



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

CONDENSED CONSOLIDATED BALANCE SHEETS

AS AT 30 JUNE 2008

(Unaudited)

	AS AT <u>30.6.2008</u> RM'000	(AUDITED) AS AT <u>31.12.2007</u> RM'000
ASSETS		
<u>Non-Current Assets</u>		
Property, plant & equipment	86,063	73,894
Investment properties	58,007	58,600
Prepaid lease rentals	51,659	23,733
Land held for property development	32,085	28,090
Investment in associates	26,652	25,968
Other investments	25,019	24,965
Other non-current assets	22,904	17,072
	<u>302,389</u>	<u>252,322</u>
<u>Current Assets</u>		
Inventories	65,917	59,714
Property development costs	3,788	1,866
Trade and other receivables	110,742	124,743
Current tax assets	2,014	4,166
Cash & cash equivalents	52,410	51,650
	<u>234,871</u>	<u>242,139</u>
 Total Assets	 <u>537,260</u>	 <u>494,461</u>



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

CONDENSED CONSOLIDATED BALANCE SHEETS
AS AT 30 JUNE 2008 (Continuation)
(Unaudited)

	AS AT 30.6.2008 RM'000	(AUDITED) AS AT 31.12.2007 RM'000
EQUITY AND LIABILITIES		
<u>Equity</u>		
Share capital	231,559	231,559
Reserves	90,122	83,644
Treasury shares	(235)	(235)
	<hr/>	<hr/>
	321,446	314,968
Minority interests	31,402	30,087
	<hr/>	<hr/>
Total equity	352,848	345,055
<u>Non-Current Liabilities</u>		
Long term borrowings	10,933	14,782
Deferred tax liabilities	5,965	6,003
Deferred income	14,420	15,441
	<hr/>	<hr/>
	31,318	36,226
<u>Current Liabilities</u>		
Trade and other payables	91,746	78,079
Overdraft & short term borrowings	56,214	31,050
Current tax liabilities	5,134	4,051
	<hr/>	<hr/>
	153,094	113,180
	<hr/>	<hr/>
Total liabilities	184,412	149,406
	<hr/>	<hr/>
Total equity and liabilities	537,260	494,461
	<hr/>	<hr/>
Net assets per share (RM)	1.39	1.36

(The Condensed Consolidated Balance Sheets should be read in conjunction with
the Annual Audited Accounts for the year ended 31 December 2007)



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

CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE 6-MONTH PERIOD ENDED 30 JUNE 2008
(Unaudited)

	CURRENT QUARTER <u>ENDED 30.6.2008</u> RM'000	COMPARATIVE QUARTER <u>ENDED 30.6.2007</u> RM'000	CUMULATIVE 6 MONTHS <u>ENDED 30.6.2008</u> RM'000	COMPARATIVE 6 MONTHS <u>ENDED 30.6.2007</u> RM'000
Revenue	123,786	110,976	225,988	217,012
Operating expenses	(114,617)	(103,454)	(211,716)	(206,092)
Other operating income	<u>1,545</u>	<u>430</u>	<u>5,260</u>	<u>2,674</u>
Profit from operations	10,714	7,952	19,532	13,594
Finance costs	(988)	(857)	(1,687)	(1,929)
Net gain from investments	372	8,706	1,420	16,715
Share of results of associates	<u>699</u>	<u>(247)</u>	<u>833</u>	<u>(1,871)</u>
Profit before tax	10,797	15,554	20,098	26,509
Tax expense	<u>(1,898)</u>	<u>(2,354)</u>	<u>(3,850)</u>	<u>(2,897)</u>
Profit from continuing operations	8,899	13,200	16,248	23,612
Discontinued operations	(23)	(206)	(23)	(390)
Net profit for the period	<u><u>8,876</u></u>	<u><u>12,994</u></u>	<u><u>16,225</u></u>	<u><u>23,222</u></u>
Attributable to:				
Equity holders of the Company	8,013	12,628	15,076	22,743
Minority interests	<u>863</u>	<u>366</u>	<u>1,149</u>	<u>479</u>
	<u><u>8,876</u></u>	<u><u>12,994</u></u>	<u><u>16,225</u></u>	<u><u>23,222</u></u>
Earnings per share				
Basic (sen)	3.47	5.46	6.52	9.84

(The Condensed Consolidated Income Statements should be read in conjunction with
the Annual Audited Accounts for the year ended 31 December 2007)



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

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2008
(Unaudited)

	< ----- Attributable to equity holders of the Company ----- >								Total equity
	Share Capital	Share Premium	Exchange Translation Reserve	Capital Reserve	Unappropriated profit/(Accumulated loss)	Treasury Shares	Total	Minority interests	
	<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 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	<u>231,559</u>	<u>23,586</u>	<u>5,713</u>	<u>754</u>	<u>43,350</u>	<u>(235)</u>	<u>304,727</u>	<u>30,016</u>	<u>334,743</u>
Balance as at 1 January 2008	231,559	23,586	5,353	754	53,951	(235)	314,968	30,087	345,055
Exchange translation differences			(1,153)				(1,153)	487	(666)
Transfer to capital reserve				400	(400)		-		-
Changes of equity interest in subsidiaries							-	(278)	(278)
Net profit for the period					15,076		15,076	1,149	16,225
Dividend paid					(7,445)		(7,445)	(43)	(7,488)
Balance as at 30 June 2008	<u>231,559</u>	<u>23,586</u>	<u>4,200</u>	<u>1,154</u>	<u>61,182</u>	<u>(235)</u>	<u>321,446</u>	<u>31,402</u>	<u>352,848</u>

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Audited Accounts for the year ended 31 December 2007)



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

CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE 6-MONTH PERIOD ENDED 30 JUNE 2008
(Unaudited)

	CUMULATIVE 6 MONTHS <u>30.6.2008</u> RM'000	CUMULATIVE 6 MONTHS <u>30.6.2007</u> RM'000
Profit before tax	20,098	26,509
Adjustments for :		
Non-cash items	<u>(112)</u>	<u>(11,083)</u>
Operating profit before changes in working capital	19,986	15,426
Changes in current assets	8,872	10,370
Changes in current liabilities	2,042	(12,065)
Income tax paid, net of refund	<u>(1,139)</u>	<u>1,051</u>
Net cash from operating activities		
- Continuing operations	29,761	14,782
- Discontinued operations	<u>1,271</u>	<u>39</u>
	<u>31,032</u>	<u>14,821</u>
Investing Activities		
Equity investments	(38,453)	(1,000)
Other investments	(5,329)	16,638
Placement of pledged fixed deposits	<u>(54)</u>	<u>(1,244)</u>
Net cash (used in)/from investing activities		
- Continuing operations	(43,836)	14,394
- Discontinued operations	<u>-</u>	<u>(166)</u>
	<u>(43,836)</u>	<u>14,228</u>
Financing Activities		
Capital injection by minority shareholders	-	392
Dividend paid to shareholders	(7,445)	(10,936)
Dividend paid to minority interests	(43)	(75)
Net drawdown/(repayment) of borrowings	<u>21,141</u>	<u>(19,372)</u>
Net cash from/(used in) financing activities	<u>13,653</u>	<u>(29,991)</u>



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

CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE 6-MONTH PERIOD ENDED 30 JUNE 2008 (Continuation)
(Unaudited)

	CUMULATIVE 6 MONTHS <u>30.6.2008</u> RM'000	CUMULATIVE 6 MONTHS <u>30.6.2007</u> RM'000
Net Changes in Cash & Cash Equivalents	849	(942)
Effects of changes in exchange rates	80	(2)
	<u>929</u>	<u>(944)</u>
Cash & Cash Equivalents at beginning of period	48,674	33,510
Effects of changes in exchange rates	279	(281)
	<u>48,953</u>	<u>33,229</u>
Cash & Cash Equivalents at end of period	<u>49,882</u>	<u>32,285</u>
Represented by:		
Cash & cash equivalents	52,410	36,752
Bank overdrafts	(1,869)	(2,887)
	<u>50,541</u>	<u>33,865</u>
Less: Fixed deposits (pledged)	(659)	(1,580)
	<u>49,882</u>	<u>32,285</u>

(The Condensed Consolidated Cash Flow Statements should be read in conjunction with
the Annual Audited Accounts for the year ended 31 December 2007)



EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2008

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 2007 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 2008:

FRS 107	Cash Flow Statements
FRS 111	Construction Contracts
FRS 112	Income Taxes
FRS 118	Revenue
FRS 134	Interim Financial Reporting
FRS 137	Provisions, Contingent Liabilities and Contingent Assets

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 and financial year to date.

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 six-month period.

**7. DIVIDEND PAID/DECLARED**

On 18 March, 2008, the Company paid an interim dividends of 1% tax exempt and 3% less 26% tax which amounted to RM7.44 million in respect of the financial year ended 31 December, 2007.

The Company proposed a final dividend of 5% less 26% tax for the financial year 2007. The dividend was approved by shareholders at the Annual General Meeting held on 29 May, 2008 and was paid on 28 July 2008.

8. SEGMENT INFORMATION

	Textile & Garment	Lighting & Pagers	Properties	Plantation	Trading & Others	Group 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>
REVENUE						
External sales	65,847	103,922	20,703	1,877	33,639	225,988
Inter-segment sales	-	-	191	-	1,698	1,889
Total revenue	<u>65,847</u>	<u>103,922</u>	<u>20,894</u>	<u>1,877</u>	<u>35,337</u>	<u>227,877</u>
RESULTS						
Segment operating profit	5,653	14,034	(2,924)	(437)	3,910	20,236
Unallocated corporate expenses						(704)
Profit from operations						19,532
Finance costs						(1,687)
Net gain from investments						1,420
Share of results of associates	<u>30</u>		<u>40</u>		<u>763</u>	<u>833</u>
Profit before tax						20,098
Tax expense						(3,850)
Profit from continuing operations						16,248
Discontinued operations						(23)
Net profit for the period						<u>16,225</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

In the first quarter, the Company completed the acquisition of 5,000,000 ordinary shares of RM1.00 each representing 100% shareholding interest in Fauzi-Lim Plantation Sdn Bhd for a cash consideration of RM34,250,000.

During the reporting quarter, the Company acquired 2 ordinary shares of RM1.00 each and 3 ordinary shares of RM1.00 each representing 100% shareholding interest in Etika Gangsa Sdn Bhd and Taka Worldwide Trading Sdn Bhd respectively for a cash consideration of RM1,544,000 each. These companies have 500 acres of lands each and 66 years lease agreement with Yayasan Al-Khairiah and Badan Kebajikan AL-Nur Kelantan respectively for the purpose of oil palms cultivation in the state of Kelantan.

12. CHANGES IN CONTINGENT LIABILITIES AND ASSETS

There were no material changes in contingent liabilities and assets during the six-month period.

13. REVIEW OF PERFORMANCE OF CURRENT QUARTER

For the current reporting quarter, the Group registered RM124 million in turnover, increased by 12% as compared to RM111 million reported in the preceding year corresponding quarter. Both Textile and Electronics divisions reported higher revenue with total sales of RM37 million and RM64 million respectively while the Properties division reported a lower revenue of RM12 million. Profit from operations reported higher at RM10.7 million as compared to RM8.0 million in the preceding year corresponding quarter. However, pre-tax profit was reported lower at RM10.8 million, attributed to lower gains from investments during the reporting quarter.

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

The Group posted RM124 million turnover for the current quarter, increased by RM22 million or 22% as compared to RM102 million reported in the first quarter. The increase in revenue mainly contributed by both Textile and Lighting divisions. In line with the increase in revenue, both profit from operations and pre-tax profit also reported higher at RM10.7 million and RM10.8 million respectively.

15. PROSPECTS FOR FINANCIAL YEAR 2008

The Board expects the performance of the Group for the remaining quarters to be satisfactory, subject to the uncertainties in the world market.

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	2,780	4,767
- overestimated in prior years	(452)	(453)
Deferred tax expense		
- current period	(578)	(608)
- underestimated in prior years	148	144
	<u>1,898</u>	<u>3,850</u>

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

	Second Quarter <u>RM '000</u>	Current Year-to-Date <u>RM '000</u>
Accounting profit (excluding share of results of associates)	<u>10,098</u>	<u>19,265</u>
Tax at the applicable tax rate of 26%	2,626	5,009
Tax effect of expenses not deductible in determining taxable profit	460	885
Deferred tax assets arising from unused tax losses and unabsorbed capital allowance	217	1,014
Tax effect of income not taxable in determining taxable profit	(380)	(1,403)
Tax effect on utilisation of deductible temporary differences not previously recognized	(396)	(684)
Tax effect of differences in tax rates	(325)	(662)
Tax overestimated in prior years	(304)	(309)
	<u>1,898</u>	<u>3,850</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 six-month period.

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

During the six-month period, the Group did not transact in any quoted securities. At 30 June 2008, quoted securities of the Group were as follows:

	RM'000
At cost	15,171
At carrying value	15,152
At market value	22,477

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	17,825
Short term – secured	38,389
Long term – secured	10,933

Foreign borrowings as at 30 June 2008 included in the above are as follows:

Currency	Amount '000	RM '000
Australian Dollar	19	58
Singapore Dollar	119	281

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 30 June 2008, 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	USD1,600	3.225	5,160

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

Computation of the EPS is as follows:

	Current Quarter <u>30.6.2008</u> RM'000	Comparative Quarter <u>30.6.2007</u> RM'000	Cumulative 6 months <u>30.6.2008</u> RM'000	Comparative 6 months <u>30.6.2007</u> RM'000
Net profit/(loss) for the period from:				
- Continuing operations	8,036	12,834	15,099	23,133
- Discontinued operations	<u>(23)</u>	<u>(206)</u>	<u>(23)</u>	<u>(390)</u>
Net profit for the period	<u>8,013</u>	<u>12,628</u>	<u>15,076</u>	<u>22,743</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	3.48	5.55	6.53	10.01
- Discontinued operations	<u>(0.01)</u>	<u>(0.09)</u>	<u>(0.01)</u>	<u>(0.17)</u>
Total basic EPS attributable to equity holders of the Company (sen)	<u>3.47</u>	<u>5.46</u>	<u>6.52</u>	<u>9.84</u>

By Order of the Board

LIM KONG YOW
Company Secretary
20 August 2008