



MWE HOLDINGS BERHAD (5713-D)

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2014

	<u>31.12.2014</u>	<u>31.12.2013</u>
	Unaudited	Audited
	RM'000	RM'000
Assets		
<u>Non-Current Assets</u>		
Property, plant & equipment	67,534	69,471
Investment properties	60,745	60,745
Investment in associates	271,523	175,853
Other investments	260,759	285,821
Other non-current assets	38,315	43,684
	<u>698,876</u>	<u>635,574</u>
<u>Current Assets</u>		
Inventories	38,038	40,907
Property development costs	12,382	8,049
Trade and other receivables	53,238	66,332
Current tax receivable	103	2,758
Cash and bank balances	83,380	84,321
Other current assets	2,196	1,967
	<u>189,337</u>	<u>204,334</u>
Disposal group classified as held for sale	3,692	-
	<u>193,029</u>	<u>204,334</u>
Total assets	<u><u>891,905</u></u>	<u><u>839,908</u></u>



MWE HOLDINGS BERHAD (5713-D)

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2014 (Cont'd)

	<u>31.12.2014</u> Unaudited RM'000	<u>31.12.2013</u> Audited RM'000
Equity and liabilities		
<u>Current Liabilities</u>		
Trade and other payables	43,446	45,203
Loans and borrowings	152,594	91,008
Current tax payable	2,773	1,621
	<u>198,813</u>	<u>137,832</u>
Disposal group classified as held for sale	87	-
	<u>198,900</u>	<u>137,832</u>
<u>Non-Current Liabilities</u>		
Loans and borrowings	55,315	47,174
Deferred tax liabilities	1,949	1,889
Deferred income	12,142	13,403
	<u>69,406</u>	<u>62,466</u>
Total liabilities	268,306	200,298
<u>Equity</u>		
Share capital	231,559	231,559
Reserves	380,655	398,713
Treasury shares	(1,931)	(1,931)
	<u>610,283</u>	<u>628,341</u>
Non-controlling interests	13,316	11,269
Total equity	<u>623,599</u>	<u>639,610</u>
Total equity and liabilities	<u>891,905</u>	<u>839,908</u>
Net assets per share (RM)	2.65	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 TWELVE-MONTH PERIOD ENDED 31 DECEMBER 2014

	Current quarter <u>31.12.2014</u> RM'000	Comparative quarter <u>31.12.2013</u> RM'000	Cumulative 12 months <u>31.12.2014</u> RM'000	Comparative 12 months <u>31.12.2013</u> RM'000
Revenue	84,077	75,418	301,117	300,931
Cost of sales	(62,211)	(60,565)	(238,776)	(239,174)
Gross profit	21,866	14,853	62,341	61,757
Interest income	355	176	1,588	3,174
Other income	672	7,433	8,710	11,646
Other operating expenses	(30,556)	(2,882)	(64,893)	(48,635)
Operating (loss)/profit	(7,663)	19,580	7,746	27,942
Finance costs	(3,087)	(1,574)	(9,107)	(5,033)
Share of results of associates	3,833	(1,923)	11,592	(1,529)
(Loss)/Profit before tax from continuing operations	(6,917)	16,083	10,231	21,380
Income tax expense	(2,659)	(1,068)	(5,530)	(4,401)
(Loss)/Profit from continuing operations, net of tax	(9,576)	15,015	4,701	16,979
Discontinued operation	-	(123)	-	(1,050)
(Loss)/Profit for the period	(9,576)	14,892	4,701	15,929
Other comprehensive income:				
Fair value gain on available- for-sale financial assets	(35,846)	(1,384)	(20,618)	34,224
Foreign currency translation	3,859	1,018	3,649	3,243
Share of other comprehensive income of associate	-	742	44	742
	(31,987)	376	(16,925)	38,209
Total comprehensive income	(41,563)	15,268	(12,224)	54,138
(Loss)/Profit attributable to:				
Owners of the parent	(9,957)	13,944	3,970	14,539
Non-controlling interest	381	948	731	1,390
	(9,576)	14,892	4,701	15,929
Total comprehensive income attributable to:				
Owners of the parent	(42,464)	14,198	(13,450)	52,310
Non-controlling interest	901	1,070	1,226	1,828
	(41,563)	15,268	(12,224)	54,138
Basic earnings per share (sen)	(4.32)	6.06	1.72	6.31

(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 TWELVE-MONTH PERIOD ENDED 31 DECEMBER 2014

	< ----- Attributable to owners of the parent ----- >					Non-controlling Interests	Total Equity
	Share Capital	Treasury Shares	Other Reserves	Distributable Retained Earnings	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>	<u>RM'000</u>
At 1.1.2013	231,559	(1,931)	139,104	228,720	597,452	12,433	609,885
Total comprehensive income	-	-	37,771	14,539	52,310	1,828	54,138
Dividend paid	-	-	-	(20,721)	(20,721)	(498)	(21,219)
Disposal of subsidiaries	-	-	(700)	-	(700)	(2,494)	(3,194)
At 31.12.2013	<u>231,559</u>	<u>(1,931)</u>	<u>176,175</u>	<u>222,538</u>	<u>628,341</u>	<u>11,269</u>	<u>639,610</u>
At 1.1.2014	231,559	(1,931)	176,175	222,538	628,341	11,269	639,610
Total comprehensive income	-	-	(17,420)	3,970	(13,450)	1,226	(12,224)
Dividend paid	-	-	-	(4,605)	(4,605)	-	(4,605)
Disposal of associate	-	-	(3)	-	(3)	-	(3)
Disposal of shares in subsidiary	-	-	-	-	-	821	821
At 31.12.2014	<u>231,559</u>	<u>(1,931)</u>	<u>158,752</u>	<u>221,903</u>	<u>610,283</u>	<u>13,316</u>	<u>623,599</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 TWELVE-MONTH PERIOD ENDED 31 DECEMBER 2014

	12 months ended	
	<u>31.12.2014</u>	<u>31.12.2013</u>
	Unaudited	Unaudited
	RM'000	RM'000
Cash flows from operating activities		
Profit before tax from continuing operations	10,231	21,380
Loss before tax from discontinued operations	-	(942)
Profit before tax, total	<u>10,231</u>	<u>20,438</u>
Adjustment for :		
Amortisation of biological assets	614	614
Amortisation of land use rights	495	500
Bad debts written off	-	50
Depreciation of property, plant and equipment	3,613	4,102
Gain on disposal of investment properties	-	(91)
Gain on disposal of associates	(450)	-
Gain on disposal of quoted investments	(6,150)	-
Gain on disposal of property, plant and equipment	(5)	(100)
(Gain)/Loss on disposal of shares in subsidiary	(4)	1,201
Fair value adjustment on investment properties	-	(6,169)
Net fair value loss/(gain) on derivatives assets	3	(3)
Impairment loss on goodwill	-	2,114
Impairment loss on receivables	-	1,037
Impairment loss on unquoted equity investment	-	167
Impairment loss on investment in associates	33,738	14,011
Net unrealised foreign exchange (gain)/loss	(59)	257
Property, plant and equipment written off	108	104
Reversal of impairment loss on receivables	-	(931)
Write-down of inventory	-	193
Share of results of associates	(11,592)	1,529
Dividend income	(13,615)	(13,623)
Interest income	(1,588)	(3,174)
Interest expenses	9,107	5,033
Operating profit before working capital changes c/f	<u>24,446</u>	<u>27,259</u>



MWE HOLDINGS BERHAD (5713-D)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE TWELVE-MONTH PERIOD ENDED 31 DECEMBER 2014 (Cont'd)

	12 months ended	
	31.12.2014	31.12.2013
	Unaudited RM'000	Unaudited RM'000
Operating profit before working capital changes b/f	24,446	27,259
Changes in inventories	3,363	(2,741)
Changes in property development activities	(2,355)	8,440
Changes in receivables	14,108	13,833
Changes in payables	(3,743)	2,118
Changes in trade line borrowings	-	(2,402)
Cash generated from operations	35,819	46,507
Interest received	1,588	3,174
Interest paid	(9,107)	(5,033)
Net income tax paid	(1,770)	(1,014)
Net cash from operating activities	26,530	43,634
Cash flows from investing activities		
Capital return from other investments	-	37,420
Disposal of a subsidiary, net of cash	-	(734)
Dividends received	13,615	12,220
Proceeds from disposal of associates	574	-
Proceeds from disposal of investment properties	-	1,370
Proceeds from disposal of other investments	10,627	-
Proceeds from disposal of property, plant and equipment	13	118
Proceeds from disposal of shares in subsidiary	825	-
Purchase of biological assets	(1)	-
Investment in/Purchase of associate	(117,899)	(187,641)
Purchase of land use rights	(1,400)	-
Purchase of other investments	(17)	(37,813)
Purchase of property, plant and equipment	(1,474)	(1,582)
Redemption of preference shares	-	-
Net cash used in investing activities	(95,137)	(176,642)



MWE HOLDINGS BERHAD (5713-D)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE TWELVE-MONTH PERIOD ENDED 31 DECEMBER 2014 (Cont'd)

	12 months ended	
	31.12.2014 Unaudited RM'000	31.12.2013 Unaudited RM'000
Cash flows from financing activities		
Bank borrowings raised	125,700	26,750
Dividends paid to non-controlling interests	-	(498)
Dividends paid to shareholders	(4,605)	(20,721)
Purchases of treasury shares	-	-
Repayment of bank borrowings	(50,380)	(12,577)
Repayment of hire purchase and finance lease instalments	(493)	(536)
Net cash generated from/(used in) financing activities	<u>70,222</u>	<u>(7,582)</u>
Net increase/(decrease) in cash & bank balances	1,615	(140,590)
Effects of foreign exchange rate changes	146	220
	1,761	(140,370)
Cash & bank balances at beginning of period	79,079	216,990
Effects of foreign exchange rate changes	2,398	2,459
	81,477	219,449
Cash & bank balances at end of period	<u><u>83,238</u></u>	<u><u>79,079</u></u>
<i>Represented by :</i>		
Cash & bank balances	83,380	84,321
Bank Overdrafts	(142)	(5,242)
	<u><u>83,238</u></u>	<u><u>79,079</u></u>



MWE HOLDINGS BERHAD (5713-D)

EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE TWELVE-MONTH PERIOD ENDED 31 DECEMBER 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

As announced on 30 December 2014, the Company has changed its financial year end to 31 March. The first set of financial statements reflecting the change shall be made up from 1 January 2014 to 31 March 2015 covering a period of 15 months.

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 2014, MASB has further deferred the adoption of the new MFRS Framework to another year. Subsequently on 2 September 2014, MASB has announced that Transitioning Entities shall be required to apply the MFRS Framework for annual periods beginning on or after 1 January 2017.

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 March 2018. 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.

In the third 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.

During the quarter, the Company disposed its 100% equity interest in Etika Gangsa Sdn Bhd and Taka Worldwide Trading Sdn Bhd for a total consideration of RM4,197,693. The disposal is expected to be completed in the first quarter of 2015.



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> RM '000	<u>Unsecured</u> RM '000	<u>Total</u> RM '000
Short term			
Obligations under finance lease	463	-	463
Bank overdrafts	-	142	142
Revolving credit	150,300	1,300	151,600
Term loans	389	-	389
	<u>151,152</u>	<u>1,442</u>	<u>152,594</u>
Long term			
Obligations under finance lease	555	-	555
Term loans	54,760	-	54,760
	<u>55,315</u>	<u>-</u>	<u>55,315</u>
	<u>206,467</u>	<u>1,442</u>	<u>207,909</u>

There were no foreign borrowings as at 31 December 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:

	<u>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>31 December 2014</u>						
Revenue						
External sales	187,603	66,623	4,282	3,866	38,743	301,117
Inter-segment sales	-	-	389	-	51,228	51,617
Total revenue	<u>187,603</u>	<u>66,623</u>	<u>4,671</u>	<u>3,866</u>	<u>89,971</u>	<u>352,734</u>

**15. SEGMENT INFORMATION (cont'd)**

	Textile RM'000	Tele- communication RM'000	Properties RM'000	Plantation RM'000	Trading & Others RM'000	Total RM'000
<u>31 December 2014</u>						
Results						
Segment profit/(loss)	20,373	4,979	428	(1,001)	(17,033)	7,746
Finance costs						(9,107)
Share of results of associates	1	-	272	-	11,319	11,592
Profit before tax						<u>10,231</u>
<u>31 December 2013</u>						
Revenue						
External sales	167,534	66,886	15,107	7,505	43,899	300,931
Inter-segment sales	-	-	359	-	45,396	45,755
Total revenue	<u>167,534</u>	<u>66,886</u>	<u>15,466</u>	<u>7,505</u>	<u>89,295</u>	<u>346,686</u>
Results						
Segment profit/(loss)	14,862	3,137	8,148	2,450	(655)	27,942
Finance costs						(5,033)
Share of results of associates	-	-	336	-	(1,865)	(1,529)
Profit before tax						<u>21,380</u>

16. PERFORMANCE REVIEW**Group performance**

	31.12.2014	31.12.2013	Variance	
	RM'000	RM'000	RM'000	%
Revenue	301,117	300,931	186	0.1
Profit before tax	10,231	21,380	(11,149)	(52.1)

During the reporting period, the Group posted total revenue of RM301.1 million, slightly higher than RM300.9 million recorded in preceding year corresponding period. Profit before tax reported lower at RM10.2 million, mainly attributed to impairment loss recognised for investment in associate.

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

	31.12.2014	31.12.2013	Variance	
	RM'000	RM'000	RM'000	%
Revenue	187,603	167,534	20,069	12.0
Profit before tax	18,890	13,715	5,175	37.7

Textile division registered RM187.6 million in revenue during the reporting period, contributing 62% of the revenue of the Group.

Revenue increased to RM187.6 million as compared to RM167.5 million in 2013, mainly derived from strengthening of Ringgit against USD which translated into higher sale. In line with the increase in revenue, pre-tax profit also reported higher at RM18.9 million as compared to RM13.7 million in 2013.

Telecommunication division

	31.12.2014	31.12.2013	Variance	
	RM'000	RM'000	RM'000	%
Revenue	66,623	66,886	(263)	(0.4)
Profit before tax	4,795	3,041	1,754	57.7

For the current reporting period, Telecommunication division reported lower revenue at RM66.6 million as compared to RM66.9 million in 2013. Despite the reduction in revenue, the division managed to record higher pre-tax profit at RM4.8 million, mainly attributed to higher gross profit margin.

Properties division

	31.12.2014	31.12.2013	Variance	
	RM'000	RM'000	RM'000	%
Revenue	4,282	15,107	(10,825)	(71.7)
Profit before tax	228	1,825	(1,597)	(87.5)

During the twelve-month period, Properties division reported RM4.3 million in revenue, RM10.8 million lower as compared to RM15.1 million in 2013. Higher revenue reported in 2013 mainly attributed to sales of development land during the preceding year first quarter.

Plantation division

	31.12.2014	31.12.2013	Variance	
	RM'000	RM'000	RM'000	%
Revenue	3,866	7,505	(3,639)	(48.5)
Profit before tax	(1,011)	2,223	(3,234)	(145.5)

Plantation division reported lower revenue for current period mainly due to lower crop yields. As a result, the division recorded RM1.0 million in pre-tax loss.

**16. PERFORMANCE REVIEW (cont'd)****Trading and others division**

	<u>31.12.2014</u>	<u>31.12.2013</u>	<u>Variance</u>	
	RM'000	RM'000	RM'000	%
Revenue	38,743	43,899	(5,156)	(11.7)
Profit before tax	(12,671)	576	(13,247)	(2,299.8)

Industrial division reported RM17.3 million in revenue, RM5.5 million lower as compared to RM22.8 million in 2013, mainly attributed to lower sales from the Dongfeng heavy commercial vehicle.

For current reporting period, Trading and other divisions reported RM12.7 million in pre-tax loss, mainly attributed to impairment loss recognised for investment in associate.

17. COMMENT ON MATERIAL CHANGE IN PROFIT BEFORE TAX

For current quarter, the Group registered RM84.1 million in revenue, RM21.4 million higher as compared to RM62.7 million reported in the preceding third quarter, as both Textile and Telecommunication divisions reported higher turnover for fourth quarter. However, the Group reported pre-tax loss of RM6.9 million for current reporting quarter as compared to RM0.3 million loss for preceding third quarter, mainly due to higher impairment loss recognised for investment in associate.

18. PROSPECTS FOR FINANCIAL YEAR 2015

The Group's revenue and profitability for current financial year will be mainly driven by both Textile and Telecommunication divisions as well as contribution from an associate company. With the expansion of new products by Telecommunication division and improved sales orders from Textile division, the performance of the Group for the coming fifth quarter as the Group will be reporting its results for 15 months after the change of financial year end, is expected to be satisfactory.

19. PROFIT BEFORE TAX

Included in the profit before tax are the following items:

	Current Quarter <u>31.12.2014</u> RM'000	Comparative Quarter <u>31.12.2013</u> RM'000	Cumulative 12 months <u>31.12.2014</u> RM'000	Cumulative 12 months <u>31.12.2013</u> RM'000
Amortisation of biological assets	153	153	614	614
Amortisation of land use rights	125	125	495	500
Bad debts written off	-	24	-	50
Fair value adjustment on investment properties	-	(6,169)	-	(6,169)

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

Included in the profit before tax are the following items:

	Current Quarter <u>31.12.2014</u> RM'000	Comparative Quarter <u>31.12.2013</u> RM'000	Cumulative 12 months <u>31.12.2014</u> RM'000	Cumulative 12 months <u>31.12.2013</u> RM'000
Depreciation of property, plant and equipment				
- continuing operations	895	711	3,613	3,826
- discontinued operation	-	70	-	276
Fair value loss/(gain) on derivatives	-	(3)	3	(3)
Impairment loss on				
- other investment	-	-	-	167
- goodwill	-	-	-	2,114
- investment in associate	22,083	(5,816)	33,738	14,011
Impairment loss on receivables	-	-	-	1,037
Interest expenses				
- continuing operations	3,087	1,574	9,107	5,033
- discontinued operation	-	-	-	10
Interest income				
- continuing operations	(355)	(176)	(1,588)	(3,174)
- discontinued operation	-	-	-	(15)
(Gain)/Loss on disposal of				
- associates	(7)	-	(450)	-
- investment properties	-	42	-	(91)
- quoted investment	(121)	-	(6,150)	-
- subsidiaries	-	1,201	(4)	1,201
(Gain)/Loss on disposal of property, plant and equipment				
- continuing operations	(1)	(1)	(5)	(33)
- discontinued operation	-	52	-	(67)
Unrealised foreign exchange				
- continuing operations	(1)	(310)	(59)	(242)
- discontinued operation	-	-	-	(15)
Property, plant and equipment written off	12	97	108	104
Reversal of impairment loss on receivables	-	(857)	-	(931)
Write-down of inventories	-	-	-	193

**20. INCOME TAX EXPENSE**

The tax expense consists of:

	Current quarter <u>31.12.2014</u> RM'000	Comparative quarter <u>31.12.2013</u> RM'000	Cumulative 12 months <u>31.12.2014</u> RM'000	Comparative 12 months <u>31.12.2013</u> RM'000
Current income tax				
- current period	2,515	1,222	5,768	4,901
- under/(over) provision in prior years	140	(278)	(297)	(655)
Deferred tax				
- current period	4	124	56	130
- under provision in prior years	-	-	3	25
Income tax attributable to continuing operations	2,659	1,068	5,530	4,401
Income tax attributable to discontinued operations	-	46	-	108
Income tax expense	<u>2,659</u>	<u>1,114</u>	<u>5,530</u>	<u>4,509</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>31.12.2014</u> RM'000	Comparative quarter <u>31.12.2013</u> RM'000	Cumulative 12 months <u>31.12.2014</u> RM'000	Comparative 12 months <u>31.12.2013</u> RM'000
(Loss)/Profit before tax from continuing operations	(6,917)	16,083	10,231	21,380
Loss before tax from discontinued operations	-	(77)	-	(942)
(Loss)/Profit before tax, total	<u>(6,917)</u>	<u>16,006</u>	<u>10,231</u>	<u>20,438</u>
Taxation at 25%	(1,729)	4,002	2,558	5,110
Expenses not deductible	6,066	359	9,956	6,948
Deferred tax assets not recognised	78	(1,198)	252	24
Income not subject to tax	35	(1,962)	(2,244)	(3,975)
Utilisation of previously unrecognised deductible temporary differences	(27)	(528)	(33)	(1,368)
Tax effect of differences in tax rate	(946)	238	(1,767)	(1,982)
Over/(Under) provision of tax in prior years	140	(278)	(294)	(630)
Share of results of associates	(958)	481	(2,898)	382
	<u>2,659</u>	<u>1,114</u>	<u>5,530</u>	<u>4,509</u>

**21. SUBSEQUENT EVENT**

On 15 January 2015, the Company announced its wholly-owned subsidiary, MWE Weaving Mills Sdn Bhd commenced members' voluntary winding-up pursuant to Section 254(1)(b) of the Companies Act, 1965.

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>31.12.2014</u> RM'000	Comparative Quarter <u>31.12.2013</u> RM'000	Cumulative 12 months <u>31.12.2014</u> RM'000	Cumulative 12 months <u>31.12.2013</u> RM'000
(Loss)/Profit for the period	<u>(9,957)</u>	<u>13,944</u>	<u>3,970</u>	<u>14,539</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>(4.32)</u>	<u>6.06</u>	<u>1.72</u>	<u>6.31</u>

24. BREAKDOWN OF RETAINED PROFITS INTO REALISED AND UNREALISED

	Current Quarter <u>31.12.2014</u> RM'000	Comparative Quarter <u>31.12.2013</u> RM'000
Total retained profits of the Group:		
- Realised profit	200,633	206,490
- Unrealised profit	<u>4,780</u>	<u>4,650</u>
	205,413	211,140
Total share of realised loss from associates:	(5,666)	(17,265)
Add: Consol adjustments	<u>22,156</u>	<u>28,663</u>
Retained profits as per financial statements	<u>221,903</u>	<u>222,538</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
26 February 2015**