



MWE HOLDINGS BERHAD (5713-D)

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2015

	<u>30.6.2015</u>	<u>31.3.2015</u>
	Unaudited	Audited
	RM'000	RM'000
Assets		
<u>Non-Current Assets</u>		
Property, plant & equipment	68,523	68,460
Investment properties	61,803	61,803
Investment in associates	276,656	277,476
Other investments	242,206	255,648
Other non-current assets	42,110	42,371
	<u>691,298</u>	<u>705,758</u>
<u>Current Assets</u>		
Property development costs	8,065	8,065
Inventories	46,265	45,804
Trade and other receivables	59,807	56,588
Tax recoverable	911	770
Cash and bank balances	94,923	91,147
Other current assets	2,713	2,697
	<u>212,684</u>	<u>205,071</u>
Total assets	<u>903,982</u>	<u>910,829</u>



MWE HOLDINGS BERHAD (5713-D)

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2015 (Cont'd)

	<u>30.6.2015</u> Unaudited RM'000	<u>31.3.2015</u> Audited RM'000
Equity and liabilities		
<u>Current Liabilities</u>		
Trade and other payables	48,420	45,981
Loans and borrowings	152,898	155,934
Current tax payable	1,933	1,272
	<u>203,251</u>	<u>203,187</u>
<u>Non-Current Liabilities</u>		
Loans and borrowings	51,849	52,141
Deferred tax liabilities	2,133	2,101
Deferred income	12,511	12,597
	<u>66,493</u>	<u>66,839</u>
Total liabilities	269,744	270,026
<u>Equity</u>		
Share capital	231,559	231,559
Reserves	389,878	397,135
Treasury shares	(1,931)	(1,931)
	<u>619,506</u>	<u>626,763</u>
Non-controlling interests	14,732	14,040
Total equity	<u>634,238</u>	<u>640,803</u>
Total equity and liabilities	<u>903,982</u>	<u>910,829</u>
Net assets per share (RM)	2.69	2.72

(The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Annual Audited Accounts for the period ended 31 March 2015)



MWE HOLDINGS BERHAD (5713-D)

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE THREE-MONTH PERIOD ENDED 30 JUNE 2015

	Cumulative 3 months <u>30.6.2015</u> RM'000	Comparative 3 months <u>30.6.2014</u> RM'000
Revenue	84,851	-
Cost of sales	(64,700)	-
Gross profit	20,151	-
Interest income	413	-
Other income	806	-
Other operating expenses	(11,640)	-
Operating profit	9,730	-
Finance costs	(3,321)	-
Share of results of associates	2,676	-
Profit before tax	9,085	-
Income tax expense	(1,855)	-
Profit net of tax	7,230	-
Other comprehensive (loss)/income:		
Fair value loss on available-for-sale financial assets	(10,667)	-
Foreign currency translation	1,477	-
	(9,190)	-
Total comprehensive loss	(1,960)	-
Profit attributable to:		
Owners of the parent	6,748	-
Non-controlling interests	482	-
	7,230	-
Total comprehensive income attributable to:		
Owners of the parent	(2,652)	-
Non-controlling interests	692	-
	(1,960)	-
Basic earnings per share (sen)	2.93	-

* As disclosed in Note 2, the Company changed its financial year end from 31 December to 31 March, hence there is no comparative numbers for the preceding year quarter ended 30 June 2014.

(The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Annual Audited Accounts for the period ended 31 March 2015)



MWE HOLDINGS BERHAD (5713-D)

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE THREE-MONTH PERIOD ENDED 30 JUNE 2015

	< ----- 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 1.4.2015	231,559	(1,931)	156,348	240,787	626,763	14,040	640,803
Total comprehensive (loss)/income	-	-	(9,400)	6,748	(2,652)	692	(1,960)
Dividend paid	-	-	-	(4,605)	(4,605)	-	(4,605)
At 30.6.2015	<u>231,559</u>	<u>(1,931)</u>	<u>146,948</u>	<u>242,930</u>	<u>619,506</u>	<u>14,732</u>	<u>634,238</u>

* As disclosed in Note 2, the Company changed its financial year end from 31 December to 31 March, hence there is no comparative numbers for the preceding year quarter ended 30 June 2014.

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Audited Accounts for the period ended 31 March 2015)



MWE HOLDINGS BERHAD (5713-D)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE THREE-MONTH PERIOD ENDED 30 JUNE 2015

	Unaudited 3 months <u>30.6.2015</u> RM'000
Cash flows from operating activities	
Profit before tax	9,085
Adjustment for :	
Amortisation of biological assets	153
Amortisation of land use rights	109
Depreciation of property, plant and equipment	751
Gain on disposal of other investments	(360)
Impairment loss on investment in associates	3,497
Share of results of associates	(2,676)
Dividend income	(3,301)
Interest income	(413)
Interest expenses	3,321
Operating profit before working capital changes	<u>10,166</u>
Changes in inventories	(153)
Changes in receivables	(2,705)
Changes in payables	2,049
Changes in trade line borrowings	(1,234)
Cash generated from operations	8,123
Interest received	413
Interest paid	(3,321)
Net income tax paid	(1,305)
Net cash generated from operating activities	<u>3,910</u>
Cash flows from investing activities	
Dividends received	3,301
Proceeds from disposal of other investments	3,135
Purchase of property, plant and equipment	(715)
Net cash generated from investing activities	<u>5,721</u>



MWE HOLDINGS BERHAD (5713-D)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE THREE-MONTH PERIOD ENDED 30 JUNE 2015 (Cont'd)

	Unaudited 3 months <u>30.6.2015</u> RM'000	
Cash flows from financing activities		
Dividends paid to shareholders	(4,605)	
Repayment of bank borrowings	(2,296)	
Repayment of hire purchase and finance lease instalments	(117)	
Net cash used in financing activities	<u>(7,018)</u>	
Net increase in cash & cash equivalents	<table border="1"><tr><td style="text-align: right;">2,613</td></tr></table>	2,613
2,613		
Effects of foreign exchange rate changes	<table border="1"><tr><td style="text-align: right;">26</td></tr></table>	26
26		
	2,639	
Cash & cash equivalents at beginning of year	<table border="1"><tr><td style="text-align: right;">91,116</td></tr></table>	91,116
91,116		
Effects of foreign exchange rate changes	<table border="1"><tr><td style="text-align: right;">819</td></tr></table>	819
819		
	91,935	
Cash & cash equivalents at end of period	<u><u>94,574</u></u>	
<i>Represented by :</i>		
Cash & cash equivalents	94,923	
Bank overdrafts	(349)	
	<u><u>94,574</u></u>	

* As disclosed in Note 2, the Company changed its financial year end from 31 December to 31 March, hence there is no comparative numbers for the preceding year quarter ended 30 June 2014.

(The Condensed Consolidated Statements of Cash Flow should be read in conjunction
with the Annual Audited Accounts for the period ended 30 June 2015)



MWE HOLDINGS BERHAD (5713-D)

EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 30 JUNE 2015

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. Due to this change in accounting year end, there are no comparative numbers for the preceding year corresponding quarter ended 30 June 2014.

The unaudited interim financial report has been prepared in accordance with Financial Reporting Standard (FRS) 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 period ended 31 March 2015.

Standards issued but not yet effective

The Group intends to adopt the following standards, if applicable, when they become effective. The adoption of the following standards and interpretations will have no material impact on the financial statements of the Group.

Amendments to FRS 119	Defined Benefit Plans: Employee Contributions
Amendments to FRS 116 & 138	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to FRS 10 & 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
Amendments to FRS 11	Accounting for Acquisitions of Interests in Joint Operations
Amendments to FRS 127	Equity Method in Separate Financial Statements
Amendments to FRS 101	Disclosure Initiatives
Amendments to FRS 10, 12 & 128	Investment Entities: Applying the Consolidation Exception
FRS 14	Regulatory Deferral Accounts
FRS 9	Financial Instrument (2014)
Annual Improvements to FRSs 2010-2012 Cycle	
Annual Improvements to FRSs 2011-2013 Cycle	
Annual Improvements to FRSs 2012-2014 Cycle	



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 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 2013 with the exception of entities that are within the scope of MFRS 141 Agriculture and IC Interpretation 15 Agreements for Construction of Real Estate, including its parent, significant investor and venturer (herein called 'Transitioning Entities') will be mandatory 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

There were no material changes in the composition of the Group during the reporting quarter.

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 3 June 2015, the Company paid an interim tax exempt (single tier) dividend of 2% which amounted to RM4.6 million in respect of the financial year ended 31 March 2015.

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	560	-	560
Bank overdrafts	349	-	349
Revolving credit	148,300	1,300	149,600
Term loans	2,389	-	2,389
	<u>151,598</u>	<u>1,300</u>	<u>152,898</u>
Long term			
Obligations under finance lease	280	-	280
Term loans	51,569	-	51,569
	<u>51,849</u>	<u>-</u>	<u>51,849</u>
	<u>203,447</u>	<u>1,300</u>	<u>204,747</u>

There were no foreign borrowings as at 30 June 2015.

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>
30 June 2015						
Revenue						
External sales	51,775	20,448	1,122	704	10,802	84,851
Inter-segment sales	-	-	96	-	430	526
Total revenue	<u>51,775</u>	<u>20,448</u>	<u>1,218</u>	<u>704</u>	<u>11,232</u>	<u>85,377</u>
Results						
Segment profit/(loss)	<u>8,741</u>	<u>2,086</u>	<u>(108)</u>	<u>(709)</u>	<u>(280)</u>	9,730
Finance costs						(3,321)
Share of results of associates	<u>(2)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,678</u>	<u>2,676</u>
Profit before tax						<u>9,085</u>

16. PERFORMANCE REVIEW

	<u>30.6.2015</u> <u>RM'000</u>	<u>30.6.2014</u> <u>RM'000</u>	<u>Variance</u>	
			<u>RM'000</u>	<u>%</u>
Revenue				
Textile	51,775	-	51,775	N/A
Telecommunication	20,448	-	20,448	N/A
Properties	1,122	-	1,122	N/A
Plantation	704	-	704	N/A
Trading and others	<u>10,802</u>	<u>-</u>	<u>10,802</u>	<u>N/A</u>
	<u>84,851</u>	<u>-</u>		
Profit before tax				
Textile	8,235	-	8,235	N/A
Telecommunication	2,024	-	2,024	N/A
Properties	(180)	-	(180)	N/A
Plantation	(732)	-	(732)	N/A
Trading and others	<u>(262)</u>	<u>-</u>	<u>(262)</u>	<u>N/A</u>
	<u>9,085</u>	<u>-</u>		

As disclosed in Note 2, the Company has changed its financial year end to 31 March, hence comparative segmental information is not available. Accordingly, the Company is unable to provide commentary on its segmental results.



17. COMMENT ON MATERIAL CHANGE IN PROFIT BEFORE TAX

For current quarter, the Group registered RM84.9 million in revenue, slightly increased by RM2.9 million as compared to RM82.0 million reported in the preceding period fifth quarter. The Group reported lower pre-tax profit at RM9.1 million for current reporting quarter as compared to RM20.9 million for preceding period fifth quarter. Higher pre-tax profit for the preceding fifth quarter was mainly attributed to impairment loss write-back for investment in associate.

18. PROSPECTS FOR FINANCIAL YEAR 2016

The continual uncertainties in developed and developing countries' economies and the rising operational costs after the implementation of Goods and Services Tax have adversely affected our manufacturing sectors. However, with the strengthening of USD against Ringgit Malaysia, both Textile and Telecommunication divisions is expected to maintain its performance for the coming quarters.

19. PROFIT BEFORE TAX

Included in the profit before tax are the following items:

	Current Quarter <u>30.6.2015</u> RM'000
Amortisation of biological assets	153
Amortisation of land use rights	109
Depreciation of property, plant and equipment	751
Impairment loss on investment in associate	3,497
Interest expenses	3,321
Interest income	(413)
Gain on disposal of unquoted investment	<u>(360)</u>



20. INCOME TAX EXPENSE

The tax expense consists of:

	Current quarter <u>30.6.2015</u> RM'000
Current income tax - current period	1,825
Deferred tax – under provision in prior years	30
Income tax expense	<u>1,855</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>30.6.2015</u> RM'000
Profit before tax	9,085
Taxation at 25%	2,271
Expenses not deductible	1,383
Deferred tax assets not recognised	57
Income not subject to tax	(404)
Utilisation of previously unrecognised deductible temporary differences	(10)
Tax effect of differences in tax rate	(803)
Under provision of tax in prior years	30
Share of results of associates	(669)
	<u>1,855</u>

21. SUBSEQUENT EVENT

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

22. CHANGES IN MATERIAL LITIGATION

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



23. EARNINGS PER SHARE (“EPS”)

Computation of the EPS is as follows:

	Current Quarter <u>30.6.2015</u> RM'000
Profit for the period	<u>6,748</u>
No. of ordinary shares after deducting treasury shares	230,235
Basic EPS (sen)	<u>2.93</u>

24. BREAKDOWN OF RETAINED PROFITS INTO REALISED AND UNREALISED

	<u>30.6.2015</u> Unaudited RM'000
Total retained profits of the Group:	
- Realised profit	152,544
- Unrealised profit	<u>5,477</u>
	158,021
Total share of retained profits from associates:	
- Realised loss	(9,398)
Add: Consol adjustments	94,307
Retained profits as per financial statements	<u>242,930</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 August 2015