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

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2010
(Unaudited)

	AS AT 31.03.2010 RM'000	(AUDITED) AS AT 31.12.2009 RM'000
ASSETS		
Non-Current Assets		
Property, plant & equipment	88,244	86,755
Investment properties	65,974	65,163
Biological assets	10,772	10,925
Prepaid lease payments	32,470	32,625
Land held for property development	33,619	29,971
Investment in associates	34,649	32,677
Other investments	65,906	34,379
Other non-current assets	15,517	15,518
	347,151	308,013
Current Assets		
Inventories	74,441	71,292
Property development costs	4,894	8,438
Trade and other receivables	111,560	106,344
Current tax receivable	2,412	2,760
Derivatives	40	-
Cash & cash equivalents	49,415	47,121
	242,762	235,955
Total Assets	589,913	543,968

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

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2010 *(Continuation)*
(Unaudited)

	AS AT 31.03.2010 RM'000	(AUDITED) AS AT 31.12.2009 RM'000
EQUITY AND LIABILITIES		
Equity		
Share capital	231,559	231,559
Reserves	143,239	101,244
Treasury shares	(235)	(235)
	374,563	332,568
Minority interests	28,517	29,312
Total equity	403,080	361,880
Non-Current Liabilities		
Long term borrowings	19,809	20,818
Deferred tax liabilities	3,070	2,890
Deferred income	13,751	14,437
	36,630	38,145
Current Liabilities		
Trade and other payables	92,646	98,862
Overdraft & short term borrowings	51,969	40,004
Current tax payable	5,535	5,077
Derivatives	53	-
	150,203	143,943
Total liabilities	186,833	182,088
Total equity and liabilities	589,913	543,968
Net assets per share (RM)	1.62	1.44

(The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Annual Audited Accounts for the year ended 31 December 2009)

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

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE 3-MONTHS PERIOD ENDED 31 MARCH 2010
(Unaudited)

	CURRENT QUARTER ENDED 31.3.2010 RM'000	COMPARATIVE QUARTER ENDED 31.03.2009 RM'000	CUMULATIVE 3 MONTHS ENDED 31.3.2010 RM'000	COMPARATIVE 3 MONTHS ENDED 31.03.2009 RM'000
Revenue	115,575	115,279	115,575	115,279
Operating expenses	(104,717)	(107,051)	(104,717)	(107,051)
Other operating income	1,146	1,312	1,146	1,312
Profit from operations	12,004	9,540	12,004	9,540
Finance costs	(1,244)	(1,128)	(1,244)	(1,128)
Gain from investments	-	65	-	65
Share of profit of associates	1,972	(746)	1,972	(746)
Profit before tax	12,732	7,731	12,732	7,731
Income tax expense	(3,382)	(2,307)	(3,382)	(2,307)
Profit for the period	9,350	5,424	9,350	5,424
Other comprehensive income:				
Fair value of available-for-sale financial assets	11,767	-	11,767	-
Foreign currency translation	(1,869)	1,011	(1,869)	1,011
	9,898	1,011	9,898	1,011
Total comprehensive income	19,248	6,435	19,248	6,435
Profit attributable to:				
Owners of the parent	9,494	5,045	9,494	5,045
Minority interest	(144)	379	(144)	379
	9,350	5,424	9,350	5,424
Total comprehensive income attributable to:				
Owners of the parent	19,678	6,058	19,678	6,058
Minority interest	(430)	377	(430)	377
	19,248	6,435	19,248	6,435
Basic earnings per share attributable to Owners of the parent (sen)	4.11	2.18	4.11	2.18

(The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Annual Audited Accounts for the year ended 31 December 2009)

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE 3-MONTHS PERIOD ENDED 31 MARCH 2010
(Unaudited)

	< -------------------- Attributable to equity holders of the Company --------------------- >										
	Share Capital	Share Premium	Exchange Translation Reserve	Capital Reserve	Revaluation Reserve	Fair Value Reserve	Retained Earnings	Treasury Shares	Total	Minority interests	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1.1.2009	231,559	23,586	3,699	1,154	-	-	56,225	(235)	315,988	27,855	343,843
Total comprehensive income	-	-	1,013	-	-	-	5,045	-	6,058	377	6,435
Acquisition of shares in subsidiary	-	-	-	-	-	-	-	-	-	149	149
Dividend paid	-	-	-	-	-	-	(6,936)	-	(6,936)	(224)	(7,160)
At 31.3.2009	231,559	23,586	4,712	1,154	-	-	54,334	(235)	315,110	28,157	343,267
At 1.1.2010	231,559	23,586	6,719	1,154	3,636	-	66,150	(235)	332,569	29,312	361,881
Effects of adopting FRS 139	-	-	-	-	-	21,764	552	-	22,316	46	22,362
	231,559	23,586	6,719	1,154	3,636	21,764	66,702	(235)	354,885	29,358	384,243
Total comprehensive income	-	-	(1,583)	-	-	11,767	9,494	-	19,678	(430)	19,248
Dividend paid	-	-	-	-	-	-	-	-	-	(411)	(411)
At 31.3.2010	231,559	23,586	5,136	1,154	3,636	33,531	76,196	(235)	374,563	28,517	403,080

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with
the Annual Audited Accounts for the year ended 31 December 2009)

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

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE 3-MONTHS PERIOD ENDED 31 MARCH 2010
(Unaudited)

	CUMULATIVE 3 MONTHS 31.3.2010 RM'000	CUMULATIVE 3 MONTHS 31.3.2009 RM'000
Profit before tax	12,732	7,731
Adjustments for :		
Non-cash items	198	3,983
Operating profit before working capital changes	12,930	11,714
Changes in current assets	(5,544)	13,802
Changes in current liabilities	4,715	(9,300)
Net income tax paid	(2,546)	(1,849)
Net cash from operating activities	9,555	14,367
Investing Activities		
Equity investments	-	28
Other investments	(5,871)	(13,787)
Placement of pledged fixed deposits	(84)	(70)
Net cash used in investing activities	(5,955)	(13,829)
Financing Activities		
Capital injection by minority shareholders	-	240
Dividend paid to shareholders	-	(6,936)
Dividend paid to minority interests	(411)	(224)
Net (repayment)/drawdown of borrowings	(2,242)	10,122
Net cash (used in)/from financing activities	(2,653)	3,202

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

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE 3-MONTHS PERIOD ENDED 31 MARCH 2010 *(Continuation)*
(Unaudited)

	CUMULATIVE 3 MONTHS 31.3.2010 RM'000	CUMULATIVE 3 MONTHS 31.3.2009 RM'000
Net increase in Cash & Cash Equivalents	947	3,740
Effects of foreign change rate changes	(260)	40
	687	3,780
Cash & Cash Equivalents at beginning of period	43,997	37,890
Effects of foreign change rate changes	(575)	165
	43,422	38,055
Cash & Cash Equivalents at end of period	44,109	41,835
Represented by:		
Cash & cash equivalents	49,415	45,508
Bank overdrafts	(3,287)	(1,669)
	46,128	43,839
Less: Fixed deposits (pledged)	(2,019)	(2,004)
	44,109	41,835

(The Condensed Consolidated Statements of Cash Flow should be read in conjunction with the Annual Audited Accounts for the year ended 31 December 2009)

EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE 3-MONTHS PERIOD ENDED 31 MARCH 2010

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 2009 except for the adoption of the following new and revised Financial Reporting Standards ("FRSs") issued by the Malaysian Accounting Standards Board that are effective for the Group for the financial period beginning on or after 1 January 2010 :-

FRS 7	Financial Instruments: Disclosures
FRS 8	Operating Segments
FRS 101	Presentation of Financial Statements (Revised)
FRS 123	Borrowing Costs
FRS 139	Financial Instruments: Recognition and Measurement
Amendments to FRS 1	First-time Adoption of Financial Reporting Standards
Amendments to FRS 2	Share-based Payment – Vesting Conditions and Cancellations
Amendments to FRS 7	Financial Instruments: Disclosures
Amendments to FRS 127	Consolidated and Separate Financial Statements
Amendments to FRS 132	Financial Instruments: Presentation
Amendments to FRS 139	Financial Instruments: Recognition and Measurement

Adoption of the above standards did not have significant impact on the financial performance or position of the Group except for those discussed below:

a) FRS 8 - Operating Segments

FRS 8 requires the disclosure of information about the products and services provided by the segments, the geographical areas in which the Group operates, and revenue from the Group's major customers. The Group concluded that the reportable operating segments determined in accordance with FRS 8 are the same as the business segments previously identified under FRS. The adoption of FRS 8 did not have any effect on the financial position or performance of the Group.

b) FRS 101 - Presentation of Financial Statements (Revised)

The revised FRS 101 introduces changes in the presentation and disclosures of financial statements. The revised Standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with all non-owner changes in equity presented as a single line. The Standard also introduces the statement of comprehensive income, with all items of income and expense recognised in profit or loss, together with all other items of recognised income and expense recognised directly in equity, either in one single statement, or in two linked statements. The Group has elected to present this statement as one single statement.

1. ACCOUNTING POLICIES (continued)

c) FRS 139 – Financial Instruments: Recognition and Measurement

A financial instrument is recognised in the financial statements when, and only when, the Group becomes a party to the contractual provisions of the instrument. A financial instrument is recognised initially, at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transactions costs that are directly attributable to the acquisition or issue of the financial instrument.

The Group has adopted FRS 139 prospectively on 1 January 2010 in accordance with the transitional provisions. The effects arising from the adoption of this Standard has been accounted for by adjusting the opening balance of retained earnings as at 1 January 2010. Comparatives are not restated.

Financial assets

i) Loans and receivables

Prior to 1 January 2010, loans and receivables were stated at gross receivables less provision for doubtful debts. Upon the adoption of FRS 139, an impairment loss is recognised when there is objective evidence that an impairment loss has been incurred. The amount of the loss is measured as the difference between the receivable's carrying amount and the present value of the estimated future cash flows discounted at the receivable's original effective interest rate. As at 1 January 2010, the Group has remeasured the allowance for impairment losses as at that date in accordance with FRS 139 and the difference is recognised as adjustments to the opening balance of retained earnings as at that date.

ii) Available-for-sale financial assets (AFS)

Prior to 1 January 2010, the Group classified its investments in equity instruments as non-current investments and carried at cost less impairment losses. Upon the adoption of FRS 139, these investments, except for those whose fair value cannot be reliably measured, are designated at 1 January 2010 as AFS financial assets. They are measured at fair value with changes in value recognised as a separate component of equity until the asset are sold, or until the assets are determined to be impaired, at which time the cumulative gain or loss previously reported in equity is transferred to the income statement.

iii) Financial assets at fair value through profit or loss

Prior to adoption of FRS 139, the Group's derivative contracts were recognised in the financial statements on settlement date. With the adoption of FRS 139, derivative contracts are now categorised as fair value through profit or loss and measured at their fair values with the gain or loss recognised in the profit or loss.

Financial liabilities

The Group's financial liabilities include trade and other payables, bank loans and other borrowings. All financial liabilities except for derivatives are recognised initially at their fair value and subsequently measured at amortised cost, using effective interest method.

1. ACCOUNTING POLICIES (continued)

Financial guarantee contracts

During the current and prior years, the Group provided financial guarantees to bank in connection with loans granted to golf members of a subsidiary. Prior to 1 January 2010, the Group did not provide for such guarantees unless it was more likely than not that the guarantees would be called upon. The guarantees were disclosed as contingent liabilities. Upon the adoption of FRS 139, all unexpired financial guarantees issued by the Group are recognised as financial liabilities and are measured at their initial fair value less accumulated amortisation as at 1 January 2010.

d) Amendments to FRS 117 - Leases

Prior to 1 January 2010, for all leases of land and buildings, if title is not expected to pass to the lessee by the end of the lease term, the lessee normally does not receive substantially all of the risks and rewards incidental to ownership. Hence, all leasehold land held for own use was classified by the Group as operating lease and where necessary, the minimum lease payments or the up-front payments made were allocated between the land and the building elements in proportion to the relative fair values for leasehold interests in the land element and building element of the lease at the inception of the lease. The up-front payment represented prepaid lease payments and were amortised on a straight-line basis over the lease term.

The amendments to FRS 117 Leases clarify that leases of land and buildings are classified as operating or finance leases in the same way as leases of other assets. They also clarify that the present value of the residual value of the property in a lease with a term of several decades would be negligible and accounting for the land element as a finance lease in such circumstances would be consistent with the economic position of the lessee. Hence, the adoption of the amendments to FRS 117 has resulted in certain unexpired land leases to be reclassified as finance leases. The Group has applied this change in accounting policy retrospectively and certain comparatives have been restated.

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 reported a higher demand for current reporting quarter whereas Electronics division faces a more volatile market that depends on global market condition.

4. UNUSUAL ITEMS

Save for the adjustments to opening balances and the fair value changes arising from implementation of FRS 139, 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

The Company did not pay any dividend during the reporting quarter.

8. SEGMENT INFORMATION

	Garments	Lighting & Pagers	Properties	Plantation	Trading & Others	Group total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
REVENUE						
External sales	43,853	52,017	5,283	1,791	12,631	115,575
Inter-segment sales	-	-	1,427	-	854	2,281
Total revenue	43,853	52,017	6,710	1,791	13,485	117,856
RESULTS						
Segment operating profit	6,090	6,845	(590)	(427)	86	12,004
Unallocated corporate expenses						-
Profit from operations						12,004
Finance costs						(1,244)
Gain from investments						-
Share of profit of associates	25	-	(27)	-	1,974	1,972
Profit before tax						12,732
Income tax expense						(3,382)
Profit for the period						9,350

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

There were no material changes in the composition of the Group during the reporting quarter.

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

Group's revenue increased marginally to RM116 million as compared to preceding year corresponding quarter. Both Garment and Lighting divisions contributed to the higher revenue for current reporting quarter whereas Pager and Properties divisions reported lower revenue as compared to 2009. Revenue from Garment division improved by 16% as a result of higher overseas sale orders. Meanwhile, Lighting division also reported higher revenue from its sales to both Malaysia and Singapore markets. As a result, the Group's operating profit increased to RM12.0 million. Besides, the performance of Hong Kong associates also improved during the quarter. In total, the Group reported RM12.7 million in pre-tax profit as compared to RM7.7 million in 2009.

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

Group's revenue decreased to RM116 million as compared to RM128 million reported in the preceding quarter, reduction mainly from Pager division. Profit from operations reported slightly lower at RM12.0 million as compared to RM12.3 million as a result of lower revenue. However, the Group managed to report higher pre-tax profit of RM12.7 million as compared to RM10.8 million in preceding fourth quarter. The Group provided RM1.9 million fair value loss for investment properties in preceding fourth quarter. No such provision required for the reporting quarter.

15. PROSPECTS FOR FINANCIAL YEAR 2010

In view of the uncertainties of the global economy, the Board expects the performance of the Group in the remaining quarters to be challenging.

16. VARIANCE IN PROFIT FORECAST

There was no profit forecast issued for the financial year.

17. TAXATION

The tax expense consists of:

	First Quarter RM '000	Current Year-to-date RM '000
Current income tax		
- current period	3,397	3,397
Deferred tax		
- current period	(7)	(7)
- under provision in prior years	(8)	(8)
	3,382	3,382

17. TAXATION (continued)

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

	First Quarter RM '000	Current Year-to-Date RM '000
Profit before tax (excluding share of results of associates)	10,760	10,760
Taxation at Malaysian statutory rate of 25%	2,690	2,690
Tax effect of expenses not deductible for tax purposes	526	526
Deferred tax assets not recognised in respect of current period's tax losses and unabsorbed capital allowance	718	718
Tax effect of income not subject to tax	(5)	(5)
Tax effect on utilisation of previously unrecognised deductible temporary differences	(92)	(92)
Tax effect of differences in tax rates	(447)	(447)
Tax under provided in prior years	(8)	(8)
	3,382	3,382

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 material 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 did not transact in any quoted securities.

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	7,802
Short term – secured	44,167
Long term – secured	19,809

Foreign borrowings as at 31 March 2010 included in the above are as follows:

Currency	Amount '000	RM '000
Australian Dollar	AUD 300	904
Singapore Dollar	SGD 202	473

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

22. DERIVATIVE FINANCIAL INSTRUMENTS

Type of derivatives	Contract value (RM'000)	Fair value (RM'000)
Forward contract - Less than 1 year	6,678	6,586

Prior to 1 January 2010, all derivative financial instruments were recognised in the financial statements only upon settlement. These instruments do not qualify for hedge accounting under FRS 139. Hence, upon the adoption of FRS 139, all derivatives held by the Group as at 1 January 2010 are recognised at their fair values and are classified as financial liabilities fair value through profit or loss. There are no credit, market and liquidity risks associated with the derivatives.

23. COMPUTATION OF EARNINGS PER SHARE ("EPS")

Computation of the EPS is as follows:

	Current Quarter 31.3.2010 RM'000	Comparative Quarter 31.3.2009 RM'000	Cumulative 3 months 31.3.2010 RM'000	Cumulative 3 months 31.3.2009 RM'000
Profit for the period	9,494	5,045	9,494	5,045
No. of ordinary shares after deducting treasury shares	231,204	231,204	231,204	231,204
Basic EPS attributable to owners of the parent (sen)	4.11	2.18	4.11	2.18

24. COMPARATIVES

Certain comparative figures have been restated in compliance with FRS 139.

25. DIVIDEND

The Board of Directors does not recommend any dividend payment during this reporting quarter.

By Order of the Board

LIM KONG YOW
Company Secretary
26 May 2010