



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

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

	AS AT 31.12.2010 RM'000	(AUDITED) AS AT 31.12.2009 RM'000
ASSETS		
<u>Non-Current Assets</u>		
Property, plant & equipment	92,087	86,755
Investment properties	66,193	65,163
Biological assets	10,311	10,925
Prepaid lease payments	34,101	32,625
Land held for property development	41,924	29,971
Investment in associates	37,536	32,677
Other investments	69,597	34,379
Other non-current assets	17,838	15,518
	<u>369,587</u>	<u>308,013</u>
<u>Current Assets</u>		
Inventories	80,605	71,292
Property development costs	3,534	8,438
Trade and other receivables	118,342	106,344
Current tax receivable	3,438	2,760
Cash & cash equivalents	58,562	47,121
	<u>264,481</u>	<u>235,955</u>
Total Assets	<u>634,068</u>	<u>543,968</u>



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

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

	AS AT <u>31.12.2010</u> RM'000	(AUDITED) AS AT <u>31.12.2009</u> RM'000
EQUITY AND LIABILITIES		
<u>Equity</u>		
Share capital	231,559	231,559
Reserves	164,251	101,244
Treasury shares	(235)	(235)
	<hr/>	<hr/>
	395,575	332,568
Minority interests	28,493	29,312
	<hr/>	<hr/>
Total equity	424,068	361,880
<u>Non-Current Liabilities</u>		
Long term borrowings	18,929	20,818
Deferred tax liabilities	2,930	2,890
Deferred income	13,291	14,437
	<hr/>	<hr/>
	35,150	38,145
<u>Current Liabilities</u>		
Trade and other payables	109,057	98,862
Overdraft & short term borrowings	60,457	40,004
Current tax payable	5,219	5,077
Derivatives	117	-
	<hr/>	<hr/>
	174,850	143,943
	<hr/>	<hr/>
Total liabilities	210,000	182,088
	<hr/>	<hr/>
Total equity and liabilities	634,068	543,968
	<hr/> <hr/>	<hr/> <hr/>
Net assets per share (RM)	1.71	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 YEAR ENDED 31 DECEMBER 2010
(Unaudited)

	CURRENT QUARTER ENDED 31.12.2010 RM'000	COMPARATIVE QUARTER ENDED 31.12.2009 RM'000	CUMULATIVE 12 MONTHS ENDED 31.12.2010 RM'000	COMPARATIVE 12 MONTHS ENDED 31.12.2009 RM'000
Revenue	149,095	127,836	499,202	493,769
Operating expenses	(133,136)	(127,124)	(454,327)	(463,090)
Other operating income	(4,803)	11,619	4,975	15,174
Operating profit	11,156	12,331	49,850	45,853
Finance costs	(1,023)	(826)	(4,865)	(3,936)
Net (gain)/loss from investments	-	(1,597)	-	984
Fair value adjustment	-	(1,905)	-	(1,905)
Share of profit of associates	2,203	2,784	8,900	3,984
Profit before tax	12,336	10,787	53,885	44,980
Income tax expense	(2,095)	(711)	(10,105)	(10,322)
Profit for the period	10,241	10,076	43,780	34,658
Other comprehensive income:				
Fair value of available-for-sale financial assets	(261)	-	8,410	-
Revaluation of land and building	-	3,636	-	3,636
Foreign currency translation	1,479	76	(1,994)	3,327
	1,218	3,712	6,416	6,963
Total comprehensive income	11,459	13,788	50,196	41,621
Profit attributable to:				
Owners of the parent	9,986	9,937	43,504	33,045
Minority interest	255	139	276	1,613
	10,241	10,076	43,780	34,658
Total comprehensive income attributable to:				
Owners of the parent	10,952	13,719	49,939	39,700
Minority interest	507	69	257	1,921
	11,459	13,788	50,196	41,621
Basic earnings per share attributable to owners of the parent (sen)	4.32	4.30	18.82	14.29

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



CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2010
(Unaudited)

	< ----- Attributable to equity holders of the Company ----- >							Minority interests	Total Equity
	Share Capital	Share Premium	Reserves	Retained Earnings	Treasury Shares	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>	<u>RM'000</u>		
At 1.1.2009	231,559	23,586	4,853	56,225	(235)	315,988	27,855	343,843	
Total comprehensive income	-	-	6,655	33,045	-	39,700	1,921	41,621	
Acquisition of shares in subsidiary	-	-	-	-	-	-	209	209	
Dividend paid	-	-	-	(23,120)	-	(23,120)	(673)	(23,793)	
At 31.12.2009	<u>231,559</u>	<u>23,586</u>	<u>11,508</u>	<u>66,150</u>	<u>(235)</u>	<u>332,568</u>	<u>29,312</u>	<u>361,880</u>	
At 1.1.2010	231,559	23,586	11,508	66,150	(235)	332,568	29,312	361,880	
Effects of adopting FRS 139	-	-	21,764	552	-	22,316	46	22,362	
	<u>231,559</u>	<u>23,586</u>	<u>33,272</u>	<u>66,702</u>	<u>(235)</u>	<u>354,884</u>	<u>29,358</u>	<u>384,242</u>	
Total comprehensive income			6,435	43,504		49,939	257	50,196	
Dividend paid				(9,248)		(9,248)	(1,122)	(10,370)	
At 31.12.2010	<u>231,559</u>	<u>23,586</u>	<u>39,707</u>	<u>100,958</u>	<u>(235)</u>	<u>395,575</u>	<u>28,493</u>	<u>424,068</u>	

(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 YEAR ENDED 31 DECEMBER 2010
(Unaudited)

	CUMULATIVE 12 MONTHS <u>31.12.2010</u> RM'000	CUMULATIVE 12 MONTHS <u>31.12.2009</u> RM'000
Profit before tax	53,885	44,980
Adjustments for :		
Non-cash items	887	7,880
Operating profit before working capital changes	54,772	52,860
Changes in current assets	(16,338)	8,872
Changes in current liabilities	11,873	(21,627)
Net income tax paid	(10,995)	(11,061)
Net cash from operating activities	39,312	29,044
Investing Activities		
Equity investments	(9,328)	617
Other investments	(24,713)	(18,102)
Dividends received	4,139	1,913
Withdrawal/(Placement) of pledged fixed deposits	107	(1)
Net cash used in investing activities	(29,795)	(15,573)
Financing Activities		
Capital injection by minority shareholders	-	300
Dividend paid to shareholders	(9,248)	(23,120)
Dividend paid to minority interests	(1,122)	(673)
Net drawdown of borrowings	14,171	16,045
Net cash from/(used in) financing activities	3,801	(7,448)



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

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2010 (Continuation)
(Unaudited)

	CUMULATIVE 12 MONTHS <u>31.12.2010</u> RM'000	CUMULATIVE 12 MONTHS <u>31.12.2009</u> RM'000
Net increase in Cash & Cash Equivalents	13,318	6,023
Effects of exchange rate changes	(649)	171
	<hr/> 12,669	<hr/> 6,194
Cash & Cash Equivalents at beginning of the year	43,997	37,890
Effects of exchange rate changes	(661)	(87)
	<hr/> 43,336	<hr/> 37,803
Cash & Cash Equivalents at end of the year	<hr/> <hr/> 56,005	<hr/> <hr/> 43,997
Represented by:		
Cash & cash equivalents	58,562	47,121
Bank overdrafts	(729)	(1,189)
	<hr/> 57,833	<hr/> 45,932
Less: Fixed deposits (pledged)	(1,828)	(1,935)
	<hr/> <hr/> 56,005	<hr/> <hr/> 43,997

(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 YEAR ENDED 31 DECEMBER 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

Garments division experienced a rise in demand in the fourth quarter whereas the Lighting and Telecommunication divisions face a more volatile market that depends on global demand.

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 financial year.

7. DIVIDENDS PAID

The Company paid a final dividend of 4% tax exempt which amounted RM9.25 million for the financial year ended 31 December 2009 on 3 August 2010.

The Company paid an interim dividend of 5% tax exempt which amounted to RM11.56 million for the financial year ended 31 December 2010 on 7 January 2011.

8. SEGMENT INFORMATION

	Textile	Lighting & Telecommunication	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	170,252	234,259	24,785	9,159	60,747	499,202
Inter-segment sales	-	4	2,204	-	18,614	20,822
Total revenue	<u>170,252</u>	<u>234,263</u>	<u>26,989</u>	<u>9,159</u>	<u>79,361</u>	<u>520,024</u>
RESULTS						
Segment operating profit	19,219	30,570	551	1,088	(1,561)	49,867
Unallocated corporate expenses						(17)
Profit from operations						49,850
Finance costs						(4,865)
Share of results of associates	29	-	(141)	-	9,012	8,900
Profit before tax						53,885
Tax expense						(10,105)
Profit for the period						<u>43,780</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, except the reclassification of prepaid lease payments to property, plant and equipment arising from adoption of the amendments of FRS 117.

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 subsidiary of the Company, Alam Perdana Sdn Bhd had been struck off from the Register of Companies Commission of Malaysia pursuant to Section 308 of the Companies Act, 1965.

In the third quarter, Melati Mewah Sdn Bhd, the subsidiary of the Company, completed the acquisition of 450,000 ordinary shares of RM1.00 each in Versatile Development Sdn Bhd (“VDSB”) for a cash consideration of RM9,271,800. The principal activity of VDSB is property development. VDSB intends to develop 6 units of residential bungalows on 6 pieces of freehold lands located in Ampang, Kuala Lumpur. The said lands measure a total area of 61,812 sq feet.

12. CHANGES IN CONTINGENT LIABILITIES AND ASSETS

There were no material changes in contingent liabilities and assets in the reporting period.

13. REVIEW OF PERFORMANCE OF CURRENT QUARTER

During the reporting quarter, the Group’s revenue recorded at RM149 million with registered pre-tax profit of RM12.3 million. Revenue increased by RM21 million as compared to RM128 million in the preceding year corresponding quarter. In line with the increase in revenue, pre-tax profit increased from RM10.8 million to RM12.3 million.

As for current financial year, the Group’s revenue increased by RM5 million, from RM494 million to RM499 million. The increase in revenue mainly attributed to higher sales from Textile, Lighting and also Plantation divisions. With the increase in revenue, the Group’s pre-tax profit reported higher at RM53.9 million. Besides, our Hong Kong associates also improved its performance and contributed RM9.0 million in 2010 to the Group’s profitability.

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

Group’s revenue increased from RM119 million in third quarter to RM149 million for current reporting quarter. However, pre-tax profit reported lower at RM12.3 million, mainly attributed to lower contribution of profit from our Hong Kong associates.

15. PROSPECTS FOR FINANCIAL YEAR 2011

The Board expects the performance of the Group in the financial year 2011 to be encouraging with the impending recovery in the global economy.

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	1,999	10,232
- under provision in prior years	207	210
Deferred tax expense		
- current period	(31)	(169)
- over provision in prior years	(80)	(168)
	<u>2,095</u>	<u>10,105</u>

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

	Third Quarter <u>RM '000</u>	Current Year-to-Date <u>RM '000</u>
Profit before tax (excluding share of results of associates)	<u>10,133</u>	<u>44,985</u>
Tax at the applicable tax rate of 25%	2,533	11,246
Tax effect of expenses not deductible for tax purposes	1,862	3,180
Deferred tax assets not recognised in respect of current period's tax losses and unabsorbed capital allowance	(98)	910
Tax effect of income not subject to tax	(2,123)	(2,138)
Tax effect on utilisation of previously unrecognised deductible temporary differences	(129)	(1,100)
Tax effect of differences in tax rates	(77)	(2,035)
Tax under provided in prior years	127	42
	<u>2,095</u>	<u>10,105</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 material profits or losses on sale of properties and unquoted investments during the year.



19. PURCHASES AND DISPOSAL OF QUOTED SECURITIES

During the financial year, the Group purchased securities quoted on the Bursa Malaysia for a total consideration of RM5.3 million. As at 31 December 2010, quoted securities of the Group were as follows:

	RM'000
At cost	29,159
At carrying/market value	59,335

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 period are as follows:

	RM'000
Short term – unsecured	8,185
Short term – secured	52,272
Long term – unsecured	141
Long term – secured	18,788

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

Currency	Amount '000	RM '000
Singapore Dollar	SGD 173	413

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	21,942	21,825

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 <u>31.12.2010</u> RM'000	Comparative Quarter <u>31.12.2009</u> RM'000	Cumulative 12 months <u>31.12.2010</u> RM'000	Cumulative 12 months <u>31.12.2009</u> RM'000
Profit for the year	<u>9,986</u>	<u>9,937</u>	<u>43,504</u>	<u>33,045</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 attributable to owners of the parent (sen)	<u>4.32</u>	<u>4.30</u>	<u>18.82</u>	<u>14.29</u>

24. DISCLOSURE OF REALISED AND UNREALISED PROFITS/LOSSES

	<u>AS AT 30.9.2010</u> RM'000	<u>AS AT 31.12.2010</u> RM'000
Total retained profits of the Company and subsidiaries:		
- Realised	131,637	136,872
- Unrealised (loss)/profit	<u>(2,055)</u>	<u>2,740</u>
	129,582	139,612
Total share of retained profits from associated companies:		
- Realised profit	29,161	29,358
- Unrealised loss	<u>(218)</u>	<u>(216)</u>
	28,943	29,142
Less: Consol adjustments	(67,553)	(67,796)
Total group retained profits as per consolidated accounts	<u>90,972</u>	<u>100,958</u>

25. COMPARATIVES

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



MWE HOLDINGS BERHAD (5713-D)

26. DIVIDEND

The Board proposes a final dividend of 5% tax exempt which amounted to RM11.56 million for the financial year ended 31 December 2010 which is subject to approval of the shareholders at the forthcoming Annual General Meeting.

By Order of the Board

LIM KONG YOW
Company Secretary
23 February 2011