



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

CONDENSED CONSOLIDATED BALANCE SHEETS
AS AT 30 JUNE 2007
(Unaudited)

	AS AT <u>30.6.2007</u> RM'000	(AUDITED) AS AT <u>31.12.2006</u> RM'000
ASSETS		
<u>Non-Current Assets</u>		
Property, plant & equipment	74,847	74,582
Prepaid lease rentals	22,730	23,036
Investment properties	58,764	55,064
Land held for property development	25,796	17,345
Investment in associates	21,846	23,184
Other investments	23,652	37,200
Other non-current assets	18,197	19,366
	<u>245,832</u>	<u>249,777</u>
<u>Current Assets</u>		
Inventories	62,029	59,546
Property development costs	17,414	21,405
Trade and other receivables	106,508	115,134
Current tax assets	3,751	7,193
Cash & cash equivalents	36,752	36,301
	<u>226,454</u>	<u>239,579</u>
Non-current assets held for sale	11,000	11,000
Total Assets	<u><u>483,286</u></u>	<u><u>500,356</u></u>



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

CONDENSED CONSOLIDATED BALANCE SHEETS
AS AT 30 JUNE 2007 (Continuation)
(Unaudited)

	AS AT <u>30.6.2007</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	73,403	61,679
Treasury shares	<u>(235)</u>	<u>(235)</u>
	304,727	293,003
Minority interests	30,016	31,072
	<u>334,743</u>	<u>324,075</u>
<u>Non-Current Liabilities</u>		
Long term borrowings	19,135	13,952
Deferred tax liabilities	6,588	7,677
Deferred income	<u>15,431</u>	<u>16,039</u>
	<u>41,154</u>	<u>37,668</u>
<u>Current Liabilities</u>		
Trade and other payables	70,259	79,961
Overdraft & short term borrowings	32,400	55,513
Current tax liabilities	<u>4,730</u>	<u>3,139</u>
	<u>107,389</u>	<u>138,613</u>
Total liabilities	148,543	176,281
Total equity and liabilities	<u><u>483,286</u></u>	<u><u>500,356</u></u>
Net assets per share (RM)	1.32	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 6-MONTH PERIOD ENDED 30 JUNE 2007
(Unaudited)

	CURRENT QUARTER ENDED 30.6.2007 RM'000	COMPARATIVE QUARTER ENDED 30.6.2006 RM'000	CUMULATIVE 6 MONTHS ENDED 30.6.2007 RM'000	COMPARATIVE 6 MONTHS ENDED 30.6.2006 RM'000
Revenue	114,356	111,931	223,287	195,420
Operating expenses	(107,029)	(106,627)	(212,732)	(187,747)
Other operating income	431	513	2,675	2,853
Profit from operations	7,758	5,817	13,230	10,526
Finance costs	(872)	(1,048)	(1,958)	(1,975)
Net gain from investments	8,706	7,128	16,715	7,862
Share of results of associates	(247)	(550)	(1,871)	(1,573)
Profit before tax from continuing operations	15,345	11,347	26,116	14,840
Profit/(loss) before tax from discontinued operations	-	60	-	165
Profit before tax	15,345	11,407	26,116	15,005
Tax expense	(2,351)	(1,242)	(2,894)	(1,607)
Net profit for the period	12,994	10,165	23,222	13,398
Attributable to:				
Equity holders of the parent	12,628	9,179	22,743	12,027
Minority interest	366	986	479	1,371
	12,994	10,165	23,222	13,398
Earnings per share				
Basic (sen)	5.46	3.97	9.84	5.20

(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 PERIOD ENDED 30 JUNE 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 interest	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)	(35,793)	(37,246)
Exchange translation differences			172				172		172
Transfer to capital reserve				300	(300)		-		-
Changes in equity interest in subsidiaries							-	762	762
Net profit for the period					12,027		12,027	1,371	13,398
Dividends paid					(9,248)		(9,248)	(797)	(10,045)
Balance as at 30 June 2006	231,559	23,586	8,238	754	20,252	(235)	284,154	33,321	317,475
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			(83)				(83)	(1,200)	(1,283)
Changes of equity interest in subsidiaries							-	(260)	(260)
Net profit for the period					22,743		22,743	479	23,222
Dividend paid					(10,936)		(10,936)	(75)	(11,011)
Balance as at 30 June 2007	231,559	23,586	5,713	754	43,350	(235)	304,727	30,016	334,743

(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 6-MONTH PERIOD ENDED 30 JUNE 2007
(Unaudited)

	CUMULATIVE 6 MONTHS 30.6.2007 RM'000	CUMULATIVE 6 MONTHS 30.6.2006 RM'000
Profit before tax from continuing operations	26,116	14,840
Adjustments for :		
Non-cash items	<u>(10,911)</u>	<u>335</u>
Operating profit before changes in working capital	15,205	15,175
Changes in current assets	10,596	(19,634)
Changes in current liabilities	(12,031)	16,955
Income tax paid, net of refund	<u>1,051</u>	<u>(2,555)</u>
Net cash from operating activities		
- Continuing operations	14,821	9,941
- Discontinued operations	<u>-</u>	<u>1,168</u>
	<u>14,821</u>	<u>11,109</u>
Investing Activities		
Equity investments	(1,000)	(1,972)
Other investments	16,472	(509)
Net cash flow from deconsolidation of a subsidiary	-	(11,754)
Withdrawal of pledged fixed deposits	<u>(1,244)</u>	<u>(51)</u>
Net cash from/(used in) investing activities		
- Continuing operations	<u>14,228</u>	<u>(14,286)</u>
Financing Activities		
Capital injection by minority shareholders	392	3,440
Dividend paid to shareholders	(10,936)	(9,248)
Dividend paid to minority interests	(75)	(797)
Net repayment of borrowings	<u>(19,372)</u>	<u>(6,993)</u>
Net cash used in financing activities	<u>(29,991)</u>	<u>(13,598)</u>



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

CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE 6-MONTH PERIOD ENDED 30 JUNE 2007 *(Continuation)*
(Unaudited)

	CUMULATIVE 6 MONTHS <u>30.6.2007</u> RM'000	CUMULATIVE 6 MONTHS <u>30.6.2006</u> RM'000
Net Changes in Cash & Cash Equivalents	(942)	(16,775)
Effects of changes in exchange rates	(2)	41
	<u>(944)</u>	<u>(16,734)</u>
Cash & Cash Equivalents at beginning of period	33,510	46,701
Effects of changes in exchange rates	(281)	179
	33,229	46,880
	<u>32,285</u>	<u>30,146</u>
Cash & Cash Equivalents at end of period	<u>32,285</u>	<u>30,146</u>
Represented by:		
Fixed and time deposits	17,633	12,917
Cash & bank balances	19,119	20,418
	<u>36,752</u>	<u>33,335</u>
Less: Bank overdrafts	(2,887)	(2,827)
Less: Fixed deposits (pledged)	(1,580)	(362)
	<u>32,285</u>	<u>30,146</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 SIX-MONTH PERIOD ENDED 30 JUNE 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 (øFRSö) 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 rise in demand in the second quarter whereas the Electronics division faces a more volatile market that depends on global demand.

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.

The Company proposed a final dividend of 2% tax exempt and 2% less 27% tax for the financial year 2006. The dividend was approved by shareholders in the Annual General Meeting held on 6 June, 2007 and was paid 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	62,010	74,803	50,009	36,465	223,287
Inter-segment sales			191	387	578
Total revenue	<u>62,010</u>	<u>74,803</u>	<u>50,200</u>	<u>36,852</u>	<u>223,865</u>
RESULTS					
Segment operating profit	3,231	6,555	3,099	1,510	14,395
Unallocated corporate expenses					(1,165)
Profit from operations					13,230
Finance costs					(1,958)
Net gain from investments					16,715
Share of results of associates	<u>12</u>	<u>-</u>	<u>18</u>	<u>(1,901)</u>	<u>(1,871)</u>
Profit before tax					26,116
Tax expense					(2,894)
Net profit for the period					<u>23,222</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 last 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 maintained its revenue at approximately RM114 million for current reporting quarter as compared to RM112 million reported in 2006. Pre-tax profit rose from RM11.4 million reported in the second quarter of year 2006 to RM15.3 million for current reporting quarter. Both properties and lighting divisions showed a better performance as compared to preceding corresponding quarter. In addition, the investments gain also improved during the quarter as compared to 2006.

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

Pre-tax profit rose from RM10.8 million in the preceding quarter to RM15.3 million in the reporting quarter. For the quarter under review, the Group registered a higher operations profit of RM7.8 million as compared to RM5.5 million reported in preceding quarter. Share of losses in associates also reduced from RM1.6 million to RM0.2 million.

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:

	Second Quarter <u>RM '000</u>	Current Year-to- date <u>RM '000</u>
Current tax expense		
- current period	2,142	3,655
- underestimated in prior years	336	324
Deferred tax expense		
- current period	(88)	(1,046)
- overestimated in prior years	(39)	(39)
	<u>2,351</u>	<u>2,894</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:

	Second Quarter <u>RMø000</u>	Current Year-to- Date <u>RM '000</u>
Accounting profit (excluding share of results of associates)	<u>15,592</u>	<u>27,987</u>
Tax at the applicable tax rate of 27%	4,209	7,556
Tax effect of expenses not deductible in determining taxable profit	1,184	1,648
Tax effect of current period temporary differences not recognised	381	896
Tax effect of tax incentives and non-taxable income	(3,457)	(6,179)
Tax effect of utilisation of deductible temporary differences not previously recognised	(270)	(773)
Tax effect of differences in tax rates	7	(539)
Tax underestimated in prior years	297	285
	<u>2,351</u>	<u>2,894</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 RM12.76 million which gave rise to a gain of RM8.71 million. During the period ended 30 June 2007, the Group disposed quoted securities with a book value of RM17.98 million which made gains of RM11.13 million. Save as disclosed, there were no other transactions involving quoted securities during the financial period. At 30 June 2007, quoted securities of the Group were as follows:

	RMø000
At cost	14,785
At carrying value	14,785
At market value	36,271



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:

	RMø000
Short term ó unsecured	20,125
Short term ó secured	12,275
Long term ó secured	19,135

Foreign borrowings as at 30 June 2007 included in the above are as follows:

Currency	Amount '000	RM '000
Australian Dollar	742	2,138
Singapore Dollar	402	896

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 5,600	2.8071	15,720
Committed future transactions	EURO 133	4.7519	632

**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	12,628	9,119	22,743	11,862
- Discontinued operations	-	60	-	165
Net profit for the period	<u>12,628</u>	<u>9,179</u>	<u>22,743</u>	<u>12,027</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	5.46	3.94	9.84	5.13
- Discontinued operations	-	0.03	-	0.07
Total basic EPS attributable to equity holders of the company (sen)	<u>5.46</u>	<u>3.97</u>	<u>9.84</u>	<u>5.20</u>

By Order of the Board

LIM KONG YOW
Company Secretary
21 August 2007