



EWEIN 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 2012.

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 2012.

At the date of authorisation of these interim financial statements, the following MFRSs, Amendments to MFRS and IC Interpretation were issued but not yet effective and have not been applied 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

- MFRS 10, *Consolidated Financial Statements*
- MFRS 11, *Joint Arrangements*
- MFRS 12, *Disclosure of Interests in Other Entities*
- MFRS 13, *Fair Value Measurement*
- MFRS 119, *Employee Benefits* (2011)
- MFRS 127, *Separate Financial Statements* (2011)
- MFRS 128, *Investments in Associates and Joint Ventures* (2011)
- IC Interpretation 20, *Stripping Costs in the Production Phase of a Surface Mine**
- Amendments to MFRS 7, *Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities*
- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards – Government Loans**
- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements 2009-2011 Cycle)*
- Amendments to MFRS 101, *Presentation of Financial Statements (Annual Improvements 2009-2011 Cycle)*
- Amendments to MFRS 116, *Property, Plant and Equipment (Annual Improvements 2009-2011 Cycle)*
- Amendments to MFRS 132, *Financial Instruments: Presentation (Annual Improvements 2009-2011 Cycle)*
- Amendments to MFRS 134, *Interim Financial Reporting (Annual Improvements 2009-2011 Cycle)*
- Amendments to MFRS 10, *Consolidated Financial Statements: Transition Guidance*
- Amendments to MFRS 11, *Joint Arrangements: Transition Guidance*
- Amendments to MFRS 12, *Disclosure of Interests in Other Entities: Transition Guidance*



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

- Amendments to MFRS 10, *Consolidated Financial Statements: Investment Entities*
- Amendments to MFRS 12, *Disclosure of Interests in Other Entities: Investment Entities*
- Amendments to MFRS 127, *Separate Financial Statements (2011): Investment Entities*
- Amendments to MFRS 132, *Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities*

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 2012 in their report dated 29 April 2013.

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

There was no dividend paid by the Company in the current quarter and period to date except for the first and final tax exempt dividend of 1 sen per share totaling RM1,054,626 in respect of the financial year ended 31 December 2012 which was paid on 23 August 2013.



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9. Segment information

The following comprises the main business segments of the Group :-

	Individual Quarter 3 months ended		Cumulative Quarters 9 Months ended	
	30 Sept 2013 RM'000	30 Sept 2012 RM'000	30 Sept 2013 RM'000	30 Sept 2012 RM'000
Segment Revenue				
Manufacturing	13,626	22,592	40,154	72,086
Investment holding	956	1,094	2,881	1,384
Total revenue including inter segment sales	14,582	23,686	43,035	73,470
Elimination of inter-segment sales	(211)	(4,493)	(1,420)	(10,445)
Total revenue excluding inter segment sales	14,371	19,193	41,615	63,025
Interest income	147	183	518	614
	14,518	19,376	42,133	63,639
Segment Results				
Manufacturing	336	4,086	1,184	12,654
Investment holding	(122)	766	332	888
Total results	214	4,852	1,516	13,542
Elimination	(30)	(2,787)	(537)	(8,447)
Results excluding inter segment sales	184	2,065	979	5,095
Interest expense	(213)	(177)	(637)	(304)
Interest income	147	183	518	614
Profit before taxation	118	2,071	860	5,405
Taxation	(76)	(521)	(323)	(1,096)
Profit for the period	42	1,550	537	4,309

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.

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.



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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.

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 30 Sep 2013 to be disclosed as at the date of this report.



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16. Review of performance

	Individual Quarter 3 Months Ended		Cumulative Quarter 9 Months Ended	
	30 Sept 2013 RM '000	30 Sept 2012 RM '000	30 Sept 2013 RM '000	30 Sept 2012 RM '000
Revenue	14,371	19,193	41,615	63,025
Profit before taxation	118	2,071	860	5,405

Comparison with previous year corresponding quarter

The slowdown in global economy had dampened market in general and this had resulted in significant drop in Group revenue. As a result, the Group profit before tax decreased by 94.3% to RM0.118 million which was also partly caused by the loss of foreign exchange on the USD term loan.

Comparison with previous year corresponding year to date

The year to date Group Revenue showed a decline of 34.0 % due basically to the slowdown in the global economy which affected customers' demand. Accordingly, Group profit before tax took a dive of 84.1% to RM0.860 million which was also partly caused by the loss of foreign exchange on the USD term loan and mitigated by the 9 months rental income recognized versus 4 months rental income in the previous corresponding period.

17. Variation of results against preceding quarter

	3 Months Ended 30 Sept 2013 RM'000	3 Months Ended 30 June 2013 RM'000
	Revenue	14,371
Profit before taxation	118	159

The decrease in the current quarter's results was caused by the loss of foreign exchange on the USD term loan.

18. Current year prospects

The last quarter of the financial year will be a challenging one for the manufacturing division as customers' demand has not picked up due to the slowdown in the global economy. Notwithstanding the directors foresee the Group's performance for the financial year 2013 will remain positive.



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19. Variance between actual profit and forecast profit

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

20. Tax expense

	Current Quarter Ended 30 Sept 2013 RM '000	Current Year-to-date 30 Sept 2013 RM '000
Current tax expense	(76)	(323)
Deferred tax expense	-	-
	<hr/> (76)	<hr/> (323) <hr/>

This disproportionate tax charge is mainly due to the tax on rental income.

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 30 Sept 2013 are as follows:

	Secured RM '000	Unsecured RM '000	Total RM '000
Current :			
- Finance lease obligations	-	77	77
- Bank Overdraft	1,922	-	1,922
- Term loans	13,678	-	13,678
	<hr/> 15,600	<hr/> 77	<hr/> 15,677 <hr/>
Non current :			
- Finance lease obligations	-	-	-
- Term loans	33,075	-	33,075
	<hr/> 33,075	<hr/> -	<hr/> 33,075 <hr/>
Total	<hr/> 48,675	<hr/> 77	<hr/> 48,752 <hr/>



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Denominated in:

	RM '000
Ringgit Malaysia	998
USD (Ringgit Malaysia equivalent)	47,754
	<hr/> <hr/> 48,752

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 Quarter Ended 30 Sept 2013 RM'000	Cumulative Quarters 9 Months Ended 30 Sept 2013 RM'000
Profit before tax is arrived at after charging/(crediting):	-	-
Interest income	147	518
Other income	-	-
Dividend income	-	-
Interest expense	(213)	(637)
Depreciation	570	1,677
Provision/Write off of receivables	-	-
Provision/Write off of inventories	-	-
(Gain)/Loss on disposal of quoted or unquoted investments or properties	(251)	(251)
Impairment of assets	-	-
Realised foreign exchange (gain)/loss	(12)	(251)
Unrealised foreign exchange (gain)/loss	144	(74)
(Gain)/Loss on derivatives	-	-
	-	-



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26. Realised and unrealised retained earnings

	As at 30 Sept 2013
	RM'000
Total retained profits of Ewein Berhad and its subsidiaries:	
– Realised	47,058
– Unrealised	(220)
	<hr/> 46,838
Total share of retained profits from associated company:	
– Realised	298
– Unrealised	
	<hr/> 47,136
	(407)
Less: Consolidated adjustments	
	<hr/> <hr/> 46,729

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: 26 November 2013