



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

Notes to the Unaudited Interim Financial Report

1. Basis of preparation

The interim financial report is unaudited and has been prepared in accordance with the applicable disclosure provisions of the Listing Requirements of the Bursa Malaysia Securities Berhad and MFRS 134, Interim Financial Reporting in Malaysia and also complies with IAS 34, Interim Financial Reporting issued by the International Accounting Standards Board. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated audited financial statements of the Group for the financial year ended 31 December 2011.

The Group's unaudited interim financial statements form part of the period covered by the Group's first MFRS framework annual financial statements and MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards had been applied accordingly.

The adoptions of these standards, amendments and interpretations have no material impact to the interim financial report.

2. Significant accounting policies

The accounting policies applied by the Group in the interim financial report are the same as those applied by the Group in its consolidated annual financial statements for the year ended 31 December 2011.

The following are accounting standards, amendments and interpretations of the FRS framework that have been issued by the Malaysian Accounting Standards Board (MASB) but have not been adopted by the Group.

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

- Amendments to FRS 101, Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2013

- FRS 10, Consolidated Financial Statements
- FRS 11, Joints Arrangements
- FRS 12, Disclosure of Interests in Other Entities
- FRS 13, Fair Value Measurement
- FRS 119, Employee Benefits (2011)
- FRS 127, Separate Financial Statements (2011)
- FRS 128, Investments in Associates and Joint Ventures (2011)
- IC Interpretation 20, Stripping Costs in the Production Phase of a Surface Mine
- Amendments to FRS 7, Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2014

- Amendments to FRS 132, Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities



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FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2015

- FRS 9, Financial Instruments (2009)
- FRS 9, Financial Instruments (2010)
- Amendments to FRS 7, Financial Instruments: Disclosures – Mandatory Date of FRS 9 and Transition Disclosures

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

3. 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 2011 in their report dated 24 April 2012.

4. Seasonality or cyclical factors

The business of Ewein Group is not affected by any seasonality or cyclical factors.

5. Exceptional and extraordinary items

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

6. Changes in estimates

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

7. Debt and equity securities

There were no issuance and repayments of debt and equity securities for the current financial period.

8. Dividend paid

The first and final tax exempt dividend of 2.5 sen per share totaling RM2,636,562 in respect of the financial year ended 31 December 2011 was paid on 17 August 2012.



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9. Segment information

Following the completion of the acquisition of the IJM office building on 31 May 2012, the Ewein Group has a new business segment under investment holding. The segmental information is as follows:

	12 Months Ended 31 Dec 2012 RM '000	12 Months Ended 31 Dec 2011 RM '000
Segment Revenue		
Manufacturing	93,530	104,381
Investment holding	-	-
Total revenue including inter-segment sales	93,530	104,381
Elimination of inter-segment sales	(10,755)	(15,105)
Total revenue excluding inter-segment sales	82,775	89,276
Interest income	1,067	1,041
	83,842	90,317
	12 Months Ended 31 Dec 2012 RM '000	12 Months Ended 31 Dec 2011 RM '000
Segment Results		
Manufacturing	6,475	21,042
Investment holding	1,455	-
Total results	7,930	21,042
Elimination	(620)	(13,872)
Results excluding inter segment sales	7,310	7,170
Interest expense	(512)	-
Interest income	1,067	1,041
Profit before taxation	7,865	8,211
Taxation	(1,715)	(2,379)
Profit for the period	6,150	5,832

10. 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.



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11. Other investments

The Group's other investments comprise quoted shares which are categorised as available-for-sale financial assets.

Other investments are measured at their fair values with the gains or losses recognised in other comprehensive income.

12. Events subsequent to the balance sheet date

There was no material event subsequent to the end of the current quarter.

13. Changes in Group's composition

There were no changes in the composition of the Group for the current quarter and year-to-date under review save for the disposal of 667 ordinary shares representing 66.7% equity interest in Brightway Paradise Sdn Bhd ("Brightway Paradise") on 20 September 2012.

Tele System Electric (India) Private Limited, an associated company of Brightway Paradise, ceased to be an associated company upon the disposal of Brightway Paradise.

14. 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.

15. Commitments

There were no material capital commitments as at 31 December 2012 to be disclosed as at the date of this report save as disclosed below:

As at 31 Dec 2012
RM '000

Contracted but not provided for:	
Property, plant and equipment	2,638,000

16. Review of performance

	Individual Quarter 3 Months Ended 31 Dec 2012 RM '000	Individual Quarter 3 Months Ended 31 Dec 2011 RM '000	Cumulative Quarter 12 Months Ended 31 Dec 2012 RM '000	Cumulative Quarter 12 Months Ended 31 Dec 2011 RM '000
Revenue	20,817	27,375	83,842	90,317
Profit before taxation	2,128	2,681	7,865	8,212



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Comparison with previous year corresponding quarter

The Group reported a drop in revenue owing to sluggish global economy which had dampened demand. This is mitigated by the rental income earned from the investment properties. As a result, the Group profit before tax decreased by 20.63% to RM2,128 million as compared to last year's corresponding quarter.

Comparison with previous year corresponding year to date

The Group has reported a decrease in revenue for the 12-month period ended 31 December 2012 as compared to the previous year corresponding period due to the prolonged debt crisis in the Eurozone and the slow recovery in the US economy which has affected the global market. However the performance of the Group was mitigated by the rental income earned from the investment properties effective from June 2012. This has helped to cushion the shortfall from the manufacturing division and contributed to the smaller decreased in Group profit before taxation by 4.23% to RM7.865 million as compared to RM8.212 million recorded in the financial year.

17. Variation of results against preceding quarter

	3 Months Ended 31 Dec 2012 RM'000	3 Months Ended 30 Sept 2012 RM'000
Revenue	20,817	19,193
Profit before taxation	2,128	2,071

The current quarter's result showed a marginal improvement as compared to the preceding quarter due to slight increase in customers' demand.

18. Current year prospects

Notwithstanding the gradual recovery in the US and China economy and the uncertainties of the EU economy, the Group is confident that its existing customers will sustain their demand for the Group's services and coupled with the full year recognition of rental income, the directors foresee that the Group will be able to sustain its profitability in the financial year 2013.

19. Variance between actual profit and forecast profit

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



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20. Tax expense

	Current Quarter Ended 31 Dec 2012 RM '000	Current Year-to-date 31 Dec 2012 RM '000
Current tax expense	619	1,715
Deferred tax expense	-	-
	619	1,715
	619	1,715

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

21. Status of corporate proposals

There were no corporate proposals outstanding at the date of this report.

22. Borrowings

Ewein Group's borrowings as at 31 Dec 2012 are as follows:

	Secured RM '000	Unsecured RM '000	Total RM '000
Current :			
- Finance lease obligations	-	77	77
- Term loans	5,683	-	5,683
	5,683	77	5,760
Non current :			
- Finance lease obligations	-	121	121
- Term loans	36,583	-	36,583
	36,583	121	36,704
	42,266	198	42,464

Denominated in:

	RM '000
Ringgit Malaysia	1,145
USD (Ringgit Malaysia equivalent)	41,319
	42,464
	42,464



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23. Material litigation

Ewein Group is not engaged in any material litigation for the current quarter and year to date.

24. Basic earnings per share

The calculation of basic earnings per share is based on the net profit attributable to ordinary shareholders divided by the weighted average number of ordinary shares in issue of 105,462,600.

There is no diluted earnings per share as the warrants are anti-dilutive.

25. Profit before taxation

**Current/Cumulative
Quarter Ended
31 Dec 2012
RM'000**

Profit before tax is arrived at after charging/(crediting):	
Interest income	1,067
Other income	2,048
Dividend income	-
Interest expense	512
Depreciation	1932
Provision/Write off of receivables	-
Provision/Write off of inventories	-
(Gain)/Loss on disposal of quoted or unquoted investments or properties	158
Impairment of assets	-
Realised foreign exchange (gain)/loss	-
Gain)/Loss on derivatives	-
Exceptional items	-



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26. Realised and unrealised retained earnings

	Current Financial Period RM'000
Total retained profits of Ewein Berhad and its subsidiaries:	
– Realised	64,728
– Unrealised	19
	<hr/> 64,747
Total share of retained profits from associated company:	
– Realised	-
– Unrealised	(534)
	<hr/> 64,213
Less: Consolidated adjustments	(4,571)
	<hr/> <hr/> 59,642

27. 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 (BC/C/1470)
Secretary

Date: 27 February 2013