



MWE HOLDINGS BERHAD (5713-D)

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2015

	<u>31.12.2015</u> Unaudited RM'000	<u>31.3.2015</u> Audited RM'000
Assets		
<u>Non-Current Assets</u>		
Property, plant & equipment	68,957	68,460
Investment properties	61,803	61,803
Investment in associates	264,709	277,476
Other investments	217,272	255,648
Other non-current assets	41,604	42,371
	<u>654,345</u>	<u>705,758</u>
<u>Current Assets</u>		
Property development costs	8,067	8,065
Inventories	40,270	45,804
Trade and other receivables	74,861	56,588
Tax recoverable	525	770
Cash and bank balances	100,335	91,147
Other current assets	3,735	2,697
	<u>227,793</u>	<u>205,071</u>
Total assets	<u><u>882,138</u></u>	<u><u>910,829</u></u>



MWE HOLDINGS BERHAD (5713-D)

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2015 (Cont'd)

	<u>31.12.2015</u> Unaudited RM'000	<u>31.3.2015</u> Audited RM'000
Equity and liabilities		
<u>Current Liabilities</u>		
Trade and other payables	41,905	45,981
Loans and borrowings	153,873	155,934
Current tax payable	1,562	1,272
	<u>197,340</u>	<u>203,187</u>
<u>Non-Current Liabilities</u>		
Loans and borrowings	51,664	52,141
Deferred tax liabilities	2,149	2,101
Deferred income	12,084	12,597
	<u>65,897</u>	<u>66,839</u>
Total liabilities	263,237	270,026
<u>Equity</u>		
Share capital	231,559	231,559
Reserves	374,248	397,135
Treasury shares	(1,931)	(1,931)
	<u>603,876</u>	<u>626,763</u>
Non-controlling interests	15,025	14,040
Total equity	<u>618,901</u>	<u>640,803</u>
Total equity and liabilities	<u>882,138</u>	<u>910,829</u>
Net assets per share (RM)	2.62	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 NINE-MONTH PERIOD ENDED 31 DECEMBER 2015

	Current quarter <u>31.12.2015</u> RM'000	Comparative quarter <u>31.12.2014</u> RM'000	Cumulative 9 months <u>31.12.2015</u> RM'000	Comparative 9 months <u>31.12.2014</u> RM'000
Revenue	86,591	-	260,967	-
Cost of sales	(68,473)	-	(202,565)	-
Gross profit	18,118	-	58,402	-
Interest income	794	-	1,735	-
Other income	396	-	3,362	-
Other operating expenses	33,284	-	(58,214)	-
Operating profit	52,592	-	5,285	-
Finance costs	(3,314)	-	(9,974)	-
Share of results of associates	(226)	-	6,186	-
Profit before tax	49,052	-	1,497	-
Income tax expense	(2,096)	-	(5,912)	-
Profit/(Loss) for the period	46,956	-	(4,415)	-
Other comprehensive income:				
Fair value gain on available- for-sale financial assets	1,638	-	(23,307)	-
Foreign currency translation	(6,240)	-	8,543	-
	(4,602)	-	(14,764)	-
Total comprehensive income	42,354	-	(19,179)	-
Profit/(Loss) attributable to:				
Owners of the parent	48,024	-	(4,173)	-
Non-controlling interest	(1,068)	-	(242)	-
	46,956	-	(4,415)	-
Total comprehensive income attributable to:				
Owners of the parent	46,983	-	(17,392)	-
Non-controlling interest	(1,540)	-	1,303	-
	45,443	-	(16,089)	-
Basic earnings per share (sen)	20.86	-	(1.81)	-

* 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 31 December 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 NINE-MONTH PERIOD ENDED 31 DECEMBER 2015

	< ----- 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 1.4.2015	231,559	(1,931)	156,348	240,787	626,763	14,040	640,803
Total comprehensive income	-	-	(13,219)	(4,173)	(17,392)	1,303	(16,089)
Dividend paid	-	-	-	(4,605)	(4,605)	-	(4,605)
Dissolution of subsidiary	-	-	(890)	-	(890)	(318)	(1,208)
At 31.12.2015	<u>231,559</u>	<u>(1,931)</u>	<u>142,239</u>	<u>232,009</u>	<u>603,876</u>	<u>15,025</u>	<u>618,901</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 31 December 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 NINE-MONTH PERIOD ENDED 31 DECEMBER 2015

	Unaudited 9 months <u>31.12.2015</u> RM'000
Cash flows from operating activities	
Profit before tax	1,497
Adjustment for :	
Amortisation of biological assets	461
Amortisation of land use rights	328
Depreciation of property, plant and equipment	2,512
Gain on dissolution of a subsidiary	(888)
Gain on disposal of unquoted investments	(360)
Gain on disposal of property, plant and equipment	(12)
Impairment loss on unquoted investment	12,294
Impairment loss on investment in associates	18,953
Property, plant and equipment written off	1
Share of results of associates	(6,186)
Dividend income	(8,727)
Interest income	(1,735)
Interest expenses	9,974
Operating profit before working capital changes	<u>28,112</u>
Changes in inventories	7,120
Changes in receivables	(15,628)
Changes in payables	(7,234)
Changes in trade line borrowings	2,238
Cash generated from operations	<u>14,608</u>
Interest received	1,735
Interest paid	(9,974)
Net income tax paid	(5,556)
Net cash generated from operating activities	<u>813</u>



MWE HOLDINGS BERHAD (5713-D)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE NINE-MONTH PERIOD ENDED 31 DECEMBER 2015 (Cont'd)

	Unaudited 9 months <u>31.12.2015</u> RM'000	
Cash flows from investing activities		
Capital return from other investments		
Dissolution of a subsidiary, net of cash	329	
Dividends received	8,727	
Proceeds from disposal of other investments	3,135	
Proceeds from disposal of property, plant and equipment	17	
Purchase of property, plant and equipment	<u>(2,123)</u>	
Net cash generated from investing activities	<u>10,085</u>	
Cash flows from financing activities		
Dividend paid to shareholders	(4,605)	
Repayment of bank borrowings	(4,386)	
Repayment of hire purchase and finance lease instalments	<u>(359)</u>	
Net cash used in financing activities	<u>(9,350)</u>	
Net increase in cash & cash equivalents	<table border="1"><tr><td style="text-align: right;">1,548</td></tr></table>	1,548
1,548		
Effects of foreign exchange rate changes	<table border="1"><tr><td style="text-align: right;">294</td></tr></table>	294
294		
	1,842	
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;">7,377</td></tr></table>	7,377
7,377		
	98,493	
Cash & cash equivalents at end of period	<u><u>100,335</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 31 December 2014.

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



MWE HOLDINGS BERHAD (5713-D)

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

In the second quarter, Round and Round Pte Ltd, a subsidiary of the Company which was incorporated in Singapore, was dissolved pursuant to Section 308 of the Companies Act, Cap 50.

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. DIVIDEND 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

On 31 December 2012, the Company completed the disposal of its 93.06% shareholding in its subsidiary, representing 5,014,000 ordinary shares of RM1.00 each in Davex (Malaysia) Sdn Bhd for a total cash consideration of RM170,297,327.

As disclosed in the Circular for the above disposal, part of the sales proceeds of RM27.9 million will be utilised to reinforce and expand the existing textile division of the Group, i.e. to set-up a wholly-owned subsidiary in Myanmar. However, due to political uncertainty, language barrier and less developed infrastructure in Myanmar, the Board has decided to move the expansion of its garment business to Vietnam instead. The Group has leased a total land area of 34,000 sq feet which is next to our existing Vietnam factory for expansion of additional 42 production lines. Construction of the new factory building has commenced and targeted to complete by end of the year. The total expansion cost is estimated at around USD6.5 million (approximately RM27.3 million).

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	407	-	407
Bankers' acceptances and trust receipts	3,472	-	3,472
Revolving credit	147,400	1,300	148,700
Term loans	1,294	-	1,294
	<u>152,573</u>	<u>1,300</u>	<u>153,873</u>
Long term			
Obligations under finance lease	190	-	190
Term loans	51,474	-	51,474
	<u>51,664</u>	<u>-</u>	<u>51,664</u>
	<u>204,237</u>	<u>1,300</u>	<u>205,537</u>

There were no foreign borrowings as at 31 December 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:

	<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
31 December 2015						
<u>Revenue</u>						
External sales	176,844	49,521	3,808	2,533	28,261	260,967
Inter-segment sales	-	-	288	-	858	1,146
Total revenue	<u>176,844</u>	<u>49,521</u>	<u>4,096</u>	<u>2,533</u>	<u>29,119</u>	<u>262,113</u>
<u>Results</u>						
Segment profit/(loss)	27,883	3,072	110	(1,224)	(24,556)	5,285
Finance costs						(9,974)
Share of results of associates	(65)	-	-	-	6,251	6,186
Profit before tax						<u>1,497</u>

**16. PERFORMANCE REVIEW**

	31.12.2015	31.12.2014	Variance	
	RM'000	RM'000	RM'000	%
<u>Revenue</u>				
Textile	176,844	-	176,844	N/A
Telecommunication	49,521	-	49,521	N/A
Properties	3,808	-	3,808	N/A
Plantation	2,533	-	2,533	N/A
Trading and others	28,261	-	28,261	N/A
	260,967	-		
<u>Profit before tax</u>				
Textile	26,350	-	26,350	N/A
Telecommunication	2,960	-	2,960	N/A
Properties	(150)	-	(150)	N/A
Plantation	(1,309)	-	(1,309)	N/A
Trading and others	(26,354)	-	(26,354)	N/A
	1,497	-		

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 reported RM86.6 million in revenue, reduced slightly by 3% as compared to RM89.5 million reported in the preceding second quarter. Gross profit reported lower at RM18.1 million mainly due to lower gross profit margin reported by Telecommunication division as a result of lower sales. However, the Group managed to report RM49.1 million pre-tax profit for current reporting quarter. Higher profit was mainly attributed to RM42.7 million impairment write back for investment in associate, i.e. Kumpulan Europlus Bhd, being the impact of its share price increased as compared to 30/9/2015.

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 and trading sectors. The outlook for the remaining quarter is expected to be challenging. However, with the favorable USD exchange rates, Textile division is anticipated to maintain its performance for the remaining quarter.

**19. LOSS BEFORE TAX**

Included in the loss before tax are the following items:

	Current quarter <u>31.12.2015</u> RM'000	Cumulative 9 months <u>31.12.2015</u> RM'000
Amortisation of biological assets	154	461
Amortisation of land use rights	110	328
Depreciation of property, plant and equipment	750	2,512
Impairment loss		
- unquoted investment	-	12,294
- investment in associate	(42,659)	18,953
Interest expenses	3,314	9,974
Interest income	2,676	1,735
Gain on disposal of		
- unquoted investment	-	(360)
- property, plant and equipment	(12)	(12)
Gain on dissolution of subsidiary	-	(888)
Net unrealised foreign exchange loss	359	-
Property, plant and equipment written off	-	1

20. INCOME TAX EXPENSE

The tax expense consists of:

	Current quarter <u>31.12.2015</u> RM'000	Cumulative 9 months <u>31.12.2015</u> RM'000
Current income tax		
- current period	2,153	5,939
- over provision in prior years	(57)	(57)
Deferred tax		
- under provision in prior years	-	30
Income tax expense	<u>2,096</u>	<u>5,912</u>



20. INCOME TAX EXPENSE (cont'd)

A reconciliation of income tax expense applicable to loss 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>31.12.2015</u> RM'000	Cumulative 9 months <u>31.12.2015</u> RM'000
Profit before tax	49,052	1,497
Taxation at 24%	11,772	359
Expenses not deductible	(8,924)	9,387
Deferred tax assets not recognised	202	307
Income not subject to tax	(489)	(1,195)
Utilisation of previously unrecognised deductible temporary differences	18	(18)
Tax effect of differences in tax rate	(480)	(1,416)
Under provision of tax in prior years	(57)	(27)
Share of results of associates	54	(1,485)
	<u>2,096</u>	<u>5,912</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>31.12.2015</u> RM'000	Cumulative 9 months <u>31.12.2015</u> RM'000
Profit for the period	<u>48,024</u>	<u>(4,173)</u>
No. of ordinary shares after deducting treasury shares	230,235	230,235
Basic EPS (sen)	<u>20.86</u>	<u>(1.81)</u>

24. BREAKDOWN OF RETAINED PROFITS INTO REALISED AND UNREALISED

	<u>31.12.2015</u> Unaudited RM'000
Total retained profits of the Group:	
- Realised profit	143,344
- Unrealised profit	<u>5,575</u>
	148,919
Total share of retained profits from associates:	
- Realised loss	(5,888)
Add: Consol adjustments	88,978
Retained profits as per financial statements	<u>232,009</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
24 February 2016