



WEIN BERHAD

(Company No. 742890-W)
(Incorporated in Malaysia)

Notes to the Unaudited Interim Financial Report

A. EXPLANATORY NOTES PURSUANT TO THE FINANCIAL REPORTING STANDARD 134 (FRS 134): INTERIM FINANCIAL REPORTING

A1. Basis of preparation

The interim financial report is unaudited and has been prepared in compliance with Financial Reporting Standard (“FRS”) 134, Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the audited financial statements for the financial year ended 31 December 2010.

The accounting policies and presentation adopted for the interim financial report are consistent with those adopted for the annual financial statements for the year ended 31 December 2010, except for that the Group has adopted the following new/revised standards mandatory for annual periods beginning on or after 1 January 2011 that have an impact on the Group, detailed as below:

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2010

- FRS 1, *First-time Adoption of Financial Reporting Standards* (revised)
- FRS 3, *Business Combinations* (revised)
- FRS 127, *Consolidated and Separate Financial Statements* (revised)
- Amendments to IC Interpretation 9, *Reassessment of Embedded Derivatives*

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2011

- Amendments to FRS 1, *First-time Adoption of Financial Reporting Standards*
 - *Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters*
 - *Additional Exemptions for First-time Adopters*
- Amendments to FRS 7, *Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments*
- IC Interpretation 4, *Determining whether an Arrangement contains a Lease*
- Improvements to FRSs (2010)

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2011

- IC Interpretation 19, *Extinguishing Financial Liabilities with Equity Instruments*

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2012

- FRS 124, *Related Party Disclosures* (revised)

The Group and the Company plan to apply the abovementioned standards, amendments and interpretations:

- from the annual period beginning 1 January 2011 for those standards, amendments or interpretations that will be effective for annual periods beginning on or after 1 March 2010, 1 July 2010 and 1 January 2011; and



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- from the annual period beginning 1 January 2012 for those standards, amendments or interpretations that will be effective for annual periods beginning on or after 1 July 2011 and 1 January 2012.

The initial application of a standard, an amendment or an interpretation, which will be applied prospectively, is not expected to have any financial impact to the current and prior periods financial statements upon their first adoption.

The initial application of the other standards, amendments and interpretations are not expected to have any material impact on the financial statements of the Group and of the Company.

Following the announcement by the MASB on 1 August 2008, the Group's financial statements will be prepared in accordance with the International Financial Reporting Standards (IFRS) framework for annual periods beginning on 1 January 2012. The change of the financial reporting framework is not expected to have any significant impact on the financial position and performance of the Group and the Company.

A2. Auditors' report on preceding annual financial statements

The auditors have expressed an unqualified opinion on the Company's statutory financial statements for the year ended 31 December 2010 in their report dated 28 April 2011.

A3. Seasonality or cyclical factors

As the customers base has broaden, the seasonality or cyclical factors affecting the Ewein Group have minimized.

A4. Exceptional and extraordinary items

There were no material exceptional and extraordinary items for the period under review.

A5. Changes in estimates

There were no changes in estimates that had a material effect in the current quarter and period to date results.

A6. Debt and equity securities

There have been no issuances, cancellations, repurchases, resale and repayments of debts and equity securities during the current quarter and period to date.

A7. Dividend paid

There was no dividend paid by the Company in the current quarter and period to date.

A8. Segment information

There is only one reportable segment being the manufacturing of precision sheet metal fabricated parts, precision plastic injection moulding and related product finishing. Other operation of the Group mainly comprises investment holding which does not constitute a separately reportable segment.



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A9. Valuation of property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

The valuation of land and buildings has been brought forward without amendment from the previous audited financial statements.

A10. Events subsequent to the balance sheet date

There was no material post balance sheet event subsequent to the end of the current interim period.

A11. Changes in Group's composition

There were no changes in the composition of the Group for the current quarter and financial period to-date, except for the acquisition of 50% equity interest in M-Itech Sdn. Bhd. with an issued and paid up share capital of RM2,000,000.00 divided into 2,000,000 ordinary shares of RM1.00 each only, on 21 February 2011 for a cash consideration of RM2,250,000.00 as announced on 21 February 2011.

A12. Changes in contingent liabilities and assets

There were no material contingent liabilities or contingent assets to be disclosed as at the date of this report.

A13. Commitments

There was no capital commitment as 31 March 2011.

B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. Review of performance

For the 3 months period ended 31 March 2011, Ewein Group reported a revenue of RM21.503 million and a profit after taxation of RM1.627 million as compared to RM28.882 million and RM3.405 million respectively in the corresponding period last year. The revenue and profit after tax decreased by 25.55% and 52.22% respectively due the slower demand in the quarter coupled with the Japan earthquake.



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B2. Variation of results against preceding quarter

For the first quarter ended 31 March 2011, Ewein Group's revenue dropped by 23.18% or RM6.490 million to RM21.503 million as compared to RM27.993 million of the immediate preceding fourth quarter. However the Group recorded a higher profit after tax of RM1.627 million as compared to RM1.585 million in the immediate preceding quarter due to sales of higher value added products.

B3. Current year prospects

Despite recent earthquake and tsunami in Japan, the Group is cautiously optimistic that the performance for financial year 2011 is expected to remain profitable.

B4. Variance between actual profit and forecast profit

This is not applicable as no profit forecast has been published.

B5. Tax expense

	Current Quarter Ended 31 March 2011 RM'000	Current Year-to-date 31 March 2011 RM'000
Current tax expense	233	233
Deferred tax expense	-	-
	<u>233</u>	<u>233</u>

The effective tax rate is lower than the statutory rate of 25% due to the utilization of unabsorbed tax loss and reinvestment allowance by its subsidiaries.

B6. Unquoted investments and properties

There were no disposal of unquoted investments and properties for the current quarter and financial period-to-date.

B7. Quoted investments

	Carrying amount as at 31 March 2011 RM'000	Market Value as at 31 March 2011 RM'000
Quoted Shares	<u>2,888</u>	<u>2,888</u>

B8. Status of corporate proposals

There are no corporate proposals announced as at the date of this announcement.



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B9. Borrowings

Ewein Group's borrowings as at 31 March 2011 are as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
Current :			
- Hire purchase obligations	5	-	5
- Term loans	701	-	701
	<hr/>	<hr/>	<hr/>
	706	-	706
Non current :			
- Hire purchase obligations	-	-	-
- Term loans	1,438	-	1,438
	<hr/>	<hr/>	<hr/>
	1,438	-	1,438
Total	<hr/>	<hr/>	<hr/>
	2,144	-	2,144

The above borrowings are denominated in Malaysia.

B10. Off balance sheet financial instruments

During the financial period to date, the Group did not enter into any contracts involving off balance sheet financial instruments.

B11. Material litigation

Ewein Group is not engaged in any material litigation for the current financial period.

B12. Proposed dividend

At the just concluded Annual General Meeting held on 26 May 2011, the shareholders approved the payment of a first and final tax exempt dividend of 2.5 sen per share in respect of the financial year ended 31 December 2010 as recommended by the Directors.

B13. Basic earnings per share

The calculation of basic earnings per ordinary share for the current quarter is based on the net profit attributable to ordinary shareholders of RM1.627 million and the weighted average number of ordinary shares outstanding during the current quarter of 105,462,600.



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B14. Realised and unrealised retained earnings

	Current financial Period/financial year (RM'000)
Total retained profits of Ewein Berhad and its subsidiaries:	
- Realised	60,078
- Unrealised	(137)

	59,941
Total share of retained profits from associated company:	
- Realised	-
- Unrealised	-

	59,941
Less: Consolidation adjustments	(4,317)

Total group retained profits / (accumulated losses) as per consolidated accounts	55,624
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B15. Authorisation for issue

The interim financial report was authorized for issue by the Board of Directors in accordance with a resolution of the Board.

By Order of the Board

Chee Wai Hong (MIA 17181)
Secretary

Date: 26 May 2011