



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

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

	AS AT <u>30.9.2007</u> RM'000	(AUDITED) AS AT <u>31.12.2006</u> RM'000
<b>ASSETS</b>		
<u>Non-Current Assets</u>		
Property, plant & equipment	73,874	74,582
Prepaid lease rentals	22,646	23,036
Investment properties	58,764	55,064
Land held for property development	23,883	17,345
Investment in associates	24,373	23,184
Other investments	27,437	37,200
Other non-current assets	18,131	19,366
	<u>249,108</u>	<u>249,777</u>
<u>Current Assets</u>		
Inventories	67,784	59,546
Property development costs	20,359	21,405
Trade and other receivables	100,977	115,134
Current tax assets	4,160	7,193
Cash & cash equivalents	47,868	36,301
	<u>241,148</u>	<u>239,579</u>
Non-current assets held for sale	-	11,000
Total Assets	<u>490,256</u>	<u>500,356</u>



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

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

	AS AT <u>30.9.2007</u> RM'000	(AUDITED) AS AT <u>31.12.2006</u> RM'000
<b>EQUITY AND LIABILITIES</b>		
<u>Equity</u>		
Share capital	231,559	231,559
Reserves	74,517	61,679
Treasury shares	<u>(235)</u>	<u>(235)</u>
	305,841	293,003
Minority interests	30,480	31,072
	<u>336,321</u>	<u>324,075</u>
<u>Non-Current Liabilities</u>		
Long term borrowings	16,954	13,952
Deferred tax liabilities	6,650	7,677
Deferred income	<u>15,243</u>	<u>16,039</u>
	<u>38,847</u>	<u>37,668</u>
<u>Current Liabilities</u>		
Trade and other payables	75,597	79,961
Overdrafts & short term borrowings	34,802	55,513
Current tax liabilities	<u>4,689</u>	<u>3,139</u>
	<u>115,088</u>	<u>138,613</u>
Total liabilities	153,935	176,281
Total equity and liabilities	<u><u>490,256</u></u>	<u><u>500,356</u></u>
Net assets per share (RM)	1.32	1.27

(The Condensed Consolidated Balance Sheets 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 9-MONTH PERIOD ENDED 30 SEPTEMBER 2007**  
*(Unaudited)*

	CURRENT QUARTER ENDED 30.9.2007 RM'000	COMPARATIVE QUARTER ENDED 30.9.2006 RM'000	CUMULATIVE 9 MONTHS ENDED 30.9.2007 RM'000	COMPARATIVE 9 MONTHS ENDED 30.9.2006 RM'000
Revenue	124,828	122,704	348,115	318,124
Operating expenses	(119,353)	(117,317)	(332,085)	(305,064)
Other operating income	2,507	2,053	5,182	4,906
Profit from operations	7,982	7,440	21,212	17,966
Finance costs	(1,014)	(1,371)	(2,972)	(3,346)
Net gain from investments	2,586	11	19,301	7,873
Share of results of associates	1,941	(428)	70	(2,001)
Profit before tax from continuing operations	11,495	5,652	37,611	20,492
Profit before tax from discontinued operations	-	20	-	185
Profit before tax	11,495	5,672	37,611	20,677
Tax expense	(2,212)	(1,347)	(5,106)	(2,954)
Net profit for the period	9,283	4,325	32,505	17,723
Attributable to:				
Equity holders of the parent	8,756	4,212	31,499	16,239
Minority interest	527	113	1,006	1,484
	9,283	4,325	32,505	17,723
Earnings per share				
Basic (sen)	3.79	1.82	13.62	7.02

(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 30 SEPTEMBER 2007**  
(Unaudited)

	< ----- Attributable to equity holders of the parent ----- >					Minority Interest	Total Equity
	Share Capital	Treasury Shares	Unappropriated profit	Other Reserves	Total		
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>		
Balance as at 1 Jan 2006	231,559	(235)	15,340	33,559	280,223	67,778	348,001
Effect of adopting FRS 3			2,433		2,433		2,433
	231,559	(235)	17,773	33,559	282,656	67,778	350,434
Deconsolidation of a subsidiary				(1,453)	(1,453)	(35,793)	(37,246)
Exchange translation differences				452	452		452
Transfer to capital reserve			(300)	300	-		-
Changes in equity interest in subsidiaries					-	763	763
Net profit for the period			16,239		16,239	1,484	17,723
Dividends paid			(11,560)		(11,560)	(1,686)	(13,246)
Balance as at 30 Sept 2006	231,559	(235)	22,152	32,858	286,334	32,546	318,880
Balance as at 1 Jan 2007	231,559	(235)	31,543	30,136	293,003	31,072	324,075
Exchange translation differences				275	275	(372)	(97)
Changes of equity interest in subsidiaries					-	(260)	(260)
Net profit for the period			31,499		31,499	1,006	32,505
Dividend paid			(18,936)		(18,936)	(966)	(19,902)
Balance as at 30 Sept 2007	231,559	(235)	44,106	30,411	305,841	30,480	336,321

(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 9-MONTH PERIOD ENDED 30 SEPTEMBER 2007**  
*(Unaudited)*

	CUMULATIVE 9 MONTHS <u>30.9.2007</u> RM'000	CUMULATIVE 9 MONTHS <u>30.9.2006</u> RM'000
Profit before tax from continuing operations	37,611	20,492
Adjustments for :		
Non-cash items	<u>(12,253)</u>	<u>2,324</u>
Operating profit before changes in working capital	25,358	22,816
Changes in current assets	8,355	(17,738)
Changes in current liabilities	(5,907)	16,234
Income tax paid, net of refund	<u>(1,583)</u>	<u>(5,083)</u>
Net cash from operating activities		
- Continuing operations	26,223	16,229
- Discontinued operations	<u>-</u>	<u>1,330</u>
	<u>26,223</u>	<u>17,559</u>
Investing Activities		
Equity investments	(1,000)	(1,973)
Other investments	26,576	(9,153)
Net cash flow from deconsolidation of a subsidiary	-	(11,754)
Withdrawal of pledged fixed deposits	<u>(1,577)</u>	<u>(1,314)</u>
Net cash from/(used in) investing activities		
- Continuing operations	<u>23,999</u>	<u>(24,194)</u>
Financing Activities		
Capital injection by minority shareholders	392	3,440
Dividend paid to shareholders	(18,936)	(11,560)
Dividend paid to minority interests	(966)	(1,686)
Net (repayment)/drawdown of borrowings	<u>(22,092)</u>	<u>3,886</u>
Net cash used in financing activities	<u>(41,602)</u>	<u>(5,920)</u>



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

**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS**  
**FOR THE 9-MONTH PERIOD ENDED 30 SEPTEMBER 2007 (Continuation)**  
*(Unaudited)*

	CUMULATIVE 9 MONTHS <u>30.9.2007</u> RM'000	CUMULATIVE 9 MONTHS <u>30.9.2006</u> RM'000
Net Changes in Cash & Cash Equivalents	8,620	(12,555)
Effects of changes in exchange rates	(22)	73
	<u>8,598</u>	<u>(12,482)</u>
Cash & Cash Equivalents at beginning of period	33,510	46,701
Effects of changes in exchange rates	(97)	252
	<u>33,413</u>	<u>46,953</u>
Cash & Cash Equivalents at end of period	<u>42,011</u>	<u>34,471</u>
Represented by:		
Fixed and time deposits	28,794	17,557
Cash & bank balances	<u>19,074</u>	<u>20,449</u>
	47,868	38,006
Less : Bank overdrafts	(3,944)	(1,910)
Less : Fixed deposits (pledged)	(1,913)	(1,625)
	<u>42,011</u>	<u>34,471</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 NINE-MONTH PERIOD ENDED 30 SEPTEMBER 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 third 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 1% less 27% tax which amounted to RM10.94 million in respect of the financial year ended 31 December 2006.

The Company paid a final dividend of 2% tax exempt and 2% less 27% tax for the financial year ended 31 December 2006 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>
<b>REVENUE</b>					
External sales	96,105	117,323	74,402	60,285	348,115
Inter-segment sales	-	-	287	1,912	2,199
Total revenue	<u>96,105</u>	<u>117,323</u>	<u>74,689</u>	<u>62,197</u>	<u>350,314</u>
<b>RESULTS</b>					
Segment operating profit	5,755	11,749	2,499	2,956	22,959
Unallocated corporate expenses					(1,747)
Profit from operations					21,212
Finance costs					(2,972)
Net gain from investments					19,301
Share of results of associates	<u>34</u>	<u>-</u>	<u>14</u>	<u>22</u>	<u>70</u>
Profit before tax					37,611
Tax expense					(5,106)
Net profit for the period					<u>32,505</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**

On 28 September 2007, a subsidiary of the Company, Phili-Orient Lines (Penang) Sdn Bhd (POLPG) has been served with a petition pursuant to Section 218(1)(f) and/or (i) of the Companies Act, 1965 by the shareholders of POLPG. POLPG has instructed its solicitors to peruse the petition and to resist each and every single claim alleged in the petition. The High Court at Penang has fixed the hearing on 14 January 2008.

On 3 October 2007, the Company has entered into a conditional Share Sale Agreement (SSA) for the acquisition of 5,000,000 ordinary shares of RM1.00 each in Fauzi-Lim Plantation Sdn Bhd (FLP) for a cash consideration of RM34,200,000, subject to the conditions of SSA. The principal activity of FLP is to manage and operate oil palm plantation.

On 14 November 2007, a subsidiary of the Company, Phili-Orient Lines (Port Klang) Sdn Bhd has been dissolved and wound up at the expiration of three months from the date of Final Meeting, ie. 14 August 2007.

#### **11. EFFECT OF CHANGES IN COMPOSITION OF GROUP**

In the first 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**

For the current quarter, the Group posted RM125 million in revenue, slightly increased by RM2 million as compared to RM123 million reported in 2006. Pre-tax profit nearly doubled from RM5.7 million in 2006 to RM11.5 million in 2007. Both textile and lighting divisions showed a better performance as compared to preceding year corresponding quarter. Besides, the Group has achieved higher investments gains compared to the third quarter of 2006.

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

Profit from operations increased slightly from RM7.8 million in the preceding quarter to RM8.0 million in the reporting quarter. Pre-tax profit was reported lower at RM11.5 million as compared to RM15.3 million reported in preceding quarter, mainly attributed to lower investments gain during the quarter. Share of results of associates has turned around from losses of RM0.2 million in the preceding quarter to profit of RM1.9 million in the reporting quarter.

#### **15. PROSPECTS FOR FINANCIAL YEAR 2007**

The Board expects the performance of the Group for the remaining quarter 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:

	Third Quarter <u>RM '000</u>	Current Year-to-date <u>RM '000</u>
Current tax expense		
- current period	2,022	5,677
- underestimated in prior years	132	456
Deferred tax expense		
- current period	76	(970)
- overestimated in prior years	(18)	(57)
	<u>2,212</u>	<u>5,106</u>

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

Accounting profit (excluding share of results of associates)	<u>9,554</u>	<u>37,541</u>
Tax at the applicable tax rate of 27%	2,580	10,136
Tax effect of expenses not deductible in determining taxable profit	717	2,365
Tax effect of current period temporary differences not recognised	451	1,347
Tax effect of tax incentives and non-taxable income	(1,041)	(7,220)
Tax effect of utilisation of deductible temporary differences not previously recognised	(396)	(1,169)
Tax effect of differences in tax rates	(213)	(752)
Tax underestimated in prior years	114	399
	<u>2,212</u>	<u>5,106</u>

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

During the reporting quarter, the Group disposed off Prime Plaza building in Penang which was classified under non-current assets held for sale. The Plaza has been sold at the book value of RM11 million.

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

**19. PURCHASES AND DISPOSAL OF QUOTED SECURITIES**

During the reporting quarter, the Group purchased securities quoted on the Bursa Malaysia for a total consideration of RM0.87 million while quoted securities with a book value of RM0.31 million were disposed, giving rise to a gain of RM2.59 million. During the period ended 30 September 2007, the Group disposed quoted securities with a book value of RM18.28 million which made gains of RM13.72 million. Save as disclosed, there were no other transactions involving quoted securities during the financial period. At 30 September 2007, quoted securities of the Group were as follows:

	RM000
At cost	15,352
At carrying value	15,352
At market value	29,048

**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:

	RM000
Short term ó unsecured	17,927
Short term ó secured	16,875
Long term ó secured	16,954

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

Currency	Amount '000	RM '000
Australian Dollar	885	2,618
Singapore Dollar	177	401

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 RM '000
Trade receivables	AUD 2,800	2.8421	7,958

**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	8,756	4,192	31,499	16,054
- Discontinued operations	-	20	-	185
Net profit for the period	<u>8,756</u>	<u>4,212</u>	<u>31,499</u>	<u>16,239</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	3.79	1.81	13.62	6.94
- Discontinued operations	-	0.01	-	0.08
Total basic EPS attributable to equity holders of the company (sen)	<u>3.79</u>	<u>1.82</u>	<u>13.62</u>	<u>7.02</u>

By Order of the Board

LIM KONG YOW  
Company Secretary  
21 November 2007