

**WEIN BERHAD**

(Company No. 742890-W)

(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION****AS AT 30 SEPTEMBER 2016****(The figures have not been audited)**

	(Unaudited) As at 30-Sep-16 RM'000	(Audited) As at 31-Dec-15 RM'000
<b>ASSETS</b>		
Property, plant and equipment	14,347	15,548
Investment properties	81,241	81,337
Investment in associates	97	97
Deferred tax assets	2,491	3,172
<b>Total non-current assets</b>	<u>98,176</u>	<u>100,154</u>
Inventories	5,987	4,099
Trade and other receivables	11,343	58,129
Property development costs	213,615	153,002
Current tax assets	354	161
Fixed Deposit with licensed banks	16,494	16,014
Cash and cash equivalents	18,942	26,154
<b>Total current assets</b>	<u>266,735</u>	<u>257,559</u>
<b>TOTAL ASSETS</b>	<u>364,911</u>	<u>357,713</u>
<b>EQUITY AND LIABILITIES</b>		
Share capital	101,493	95,999
Reserves	38,960	28,223
<b>Total equity attributable to shareholders of the Company</b>	<u>140,453</u>	<u>124,222</u>
Non controlling interests	9,722	5,754
<b>Total equity</b>	<u>150,175</u>	<u>129,976</u>
Long term borrowings	96,057	97,531
Trade and other payables	-	44,803
Deferred tax liabilities	1,156	1,840
<b>Total non-current liabilities</b>	<u>97,213</u>	<u>144,174</u>
Trade and other payables	67,273	36,189
Loans and borrowings	46,613	43,082
Current tax liabilities	3,637	4,292
<b>Total current liabilities</b>	<u>117,523</u>	<u>83,563</u>
<b>TOTAL LIABILITIES</b>	<u>214,736</u>	<u>227,737</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>364,911</u>	<u>357,713</u>
Net Assets per ordinary share (RM)	<u>0.63</u>	<u>0.59</u>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2015 and the accompanying explanatory notes attached to the interim financial statements.

**WEIN BERHAD****(Company No. 742890-W)****(Incorporated in Malaysia)****CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME****FOR THE PERIOD ENDED 30 SEPTEMBER 2016****(The figures have not been audited)**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	3 months ended		9 months ended	
	30-Sep		30-Sep	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Revenue	26,690	29,212	76,370	49,478
Cost of goods sold	(20,416)	(16,998)	(47,576)	(33,934)
Gross profit	6,274	12,214	28,794	15,544
Other operating income	2,011	1,049	3,973	3,529
Distribution and administrative expenses	(5,098)	(2,136)	(12,336)	(5,544)
Finance costs	(811)	770	(2,136)	(451)
Profit before taxation	2,376	11,897	18,295	13,078
Tax expense	511	(1,470)	(3,617)	(1,907)
<b>Profit for the period</b>	<b>2,887</b>	<b>10,427</b>	<b>14,678</b>	<b>11,171</b>
<b>Other Comprehensive Income, net of tax</b>				
Fair value of available-for-sale financial assets	-	(832)	-	(832)
<b>Total Comprehensive Income for the period</b>	<b>2,887</b>	<b>9,595</b>	<b>14,678</b>	<b>10,339</b>
<b>Profit attributable to:</b>				
Owners of the Company	2,787	6,415	10,710	7,619
Non-controlling interests	100	4,012	3,968	3,552
	<b>2,887</b>	<b>10,427</b>	<b>14,678</b>	<b>11,171</b>
<b>Total comprehensive income attributable to:</b>				
Owners of the Company	2,787	5,583	10,710	6,787
Non-controlling interests	100	4,012	3,968	3,552
	<b>2,887</b>	<b>9,595</b>	<b>14,678</b>	<b>10,339</b>
Basic earnings per share (sen)	1.26	3.04	4.84	3.61
Diluted earnings per share (sen)	1.22	3.04	4.61	3.61

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2015 and the accompanying notes attached to the interim financial statements.



**EWEIN BERHAD**  
 (Company No. 742890-W)  
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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED 30 SEPTEMBER 2016**  
 (The figures have not been audited)

	Share capital RM'000	Share premium	Non- Distributable Reverse acquisition reserve RM'000	Non- Distributable Fair value reserve RM'000	Non- Distributable Warrant reserve RM'000	Revaluation reserve RM'000	Distributable Retained earnings RM'000	Total RM'000	Non-Controlling Interest RM'000	Total equity RM'000
At 1 January 2016	95,999	-	(31,482)	-	21,919	3,800	33,914	124,222	5,754	129,976
Total comprehensive income for the period	-	-	-	-	-	-	10,710	10,710	3,968	14,678
Exercise of warrants	5,494	1,137	-	-	-	-	-	6,631	-	6,631
Dividend	-	-	-	-	-	-	(1,110)	(1,110)	-	(1,110)
At 30 September 2016	101,493	1,137	(31,482)	-	21,919	3,800	43,514	140,453	9,722	150,175
At 1 January 2015	95,671	-	(31,482)	831	21,919	-	23,585	110,524	421	110,945
Total comprehensive income for the period	-	-	-	(831)	-	3,800	11,384	14,353	4,533	18,886
Allocation of value to warrant reserve	328	72	-	-	-	-	-	400	-	400
Dividend	-	-	-	-	-	-	(1,055)	(1,055)	-	(1,055)
Subscription of shares in subsidiaies	-	-	-	-	-	-	-	-	800	800
At 31 December 2015	95,999	72	(31,482)	-	21,919	3,800	33,914	124,222	5,754	129,976

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2015 and the accompanying notes attached to the interim financial statements.



**EWEIN BERHAD**  
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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD ENDED 30 SEPTEMBER 2016**  
(The figures have not been audited)

	Cumulative Quarter 9 Months Ended 30-Sep-16 RM'000	Cumulative Quarter 9 Months Ended 30-Sep-15 RM'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	18,295	13,078
Adjustments for:		
Non-cash items	1,506	868
Non-operating items	(716)	5,668
Operating profit before working capital changes	19,085	19,614
Changes in working capital		
Net changes in current assets	(4,714)	(102,995)
Net changes in current liabilities	(11,720)	16,944
Taxes paid	(4,468)	(553)
Net cash used in operating activities	(1,817)	(66,990)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
- Dividend Income	13	-
- Interest income	408	269
- Investment in associate company	-	(100)
- Proceeds from disposal of plant and equipment	341	4
- Placement of short term deposits with licensed banks	(480)	-
- Proceeds from disposal of other investment	-	1,037
- Purchase of property, plant and equipment	(702)	(4,752)
Net cash used in investing activities	(420)	(3,542)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
- Capital contribution from a non-controlling interest of a newly incorporated subsidiary	-	400
- Interest paid	(2,136)	(451)
- Payment of dividend	(1,110)	(1,055)
- (Repayment)/Drawdown of term loans	-	55,004
- Placement of pledged fixed deposits	-	8,855
- Issuance of shares	6,702	-
Net cash from financing activities	3,456	62,753
Net change in cash and cash equivalents	1,219	(7,779)
Cash and cash equivalents at beginning	(12,268)	15,620
Cash and cash equivalents at end	(11,049)	7,841
<u>Cash and cash equivalents</u>		
Cash and cash equivalents included in the condensed consolidated cash flow statement comprise the following:		
Cash and bank balances	18,942	32,181
Bank overdrafts	(46,485)	(40,238)
Fixed deposits with licensed banks	16,494	15,898
	(11,049)	7,841

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 December 2015 and the accompanying notes attached to the interim financial statements.



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## **Notes to the Unaudited Interim Financial Report**

### **1. Basis of preparation**

The condensed consolidated interim financial information is unaudited and have been prepared in accordance with the applicable disclosure provisions of paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and MFRS 134, Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and 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 the understanding of the changes in financial position and performance of the Company and its subsidiaries (“the Group”) subsequent to 31 December 2015.

### **2. Significant accounting policies**

The significant accounting policies applied in the unaudited condensed interim financial statements are consistent with those adopted in the most recent annual audited financial statements for the financial year ended 31 December 2015 except for the adoption of the following new and revised Malaysian Financial Reporting Standards (“MFRS”) with effect from 1 January 2017.

#### **MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2017**

Amendments to MFRS 112	Income Taxes – Recognition of Deferred Tax Assets for Unrealised Losses
Amendments to MFRS 107	Statement of Cash Flows – Disclosure Initiative

#### **MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2018**

MFRS 9	Financial Instruments (2014)
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#### **MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2019**

MFRS 16	Leases
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#### **MFRSs, Interpretations and amendments effective for a date yet to be confirmed**

Amendments to MFRS 10	Consolidated Financial Statements
MFRS 128	Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture



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## **Notes to the Unaudited Interim Financial Report**

### **2. Significant accounting policies (Cont'd)**

The adoption of the above standards and amendments are not expected to have any material financial impact to the Group upon their first adoption other than MFRS 9, Financial Instruments and MFRS 16, Leases which the Group is currently assessing the financial impact.

### **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 2015 in their report dated 18 April 2016.

### **4. Seasonality or cyclical factors**

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

### **5. Unusual items due to their nature, size or incidence**

There were no unusual 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 nine months ended 30 September 2016.

### **7. Debt and equity securities**

During the financial period, there was issuance of 10,987,200 new ordinary shares of RM0.50 each during the nine months ended 30 September 2016 in which 10,126,500 new ordinary shares of RM0.50 each were issued during the three months ended 31 March 2016, 163,600 new ordinary shares of RM0.50 each were issued during the three months ended 30 June 2016 and 697,100 new ordinary shares of RM0.50 each were issued during the three months ended 30 September 2016. All shares arising from exercise of warrants were at an exercise price of RM0.61 per ordinary share.

There were no other issuances, cancellations, repurchases, resale and repayments of debt and equity securities by the Company during the quarter and nine months ended 30 September 2016.

### **8. Dividend paid**

There was no dividend paid by the Company in the current quarter and period to date except for the single tier first and final dividend of half cent per share totaling RM1,109,657.23 in respect of the financial year ended 31 December 2015, paid on 24 August 2016.



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## Notes to the Unaudited Interim Financial Report

### 9. Segment information

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

	Individual Quarter 3 months ended		Cumulative Quarters 9 months ended	
	30 Sep 2016 RM'000	30 Sep 2015 RM'000	30 Sep 2016 RM'000	30 Sep 2015 RM'000
<b>Segment Revenue</b>				
Manufacturing	12,677	11,233	29,129	28,518
Property development and construction	12,454	16,576	42,733	16,769
Investment holding, property management and letting	1,559	1,403	4,508	4,191
Total revenue	<u>26,690</u>	<u>29,212</u>	<u>76,370</u>	<u>49,478</u>
<b>Segment Results</b>				
Manufacturing	46	574	327	1,595
Property development and construction	445	10,259	13,646	10,438
Investment holding, property management and letting	2,578	199	6,050	1,227
Results excluding inter segment sales	3,069	11,032	20,023	13,260
Interest expense	(811)	770	(2,136)	(451)
Interest income	118	95	408	269
Profit before taxation	<u>2,376</u>	<u>11,897</u>	<u>18,295</u>	<u>13,078</u>
Taxation	511	(1,470)	(3,617)	(1,907)
Profit for the period	<u>2,887</u>	<u>10,427</u>	<u>14,678</u>	<u>11,171</u>

### 10. Valuation of property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any 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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### Notes to the Unaudited Interim Financial Report

#### 11. Other investments

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

Other investments are marked-to-market with the gains or losses (except in the case of an impairment) being recognized in fair value reserve within equity. On derecognition, the cumulative gain or loss recognized in other comprehensive income is reclassified from equity into profit or loss.

#### 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 during the financial period ended 30 September 2016.

#### 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 30 September 2016 to be disclosed as at the date of this report.

#### 16. Review of performance

	Individual Quarter		Cumulative Quarter	
	3 Months Ended	3 Months Ended	9 Months Ended	9 Months Ended
	30 Sep 2016	30 Sep 2015	30 Sep 2016	30 Sep 2015
	RM'000	RM'000	RM'000	RM'000
Revenue	26,690	29,212	76,370	49,478
Profit before taxation	2,376	11,897	18,295	13,078

#### Comparison with previous year's corresponding quarter

The property development segment continues to contribute, with the third quarter revenue results just RM2.52 million shy of the previous quarter's surge in revenue on the back of the City of Dreams project maiden launch by Ewein Zenith Sdn. Bhd. The Group's revenue for the nine months ended 30 September 2016 was RM76.37 million, a significant increase of





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### **Notes to the Unaudited Interim Financial Report**

#### **16. Review of performance (Cont'd)**

RM26.89 million over the previous year's corresponding year to date revenue of RM49.48 million.

For the third quarter, the Group's profit before tax was RM2.38 million as compared to the previous year's corresponding quarter profit before tax of RM11.90 million. The decreased revenue as compared to the previous year's corresponding quarter was mainly due to jump in the revenue from the property development segment from the adoption of the MFRS 15 for the recognition of revenue for the property development segment in Q3 2015, as well as the increase in overheads in the manufacturing segment in this quarter under review. On the bright side, the Group's current year to date ended 30 September 2016 posted a profit before tax of RM18.30 million which translated to an increase of RM5.22 million over the previous year to date's profit before tax of RM13.08 million. This increase was mainly contributed by the property development segment.

#### **Comparison with previous year's corresponding year to date**

Same commentary as above.

#### **17. Variation of results against preceding quarter**

	<b>3 Months Ended 30 Sep 2016 RM'000</b>	<b>3 Months Ended 30 Jun 2016 RM'000</b>
Revenue	26,690	29,437
Profit before taxation	2,376	8,657

The lower profit before taxation compared to the preceding quarter is mainly due to lower revenue recognized from the property development and construction segment as well as higher property development related expenses incurred.

#### **18. 2016 year prospects**

In cognizance to the challenging environment, the Board is cautiously optimistic on the Group's performance for the rest of the financial year.

#### **19. Variance between actual profit and forecast profit**

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



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**Notes to the Unaudited Interim Financial Report**

**20. Tax expense**

	<b>Current Quarter Ended 30 Sep 2016 RM '000</b>	<b>Current Year-to-date 30 Sep 2016 RM '000</b>
Current tax expense	(511)	3,617

**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 September 2016 are as follows:

	<b>As at 30 Sep 2016 Secured RM '000</b>	<b>As at 31 De 2015 Secured RM '000</b>
Current :		
– Bank Overdraft	46,485	38,150
– Term loans	128	4,932
	<u>46,613</u>	<u>43,082</u>
Non-current :		
– Term loans	96,057	97,531
	<u>96,057</u>	<u>97,531</u>
Total	<u>142,670</u>	<u>140,613</u>

Denominated in:

	<b>RM '000</b>
Ringgit Malaysia	101,965
USD (Ringgit Malaysia equivalent)	40,705
	<u>142,670</u>



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**Notes to the Unaudited Interim Financial Report**

**23. Material litigation**

Ewein Group is not engaged in any material litigation for the current quarter and nine months ended 30 September 2016.

**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.

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>3 Months Ended</b>	<b>3 Months Ended</b>	<b>9 Months Ended</b>	<b>9 Months Ended</b>
	<b>30 Sep 16</b>	<b>30 Sep 15</b>	<b>30 Sep 16</b>	<b>30 Sep 15</b>
Profit attributable to owners of the Company (RM'000)	2,787	6,415	10,710	7,619
Weighted average number of ordinary shares of RM0.50 each in issue after taking into account the effect of Rights and Bonus shares ('000)	221,440	210,925	221,440	210,925
Basic earnings per share (sen)	1.26	3.04	4.84	3.61

The diluted earnings per share for the current quarter and cumulative quarter to date are computed as follows:

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>3 Months Ended</b>	<b>3 Months Ended</b>	<b>6 Months Ended</b>	<b>6 Months Ended</b>
	<b>30 Sep 16</b>	<b>30 Sep 15</b>	<b>30 Sep 16</b>	<b>30 Sep 15</b>
Profit attributable to owners of the Company (Basic) (RM'000)	2,787	6,415	10,710	7,619
Interest expense saving on borrowings	193	*	579	*
Profit attributable to owners of the Company (Diluted) (RM'000)	2,980	6,415	11,289	7,619
Weighted average number of ordinary shares of RM0.50 each in issue after taking into account the effect of Rights and Bonus shares ('000)	221,440	210,925	221,440	210,925
Adjustments for warrants granted ('000)	23,466	*	23,466	*
Adjusted weighted average number of ordinary shares in issue ('000)	244,906	210,925	244,906	210,925
Diluted earnings per share (sen)	1.22	3.04	4.61	3.61



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**Notes to the Unaudited Interim Financial Report**

\* The diluted earnings per share for the period ended 30 September 2015 is the same as the basic earnings per share as the effect of anti-dilutive potential shares is ignored in calculating diluted earnings per ordinary share in accordance with MFRS 133, *Earnings per share*.

**25. Profit before taxation**

	<b>Current Quarter Ended</b>		<b>Cumulative Quarter Ended</b>	
	<b>30 Sep 2016 RM'000</b>	<b>30 Sep 2015 RM'000</b>	<b>30 Sep 2016 RM'000</b>	<b>30 Sep 2015 RM'000</b>
Profit before tax is arrived at after charging/(crediting):				
Interest income	(118)	(95)	(408)	(269)
Dividend income	-	-	(13)	(19)
Interest expense	811	770	2,136	451
Depreciation	459	571	1,506	1,700

**26. Realised and unrealised retained earnings**

	<b>As at 30 Sep 2016 RM'000</b>	<b>As at 31 Dec 2015 RM'000</b>
<b>Total retained profits of Ewein Berhad and its subsidiaries:</b>		
– Realised	48,823	43,561
– Unrealised	3,505	(4,800)
	<hr/> 52,328	<hr/> 38,761
<b>Total share of retained earnings of associates</b>		
– Realised	-	(3)
<b>Less: Consolidated adjustments</b>	(8,814)	(4,844)
	<hr/> 43,514	<hr/> 33,914



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**Notes to the Unaudited Interim Financial Report**

**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: 29 November 2016