



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

CONDENSED CONSOLIDATED BALANCE SHEETS
AS AT 31 DECEMBER 2007
(Unaudited)

	AS AT <u>31.12.2007</u> RM'000	(AUDITED) AS AT <u>31.12.2006</u> RM'000
ASSETS		
<u>Non-Current Assets</u>		
Property, plant & equipment	73,997	74,582
Prepaid lease rentals	23,621	23,036
Investment properties	58,762	55,064
Land held for property development	26,073	17,345
Investment in associates	24,963	23,184
Other investments	29,735	37,200
Other non-current assets	17,073	19,366
	<u>254,224</u>	<u>249,777</u>
<u>Current Assets</u>		
Inventories	59,550	59,546
Property development costs	11,897	21,405
Trade and other receivables	114,510	115,134
Current tax assets	4,785	7,193
Cash & cash equivalents	51,653	36,301
	<u>242,395</u>	<u>239,579</u>
Non-current assets held for sale	-	11,000
Total Assets	<u>496,619</u>	<u>500,356</u>



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

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

	AS AT 31.12.2007 RM'000	(AUDITED) AS AT 31.12.2006 RM'000
EQUITY AND LIABILITIES		
<u>Equity</u>		
Share capital	231,559	231,559
Reserves	83,293	61,679
Treasury shares	(235)	(235)
	<hr/>	<hr/>
	314,617	293,003
Minority interests	30,069	31,072
	<hr/>	<hr/>
Total equity	344,686	324,075
<u>Non-Current Liabilities</u>		
Long term borrowings	14,817	13,952
Deferred tax liabilities	6,421	7,677
Deferred income	15,441	16,039
	<hr/>	<hr/>
	36,679	37,668
<u>Current Liabilities</u>		
Trade and other payables	80,063	79,961
Overdraft & short term borrowings	31,015	55,513
Current tax liabilities	4,176	3,139
	<hr/>	<hr/>
	115,254	138,613
	<hr/>	<hr/>
Total liabilities	151,933	176,281
	<hr/>	<hr/>
Total equity and liabilities	496,619	500,356
	<hr/>	<hr/>
Net assets per share (RM)	1.36	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 YEAR ENDED 31 DECEMBER 2007
(Unaudited)

	CURRENT QUARTER <u>ENDED 31.12.2007</u> RM'000	COMPARATIVE QUARTER <u>ENDED 31.12.2006</u> RM'000	CUMULATIVE 12 MONTHS <u>ENDED 31.12.2007</u> RM'000	COMPARATIVE 12 MONTHS <u>ENDED 31.12.2006</u> RM'000
Revenue	134,653	131,337	474,451	440,481
Operating expenses	(124,643)	(124,769)	(448,099)	(420,732)
Other operating income	(2,746)	(873)	2,363	4,033
Profit from operations	7,264	5,695	28,715	23,782
Finance costs	(1,064)	(1,417)	(3,965)	(4,720)
Net gain from investments	3,297	7,890	22,598	15,763
Share of results of associates	2,265	(1,178)	2,335	(3,179)
Profit before tax from continuing operations	11,762	10,990	49,683	31,646
Profit/(loss) before tax from discontinued operations	205	(596)	(105)	(575)
Profit before tax	11,967	10,394	49,578	31,071
Tax expense	(1,639)	(1,175)	(6,745)	(4,129)
Net profit for the period	<u>10,328</u>	<u>9,219</u>	<u>42,833</u>	<u>26,942</u>
Attributable to:				
Equity holders of the parent	9,919	9,391	41,418	25,630
Minority interest	409	(172)	1,415	1,312
	<u>10,328</u>	<u>9,219</u>	<u>42,833</u>	<u>26,942</u>
Earnings per share				
Basic (sen)	4.29	4.06	17.91	11.08

(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 DECEMBER 2007
(Unaudited)

	< ----- Attributable to equity holders of the parent ----- >						Total Equity
	Share Capital	Treasury Shares	Unappropriated profit	Other Reserves	Total	Minority Interest	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
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)	(38,226)	(39,679)
Exchange translation differences				(2,270)	(2,270)	1,361	(909)
Transfer to capital reserve			(300)	300	-		-
Changes in equity interest in subsidiaries					-	763	763
Net profit for the period			25,630		25,630	1,312	26,942
Dividends paid			(11,560)		(11,560)	(1,916)	(13,476)
Balance as at 31 Dec 2006	231,559	(235)	31,543	30,136	293,003	31,072	324,075
Exchange translation differences				(868)	(868)	(548)	(1,416)
Transfer to capital reserve			(400)	400	-		-
Changes in equity interest in subsidiaries					-	(60)	(60)
Net profit for the period			41,418		41,418	1,415	42,833
Dividends paid			(18,936)		(18,936)	(1,810)	(20,746)
Balance as at 31 Dec 2007	231,559	(235)	53,625	29,668	314,617	30,069	344,686

(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 YEAR ENDED 31 DECEMBER 2007
(Unaudited)

	<u>31.12.2007</u>	<u>31.12.2006</u>
	RM'000	RM'000
Profit before tax from continuing operations	49,683	31,646
Adjustments for :		
Non-cash items	<u>(14,633)</u>	<u>1,151</u>
Operating profit before changes in working capital	35,050	32,797
Changes in current assets	6,562	(25,308)
Changes in current liabilities	444	10,989
Income tax paid, net of refund	<u>(4,582)</u>	<u>(6,309)</u>
Net cash from operating activities		
- Continuing operations	37,474	12,169
- Discontinued operations	<u>1,371</u>	<u>(345)</u>
	<u>38,845</u>	<u>11,824</u>
Investing Activities		
Equity investments	(1,000)	(1,972)
Other investments	22,374	(3,574)
Net cash flow from deconsolidation of a subsidiary	-	(11,754)
Withdrawal of pledged fixed deposits	(1,417)	(25)
Dividend received	654	1,419
Net cash from/(used in) investing activities		
- Continuing operations	<u>20,611</u>	<u>(15,906)</u>
- Discontinued operations	<u>(91)</u>	<u>(22)</u>
	<u>20,520</u>	<u>(15,928)</u>
Financing Activities		
Capital injection by minority shareholders	392	3,440
Dividend paid to shareholders	(18,936)	(11,560)
Dividend paid to minority interests	(1,810)	(1,916)
(Repayment)/Net drawdown of borrowings	(24,741)	160
Net cash used in financing activities		
- Continuing operations	<u>(45,095)</u>	<u>(9,876)</u>
- Discontinued operations	<u>-</u>	<u>666</u>
	<u>(45,095)</u>	<u>(9,210)</u>



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

CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007 (Continuation)
(Unaudited)

	<u>31.12.2007</u> RM'000	<u>31.12.2006</u> RM'000
Net Changes in Cash & Cash Equivalents	14,270	(13,314)
Effects of changes in exchange rates	(22)	18
	<u>14,248</u>	<u>(13,296)</u>
Cash & Cash Equivalents at beginning of the year	33,510	46,701
Effects of changes in exchange rates	(142)	105
	33,368	46,806
Cash & Cash Equivalents at end of the year	<u><u>47,616</u></u>	<u><u>33,510</u></u>
Represented by:		
Cash & Cash Equivalents	51,653	36,301
Less : Bank overdrafts	(2,285)	(2,456)
Less : Fixed deposits (pledged)	(1,752)	(335)
	<u><u>47,616</u></u>	<u><u>33,510</u></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 YEAR ENDED 31 DECEMBER 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 year 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

The Garments and Electronics divisions traditionally record better performance in last quarter.

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. DIVIDENDS PAID

On 26 March 2007, the Company paid 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 final dividends of 2% tax exempt and 2% less 27% tax for the financial year ended 31 December 2006 on 1 August 2007.

8. SEGMENT INFORMATION

	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	124,308	172,457	95,649	82,037	474,451
Inter-segment sales	-	-	382	2,734	3,116
Total revenue	<u>124,308</u>	<u>172,457</u>	<u>96,031</u>	<u>84,771</u>	<u>477,567</u>
RESULTS					
Segment operating profit	7,970	17,513	4,137	1,868	31,488
Unallocated corporate expenses					<u>(2,773)</u>
Profit from operations					28,715
Finance costs					(3,965)
Net gain from investments					22,598
Share of results of associates	<u>22</u>	<u>-</u>	<u>231</u>	<u>2,082</u>	<u>2,335</u>
Profit before tax from continuing operations					49,683
Loss before tax from discontinued operations					(105)
Profit before tax					<u>49,578</u>
Tax expense					(6,745)
Net profit for the year					<u>42,833</u>

On 30 November 2007, the textile section ceased operations and leased out the entire operations of the company to third party for 10-year period lease. The section has been incurring losses in recent years and the Board has deemed that operations were not commercially viable as a result of increasing operation costs and competition.

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

In the third quarter, 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 and later postponed the hearing to 6 May 2008. There are no other material subsequent events at the date of this report.

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.

During the quarter, 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 (“Proposed Acquisition”), subject to the conditions of SSA. The principal activity of FLP is to manage and operate oil palm plantation. Foreign Investment Committee’s approval is obtained vide its letter dated 15 November 2007. However, the Proposed Acquisition as at to-date is still pending completion.

During the quarter, two subsidiaries of the Company, namely Phili-Orient Lines (Port Klang) Sdn Bhd and Davex Trading (Pg) Sdn Bhd have been dissolved and wound up at the expiration of three months from the date of Final Meeting, ie. 14 August 2007 and 28 December 2007 respectively.

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 RM134.7 million in revenue, increased by RM3.4 million as compared to RM131.3 million reported in 2006. Pre-tax profit also recorded higher at RM12.0 million for current quarter as compared to RM10.4 million in 2006. Both garment and lighting divisions have shown better performance as compared to preceding year corresponding quarter. Besides, the Group has achieved higher share of results of associates as compared to the last quarter of 2006.

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

Profit from operations reduced from RM8.0 million in the preceding quarter to RM7.3 million in the reporting quarter. However, pre-tax profit was reported higher at RM12.0 million as compared to RM11.5 million reported in preceding quarter, mainly attributed to higher investments gain during the quarter. Share of results of associates also improved from RM1.9 million in the preceding quarter to RM2.3 million in the reporting quarter.

15. PROSPECTS FOR FINANCIAL YEAR 2008

The Board expects the performance of the Group in the financial year 2008 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:

	Fourth Quarter <u>RM '000</u>	Current Year-to-date <u>RM '000</u>
Current tax expense		
- current period	1,530	7,207
- under estimated in prior years	324	780
Deferred tax expense		
- current period	(309)	(1,279)
- under estimated in prior years	94	37
	<u>1,639</u>	<u>6,745</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>9,702</u>	<u>47,243</u>
Tax at the applicable tax rate of 27%	2,620	12,756
Tax effect of expenses not deductible in determining taxable profit	150	2,515
Tax effect of current period temporary differences not recognised	4	1,351
Tax effect of tax incentives and non-taxable income	300	(6,920)
Tax effect of utilisation of deductible temporary differences not previously recognised	(1,549)	(2,718)
Tax effect of differences in tax rates	(304)	(1,056)
Tax under estimated in prior years	418	817
	<u>1,639</u>	<u>6,745</u>

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

In the third 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 disposed securities quoted on the Bursa Malaysia with a book value of RM0.2 million for a total consideration of RM3.7 million, giving rise to a gain of RM3.5 million. During the financial year ended 31 December 2007, the Group disposed quoted securities with a book value of RM18.48 million which made gains of RM17.2 million. Save as disclosed, there were no other transactions involving quoted securities during the financial year. At 31 December 2007, quoted securities of the Group were as follows:

	RM'000
At cost	15,152
At carrying value	15,152
At market value	34,432

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	16,438
Short term – secured	14,577
Long term – secured	14,817

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

Currency	Amount '000	RM '000
Australian Dollar	734	2,104
Singapore Dollar	129	291

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 financial year end, 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 1,400	2.8529	3,994

**23. DIVIDEND DECLARED FOR THE REPORTING QUARTER**

During the quarter, the Board declared interim dividends of 1% tax exempt and 3% less 26% tax (2006: 4% tax exempt and 1% less 27% tax) which amounted to RM7.44 million in respect of the financial year ended 31 December 2007. The dividends will be paid to shareholders on 18 March 2008.

The Board proposes a final dividend of 5% less 26% tax (2006: 2% tax exempt and 2% less 27% tax) for the financial year ended 31 December, 2007 which will be payable at a date to be determined.

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

Computation of the EPS is as follows:

	Current Quarter <u>31.12.2007</u> RM '000	Comparative Quarter <u>31.12.2006</u> RM '000	Cumulative 12 months <u>31.12.2007</u> RM '000	Comparative 12 months <u>31.12.2006</u> RM '000
Net profit for the period from:				
- Continuing operations	9,714	9,987	41,523	26,205
- Discontinued operations	<u>205</u>	<u>(596)</u>	<u>(105)</u>	<u>(575)</u>
Net profit for the period	<u>9,919</u>	<u>9,391</u>	<u>41,418</u>	<u>25,630</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	4.20	4.32	17.96	11.33
- Discontinued operations	0.09	(0.26)	(0.05)	(0.25)
Total basic EPS attributable to equity holders of the company (sen)	<u>4.29</u>	<u>4.06</u>	<u>17.91</u>	<u>11.08</u>

By Order of the Board

LIM KONG YOW
Company Secretary
27 February 2008