



MWE HOLDINGS BERHAD (5713-D)
and Group of Companies

CONDENSED CONSOLIDATED BALANCE SHEETS

AS AT 31 MARCH 2007

(Unaudited)

	AS AT <u>31.3.2007</u> RM'000	(AUDITED) AS AT <u>31.12.2006</u> RM'000
ASSETS		
<u>Non-Current Assets</u>		
Property, plant & equipment	75,518	74,582
Prepaid lease	22,815	23,036
Investment properties	58,764	55,064
Land held for property development	23,606	17,345
Investment in associates	21,989	23,184
Other investments	38,412	37,200
Other non-current assets	19,354	19,366
	<u>260,458</u>	<u>249,777</u>
<u>Current Assets</u>		
Inventories	61,212	59,546
Trade and other receivables	103,360	115,134
Property development costs	17,483	21,405
Current tax assets	7,364	7,193
Cash & cash equivalents	36,060	36,301
	<u>225,479</u>	<u>239,579</u>
 Non-current assets held for sale	 11,000	 11,000
 Total Assets	 <u>496,937</u>	 <u>500,356</u>



MWE HOLDINGS BERHAD (5713-D)
and Group of Companies

CONDENSED CONSOLIDATED BALANCE SHEETS
AS AT 31 MARCH 2007 (*Continuation*)
(*Unaudited*)

	AS AT <u>31.3.2007</u> RM'000	(AUDITED) AS AT <u>31.12.2006</u> RM'000
EQUITY AND LIABILITIES		
<u>Equity</u>		
Share capital	231,559	231,559
Reserves	59,329	61,679
Treasury shares	<u>(235)</u>	<u>(235)</u>
	290,653	293,003
Minority interests	30,851	31,072
Total equity	<u>321,504</u>	<u>324,075</u>
<u>Non-Current Liabilities</u>		
Long term borrowings	21,192	13,952
Deferred tax liabilities	6,718	7,677
Deferred income	<u>15,538</u>	<u>16,039</u>
	<u>43,448</u>	<u>37,668</u>
<u>Current Liabilities</u>		
Trade and other payables	72,167	79,961
Overdraft & short term borrowings	56,269	55,513
Current tax liabilities	<u>3,549</u>	<u>3,139</u>
	<u>131,985</u>	<u>138,613</u>
Total liabilities	175,433	176,281
Total equity and liabilities	<u>496,937</u>	<u>500,356</u>
Net assets per share (RM)	1.26	1.27

(The Condensed Consolidated Balance Sheet should be read in conjunction with
the Annual Audited Accounts for the year ended 31 December 2006)



MWE HOLDINGS BERHAD (5713-D)
and Group of Companies

CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE 3-MONTH PERIOD ENDED 31 MARCH 2007
(Unaudited)

	CURRENT QUARTER ENDED 31.3.2007 RM'000	COMPARATIVE QUARTER ENDED 31.3.2006 RM'000	CUMULATIVE 3 MONTHS ENDED 31.3.2007 RM'000	COMPARATIVE 3 MONTHS ENDED 31.3.2006 RM'000
Revenue	108,931	83,489	108,931	83,489
Operating expenses	(105,703)	(81,120)	(105,703)	(81,120)
Other operating income	2,244	2,340	2,244	2,340
Profit from operations	5,472	4,709	5,472	4,709
Finance costs	(1,086)	(927)	(1,086)	(927)
Net gain from investments	8,009	734	8,009	734
Share of results of associates	(1,624)	(1,023)	(1,624)	(1,023)
Profit before tax from continuing operations	10,771	3,493	10,771	3,493
Profit before tax from discontinued operations	-	105	-	105
Profit before tax	10,771	3,598	10,771	3,598
Tax expense	(543)	(365)	(543)	(365)
Net profit for the period	<u>10,228</u>	<u>3,233</u>	<u>10,228</u>	<u>3,233</u>
Attributable to:				
Equity holders of the parent	10,115	2,848	10,115	2,848
Minority interests	113	385	113	385
	<u>10,228</u>	<u>3,233</u>	<u>10,228</u>	<u>3,233</u>
Earnings per share				
Basic (sen)	4.37	1.23	4.37	1.23

(The Condensed Consolidated Income Statements should be read in conjunction with the Annual Audited Accounts for the year ended 31 December 2006)



MWE HOLDINGS BERHAD (5713-D)
and Group of Companies

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2007
(Unaudited)

	< ----- Attributable to equity holders of the parent ----- >								
	Share Capital	Share Premium	Exchange Translation Reserve	Capital Reserve	Unappropriated profit/(Accu- mulated loss)	Treasury Shares	Total	Minority interests	Total equity
	<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>	<u>RM'000</u>	<u>RM'000</u>
Balance as at 1 January 2006	231,559	23,586	9,036	937	15,340	(235)	280,223	67,778	348,001
Effect of adopting FRS 3					2,433		2,433		2,433
	231,559	23,586	9,036	937	17,773	(235)	282,656	67,778	350,434
Deconsolidation of a subsidiary			(970)	(483)			(1,453)	(36,947)	(38,400)
Exchange translation differences			(363)				(363)		(363)
Transfer to capital reserve				300	(300)		-		-
Net profit for the period					2,848		2,848	385	3,233
Dividends paid					(9,248)		(9,248)	(629)	(9,877)
Balance as at 31 March 2006	231,559	23,586	7,703	754	11,073	(235)	274,440	30,587	305,027
Balance as at 1 January 2007	231,559	23,586	5,796	754	31,543	(235)	293,003	31,072	324,075
Exchange translation differences			(1,529)				(1,529)		(1,529)
Changes of equity interest in subsidiaries							-	(259)	(259)
Net profit for the period					10,115		10,115	113	10,228
Dividend paid					(10,936)		(10,936)	(75)	(11,011)
Balance as at 31 March 2007	231,559	23,586	4,267	754	30,722	(235)	290,653	30,851	321,504

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Audited Accounts for the year ended 31 December 2006)



MWE HOLDINGS BERHAD (5713-D)
and Group of Companies

CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE 3-MONTH PERIOD ENDED 31 MARCH 2007
(Unaudited)

	CUMULATIVE 3 MONTHS <u>31.3.2007</u> RM'000	CUMULATIVE 3 MONTHS <u>31.3.2006</u> RM'000
Profit before tax from continuing operations	10,771	3,493
Adjustments for :		
Non-cash items	<u>(5,542)</u>	<u>1,461</u>
Operating profit before changes in working capital	5,229	4,954
Changes in current assets	13,634	(4,319)
Changes in current liabilities	(10,441)	7,676
Income tax paid, net of refund	<u>(1,263)</u>	<u>(1,166)</u>
Net cash from operating activities		
- Continuing operations	7,159	7,145
- Discontinued operations	<u>-</u>	<u>579</u>
	<u>7,159</u>	<u>7,724</u>
Investing Activities		
Equity investments	(1,000)	-
Other investments	(4,128)	(1,139)
Net cash flow from deconsolidation of a subsidiary	-	(11,754)
Withdrawal of pledged fixed deposits	<u>(1,255)</u>	<u>(48)</u>
Net cash used in investing activities		
- Continuing operations	<u>(6,383)</u>	<u>(12,941)</u>
Financing Activities		
Capital injection by minority shareholders	392	-
Dividend paid to shareholders	(10,936)	(9,248)
Dividend paid to minority interests	(75)	(629)
Net drawdown of borrowings	<u>7,136</u>	<u>591</u>
Net cash used in financing activities	<u>(3,483)</u>	<u>(9,286)</u>



MWE HOLDINGS BERHAD (5713-D)
and Group of Companies

CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE 3-MONTH PERIOD ENDED 31 MARCH 2007
(Unaudited)

	CUMULATIVE 3 MONTHS <u>31.3.2007</u> RM'000	CUMULATIVE 3 MONTHS <u>31.3.2006</u> RM'000
Net Changes in Cash & Cash Equivalents	(2,707)	(14,503)
Effects of changes in exchange rates	11	13
	<u>(2,696)</u>	<u>(14,490)</u>
Cash & Cash Equivalents at beginning of period	33,510	46,701
Effects of changes in exchange rates	(158)	16
	33,352	46,717
Cash & Cash Equivalents at end of period	<u>30,656</u>	<u>32,227</u>
Represented by:		
Fixed and time deposits	11,573	18,530
Cash & bank balances	24,487	15,595
Bank overdrafts	(3,814)	(1,539)
	<u>32,246</u>	<u>32,586</u>
Less: Fixed deposits (pledged)	(1,590)	(359)
	<u>30,656</u>	<u>32,227</u>

(The Condensed Consolidated Cash Flow Statements should be read in conjunction with
the Annual Audited Accounts for the year ended 31 December 2006)



EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2007

1. 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 2006 except for the adoption of the following new and revised Financial Reporting Standards (“FRS”) issued by the Malaysian Accounting Standards Board that are effective for the Group for the financial period beginning on or after 1 January 2007:

FRS 117	Leases
FRS 124	Related Party Disclosures

The adoption of the above FRSs does not have significant financial impact on the Group.

2. AUDIT OPINION ON THE PRECEDING FINANCIAL STATEMENTS

The preceding annual audited financial statements were not qualified by the Auditors.

3. SEASONALITY OR CYCLICALITY OF INTERIM OPERATIONS

Textiles division traditionally experienced a lower demand in the first quarter whereas the Electronics divisions faces a more volatile market that depends on global market.

4. UNUSUAL ITEMS

There were no unusual items which affect assets, liabilities, equity, income or cash flows during the reporting quarter.

5. MATERIAL CHANGES IN ESTIMATES OF AMOUNTS PREVIOUSLY REPORTED

There were no material changes in estimates of amounts previously reported.

6. DEBT AND EQUITY SECURITIES

There were no issuances, cancellations, repurchases, resale or repayments of debt and equity securities undertaken by the Company during the reporting quarter.

**7. DIVIDEND PAID**

On 26 March, 2007, the Company paid an interim dividends of 4% tax exempt and of 1% less 27% tax which amounted to RM10.94 million in respect of the financial year ended 31 December, 2006.

Subject to the approval of shareholders at the forthcoming annual general meeting, final dividends of 2% tax exempt and 2% less 27% tax has been proposed for the financial year ended 31 December, 2006 and will be payable on 1 August, 2007.

8. SEGMENT INFORMATION

	Textile & Garment	Lighting & Pagers	Properties	Trading & Others	Group total
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
REVENUE					
External sales	27,646	34,937	28,142	18,206	108,931
Inter-segment sales			95	199	294
Total revenue	<u>27,646</u>	<u>34,937</u>	<u>28,237</u>	<u>18,405</u>	<u>109,225</u>
RESULTS					
Segment operating profit	1,247	2,604	628	1,577	6,056
Unallocated corporate expenses					(584)
Profit from operations					5,472
Finance costs					(1,086)
Net gain from investments					8,009
Share of results of associates	<u>8</u>		<u>(19)</u>	<u>(1,613)</u>	<u>(1,624)</u>
Profit before tax					10,771
Tax expense					(543)
Net profit for the period					<u>10,228</u>

9. 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.

10. SUBSEQUENT EVENTS

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

11. EFFECT OF CHANGES IN COMPOSITION OF GROUP

During the reporting quarter, the Company acquired 70,000 ordinary shares of RM1.00 each representing 70% shareholding interest in Bay Potential Sdn Bhd for a cash consideration of RM70,000.



12. CHANGES IN CONTINGENT LIABILITIES AND ASSETS

There were no material changes in contingent liabilities and assets in the reporting quarter.

13. REVIEW OF PERFORMANCE OF CURRENT QUARTER

The Group registered RM109 million in turnover for current reporting quarter, 31% or RM26 million higher than the RM83 million reported in 2006, mainly due to improvement in sales volume recorded by most of the business segments. Pre-tax profit also shown significant improvement, tripled from RM3.6 million recorded in preceding corresponding quarter to RM10.8 million for current reporting quarter, attributed to gains from investments.

14. COMPARISON WITH IMMEDIATE PRECEDING QUARTER ON MATERIAL CHANGES IN PROFIT BEFORE TAX

For the quarter under review, the Group registered a lower operations profit of RM5.5 million as compared to RM6.8 million reported in preceding quarter. However, share of losses in associates reduced from RM2.4 million to RM1.6 million. A total of RM10.8 million pre-tax profit was recorded for current quarter.

15. PROSPECTS FOR FINANCIAL YEAR 2007

The Board expects the performance of the Group for the remaining quarters to be satisfactory.

16. VARIANCE IN PROFIT FORECAST

There was no profit forecast issued for the financial year.

17. TAXATION

The tax expense consists of:

	First Quarter <u>RM '000</u>	Current Year-to-date <u>RM '000</u>
Current tax expense		
- current period	1,513	1,513
- overestimated in prior years	(12)	(12)
Deferred tax expense		
- current period	(958)	(958)
	<u>543</u>	<u>543</u>

**17. TAXATION (Cont'd)**

The numerical reconciliation between tax expense and the product of accounting profit multiplied by the applicable tax rate is as follows:

	First Quarter <u>RM '000</u>	Current Year-to-Date <u>RM '000</u>
Accounting profit (excluding share of results of associates)	<u>12,395</u>	<u>12,395</u>
Tax at the applicable tax rate of 27%	3,347	3,347
Tax effect of expenses not deductible in determining taxable profit	464	464
Tax effect of current period temporary differences not recognised	515	515
Tax effect of tax incentives and non-taxable income	(2,722)	(2,722)
Tax effect of utilisation of deductible temporary differences not previously recognised	(503)	(503)
Tax effect of differences in tax rates	(546)	(546)
Tax overestimated in prior years	(12)	(12)
	<u>543</u>	<u>543</u>

18. PROFIT/LOSS ON SALE OF UNQUOTED INVESTMENTS AND PROPERTIES

Save for sales of properties in the ordinary course of business within the Group's Properties Division, there were no other profits or losses on sale of properties and unquoted investments during the reporting quarter.

19. PURCHASES AND DISPOSAL OF QUOTED SECURITIES

During the reporting quarter, the Group disposed quoted securities with a book value of RM5.22 million which gave rise to a gain of RM2.42 million. Save as disclosed, there were no other transactions involving quoted securities during the reporting period. At 31 March 2007, quoted securities of the Group were as follows:

	RM'000
At cost	27,685
At carrying value	27,541
At market value	52,162



20. STATUS OF CORPORATE PROPOSALS

There were no corporate proposals announced or pending as at the date of making this report.

21. GROUP BORROWINGS

Particulars of Group borrowings at the end of the reporting quarter are as follows:

	RM'000
Short term – unsecured	19,433
Short term – secured	36,836
Long term – secured	21,192

Foreign borrowings as at 31 March 2007 included in the above are as follows:

Currency	Amount '000	RM '000
Australian Dollar	758	2,082
Singapore Dollar	1,145	2,577

The foreign borrowings were drawn by the foreign subsidiaries in their respective local currencies.

22. SUMMARY OF OFF-BALANCE SHEET FINANCIAL INSTRUMENTS

The Group has entered into foreign currency forward contracts to protect the Group against unfavourable exchange rate movements for transactions billed in foreign currencies. These forward contracts are not recognised in the financial statements at inception.

At the date of making this report, the Group has entered into foreign currency forward contracts with the following contract amounts and maturities:

Hedged item	Contract Amount '000	Average Contractual Rates	Amount to be received/settled RM '000
Trade receivables	AUD 3,850	2.7655	10,647
Committed future transactions	EURO 125	4.6480	581



23. COMPUTATION OF EARNINGS PER SHARE (“EPS”)

Computation of the EPS is as follows:

Amounts in RM '000	Current Year <u>Quarter</u>	Preceding Year Corresponding <u>Quarter</u>	Current Year <u>To Date</u>	Preceding Year Corresponding <u>Period</u>
Net profit for the period from:				
- Continuing operations	10,115	2,743	10,115	2,743
- Discontinued operations	-	105	-	105
	<u>10,115</u>	<u>2,848</u>	<u>10,115</u>	<u>2,848</u>
No. of ordinary shares after deducting treasury shares	<u>231,204</u>	<u>231,204</u>	<u>231,204</u>	<u>231,204</u>
Basic EPS from:				
- Continuing operations	4.37	1.19	4.37	1.19
- Discontinued operations	-	0.04	-	0.04
Total basic EPS attributable to equity holders of the company (sen)	<u>4.37</u>	<u>1.23</u>	<u>4.37</u>	<u>1.23</u>

By Order of the Board

LIM KONG YOW
Company Secretary
30 May 2007