Proceeds from disposal of investment properties | - | 950 |
| Proceeds from disposal of other investments | 10,456 | - |
| Proceeds from disposal of property, plant and equipment | 13 | 169 |
| Purchase of biological assets | (1) | - |
| Investment in/Purchase of associate | (117,899) | (29,687) |
| Purchase of land use rights | (1,400) | - |
| Purchase of other investments | (15) | (37,813) |
| Purchase of property, plant and equipment | (1,227) | (1,500) |
| Redemption of preference shares | - | 5,200 |
| Net cash generated from investing activities | <u>(98,849)</u> | <u>(23,328)</u> |
| Cash flows from financing activities | | |
| Bank borrowings raised | 134,700 | - |
| Dividends paid to non-controlling interests | - | (498) |
| Dividends paid to shareholders | (4,605) | (20,721) |
| Repayment of bank borrowings | (50,674) | (59,827) |
| Repayment of hire purchase and finance lease instalments | (378) | (407) |
| Net cash generated from financing activities | <u>79,043</u> | <u>(81,453)</u> |
| Net increase in cash & bank balances | 7,819 | (65,104) |
| Effects of foreign exchange rate changes | (74) | (207) |
| | 7,745 | (65,311) |
| Cash & bank balances at beginning of period | 79,079 | 216,990 |
| Effects of foreign exchange rate changes | (212) | 1,708 |
| | 78,867 | 218,698 |
| Cash & bank balances at end of period | <u><u>86,612</u></u> | <u><u>153,387</u></u> |



MWE HOLDINGS BERHAD (5713-D)

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

| | 9 months ended | |
|-------------------------|-------------------|-------------------|
| | <u>30.09.2014</u> | <u>30.09.2013</u> |
| | Unaudited | Unaudited |
| | RM'000 | RM'000 |
| <i>Represented by :</i> | | |
| Cash & bank balances | 86,626 | 153,604 |
| Bank Overdrafts | (14) | (217) |
| | <u>86,612</u> | <u>153,387</u> |



MWE HOLDINGS BERHAD (5713-D)

EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 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

In the second 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.

During the reporting quarter, the Company subscribed and was allotted 109,165,500 shares together with 54,582,750 of free warrants in Kumpulan Europlus Berhad (KEB) at the Rights Issue price of RM1.08 pursuant to KEB Rights Issue exercise. The Company paid RM117,898,740 to take up the KEB Rights Issue shares with warrants.

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 | 504 | - | 504 |
| Bank overdrafts | - | 14 | 14 |
| Revolving credit | 159,300 | 1,300 | 160,600 |
| Term loans | 389 | - | 389 |
| | <u>160,193</u> | <u>1,314</u> | <u>161,507</u> |
| Long term | | | |
| Obligations under finance lease | 629 | - | 629 |
| Term loans | 54,854 | - | 54,854 |
| | <u>55,483</u> | <u>-</u> | <u>55,483</u> |
| | <u>215,676</u> | <u>1,314</u> | <u>216,990</u> |

There were no foreign borrowings as at 30 September 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 <u>RM'000</u> | Tele- communication <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> |
|-----------------------------------|--------------------------|---|-----------------------------|-----------------------------|--------------------------------------|------------------------|
| <u>30 September 2014</u> | | | | | | |
| Revenue | | | | | | |
| External sales | 132,550 | 50,053 | 2,797 | 2,990 | 28,650 | 217,040 |
| Inter-segment sales | - | - | 286 | - | 922 | 1,208 |
| Total revenue | <u>132,550</u> | <u>50,053</u> | <u>3,083</u> | <u>2,990</u> | <u>29,572</u> | <u>218,248</u> |
| Results | | | | | | |
| Segment profit/(loss) | <u>10,778</u> | <u>3,419</u> | <u>(102)</u> | <u>(484)</u> | <u>1,798</u> | <u>15,409</u> |
| Finance costs | | | | | | (6,020) |
| Share of results of associates | <u>1</u> | <u>-</u> | <u>213</u> | <u>-</u> | <u>7,545</u> | <u>7,759</u> |
| Profit before tax | | | | | | <u><u>17,148</u></u> |
| <u>30 September 2013</u> | | | | | | |
| Revenue | | | | | | |
| External sales | 127,593 | 47,673 | 12,904 | 5,569 | 31,774 | 225,513 |
| Inter-segment sales | - | - | 270 | - | 2,435 | 2,705 |
| Total revenue | <u>127,593</u> | <u>47,673</u> | <u>13,174</u> | <u>5,569</u> | <u>34,209</u> | <u>228,218</u> |
| Results | | | | | | |
| Segment profit/(loss) | <u>12,327</u> | <u>3,426</u> | <u>1,046</u> | <u>1,776</u> | <u>(10,213)</u> | <u>8,362</u> |
| Finance costs | | | | | | (3,459) |
| Share of results of associates | <u>-</u> | <u>-</u> | <u>394</u> | <u>-</u> | <u>-</u> | <u>394</u> |
| Profit before tax | | | | | | <u><u>5,297</u></u> |

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

| | 30.09.2014 | 30.09.2013 | Variance | |
|-------------------|------------|------------|----------|-------|
| | RM'000 | RM'000 | RM'000 | % |
| Revenue | 217,040 | 225,513 | (8,473) | (3.8) |
| Profit before tax | 17,148 | 5,297 | 11,851 | 223.7 |

During the reporting period, the Group posted total revenue of RM217.0 million, 4% lower than RM225.5 million recorded in preceding year corresponding period. Profit before tax reported higher at RM17.1 million, mainly attributed to gain from disposal of investments, higher share of profit in associates as well as lower impairment loss recognised for investment in associates.

Textile division

| | 30.09.2014 | 30.09.2013 | Variance | |
|-------------------|------------|------------|----------|--------|
| | RM'000 | RM'000 | RM'000 | % |
| Revenue | 132,550 | 127,593 | 4,957 | 3.9 |
| Profit before tax | 9,524 | 11,363 | (1,839) | (16.2) |

Textile division registered RM132.6 million in revenue during the reporting period, contributing 61% of the revenue of the Group.

Revenue increased to RM132.6 million as compared to RM127.6 million in 2013, mainly derived from strengthening of Ringgit against USD which translated into higher sale. However, pre-tax profit reduced by RM1.8 million mainly attributed to lower profit margins.

Telecommunications division

| | 30.09.2014 | 30.09.2013 | Variance | |
|-------------------|------------|------------|----------|-------|
| | RM'000 | RM'000 | RM'000 | % |
| Revenue | 50,053 | 47,673 | 2,380 | 5.0 |
| Profit before tax | 3,226 | 3,279 | (53) | (1.6) |

For the nine-month period, Telecommunications division reported higher revenue at RM50.1 million as compared to RM47.7 million in 2013, mainly derived from stronger sales in tracking devices. The division maintained RM3.2 million pre-tax profit for both periods.

Properties division

| | 30.09.2014 | 30.09.2013 | Variance | |
|-------------------|------------|------------|----------|---------|
| | RM'000 | RM'000 | RM'000 | % |
| Revenue | 2,797 | 12,904 | (10,107) | (78.3) |
| Profit before tax | (251) | 940 | (1,191) | (126.7) |

During the reporting period, Properties division reported RM2.8 million in revenue, RM10.1 million lower as compared to RM12.9 million in 2013. Higher revenue reported in 2013 mainly attributed to sales of development land during the preceding year first quarter.

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

| | 30.09.2014 | 30.09.2013 | Variance | |
|-------------------|------------|------------|----------|---------|
| | RM'000 | RM'000 | RM'000 | % |
| Revenue | 2,990 | 5,569 | (2,579) | (46.3) |
| Profit before tax | (494) | 1,754 | (2,248) | (128.2) |

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

| | 30.09.2014 | 30.09.2013 | Variance | |
|-------------------|------------|------------|----------|---------|
| | RM'000 | RM'000 | RM'000 | % |
| Revenue | 28,650 | 31,774 | (3,124) | (9.8) |
| Profit before tax | 5,143 | (12,039) | 17,182 | (142.7) |

Industrial division reported RM12.9 million in revenue, RM3.4 million lower as compared to RM16.2 million in 2013, mainly attributed to lower sales from the Dongfeng heavy commercial vehicle.

For current reporting period, pre-tax profit reported higher at RM5.1 million, mainly attributed to gain from disposal of investments, higher share of profit in associates as well as lower impairment loss recognised for investment in associates.

17. COMMENT ON MATERIAL CHANGE IN PROFIT BEFORE TAX

For current quarter, the Group registered RM62.7 million in revenue, RM16.0 million lower as compared to RM78.7 million reported in the preceding Quarter 2, as both Textile and Daviscomms divisions experienced slowdown in sale for third quarter. Pre-tax profit reported higher at RM10.1 million for preceding second quarter as compared to RM0.3 million loss for current reporting quarter, mainly due to higher profit registered from share of results in associates of RM9.7 million in the preceding second quarter.

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 Management is confident that the performance of the Group for the last quarter of the financial year 2014 will be both positive and encouraging.

**19. PROFIT BEFORE TAX**

Included in the profit before tax are the following items:

| | Current Quarter <u>30.09.2014</u> RM'000 | Comparative Quarter <u>30.09.2013</u> RM'000 | Cumulative 9 months <u>30.09.2014</u> RM'000 | Cumulative 9 months <u>30.09.2013</u> RM'000 |
|--|---|---|---|---|
| Amortisation of biological assets | 154 | 154 | 461 | 461 |
| Amortisation of land use rights | 120 | 125 | 370 | 375 |
| Doubtful debts written back | - | (74) | - | (74) |
| Bad debts written off | - | 26 | - | 26 |
| Depreciation of property, plant and equipment | | | | |
| - continuing operations | 913 | 1,064 | 2,718 | 3,115 |
| - discontinued operation | - | 81 | - | 206 |
| Fair value adjustment on investment properties | - | 320 | - | - |
| Impairment loss on investment in associates | 11,781 | 19,827 | 11,655 | 19,827 |
| Interest expenses | | | | |
| - continuing operations | 2,089 | 1,140 | 6,020 | 3,459 |
| - discontinued operation | - | 5 | - | 10 |
| Interest income | | | | |
| - continuing operations | (267) | (1,216) | (1,233) | (2,998) |
| - discontinued operation | - | (6) | - | (15) |
| (Gain)/Loss on disposal of | | | | |
| - associates | (443) | - | (443) | - |
| - investment properties | - | - | - | (133) |
| - quoted investment | (6,029) | - | (6,029) | - |
| - subsidiaries | (4) | - | (4) | - |
| (Gain)/Loss on disposal of property, plant and equipment | | | | |
| - continuing operations | 1 | (28) | (4) | (32) |
| - discontinued operation | - | (56) | - | (119) |
| Net fair value loss/(gain) on derivatives | - | - | 3 | - |
| Net unrealised foreign exchange loss/(gain) | (57) | 68 | (58) | 68 |
| Property, plant and equipment written off | - | - | 96 | 7 |
| Reversal of impairment loss on investment in associates | 126 | - | - | - |

**20. INCOME TAX EXPENSE**

The tax expense consists of:

| | Current quarter <u>30.09.2014</u> RM'000 | Comparative quarter <u>30.09.2013</u> RM'000 | Cumulative 9 months <u>30.09.2014</u> RM'000 | Comparative 9 months <u>30.09.2013</u> RM'000 |
|--|---|---|---|--|
| Current income tax | | | | |
| - current period | 583 | 1,365 | 3,253 | 3,679 |
| - over provision in prior years | (35) | (395) | (437) | (377) |
| Deferred tax | | | | |
| - current period | 6 | 44 | 52 | 6 |
| - under/(over) provision in prior years | 3 | (10) | 3 | 25 |
| Income tax attributable to continuing operations | 557 | 1,004 | 2,871 | 3,333 |
| Income tax attributable to discontinued operations | - | 14 | - | 62 |
| Income tax expense | <u>557</u> | <u>1,018</u> | <u>2,871</u> | <u>3,395</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>30.09.2014</u> RM'000 | Comparative quarter <u>30.09.2013</u> RM'000 | Cumulative 9 months <u>30.09.2014</u> RM'000 | Comparative 9 months <u>30.09.2013</u> RM'000 |
|---|---|---|---|--|
| Profit before tax from continuing operations | (344) | (11,867) | 17,148 | 5,297 |
| Loss before tax from discontinued operations | - | (135) | - | (865) |
| Profit before tax, total | <u>(344)</u> | <u>(12,002)</u> | <u>17,148</u> | <u>4,432</u> |
| Taxation at 25% | (86) | (3,001) | 4,287 | 1,108 |
| Expenses not deductible | 1,119 | 5,703 | 3,890 | 6,589 |
| Deferred tax assets not recognised | 32 | 1,065 | 174 | 1,222 |
| Income not subject to tax | 303 | (986) | (2,279) | (2,013) |
| Utilisation of previously unrecognised deductible temporary differences | 11 | (796) | (6) | (840) |
| Tax effect of differences in tax rate | (219) | (512) | (821) | (2,220) |
| Over provision of tax in prior years | (32) | (405) | (434) | (352) |
| Share of results of associates | (571) | (50) | (1,940) | (99) |
| | <u>557</u> | <u>1,018</u> | <u>2,871</u> | <u>3,395</u> |



21. SUBSEQUENT EVENT

On 26 November 2014, the Company announced the disposal of its 100% equity interest in Etika Gangsa Sdn Bhd and Taka Worldwide Trading Sdn Bhd for a total consideration of RM4,197,693.

As at 30 September 2014, the assets and liabilities related to the above two companies have been presented in the statements of financial position as “Disposal group classified as held for sale”.

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>30.09.2014</u> RM'000 | Comparative Quarter <u>30.09.2013</u> RM'000 | Cumulative 9 months <u>30.09.2014</u> RM'000 | Cumulative 9 months <u>30.09.2013</u> RM'000 |
|---|---|---|---|---|
| Profit for the period | <u>(1,064)</u> | <u>(13,295)</u> | <u>13,927</u> | <u>595</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>(0.46)</u> | <u>(5.77)</u> | <u>6.05</u> | <u>0.26</u> |



24. BREAKDOWN OF RETAINED PROFITS INTO REALISED AND UNREALISED

| | Current Quarter <u>30.09.2014</u> RM'000 | Comparative Quarter <u>30.09.2013</u> RM'000 |
|---|---|---|
| Total retained profits of the Company and its subsidiaries: | | |
| - Realised profit | 210,114 | 197,310 |
| - Unrealised profit/(loss) | <u>4,722</u> | <u>(1,327)</u> |
| | 214,836 | 195,983 |
| Total share of retained profits from associates: | | |
| - Realised loss | (9,416) | (16,796) |
| Add: Consol adjustments | 26,440 | 29,407 |
| | <u>231,860</u> | <u>208,594</u> |
| Retained profits as per financial statements | <u>231,860</u> | <u>208,594</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
27 November 2014**