



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

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

	AS AT <u>30.09.2011</u> RM'000	(AUDITED) AS AT <u>31.12.2010</u> RM'000
ASSETS		
<u>Non-Current Assets</u>		
Property, plant & equipment	107,193	100,787
Investment properties	55,903	66,193
Biological assets	9,851	10,311
Land use rights	26,514	27,061
Land held for property development	27,617	38,181
Investment in associates	2,750	36,091
Other investments	167,362	69,598
Other non-current assets	17,828	17,837
	<u>415,018</u>	<u>366,059</u>
<u>Current Assets</u>		
Inventories	73,456	77,464
Property development costs	12,882	7,283
Trade and other receivables	89,883	97,265
Other current assets	5,822	3,212
Current tax receivable	3,185	3,229
Cash & cash equivalents	82,215	56,834
	<u>267,443</u>	<u>245,287</u>
Non-current assets held for sale	-	12,347
	<u>267,443</u>	<u>257,634</u>
Total Assets	<u><u>682,461</u></u>	<u><u>623,693</u></u>



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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2011 (Cont'd)
(Unaudited)

	AS AT 30.09.2011 RM'000	(AUDITED) AS AT 31.12.2010 RM'000
EQUITY AND LIABILITIES		
<u>Equity</u>		
Share capital	231,559	231,559
Reserves	184,476	165,308
Treasury shares	(235)	(235)
	<u>415,800</u>	<u>396,632</u>
Minority interests	19,452	19,537
Total equity	<u>435,252</u>	<u>416,169</u>
<u>Non-Current Liabilities</u>		
Loans and borrowings	86,879	18,888
Deferred tax liabilities	2,947	2,871
Deferred income	13,387	14,385
	<u>103,213</u>	<u>36,144</u>
<u>Current Liabilities</u>		
Trade and other payables	79,639	87,578
Loans and borrowings	58,132	59,763
Other current liabilities	930	946
Current tax payable	5,115	5,223
Derivatives	180	1,003
	<u>143,996</u>	<u>154,513</u>
Non-current liabilities held for sale	-	16,867
	<u>143,996</u>	<u>171,380</u>
Total liabilities	247,209	207,524
Total equity and liabilities	<u>682,461</u>	<u>623,693</u>
Net assets per share (RM)	1.80	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 9-MONTHS PERIOD ENDED 30 SEPTEMBER 2011
(Unaudited)

	CURRENT QUARTER ENDED 30.9.2011 RM'000	COMPARATIVE QUARTER ENDED 30.09.2010 RM'000	CUMULATIVE 9 MONTHS ENDED 30.9.2011 RM'000	COMPARATIVE 9 MONTHS ENDED 30.09.2010 RM'000
Revenue	117,693	114,468	365,026	345,685
Cost of sales	(84,521)	(79,754)	(270,628)	(261,099)
Gross profit	33,172	34,714	94,398	84,586
Interest income	465	300	1,008	727
Other income	991	(485)	4,537	5,794
Other expenses	(17,854)	(21,399)	(64,731)	(52,413)
Operating profit	16,774	13,130	35,212	38,694
Finance costs	(2,103)	(1,389)	(5,010)	(3,842)
Gain from investments	925	-	16,320	-
Share of results of associates	115	3,128	(138)	6,697
Profit before tax	15,711	14,869	46,384	41,549
Income tax expense	(3,057)	(2,598)	(9,538)	(8,010)
Profit for the period	12,654	12,271	36,846	33,539
Other comprehensive income:				
Fair value gain on available-for-sale financial assets	(42,910)	4,912	7,019	8,671
Realisation of capital reserve	-	-	(450)	-
Foreign currency translation	1,796	(360)	(439)	(3,473)
	(41,114)	4,552	6,130	5,198
Total comprehensive income	(28,460)	16,823	42,976	38,737
Profit attributable to:				
Owners of the parent	12,521	12,121	36,326	33,518
Minority interest	133	150	520	21
	12,654	12,271	36,846	33,539
Total comprehensive income attributable to:				
Owners of the parent	(28,819)	16,533	42,288	38,987
Minority interest	359	290	688	(250)
	(28,460)	16,823	42,976	38,737
Basic earnings per share attributable to owners of the parent (sen)	5.42	5.24	15.71	14.50

(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 9-MONTHS PERIOD ENDED 30 SEPTEMBER 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	-	-	-	5,469	33,518	38,987	(250)	38,737	
Dividend paid	-	-	-	-	(9,248)	(9,248)	(1,122)	(10,370)	
At 30.9.2010	<u>231,559</u>	<u>23,586</u>	<u>(235)</u>	<u>38,742</u>	<u>90,972</u>	<u>384,624</u>	<u>27,986</u>	<u>412,610</u>	
At 1.1.2011	231,559	23,586	(235)	39,902	101,820	396,632	19,537	416,169	
Total comprehensive income	-	-	-	5,962	36,326	42,288	688	42,976	
Liquidation of subsidiary	-	-	-	-	-	-	(25)	(25)	
Dividend paid	-	-	-	-	(23,120)	(23,120)	(748)	(23,868)	
At 30.9.2011	<u>231,559</u>	<u>23,586</u>	<u>(235)</u>	<u>45,864</u>	<u>115,026</u>	<u>415,800</u>	<u>19,452</u>	<u>435,252</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 SEPTEMBER 2011
(Unaudited)

	CUMULATIVE 9 MONTHS <u>30.9.2011</u> RM'000	CUMULATIVE 9 MONTHS <u>30.9.2010</u> RM'000
Profit before tax	46,384	41,549
Adjustments for: Non-cash items	(2,505)	639
Operating profit before working capital changes	43,879	42,188
Changes in current assets	15,398	3,890
Changes in current liabilities	(14,401)	(797)
Net income tax paid	(9,575)	(8,790)
Net cash from operating activities	35,301	36,491
Investing Activities		
Equity investments	(1,292)	(9,272)
Associates	27,204	-
Other investments	(87,110)	(17,828)
Dividends received from associate	3,845	2,134
Net cash used in investing activities	(57,353)	(24,966)
Financing Activities		
Dividend paid to shareholders	(23,120)	(9,248)
Dividend paid to minority interests	(748)	(1,122)
Net drawdown of borrowings	69,380	10,159
Net cash from/(used in) financing activities	45,512	(211)
Net increase in Cash & Cash Equivalents	23,460	11,314
Effects of foreign change rate changes	(291)	(515)
	23,169	10,799
Cash & Cash Equivalents at beginning of period	58,034	45,932
Effects of foreign change rate changes	703	(970)
	58,737	44,962
Cash & Cash Equivalents at end of period	81,906	55,761
Represented by:		
Cash & cash equivalents	82,215	55,809
Bank overdrafts	(309)	(48)
	81,906	55,761

(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 9-MONTHS PERIOD ENDED 30 SEPTEMBER 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 reported lower for current reporting quarter as compared to the first two quarters 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	142,178	151,858	5,018	8,531	57,441	365,026
Inter-segment sales	-	-	286	-	11,795	12,081
Total revenue	<u>142,178</u>	<u>151,858</u>	<u>5,304</u>	<u>8,531</u>	<u>69,236</u>	<u>377,107</u>
Results						
Segment profit/(loss)	<u>18,008</u>	<u>22,734</u>	<u>2,550</u>	<u>271</u>	<u>(8,351)</u>	35,212
Finance costs						(5,010)
Gain from investments						16,320
Share of results of associates	<u>-</u>	<u>-</u>	<u>188</u>	<u>-</u>	<u>(326)</u>	(138)
Profit before tax						46,384
Income tax expense						<u>(9,538)</u>
Profit for the period						<u>36,846</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

- i) In October 2011, the subsidiaries of the Company, MWE Development Sdn Bhd and Lup Ching Holdings Sdn Bhd had convened the Final Meeting to conclude the Members' Voluntary Winding-Up. After the expiration of three months, both companies will be struck off from the Register of Companies Commission of Malaysia pursuant to Section 308 of the Companies Act, 1965.
- ii) In November 2011, the subsidiary of the Company, Davex (Malaysia) Sdn Bhd incorporated a new wholly-owned subsidiary, namely Davex Vietnam Company Limited with the intended paid up capital of US\$200,000.

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) In the second 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) In the second 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

On 8th November 2011, The High Court had ordered the Company to pay a sum of RM5,194,445 as damages for breach of contract together with costs for the wrongful termination of the Final Agreements with plaintiffs to dispose some quoted shares in exchange of some properties.

The Company will lodge an appeal to the Court of Appeal and the Company's solicitors are confident that the prospects of success in respect of our proposed Appeal against the said High Court decision are reasonably good.

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



13. REVIEW OF PERFORMANCE OF CURRENT QUARTER

During the reporting quarter, Group's revenue increased slightly by 3%, from RM114.5 million reported in Q3 of 2010 to RM117.7 million for 2011. For the nine-month period, the Group registered RM365.0 million in revenue, RM19.3 million higher as compared to the previous year corresponding period. The increase in revenue mainly derived from both Textile and Freight division. Profit for the period stood at RM36.8 million, higher than RM33.5 million recorded in the previous corresponding period, arose from the disposal gains of the construction subsidiary and Hong Kong associates.

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

The Group registered RM117.7 million in revenue for the current quarter as compared to RM133.1 million reported in the immediate second quarter. Despite the reduction in revenue, pre-tax profit maintained at RM15 million as compared to preceding quarter, mainly attributed to higher margins and lower operating expenses.

15. PROSPECTS FOR FINANCIAL YEAR 2011

The Board expects the performance of the Group for last quarter of the financial year to be comparable to that of the previous financial year.

16. VARIANCE IN PROFIT FORECAST

There was no profit forecast issued for the financial year.

17. TAXATION

The tax expense consists of:

	Third Quarter RM '000	Current Year-to-date RM '000
Current income tax		
- current period	4,123	10,435
- under provision in prior years	(1,095)	(940)
Deferred tax		
- current period	29	32
- over/under provision in prior years	-	11
	3,057	9,538

**17. TAXATION (Cont'd)**

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:

	Third Quarter <u>RM '000</u>	Current Year-to-Date <u>RM '000</u>
Profit before tax (excluding share of results of associates)	<u>15,596</u>	<u>46,522</u>
Tax at the applicable tax rate of 25%	3,899	11,631
Tax effect of expenses not deductible for tax purposes	1,373	2,769
Deferred tax assets not recognised in respect of current period's tax losses and unabsorbed capital allowance	(250)	538
Tax effect of income not subject to tax	(803)	(2,964)
Tax effect on utilisation of previously unrecognised deductible temporary differences	(74)	(690)
Tax effect of differences in tax rates	7	(817)
Tax under provided in prior years	(1,095)	(929)
	<u>3,057</u>	<u>9,538</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>30.9.2011</u> RM'000	9 months ended <u>30.9.2011</u> RM'000
Available-for-sale financial assets:		
Total purchase at cost	-	92,867
Total disposal proceeds	-	2,416
Total gain	<u>-</u>	<u>1,087</u>

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

At cost	RM'000 120,698
At carrying/market value	<u>157,892</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	2,002
Short term ó secured	56,130
Long term ó unsecured	113
Long term ó secured	86,766

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

Currency	Amount '000	RM '000
Singapore Dollar	SGD 142	349

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 September 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	7,356	7,176

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

Computation of the EPS is as follows:

	Current Quarter <u>30.9.2011</u> RM'000	Comparative Quarter <u>30.9.2010</u> RM'000	Cumulative 9 months <u>30.9.2011</u> RM'000	Cumulative 9 months <u>30.9.2010</u> RM'000
Profit for the period	<u>12,521</u>	<u>12,121</u>	<u>36,326</u>	<u>33,518</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>5.42</u>	<u>5.24</u>	<u>15.71</u>	<u>14.50</u>

**24. DISCLOSURE OF REALISED AND UNREALISED PROFITS/LOSSES**

	<u>As at 30.9.2011</u>	<u>As at 30.9.2010</u>
	RM'000	RM'000
Total retained profits of the Company and subsidiaries:		
- Realised profit	157,360	131,903
- Unrealised profit	3,408	2,528
	<u>160,768</u>	<u>134,431</u>
Total share of retained profits from associated companies:		
- Realised (loss)/profit	(17,447)	9,988
- Unrealised profit	-	299
	<u>143,321</u>	<u>144,718</u>
Less: Consol adjustments	(28,295)	(53,746)
Total group retained profits as per consolidated accounts	<u><u>115,026</u></u>	<u><u>90,972</u></u>

25. DIVIDEND

- (a) i) The Board of Directors declares an interim dividend of 1% tax exempt and 4% single tier which amounted to RM11.56 million for the financial year ending 31 December 2011.
- ii) The interim dividend for the financial year ending 31 December 2011 is 5 sen per ordinary share of RM1 each.
- iii) The interim dividend declared and paid for the previous year's corresponding period was 5 sen tax exempt per ordinary share of RM1 each.
- iv) The interim dividend shall be payable on 15 December 2011.
- v) Entitlement to the interim dividend:
- A depositor shall qualify for entitlement to the interim dividend only in respect of:
- Shares transferred into the Depositor's Securities Account before 4.00 pm on 30 November 2011 in respect of ordinary transfer; and
 - Shares bought on Bursa Securities on a cum entitlement basis according to the Rules of the Bursa Malaysia Securities Berhad.
- (b) The total dividend for the current financial year ending 31 December 2011 is 5 sen per ordinary share of RM1 each.

By Order of the Board

LIM KONG YOW
Company Secretary
10 November 2011