



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 Main Market Listing Requirements of 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.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Company and its subsidiaries (“the Group”) subsequent to 31 December 2013.

2. Significant accounting policies

The significant accounting policies and methods of computation applied in the unaudited condensed interim financial statements are consistent with those adopted in the most recent audited annual financial statements for the financial year ended 31 December 2013 except for the mandatory adoption of the following new and revised Malaysian Financial Reporting Standards (“MFRS”),

Amendments to MFRS and Issues Committee Interpretations (“IC Int.”) effective on 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*

Amendments to MFRS 136, *Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Assets*

Amendments to MFRS 139, *Financial Instruments: Recognition and Measurement – Novation of Derivatives and Continuation of Hedge Accounting*

The adoption of the above did not have any significant effects on the interim financial report upon their initial application.

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 2013 in their report dated 29 April 2014.

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.



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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

On 14 April 2014, the Company has completed the Rights and Bonus Issues which increased its issued and paid-up capital to RM105,462,596. Please see note 21 (a) for the details.

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 half sen per share totaling RM1,054,626 in respect of the financial year ended 31 December 2013 which was paid on 22 August 2014.

9. Segment information

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

	Individual Quarter 3 months ended		Cumulative Quarters 12 months ended	
	31 Dec 2014 RM'000	31 Dec 2013 RM'000	31 Dec 2014 RM'000	31 Dec 2013 RM'000
Segment Revenue				
Manufacturing	5,450	9,362	36,376	48,155
Investment holding	5,366	953	8,254	3,834
Total revenue	10,816	10,315	44,630	51,989
Segment Results				
Manufacturing	425	1,004	630	1,584
Investment holding	2,076	2,067	3,515	3,079
Total results	2,501	3,071	4,145	4,663
Elimination	21	(1,060)	(548)	(1,975)
Results excluding inter segment sales	2,522	2,011	3,567	2,688
Interest expense	(110)	(190)	(662)	(677)
Interest income	121	235	706	755
Profit before taxation	2,533	2,056	3,641	2,766
Taxation	4	(861)	(458)	(1,183)
Profit for the period	2,537	1,195	3,183	1,583



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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.

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 or contingent assets as at 31 Dec 2014 to be disclosed as at the date of this report.

16. Review of performance

	Individual Quarter 3 Months Ended		Cumulative Quarter 12 Months Ended	
	31 Dec 2014 RM'000	31 Dec 2013 RM'000	31 Dec 2014 RM'000	31 Dec 2013 RM'000
Revenue	10,816	10,315	44,630	51,989
Profit before taxation	2,533	2,056	3,641	2,766

Comparison with previous year's corresponding quarter

The demand in particular for home appliances electronics segment remain slow, and this had affected revenue from manufacturing activity which in turn resulted in continued contraction in Group revenue and profit before tax. However, the Group managed to report a profit before tax ("PBT") partly contributed by property investment holding activities.



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Comparison with previous year's corresponding year to date

For the 12 months period to-date, group revenue experienced a significant drop due to the continued low demand for home appliances electronics. However, the group PBT managed to register a marginal increase due mainly from the investment holding activities.

17. Variation of results against preceding quarter

	3 Months Ended 31 Dec 2014 RM'000	3 Months Ended 30 Sep 2014 RM'000
Revenue	10,816	13,427
Profit before taxation	2,533	431

Revenue drop by 19.45% to RM10,816 million for this quarter due to slow down in order. However, the PBT improved with contribution from investment holding activities.

18. 2015 year prospects

As the sluggish demand from the electronics and electrical sector continues, the Group do not foresee any significant improvement in the manufacturing segment in the year 2015.

However, the Group will expects positive contribution from property development and property investment activities..

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 31 Dec 2014 RM '000	Current Year-to-date 31 Dec 2014 RM '000
Current tax expense	4	(458)
Deferred tax expense	-	-
	<hr/> <hr/>	<hr/> <hr/>
	4	(458)

The current tax is in respect of rental income.



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21. Status of corporate proposals

There were no corporate proposals outstanding at the date of this report. Further update on status of corporate proposals undertaken by the Group at the date of this report is as follows:

- (a) On 22 January 2014, the Company held its extraordinary general meeting where the following were approved:
- (i) Renounceable rights issue of up to 79,096,950 new ordinary shares of RM0.50 each in Ewein (“Ewein share(s)” or “Rights Share(s)”) on the basis of one (1) rights share for every two (2) existing Ewein shares held by the entitled shareholders of Ewein, on an entitlement date to be determined later (“Rights Issue”);
 - (ii) Bonus issue of up to 79,096,950 new Ewein shares (“Bonus Share(s)”) on the basis of one (1) bonus share for every one (1) rights share subscribed for by the entitled shareholders of Ewein and/or their renounee(s) pursuant to the rights issue (“Bonus Issue”);
 - (iii) Increase in the authorised share capital of Ewein from RM100,000,000 comprising 200,000,000 Ewein shares to RM250,000,000 comprising 500,000,000 Ewein shares (Increase in Authorised Share Capital), and
 - (iv) Amendments to the memorandum and articles of association of Ewein (M&A Amendments).

Following the listing of the 52,731,296 Rights Shares and 52,731,296 Bonus Shares issued pursuant to the Rights Issue and Bonus Issue respectively on the Main Market of Bursa Malaysia Securities Berhad on 14 April 2014, marked the completion of the above proposals.

- (b) On 27 June 2014, the Company held its extraordinary general meeting where the following were approved:
- (i) Proposed joint venture between Consortium Zenith BUCG Sdn Bhd and Ewein Land Sdn Bhd (“EL”), a wholly-owned subsidiary of the Company via Ewein Zenith Sdn Bhd, a 60% owned subsidiary of EL, to undertake a proposed development on all that piece of freehold land with land area of approximately 159,865 square feet (3.67 acres) identified as Lot 702 situated in Section 1, Bandar Tanjong Pinang, Daerah Timur Laut, Negeri Pulau Pinang; and
 - (ii) Proposed diversification of the business of Ewein and its subsidiaries into property development.



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22. Borrowings

Ewein Group's borrowings as at 31 December 2014 are as follows:

	Secured	Unsecured	Total
	RM '000	RM '000	RM '000
Current :			
- Finance lease obligations	-	-	-
- Bank Overdraft	2,412	-	2,412
- Term loans	3,952	-	3,952
	<u>6,364</u>	<u>-</u>	<u>6,364</u>
Non current :			
- Finance lease obligations	-	-	-
- Term loans	39,316	-	39,316
	<u>39,316</u>	<u>-</u>	<u>39,316</u>
Total	<u>45,680</u>	<u>-</u>	<u>45,680</u>

Denominated in:

	RM '000
Ringgit Malaysia	3,015
USD (Ringgit Malaysia equivalent)	42,665
	<u>45,680</u>

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.



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	Individual Quarter 3 Months Ended		Cumulative Quarter 12 Months Ended	
	31 Dec 14	31 Dec 13	31 Dec 14	31 Dec 13
Profit after taxation Attributable to owners of the parent (RM'000)	2,702	1,137	3,461	1,646
Weighted average number of ordinary shares of RM0.50 each in issue after taking into account the effect of Rights and Bonus shares ('000)	158,193	158,193 *	158,193	158,193 *
Basic earnings per share (sen)	1.71	0.71	2.19	1.04

*As the bonus issue during the financial period ended 31 December 2014 was without consideration, it is treated as if it had occurred before the beginning of 2013, the earliest period presented. Accordingly, the weighted average number of ordinary shares and earnings per share have been restated.

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

25. Profit before taxation

	Current Quarter Ended		Cumulative Quarter Ended	
	31 Dec 2014 RM'000	31 Dec 2013 RM'000	31 Dec 2014 RM'000	31 Dec 2013 RM'000
Profit before tax is arrived at after charging/(crediting):	-	-	-	-
Interest income	(121)	(235)	(706)	(755)
Other income	-	-	-	-
Dividend income	(32)	-	(149)	(229)
Interest expense	110	190	662	677
Depreciation	600	561	2,144	2,237
Provision/Write off of receivables	-	-	-	764
Provision/Write off of inventories	-	-	-	-
(Gain)/Loss on disposal of quoted or unquoted investments or properties	(6)	(162)	(145)	(447)
Impairment of assets	-	-	-	6
Realised foreign exchange (gain)/loss	1,986	1,008	1,944	(753)
Unrealised foreign exchange (gain)/loss	(368)	(2,328)	(923)	(1,982)



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(Gain)/Loss on derivatives	-	-	-	-
Loss on disposal of an associate	780	-	780	-

26. Realised and unrealised retained earnings

	As at 31 Dec 2014 RM'000	As at 31 Dec 2013 RM'000
Total retained profits of Ewein Berhad and its subsidiaries:		
– Realised	23,746	48,532
– Unrealised	(156)	(706)
	<hr/> 23,590	<hr/> 47,826
Total share of retained profits from associated company:		
– Realised	605	329
– Unrealised		
	<hr/> 24,195	<hr/> 48,155
Less: Consolidated adjustments	(313)	(313)
	<hr/> <hr/> 23,882	<hr/> <hr/> 47,842



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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 2015