



MWE HOLDINGS BERHAD (5713-D)

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2016

	<u>31.12.2016</u>	<u>31.3.2016</u>
	Unaudited	Audited
	RM'000	RM'000
Assets		
<u>Non-Current Assets</u>		
Property, plant & equipment	45,626	28,287
Investment properties	54,705	62,705
Investment in associates	234,578	237,043
Other investments	184,326	211,235
Other non-current assets	40,201	45,179
	<u>559,436</u>	<u>584,449</u>
<u>Current Assets</u>		
Property development costs	8,087	8,079
Inventories	36,897	46,407
Trade and other receivables	74,267	42,400
Prepayments	3,313	2,108
Tax recoverable	3,105	2,217
Cash and bank balances	107,839	100,487
	<u>233,508</u>	<u>201,698</u>
Assets of disposal group classified as held for sale	44,148	45,023
	<u>277,656</u>	<u>246,721</u>
Total assets	<u><u>837,092</u></u>	<u><u>831,170</u></u>



MWE HOLDINGS BERHAD (5713-D)

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2016 (Cont'd)

	<u>31.12.2016</u> Unaudited RM'000	<u>31.3.2016</u> Audited RM'000
Equity and liabilities		
<u>Current Liabilities</u>		
Trade and other payables	49,767	32,034
Loans and borrowings	161,253	157,328
Current tax payable	983	1,337
Derivatives liabilities	49	187
	<u>212,052</u>	<u>190,886</u>
Liabilities directly associated with disposal group classified as held for sale	<u>14,955</u>	<u>15,802</u>
	<u>227,007</u>	<u>206,688</u>
<u>Non-Current Liabilities</u>		
Loans and borrowings	41,860	46,390
Deferred tax liabilities	3,945	5,201
	<u>45,805</u>	<u>51,591</u>
Total liabilities	272,812	258,279
<u>Equity</u>		
Share capital	231,559	231,559
Reserves	320,185	330,472
Treasury shares	(1,931)	(1,931)
	<u>549,813</u>	<u>560,100</u>
Non-controlling interests	<u>14,467</u>	<u>12,791</u>
Total equity	<u>564,280</u>	<u>572,891</u>
Total equity and liabilities	<u>837,092</u>	<u>831,170</u>
Net assets per share (RM)	2.39	2.43

(The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Annual Audited Accounts for the year ended 31 March 2016)



MWE HOLDINGS BERHAD (5713-D)

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE NINE-MONTH PERIOD ENDED 31 DECEMBER 2016

	Current quarter 31.12.2016 RM'000	Comparative quarter 31.12.2015 RM'000	Cumulative 9 months 31.12.2016 RM'000	Comparative 9 months 31.12.2015 RM'000
Revenue	82,803	85,087	250,606	256,055
Cost of sales	(65,941)	(66,977)	(198,460)	(197,679)
Gross profit	16,862	18,110	52,146	58,376
Interest income	785	794	2,294	1,735
Other income	5,101	380	7,080	3,218
Other operating expenses	(10,911)	33,358	(43,214)	(57,865)
Operating profit	11,837	52,642	18,306	5,464
Finance costs	(3,299)	(3,312)	(9,318)	(9,970)
Share of results of associates	1,604	(226)	6,040	6,186
Profit before tax	10,142	49,104	15,028	1,680
Income tax expense	(1,327)	(2,096)	(3,705)	(5,912)
Profit/(Loss) from continuing operations, net of tax	8,815	47,008	11,323	(4,232)
Loss from discontinued operations, net of tax	(144)	(52)	(344)	(183)
Profit/(Loss) net of tax	8,671	46,956	10,979	(4,415)
Other comprehensive income:				
Fair value gain on available-for-sale financial assets	(8,721)	1,638	(26,908)	(23,307)
Foreign currency translation	7,981	(3,151)	11,923	11,633
	(740)	(1,513)	(14,985)	(11,674)
Total comprehensive income	7,931	45,443	(4,006)	(16,089)
Profit/(Loss) attributable to:				
Owners of the parent	8,522	48,024	10,651	(4,173)
Non-controlling interest	149	(1,068)	328	(242)
	8,671	46,956	10,979	(4,415)
Total comprehensive income attributable to:				
Owners of the parent	6,883	46,983	(5,682)	(17,392)
Non-controlling interest	1,048	(1,540)	1,676	1,303
	7,931	45,443	(4,006)	(16,089)
Basic earnings per share (sen)	3.70	20.86	4.63	(1.81)

(The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Annual Audited Accounts for the year ended 31 March 2016)



MWE HOLDINGS BERHAD (5713-D)

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE NINE-MONTH PERIOD ENDED 31 DECEMBER 2016

	< ----- 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 1.4.2015	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)	
Dissolution of subsidiary	-	-	(890)	-	(890)	(318)	(1,208)	
Dividend paid	-	-	-	(4,605)	(4,605)	-	(4,605)	
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>	
At 1.4.2016	231,559	(1,931)	129,446	201,026	560,100	12,791	572,891	
Total comprehensive income	-	-	(16,333)	10,651	(5,682)	1,676	(4,006)	
Realisation of revaluation reserve	-	-	(3,685)	3,685	-	-	-	
Dividend paid	-	-	-	(4,605)	(4,605)	-	(4,605)	
At 31.12.2016	<u>231,559</u>	<u>(1,931)</u>	<u>109,428</u>	<u>210,757</u>	<u>549,813</u>	<u>14,467</u>	<u>564,280</u>	

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Audited Accounts for the year ended 31 March 2016)



MWE HOLDINGS BERHAD (5713-D)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE NINE-MONTH PERIOD ENDED 31 DECEMBER 2016

	9 months ended	
	<u>31.12.2016</u>	<u>31.12.2015</u>
	Unaudited	Unaudited
	RM'000	RM'000
Cash flows from operating activities		
Profit before tax from continuing operations	15,028	1,680
Loss before tax from discontinued operations	(341)	(183)
	14,687	1,497
Adjustment for :		
Amortisation of biological assets	461	461
Amortisation of intangible assets	47	-
Amortisation of land use rights	320	328
Depreciation of property, plant and equipment	2,646	2,512
Gain on disposal of investment property	(4,800)	-
Gain on disposal of other investments	-	(360)
Gain on disposal of property, plant and equipment	-	(12)
Gain on dissolution of subsidiary	-	(888)
Land use rights written off	517	-
Net fair value loss/(gain) on derivatives assets	(138)	-
Impairment loss on unquoted equity investment	-	12,294
Impairment loss on investment in associates	13,649	18,953
Investment in associate written off	273	-
Net unrealised foreign exchange (gain)/loss	(224)	-
Property, plant and equipment written off	3	-
Share of results of associates	(6,040)	(6,186)
Dividend income	(7,064)	(8,727)
Interest income	(2,297)	(1,735)
Interest expenses	9,321	9,974
Operating profit before working capital changes	21,361	28,111
Changes in inventories	10,708	7,120
Changes in property development activities	(9)	-
Changes in receivables	(29,946)	(15,628)
Changes in payables	15,297	(7,234)
Changes in trade line borrowings	-	2,238
Cash generated from operations b/f	17,411	14,607



MWE HOLDINGS BERHAD (5713-D)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE NINE-MONTH PERIOD ENDED 31 DECEMBER 2016 (Cont'd)

	9 months ended	
	<u>31.12.2016</u>	<u>31.12.2015</u>
	Unaudited	Unaudited
	RM'000	RM'000
Cash flows from operating activities (cont'd)		
Cash generated from operations c/f	17,411	14,607
Interest received	2,297	1,735
Interest paid	(9,321)	(9,974)
Net income tax paid	(6,304)	(5,556)
Net cash generated from operating activities	<u>4,083</u>	<u>812</u>
Cash flows from investing activities		
Addition investment in an associate	(5,417)	-
Dividends received	7,064	8,727
Proceeds from disposal of investment properties	12,800	-
Proceeds from disposal of other investments	-	3,135
Proceeds from disposal of property, plant and equipment	-	17
Proceeds from dissolution of a subsidiary	-	329
Purchase of property, plant and equipment	(14,294)	(2,123)
Net cash generated from investing activities	<u>153</u>	<u>10,085</u>
Cash flows from financing activities		
Bank borrowings raised	1,150	-
Dividends paid to shareholders	(4,605)	(4,605)
Placement in short term deposits	(2,328)	(1,728)
Repayment of bank borrowings	(1,480)	(4,385)
Repayment of hire purchase and finance lease instalments	(296)	(359)
Net cash generated from financing activities	<u>(7,559)</u>	<u>(11,077)</u>



MWE HOLDINGS BERHAD (5713-D)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE NINE-MONTH PERIOD ENDED 31 DECEMBER 2016 (Cont'd)

	9 months ended	
	<u>31.12.2016</u>	<u>31.12.2015</u>
	Unaudited	Unaudited
	RM'000	RM'000
Net increase in cash & cash equivalents	(3,323)	(180)
Effects of foreign exchange rate changes	(34)	294
	(3,357)	114
Cash & cash equivalents at beginning of year	99,378	91,116
Effects of foreign exchange rate changes	7,747	7,377
	107,125	98,493
Cash & cash equivalents at end of period	<u>103,768</u>	<u>98,607</u>
<i>Represented by :</i>		
Cash & bank balances	107,839	100,335
Deposits with licensed banks with maturity of more than 3 months	(4,071)	(1,728)
	<u>103,768</u>	<u>98,607</u>

(The Condensed Consolidated Statements of Cash Flow should be read in conjunction with the Annual Audited Accounts for the year ended 31 March 2016)



MWE HOLDINGS BERHAD (5713-D)

EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 31 DECEMBER 2016

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 (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 year ended 31 March 2016.

Standards and interpretations 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 116 & 138	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to FRS 116 & 141	Agriculture: Bearer Plants
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
Annual Improvements to FRSs 2012-2014 Cycle	

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 2012 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').



2. ACCOUNTING POLICIES (cont'd)

Malaysian Financial Reporting Standards (MFRS Framework) (cont'd)

The Company falls within the definition of Transitioning Entities and is currently exempted from adopting the MFRS. Accordingly, the Company will adopt the MFRS and present its first MFRS financial statements for the annual period beginning 1 April 2017. In presenting its first MFRS financial statements, the Company 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 earnings.

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 first quarter,

- i) The Company and its indirect wholly-owned subsidiary, Melati Mewah Sdn Bhd ("MMSB") had on 5 May 2016 entered into separate conditional Sale and Purchase Agreements respectively with Newfields Land Sdn Bhd's ("NLSB") wholly-owned subsidiaries in relation to the disposals by:
 - a) MMSB of its nine pieces of leasehold lands, all located in the Mukim of Raja, District of Petaling, Selangor Darul Ehsan measuring approximately 481,925 sq. meters to Pristine Primavera Sdn Bhd ("PPSB"), a wholly-owned subsidiary of NLSB for a cash consideration of RM54,930,000; and
 - b) the Company of its entire shareholding of 25,000,000 ordinary shares of RM1 each representing 100% equity interest in MWE Golf & Country Club Berhad to Saujana Setara Sdn Bhd ("SSSB"), a wholly-owned subsidiary of NLSB for a cash consideration of RM1.
- ii) First Cosmopolitan Sdn Bhd, a wholly-owned subsidiary of the Company, transfer its wholly-owned subsidiary, namely Devanna Limited, a company incorporated in British Virgin Islands, to the Company, for a consideration of RM4,000,005.
- iii) The Company purchased additional 6,000,000 shares in WCE Holdings Berhad (formerly known as Kumpulan Europlus Berhad) ("WCE"), an associate of the Company, for a total cash consideration of RM5,409,980. The Company increased its shareholding in WCE from 25% to 25.6%.
- iv) The Company had on 14 June 2016, announced that a Final Meeting of MWE Weaving Mills Sdn Bhd ("MWMSB"), a wholly-owned subsidiary of the Company, in relation to the Members' Voluntary Winding-up was concluded and a Return by Liquidators were lodged on the same date with the Companies Commission of Malaysia and the Receiver respectively. On the expiration of 3 months after the said lodgement, MWMSB will be dissolved.



4. EFFECT OF CHANGES IN COMPOSITION OF GROUP (cont'd)

During the quarter, MMSB, an indirect wholly-owned subsidiary, entered into Joint Development Agreement (“JDA”) with PPSB, being the developer to jointly develop the nine pieces of leasehold lands upon the terms and conditions as set out in the JDA. Consequently, the Company and MMSB have on the same date entered into conditional Termination Agreements with PPSB and SSSB to terminate the Share Sale and Purchase Agreement together with Land Sale and Purchase Agreement entered into (i) above, both conditional upon the JDA becoming unconditional in accordance with the terms and conditions of the JDA. The Proposed Joint Development is subject to the approval of shareholders of MWE.

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 29 June 2016, the Company paid an interim single-tier dividend of 2% which amounted to RM4.6 million in respect of the financial year ended 31 March 2016.

10. VARIANCE IN PROFIT FORECAST

There was no profit forecast issued for the financial year.



11. STATUS OF CORPORATE PROPOSALS

The Company has accordingly appointed Inter Pacific Securities Sdn Bhd as adviser in relation to the Proposed Joint Development entered into between MMSB and PPSB and pending issuance of circular to shareholders for approval.

There were no other 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
<u>31.12.2016</u>			
Short term			
Obligations under finance lease	66	-	66
Revolving credit	151,700	1,100	152,800
Term loans	8,387	-	8,387
	<u>160,153</u>	<u>1,100</u>	<u>161,253</u>
Long term			
Obligations under finance lease	55	-	55
Term loans	41,805	-	41,805
	<u>41,860</u>	<u>-</u>	<u>41,860</u>
	<u>202,013</u>	<u>1,100</u>	<u>203,113</u>

There were no foreign borrowings as at 31 December 2016.

14. DERIVATIVE FINANCIAL INSTRUMENTS

Type of derivatives	Contract/Notional amount (RM'000)
Forward currency contracts - Less than 1 year	1,857

The Group uses forward currency contracts to manage some of the transaction exposure. These contracts are not designated as cash flow or fair value hedges and are entered into for periods consistent with currency transaction exposure. Such derivatives do not qualify for hedge accounting.

**15. SEGMENT INFORMATION**

The Group is organised into business units based on their products and services, and has four reportable operating segments as follows:

	Textile <u>RM'000</u>	Tele- communication <u>RM'000</u>	Properties <u>RM'000</u>	Other Operations <u>RM'000</u>	Total <u>RM'000</u>
31 December 2016					
<u>Revenue</u>					
External sales	184,470	37,521	3,907	24,708	250,606
Inter-segment sales	-	-	270	773	1,043
Discontinued operations	-	-	-	-	4,678
Total revenue	<u>184,470</u>	<u>37,521</u>	<u>4,177</u>	<u>25,481</u>	<u>256,327</u>
<u>Results</u>					
Segment profit/(loss)	<u>23,674</u>	<u>2,739</u>	<u>341</u>	<u>(8,448)</u>	<u>18,306</u>
Finance costs					(9,318)
Share of results of associates	<u>-</u>	<u>-</u>	<u>148</u>	<u>5,892</u>	<u>6,040</u>
Profit before tax					<u>15,028</u>
31 December 2015					
<u>Revenue</u>					
External sales	176,843	49,521	3,808	25,883	256,055
Inter-segment sales	-	-	288	858	1,146
Discontinued operations	-	-	-	-	4,912
Total revenue	<u>176,843</u>	<u>49,521</u>	<u>4,096</u>	<u>26,741</u>	<u>262,113</u>
<u>Results</u>					
Segment profit/(loss)	<u>27,883</u>	<u>3,072</u>	<u>251</u>	<u>(25,742)</u>	<u>5,464</u>
Finance costs					(9,970)
Share of results of associates	<u>-</u>	<u>-</u>	<u>(65)</u>	<u>6,251</u>	<u>6,186</u>
Profit before tax					<u>1,680</u>



16. PERFORMANCE REVIEW

Group performance

For the current nine-month period, the Group's revenue reduced by RM5.5 million, from RM256.1 million reported in FY2016 to RM250.6 million. However, the Group reported RM11.3 million in pre-tax profit as compared to RM4.2 million pre-tax loss in FY2016, mainly attributed to higher impairment losses on investment in associate as well as other investment in FY2016.

During the reporting quarter, the Group posted total revenue of RM82.8 million, slightly lower as compared to RM85.1 million in preceding year corresponding quarter. Pre-tax profit reported lower at RM8.8 million as compared to RM47.0 million, mainly attributed to RM42.7 impairment write back for investment in associate in FY2016.

Textile division

Textile division registered RM184.5 million in revenue during the reporting period, contributing 74% of the revenue of the Group. Revenue increased to RM184.5 million as compared to RM176.8 million in FY2016, mainly derived from strengthening of USD against Ringgit which translated into higher sale. Despite the increase in revenue, pre-tax profit reduced to RM22.5 million as compared to RM26.3 million in FY2016, mainly attributed to higher operation costs incurred by Vietnam's subsidiary.

Telecommunications division

For current period, Telecommunications division reported lower revenue at RM37.5 million as compared to RM49.5 million in FY2016, mainly due to lower sales recorded from ODM business. Pre-tax profit also reported lower at RM2.6 million.

Properties division

For current period, Properties division reported RM4.2 million in revenue, slightly higher than RM4.1 million recorded in FY2016. Pre-tax profit increased to RM0.2 million.

Other operations

Plantation division reported higher revenue for current reporting period mainly due to higher crop yields. As a result, the division managed to reduce its losses from RM1.3 million to RM0.1 million.

Industrial division reported RM11.6 million in revenue, 14% lower as compared to RM13.5 million in FY2016, mainly attributed to lower sales from the Dongfeng heavy commercial vehicle.

For current reporting period, the Group recorded RM6.0 million share of profit in associates. However, the Group also recognised RM13.6 million impairment losses for investment in quoted associate, being the effect of mark to market of its share price as at 31/12/2016. As a result, the Group reported total pre-tax profit of RM15.0 million.

**17. COMMENT ON MATERIAL CHANGE IN PROFIT BEFORE TAX**

The Group registered RM82.8 million in revenue for current reporting quarter, increased by 7% as compared to RM77.2 million reported in the preceding second quarter. Higher revenue recorded by Textile division during the quarter mainly attributed to seasonal orders. The Group reported RM10.1 million pre-tax profit for current third quarter as compared to pre-tax loss of RM0.6 for preceding second quarter, was mainly due to higher operation profit from Textile division as well as lower impairment loss on investment in associate.

18. PROSPECTS FOR FINANCIAL YEAR 2017

The continual uncertainties in developed and developing countries' economies and the rising operational costs had adversely affected our manufacturing sectors. Besides, volatile global markets after US withdrawal from TPPA might impact the group business. However, manufacturing divisions particularly in the export businesses are anticipated to benefit from the strengthening of USD.

19. PROFIT/(LOSS) BEFORE TAX

Included in the profit/(loss) before tax are the following items:

	Current quarter <u>31.12.2016</u> RM'000	Comparative quarter <u>31.12.2015</u> RM'000	Current quarter <u>31.12.2016</u> RM'000	Comparative Quarter <u>31.12.2015</u> RM'000
Amortisation of biological assets	308	461	461	461
Amortisation of intangible assets	-	-	47	-
Amortisation of land use rights	214	219	320	328
Depreciation	1,743	1,761	2,646	2,512
Impairment loss				
- other investment	-	12,294	-	12,294
- investment in associate	9,116	22,450	13,649	18,953
Investment in associate written off	-	-	273	-
Interest expenses	7,573	13,295	9,321	9,974
Interest income	(1,563)	(1,322)	(2,297)	(1,735)
(Gain)/Loss on disposal of				
- investment properties	(4,800)	-	(4,800)	-
- unquoted investment	-	-	-	(360)
- property, plant and equipment	-	(12)	-	(12)
Gain on dissolution of subsidiary	-	(888)	-	(888)
Land use rights written off	-	-	517	-
Net fair value gain on derivatives	(59)	-	(138)	-
Net unrealised foreign exchange gain	(65)	-	(224)	-
Property, plant and equipment written off	-	-	3	-

**20. INCOME TAX EXPENSE**

The tax expense consists of:

	Current quarter <u>31.12.2016</u> RM'000	Comparative quarter <u>31.12.2015</u> RM'000	Cumulative 9 months <u>31.12.2016</u> RM'000	Comparative 9 months <u>31.12.2015</u> RM'000
Current income tax				
- current period	2,279	2,153	4,631	5,939
- over provision in prior years	(150)	(57)	(150)	(57)
Deferred tax				
- current period	(147)	-	(121)	-
- under/(over) provision in prior years	(655)	-	(655)	30
Income tax expense	<u>1,327</u>	<u>2,096</u>	<u>3,705</u>	<u>5,912</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>31.12.2016</u> RM'000	Comparative quarter <u>31.12.2015</u> RM'000	Cumulative 9 months <u>31.12.2016</u> RM'000	Comparative 9 months <u>31.12.2015</u> RM'000
Profit before tax from continuing operations	10,142	49,104	15,028	1,680
Loss before tax from discontinued operations	(140)	(52)	(341)	(183)
Profit before tax, total	<u>10,002</u>	<u>49,052</u>	<u>14,687</u>	<u>1,497</u>
Taxation at 24%	2,400	11,772	3,525	359
Expenses not deductible	1,197	(8,856)	5,168	9,660
Deferred tax assets not recognised	-	203	-	308
Income not subject to tax	111	(487)	(798)	(1,322)
Utilisation of previously unrecognised deductible temporary differences	12	19	(56)	(18)
Tax effect of differences in tax rate	(1,199)	(552)	(1,875)	(1,563)
Over provision of tax in prior years	(805)	(57)	(805)	(27)
Share of results of associates	(385)	54	(1,450)	(1,485)
Tax for discontinued operations	(4)	-	(4)	-
	<u>1,327</u>	<u>2,096</u>	<u>3,705</u>	<u>5,912</u>

**21. SUBSEQUENT EVENT**

On 10 February 2017, the Company executed a Letter of Transmittal with MobileHelp Holdings, LLC, MobileHelp Merger Sub, LLC and Integrity Tracking to dispose its entire investment of 2,000,000 Common Membership Interest Units at approximately USD5.1291 per unit in Integrity Tracking for a total cash consideration of approximately USD10.26 million. The Company will receive USD9.87 million upon completion and the balance of USD0.39 million will be received after the expiry of 15-month from the closing date.

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>31.12.2016</u> RM'000	Comparative quarter <u>31.12.2015</u> RM'000	Cumulative 9 months <u>31.12.2016</u> RM'000	Comparative 9 months <u>31.12.2015</u> RM'000
Profit/(Loss) for the period	<u>8,522</u>	<u>48,024</u>	<u>10,651</u>	<u>(4,173)</u>
No. of ordinary shares after deducting treasury shares	230,235	230,235	230,235	230,235
Basic EPS (sen)	<u>3.70</u>	<u>20.86</u>	<u>4.63</u>	<u>(1.81)</u>

24. BREAKDOWN OF RETAINED PROFITS INTO REALISED AND UNREALISED

	Current quarter <u>31.12.2016</u> RM'000	Comparative Quarter <u>31.12.2015</u> RM'000
Total retained profits of the Group:		
- Realised profit	134,055	143,344
- Unrealised profit/(loss)	<u>4,854</u>	<u>5,575</u>
	138,909	148,919
Total share of retained profits from associates:		
- Realised loss	(13,049)	(5,888)
Add: Consol adjustments	84,897	88,978
Retained profits as per financial statements	<u>210,757</u>	<u>232,009</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
22 February 2017**