



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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2011
(Unaudited)

	AS AT <u>30.06.2011</u> RM'000	(AUDITED) AS AT <u>31.12.2010</u> RM'000
ASSETS		
<u>Non-Current Assets</u>		
Property, plant & equipment	105,659	100,787
Investment properties	56,292	66,193
Biological assets	10,004	10,311
Land use rights	26,655	27,061
Land held for property development	33,749	38,181
Investment in associates	2,635	36,091
Other investments	210,237	69,598
Other non-current assets	17,864	17,837
	<u>463,095</u>	<u>366,059</u>
<u>Current Assets</u>		
Inventories	70,052	77,464
Property development costs	9,308	7,283
Trade and other receivables	91,164	97,265
Other current assets	6,112	3,212
Current tax receivable	2,081	3,229
Cash & cash equivalents	66,130	56,834
	<u>244,847</u>	<u>245,287</u>
Non-current assets held for sale	-	12,347
	<u>244,847</u>	<u>257,634</u>
Total Assets	<u>707,942</u>	<u>623,693</u>



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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2011 (Continuation)
(Unaudited)

	AS AT 30.06.2011 RM'000	(AUDITED) AS AT 31.12.2010 RM'000
EQUITY AND LIABILITIES		
<u>Equity</u>		
Share capital	231,559	231,559
Reserves	224,855	165,308
Treasury shares	(235)	(235)
	<u>456,179</u>	<u>396,632</u>
Minority interests	19,467	19,537
Total equity	<u>475,646</u>	<u>416,169</u>
<u>Non-Current Liabilities</u>		
Loans and borrowings	81,131	18,888
Deferred tax liabilities	2,925	2,871
Deferred income	13,519	14,385
	<u>97,575</u>	<u>36,144</u>
<u>Current Liabilities</u>		
Trade and other payables	71,199	87,578
Loans and borrowings	56,547	59,763
Other current liabilities	675	946
Current tax payable	5,997	5,223
Derivatives	303	1,003
	<u>134,721</u>	<u>154,513</u>
Non-current liabilities held for sale	-	16,867
	<u>134,721</u>	<u>171,380</u>
Total liabilities	232,296	207,524
Total equity and liabilities	<u>707,942</u>	<u>623,693</u>
Net assets per share (RM)	1.97	1.72

(The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Annual Audited Accounts for the year ended 31 December 2010)



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

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE 6-MONTHS PERIOD ENDED 30 JUNE 2011
(Unaudited)

	CURRENT QUARTER ENDED 30.6.2011 RM'000	COMPARATIVE QUARTER ENDED 30.06.2010 RM'000	CUMULATIVE 6 MONTHS ENDED 30.6.2011 RM'000	COMPARATIVE 6 MONTHS ENDED 30.06.2010 RM'000
Revenue	133,130	115,642	247,333	231,217
Cost of sales	(97,955)	(92,562)	(186,107)	(181,345)
Gross profit	35,175	23,080	61,226	49,872
Interest income	217	267	543	427
Other income	2,860	5,293	3,546	6,279
Other expenses	(30,545)	(15,080)	(46,877)	(31,014)
Operating profit	7,707	13,560	18,438	25,564
Finance costs	(1,271)	(1,209)	(2,907)	(2,453)
Gain from investments	9,707	-	15,395	-
Share of profit of associates	(596)	1,597	(253)	3,569
Profit before tax	15,547	13,948	30,673	26,680
Income tax expense	(3,160)	(2,030)	(6,481)	(5,412)
Profit for the period	12,387	11,918	24,192	21,268
Other comprehensive income:				
Fair value gain on available-for-sale financial assets	37,536	(8,008)	49,929	3,759
Realisation of capital reserve	-	-	(450)	-
Foreign currency translation	(925)	(1,244)	(2,235)	(3,113)
	36,611	(9,252)	47,244	646
Total comprehensive income	48,998	2,666	71,436	21,914
Profit attributable to:				
Owners of the parent	12,157	11,903	23,805	21,397
Minority interest	230	15	387	(129)
	12,387	11,918	24,192	21,268
Total comprehensive income attributable to:				
Owners of the parent	48,709	2,776	71,107	22,454
Minority interest	289	(110)	329	(540)
	48,998	2,666	71,436	21,914
Basic earnings per share attributable to owners of the parent (sen)	5.26	5.15	10.30	9.25

(The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Annual Audited Accounts for the year ended 31 December 2010)



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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE 6-MONTHS PERIOD ENDED 30 JUNE 2011
(Unaudited)

	< ----- Attributable to equity holders of the Company ----- >							Minority Interests	Total Equity
	< ----- Non-distributable ----- >				Distributable		Total		
	Share Capital	Share Premium	Treasury Shares	Reserves	Retained Earnings				
	<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>	
At 1.1.2010	231,559	23,586	(235)	11,509	66,150	332,569	29,312	361,881	
Effects of adopting FRS 139	-	-	-	21,764	552	22,316	46	22,362	
	<u>231,559</u>	<u>23,586</u>	<u>(235)</u>	<u>33,273</u>	<u>66,702</u>	<u>354,885</u>	<u>29,358</u>	<u>384,243</u>	
Total comprehensive income	-	-	-	1,057	21,397	22,454	(540)	21,914	
Dividend paid	-	-	-	-	-	-	(823)	(823)	
At 30.6.2010	<u>231,559</u>	<u>23,586</u>	<u>(235)</u>	<u>34,330</u>	<u>88,099</u>	<u>377,339</u>	<u>27,995</u>	<u>405,334</u>	
At 1.1.2011	231,559	23,586	(235)	39,902	101,820	396,632	19,537	416,169	
Total comprehensive income	-	-	-	47,302	23,805	71,107	329	71,436	
Liquidation of subsidiary	-	-	-	-	-	-	(25)	(25)	
Dividend paid	-	-	-	-	(11,560)	(11,560)	(374)	(11,934)	
At 30.6.2011	<u>231,559</u>	<u>23,586</u>	<u>(235)</u>	<u>87,204</u>	<u>114,065</u>	<u>456,179</u>	<u>19,467</u>	<u>475,646</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 2010)



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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE 6-MONTHS PERIOD ENDED 30 JUNE 2011
(Unaudited)

	CUMULATIVE 6 MONTHS <u>30.6.2011</u> RM'000	CUMULATIVE 6 MONTHS <u>30.6.2010</u> RM'000
Profit before tax	30,673	26,680
Adjustments for: Non-cash items	(1,156)	340
Operating profit before working capital changes	<u>29,517</u>	<u>27,020</u>
Changes in current assets	11,609	(10,113)
Changes in current liabilities	(16,183)	(231)
Net income tax paid	(4,582)	(4,947)
Net cash from operating activities	<u>20,361</u>	<u>11,729</u>
Investing Activities		
Equity investments	(1,292)	-
Associates	27,204	-
Other investments	(85,740)	(2,049)
Dividend received from associate	1,938	2,036
Net cash used in investing activities	<u>(57,890)</u>	<u>(13)</u>
Financing Activities		
Dividend paid to shareholders	(11,560)	-
Dividend paid to minority interests	(374)	(823)
Net drawdown/repayment of borrowings	58,372	(1,696)
Net cash from/(used in) financing activities	<u>46,438</u>	<u>(2,519)</u>
Net increase in Cash & Cash Equivalents	8,909	9,197
Effects of foreign change rate changes	(668)	(167)
	<u>8,241</u>	<u>9,030</u>
Cash & Cash Equivalents at beginning of period	<u>58,034</u>	<u>45,932</u>
Effects of foreign change rate changes	(145)	(758)
	57,889	45,174
Cash & Cash Equivalents at end of period	<u>66,130</u>	<u>54,204</u>
Represented by:		
Cash & cash equivalents	66,130	55,557
Bank overdrafts	-	(1,353)
	<u>66,130</u>	<u>54,204</u>

(The Condensed Consolidated Statements of Cash Flow should be read in conjunction with the Annual Audited Accounts for the year ended 31 December 2010)



EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE 6-MONTHS PERIOD ENDED 30 JUNE 2011

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 2010 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 2011 :-

FRS 1	First-time Adoption of Financial Reporting Standards
FRS 3	Business Combinations (Revised)
Amendments to FRS 2	Shared-based Payment
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations
Amendments to FRS 127	Consolidated and Separate Financial Statements
Amendments to FRS 138	Intangible Assets
Amendments to IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 12	Service Concession Arrangements
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17	Distributions of Non-cash Assets to Owners
Amendments to FRS 132	Classification of Rights Issues
Amendments to FRS 1	Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters
Amendments to FRS 7	Improving Disclosures about Financial Instruments
Amendments to FRS 1	Additional Exemptions to First-time Adopters
Amendments to FRS 1	Group Cash-settled Share-based Payment Transactions
IC Interpretation 4	Determining Whether An Arrangement contains a Lease
IC Interpretation 18	Transfers of Assets from Customers
Improvements to FRSs issued in 2010	

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

Revised FRS 3 Business Combinations and Amendments to FRS 127 Consolidated and Separate Financial Statements

The revised FRS 3 will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results. The Amendments to FRS 127 require that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as an equity transaction. Therefore, such transactions will no longer give rise to goodwill, nor will they give rise to a gain or loss. Furthermore, the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. Other consequential amendments have been made to FRS 107 Statement of Cash Flows, FRS 112 Income Taxes, FRS 121 The Effects of Changes in Foreign Exchange Rates, FRS 128 Investments in Associates and FRS 131 Interests in Joint Ventures. The changes from revised FRS 3 and Amendments to FRS 127 will affect future acquisitions or loss of control and transactions with minority interests.

**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 increased its revenue for current reporting quarter as compared to the first quarter whereas both Lighting and Pagers divisions face a more volatile market that depends on global market condition.

4. UNUSUAL ITEMS

There were no unusual items which affect assets, liabilities, equity, income or cash flows during the period.

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 period.

7. DIVIDENDS PAID

On 7 January 2011, the Company paid an interim dividend of 5% tax exempt which amounted to RM11.56 million in respect of the financial year ended 31 December 2010.

On 3 August 2011, the Company paid a final dividend of 5% tax exempt which amounted to RM11.56 million in respect of the financial year ended 31 December 2010.

8. SEGMENT INFORMATION

	Textile	Lighting & Pagers	Properties	Plantation	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	103,183	100,435	3,593	3,918	36,204	247,333
Inter-segment sales	-	-	191	-	6,520	6,711
Total revenue	<u>103,183</u>	<u>100,435</u>	<u>3,784</u>	<u>3,918</u>	<u>42,724</u>	<u>254,044</u>
Results						
Segment profit/(loss)	<u>12,541</u>	<u>15,210</u>	<u>2,038</u>	<u>(1,034)</u>	<u>(10,317)</u>	18,438
Finance costs						(2,907)
Net gain from investments						15,395
Share of results of associates	<u>-</u>	<u>-</u>	<u>73</u>	<u>-</u>	<u>(326)</u>	(253)
Profit before tax						30,673
Tax expense						<u>(6,481)</u>
Profit for the period						<u>24,192</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

- i) In the first quarter, the subsidiary of the Company, Bay Potential Sdn Bhd had been struck off from the Register of Companies Commission of Malaysia pursuant to Section 308 of the Companies Act, 1965.
- ii) In the first quarter, the Company disposed its entire shareholding of 900,000 ordinary shares of RM1 each in MWE Advanced Structure Sdn Bhd, representing 90% equity interest for a total cash consideration of RM1.
- iii) During the reporting quarter, the Company disposed its 39% shareholding in its associates, representing 2,260,500 ordinary shares of US\$0.10 each in PI International Holdings Limited for a total cash consideration of HK\$78,100,275.
- iv) During the reporting quarter, the subsidiary of the Company, United Sweethearts Garment Sdn Bhd acquired 50% shareholding in its associate, representing 25,000 ordinary shares of US\$1.00 each in Sun Meridian Global Ltd for a total cash consideration of US\$25,000.

12. CHANGES IN CONTINGENT LIABILITIES AND ASSETS

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

13. REVIEW OF PERFORMANCE OF CURRENT QUARTER

Group's revenue increased by 7%, from RM231.2 million reported in 2010 to RM247.3 million for the first half of 2011, mainly derived from Textile and Freight divisions. Profit for the period stood at RM24.2 million, higher than RM21.3 million recorded in the previous corresponding period, arose from the disposal gain of the construction subsidiary and Hong Kong associates.

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

The Group registered RM133.1 million in revenue for the current quarter which is higher than RM114.2 million achieved in the immediate first quarter. In line with the increase in revenue, pre-tax profit also reported higher at RM12.4 million as compared to RM11.8 million in the preceding quarter.

15. PROSPECTS FOR FINANCIAL YEAR 2011

The Board expects the performance of the Group for the second half of the year to be challenging but optimistic.

**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 income tax		
- current period	3,002	6,312
- under provision in prior years	155	155
Deferred tax		
- current period	5	3
- over/under provision in prior years	(2)	11
	<u>3,160</u>	<u>6,481</u>

A reconciliation of income tax expense applicable to profit before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Group is as follows:

	Second Quarter <u>RM '000</u>	Current Year-to-Date <u>RM '000</u>
Profit before tax (excluding share of results of associates)	<u>16,143</u>	<u>30,926</u>
Tax at the applicable tax rate of 25%	4,036	7,732
Tax effect of expenses not deductible for tax purposes	250	1,396
Deferred tax assets not recognised in respect of current period's tax losses and unabsorbed capital allowance	239	788
Tax effect of income not subject to tax	(726)	(2,161)
Tax effect on utilisation of previously unrecognised deductible temporary differences	(398)	(616)
Tax effect of differences in tax rates	(394)	(824)
Tax under provided in prior years	153	166
	<u>3,160</u>	<u>6,481</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 period.

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

a) The dealings in quoted securities for the current quarter and current period are as follows:

	3 months ended <u>30.6.2011</u> RM'000	6 months ended <u>30.6.2011</u> RM'000
Available-for-sale financial assets:		
Total purchase at cost	90,989	92,867
Total disposal proceeds	2,416	2,416
Total gain	<u>162</u>	<u>162</u>

b) The total investments in quoted securities as at 30 June 2011 are as follows:

At cost	RM'000 120,698
At carrying/market value	<u>200,802</u>

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 ó unsecured	5,798
Short term ó secured	50,749
Long term ó unsecured	121
Long term ó secured	81,010

Foreign borrowings as at 30 June 2011 included in the above are as follows:

Currency	Amount '000	RM '000
Singapore Dollar	SGD 153	375

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

**22. DERIVATIVE FINANCIAL INSTRUMENTS**

The Group uses forward currency contracts to manage some of the foreign transactions exposure. These contracts do not qualify for hedge accounting under FRS 139. There are no credit, market and liquidity risks associated with the derivatives. As at 30 June 2011, the Group had entered into the following forward currency contracts :

Type of derivatives	Contract amount (RM'000)	Fair value (RM'000)
Forward contract - Less than 1 year	15,720	15,417

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

Computation of the EPS is as follows:

	Current Quarter 30.6.2011 RM'000	Comparative Quarter 30.6.2010 RM'000	Cumulative 6 months 30.6.2011 RM'000	Cumulative 6 months 30.6.2010 RM'000
Profit for the period	<u>12,157</u>	<u>11,903</u>	<u>23,805</u>	<u>21,397</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>5.26</u>	<u>5.15</u>	<u>10.30</u>	<u>9.25</u>

24. DISCLOSURE OF REALISED AND UNREALISED PROFITS/LOSSES

	<u>As at 30.6.2011</u> RM'000	<u>As at 30.6.2010</u> RM'000
Total retained profits of the Company and subsidiaries:		
- Realised profit	172,115	125,968
- Unrealised loss	<u>(1,350)</u>	<u>(1,607)</u>
	170,765	124,361
Total share of retained profits from associated companies:		
- Realised (loss)/profit	(17,562)	33,890
- Unrealised profit	<u>-</u>	<u>320</u>
	153,203	158,571
Less: Consol adjustments	(39,138)	(70,472)
Total group retained profits as per consolidated accounts	<u>114,065</u>	<u>88,099</u>



MWE HOLDINGS BERHAD (5713-D)

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
25 August 2011